

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

**GIFTCRAFT LTD., GIFTCRAFT MIDCO, INC., GIFTCRAFT HOLDINGS USA INC.,
GIFTCRAFT HOLDINGS, INC., GIFTCRAFT INC., RIPSIRT HAWAII, LLC AND
YOSOX USA INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION
243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3,
AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C.43, AS AMENDED**

SUPPLEMENTARY BRIEF OF RBC RE ELSASSER CLAIM

October 13, 2026

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I N D E X

Tab	Document	Page No.
1.	Transcript of Cole Elsasser from Examination on August 28, 2026	5
2.	Letter re Responses to Undertakings, dated September 28, 2026 From: Cole Elsasser To: Douglas Smith [BLG]	50
i A.	IRS EIN Individual Request – Online Application, dated August 5, 2022	52
i B.	Certificate of Existence, dated September 2, 2022	53
iii.	Unit Purchase and Contribution Agreement between Giftcraft Holdings USA Inc., Elsasser Holding Company, Inc., Giftcraft Holdings, Inc., Ripskirt, Alecia Elsasser, and certain other parties thereto, dated September 16, 2022	54
iv A	Emails between Cole Elsasser and Pritesh Patel re Ripskirt - call with KPMG	172

iv B	Emails between Pritesh Patel, Steve Cobb, and Cole Elsasser re An introduction for your work as GC receiver	175
vii.	Email between Cole Elsasser and Pritesh Patel re Elsasser Holding Company and GiftCraft Loose Ends	187

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PROCEEDING COMMENCED AT TORONTO**

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Court File No. CV-25-00742864-00CL

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(COMMERCIAL LIST)

GE/or

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- - - - -

This is the Cross-Examination of COLE ELSASSER on his
Affidavit sworn the 28th day of August, 2026, taken via
videoconference at the offices of VICTORY VERBATIM
REPORTING SERVICES INC., 222 Bay Street, Suite 900,
Toronto-Dominion Centre, Toronto, Ontario, on the 16th day
of September, 2026.

- - - - -

A P P E A R A N C E S:

DOUGLAS SMITH
MELISSA DE ANGELIS
(Articling Student)

-- for the Applicant

INDEX OF PROCEEDINGS

	<u>PAGE NUMBER</u>
COLE ELSASSER, affirmed	
Cross-Examination by Mr. Smith	3 - 43
Index of Undertakings	44
Certificate	45

1 --- upon convening at 2:00 p.m.

2 --- upon commencing at 2:03 p.m.

3
4 COLE ELSASSER, affirmed

5 CROSS-EXAMINATION BY MR. SMITH:

6 1. Q. Good afternoon. Good morning to
7 you. I understand that you are Cole Elsasser?

8 A. I am.

9 2. Q. And am I pronouncing your last
10 name correctly?

11 A. Yes, Elsasser.

12 3. Q. Okay, and Mr. Elsasser, you swore
13 an affidavit in the proceedings involving the
14 Giftcraft group of companies dated the 28th of
15 August, 2026, is that correct?

16 A. Correct.

17 4. Q. I understand that you reside in
18 Hood River, Oregon?

19 A. I do.

20 5. Q. And can you give me just a brief
21 synopsis of your educational background?

22 A. Yes. I went to the University of
23 Oregon and studied business.

24 6. Q. Other than your position with
25 Elsasser Holding Company, and we will get to

1 that, what is your occupation, currently?

2 A. Today, I am the head of
3 e-commerce for a nutrition supplement company
4 called ProBio. I believe the actual business
5 name is Performance Nutrition Labs.

6 7. Q. Interesting, okay. I
7 understand...and lawyers like to point out
8 obvious things because it makes us feel smart. I
9 understand that you are not a licensed attorney,
10 is that correct?

11 A. No, I am not.

12 8. Q. And you never have been?

13 A. I have not.

14 9. Q. Okay. Let me ask you about
15 Elsasser Holding, and I am going to start by
16 referring you to a document that is Exhibit E to
17 the affidavit of Nick Hollard, dated September
18 11, 2026. So, let me just share this on the
19 screen. Can you see that, Mr. Elsasser?

20 A. I can, yes.

21 10. Q. So, this seems to be a letter
22 from yourself to The Honourable Justice Cavanagh
23 of the Commercial List, dated August 14, 2026, is
24 that correct?

25 A. That appears to be...sorry, which

1 record is this in? Is this in your record or my
2 record?

3 11. Q. No, this is in the record filed
4 by RBC. It is an exhibit to the affidavit of
5 Nick Hollard.

6 A. Okay, yes, okay, at page 105.
7 Yes, understood. I am with you.

8 12. Q. Okay. In this letter, you told
9 the court that you write as president of Elsasser
10 Holding Company Inc., is that correct?

11 A. Yes.

12 13. Q. So, let me ask you...I am going
13 to refer to paragraph 1 of your affidavit, dated
14 August 28, 2026. In paragraph 1, you say you are
15 the vice-president of Elsasser Holding Company.
16 So, which is it? Are you the president or the
17 vice-president, or is it the type of thing where
18 you don't stand on ceremony?

19 A. Elsasser Holding Company was
20 created with the sole purpose of facilitating the
21 transaction of RipSkirt being sold to the
22 Giftcraft group, and this was formed in, yes,
23 2022. I know, at the time, I filed the paperwork
24 to establish the entity. I believe that I marked
25 myself as "president". It is a two-person entity

1 owned by my mother and I. So, essentially, it
2 is...I am not 1,000 percent positive that I am
3 the vice-president or the president.

4 14. Q. Understood, and you anticipated
5 my next question. I understand that...if we can
6 call it "Elsasser Holding" instead of using the
7 full name, it is a closely-held Oregon
8 corporation with only two shareholders, you and
9 your mother, Alecia. Is it Alecia or Alecia?

10 A. Alecia, correct.

11 15. Q. Okay. And you and your mother
12 are also the only two directors of that corporate
13 entity, is that correct?

14 A. Yes, to the best of my knowledge,
15 yes.

16 16. Q. And going back to your letter, as
17 you just said, in your letter...let me just find
18 it. Here it is. So, I am referring to page 106
19 of the RBC record, and paragraph...you have got a
20 few numbered paragraphs in your letter, so I am
21 looking at numbered paragraph 1.

22 A. Sure.

23 17. Q. You advised the court in this
24 highlighted bit here:

25 "...Elsasser Holding was formed for the

1 singular purpose of facilitating the
2 sale of RipSkirt Hawaii LLC..."

3 Is that correct?

4 A. Yes.

5 18. Q. Okay. I am going to bounce
6 around a bit. In paragraph 4 of your
7 affidavit...just give paragraph 4 a read, and
8 then I will have a question for you.

9 A. Okay.

10 19. Q. So, in paragraph 4, you stated:
11 "...Elsasser Holding, the founder of,
12 and until 2022, the owner of the
13 RipSkirt business..."

14 Do you see that?

15 A. M'hmm.

16 20. Q. So, when was the RipSkirt
17 business founded? When did it start?

18 A. I don't recall the exact date. I
19 was not an employee at the time of founding.

20 21. Q. Okay. Paragraph 4 suggests to
21 me, and I would appreciate your evidence on this,
22 that Elsasser Holding was formed at the time that
23 the RipSkirt business started. Is that what you
24 are trying to say in paragraph 4?

25 A. No, that is not what I am trying

1 to say in paragraph 4, or...I feel like it is the
2 intent of paragraph 4.

3 22. Q. All right. When was Elsasser
4 Holding formed or incorporated? When did it come
5 into existence?

6 A. I do not recall the exact date.
7 Sometime in 2022, potentially 2021, but sometime
8 in that time frame.

9 23. Q. All right. Are you able to check
10 your records and give me an exact date?

11 A. I could, if necessary, yes. I
12 don't think it is important to the conversation,
13 though.

14 24. Q. So, just to give you a bit of
15 context, the way this works is I am going to,
16 from time to time, ask you to do a little
17 homework and provide information that is not in
18 the materials.

19 You are free to object, but if you do
20 object, we can raise it with the judge hearing
21 this and say, "We asked Mr. Elsasser for this
22 information. He didn't provide it. We would ask
23 you to draw a negative inference." So, I am just
24 giving you that by way of background because you
25 are not an attorney in Ontario.

1 A. I appreciate it. Thank you.

2 25. Q. Yes, so, we call that a request
3 for an undertaking. And so, I am asking for an
4 undertaking for you to advise of the exact date
5 of incorporation of Elsasser Holding. So, what
6 is your answer to that?

7 A. I will look for it, yes. U/T

8 26. Q. Okay, I appreciate that. I
9 understand that RipSkirt was founded by your
10 mother?

11 A. Yes.

12 27. Q. And RipSkirt was sold...I think
13 the date was September 16, 2022, is that right?

14 A. Yes, correct. That is when the
15 Purchase Agreement was signed.

16 28. Q. Who purchased RipSkirt from
17 Elsasser Holding?

18 A. I forget the exact entity name,
19 because, as you know, there are several Giftcraft
20 holdings, you know, associate incorporations, et
21 cetera. But essentially, Giftcraft...

22 29. Q. Got it, okay. And I understand
23 that you were involved in that transaction and
24 that sale transaction?

25 A. I was intimately involved in it,

1 yes.

2 30. Q. Did you come to understand that
3 the purchase of RipSkirt by whatever Giftcraft
4 entity it was...that the purchase was funded by
5 the loan to Giftcraft by HSBC, which was then
6 assigned to RBC? Did you come to understand
7 where the funding came from?

8 A. Yes, I came to understand where
9 the funding came from, but I don't believe it was
10 holistically funded by RBC or, then, HSBC.

11 31. Q. You became aware of the fact that
12 there were certain credit facilities advanced by
13 HSBC or RBC?

14 A. Yes, it was a private equity...a
15 strategic backed private equity...sorry, yes, a
16 private equity-backed strategic partner, you
17 know, leveraging debt to fund a traditional
18 private equity purchase. I understood the nature
19 of that sale.

20 32. Q. All right. I am going to refer
21 you to Exhibit D to the Hollard affidavit, and
22 this appears to be a letter dated May 9, 2026,
23 again, to Justice Cavanagh, and I believe this is
24 a letter from your mother. Is that correct?

25 A. I will go to the bottom here.

1 Yes, that exhibit was authored by Alecia.

2 33. Q. All right. And does your mother
3 still live in Paia?

4 A. She does.

5 34. MR. SMITH: Okay. Off the record for
6 a second.

7
8 --- DISCUSSION OFF THE RECORD

9
10 BY MR. SMITH:

11 35. Q. Have you, Mr. Elsasser, read this
12 letter from your mother? Have you read it before
13 today?

14 A. I am sure I have read it before
15 today. I don't recall the exact, you know,
16 verbiage from the letter, no.

17 36. Q. Okay. Can I ask, by way of
18 undertaking, for you to review the letter and let
19 me know if there is anything in the letter that
20 you, sitting here today, disagree with?

21 A. Yes. Would you like me to do
22 that now?

23 37. Q. No, no. I don't want to waste
24 the reporter's time and create more time on the
25 record. So, if you can do that by way of an

$$U/T$$

6 A. Yes, thank you. I appreciate it.

9 A. Sure, thank you.

12 A. Sorry, could you clarify what you
13 mean by the "P note"?

19 A. M'hmm, the promissory note.

23 A. Sure.

43. Q. And in paragraph 5, you discuss the Purchase Agreement, and it looks like it was

1 between Giftcraft Holdings USA and Elsasser
2 Holding. Does that seem right to you?

3 A. Yes. That is what I have written
4 there.

5 44. Q. All right. And you make
6 reference to an indemnity holdback amount of \$3.5
7 million US, correct?

8 A. Correct.

9 45. Q. And that is pursuant to section
10 1.04(b) of the Purchase Agreement. Do I
11 understand that correctly?

12 A. Yes.

13 46. Q. Okay. Could you, by way of
14 undertaking, provide us with the Purchase
15 Agreement between Giftcraft USA and Elsasser
16 Holding?

17 A. Would you not already have that
18 yourselves, seeing as that you are representing
19 the company who was involved in that transaction?

20 47. Q. We are not representing the
21 company, we are representing the bank, so we
22 don't have that. The receiver may have it, but
23 the bank does not.

24 A. Okay, yes, I am happy to produce
25 it for you, yes, yes. But your bank issued the

1 wires and handled the uses of funds and all the
2 other, kind of, associated documentation with...
3 and was intimately involved in the process and
4 the authorization of the note, which was directly
5 pursuant to the Purchase Agreement. So, it is
6 surprising to me that the bank doesn't have that
7 agreement.

U/T

8 48. Q. Well, I certainly don't have it.

9 A. Okay.

10 49. Q. Do you recall, sitting here, what
11 the purchase price was, how much Elsasser Holding
12 received from Giftcraft USA?

13 A. My recollection is that the net
14 proceeds we received, the wire transfer
15 proceeding the sale, a few days after the sale,
16 was just under \$27 million. It was somewhere in
17 the 26.5 to 27 range.

18 50. Q. And I understand that, after the
19 sale, you stayed on with RipSkirt for a while
20 afterwards?

21 A. Yes, I worked there for an
22 extended period of time, two years, slightly more
23 than two years, something like that.

24 51. Q. And were you an employee or were
25 you a contractor, or what was your capacity with

1 the RipSkirt business after the sale?

2 A. I was an employee and the
3 vice-president of RipSkirt Hawaii.

4 52. Q. Okay. I am referring you back to
5 your affidavit, paragraph 5. Take a read of
6 paragraph 5, and then I just have a couple of
7 clarifying questions.

8 A. Okay.

9 53. Q. So, what I understand from
10 paragraph 5 of your affidavit is that there was
11 this \$3.5 million holdback that became due and
12 owing, but Giftcraft couldn't make that payment
13 or wouldn't make that payment to Elsasser
14 Holding, is that correct?

15 A. Yes. What I was told at the time
16 that the indemnification came due was that
17 Giftcraft had the available funds in their
18 accounts, and revolvers, et cetera, but that RBC
19 was preventing them from issuing that payment.

20 54. Q. Okay, and did you come to learn
21 of any financial difficulties that the Giftcraft
22 group of companies was experiencing? I think
23 this was in or around September of 2024. Is that
24 the right timeline?

25 A. No. I don't recall the exact

1 date that the indemnification expired, but I
2 believe that was in March of 2023, because it was
3 an 18-month holdback signed...or, you know, due
4 18 months from the date that the purchase was
5 initiated or completed.

6 55. Q. So, the holdback was due in March
7 of '23, and I understand that, instead of suing
8 the Giftcraft group of companies, Elsasser
9 Holding instead chose to receive a promissory
10 note for the 3.5. Is that correct?

11 A. Yes. We consulted our lawyers
12 and issued letters or, you know, payment demands
13 to Giftcraft. And ultimately, our options
14 essentially were: sue for breach of contract...
15 right? There was no indemnification issues
16 raised, so the money was due, and Giftcraft did
17 not dispute that that money was due. And so, our
18 options essentially were to pursue a promissory
19 note or to file a suit.

20 56. Q. All right. And in consultation
21 with your lawyers, you chose the promissory note
22 route, is that right?

23 A. Yes, that is correct.

24 57. Q. Okay. So, going back to my
25 previous question, in that time period between

1 March of 2023 and September of 2024, did you come
2 to learn of any financial difficulties suffered
3 by Giftcraft in that period of time? Did you
4 know that they were in financial trouble?

5 A. Yes. I attended all board
6 meetings and was, you know, essentially the
7 third-highest-ranking employee in the Giftcraft
8 umbrella of organizations. So, I was very aware
9 that what they would commonly refer to as the
10 "core Giftcraft business" was, for lack of a
11 better term, bleeding money.

12 And at all points after the acquisition,
13 every dollar that RipSkirt turned off, which was,
14 you know, spun off, which was typically \$4 to 5
15 million US per year, was used by the parent
16 company to try and essentially save Giftcraft.

17 58. Q. Okay. Let's take a look at the
18 note. So, I am going to refer now to the
19 receiver's Motion Record, and the note appears at
20 appendix D. So, I have got the note on the
21 screen here, and it says:

22 "...The effective date is September
23 [blank], 2024..."

24 But I understand that it was signed on the 24th
25 of September, 2024, is that correct? Let me just

1 take you to...

2 A. I don't recall the exact date. I
3 believe this is a Docusign, so, potentially,
4 there are dates listed in other places.

5 59. Q. Yes, I don't...that is your
6 signature on page 65 of the receiver's record,
7 that is your Docusign signature, isn't it?

8 A. Yes, that is my Docusign
9 signature shown on the screen here. You are
10 scrolling quickly so I am not able to track
11 exactly where you are, but yes, that is my
12 Docusign signature on what appears to be the
13 note.

14 60. Q. Okay. So, I am on what seems to
15 be the last page in the note...well, second-last
16 page...page 65 of the receiver's record. So, you
17 signed on behalf of Elsasser Holding?

18 A. Sure.

19 61. Q. And Steve Cobb, who I am sure you
20 know, signed on behalf of Giftcraft Holdings USA
21 Inc., is that correct?

22 A. Correct.

23 62. Q. All right. Where were you when
24 this was signed? Where were you physically
25 located? Were you in Oregon? Were you in...

1 A. I do not recall. That was
2 several years ago, on that specific date. I
3 don't recall.

4 63. Q. All right. As far as Giftcraft
5 Holdings USA, I understand that its head office
6 is in New York...well, it is a New York company,
7 but its head office is in Indianapolis. Is that
8 right?

9 A. I don't know the particulars of
10 their tax registrations and filings and home
11 offices and whatnot, yes. I don't know that
12 information.

13 64. Q. I am just going to refer to
14 section 10 of the note, which has the address of
15 Giftcraft Holdings to be 10201 North Illinois
16 Street in Indianapolis. Is that your
17 recollection on that?

18 A. That is, I believe, the office of
19 CID Capital. So, yes, it is CID Capital. I have
20 been to the CID offices in Indianapolis, and that
21 is what I suspect that address is, but I don't
22 recall just, you know, off the top of my head.

23 65. Q. Okay, fair enough.

24 A. And the chairman of the board is
25 also at the private equity company, right?

1 66. Q. Yes.

2 A. We understand that relationship,
3 yes.

4 67. Q. I do, thanks. There is an
5 address for Elsasser Holding, being 1025 Pine
6 Street in Hood River.

7 A. Correct.

8 68. Q. Does that remain to be...okay,
9 and that remains correct?

10 A. No, it has just recently changed
11 in the last, you know, 30, 45 days, something
12 like that. So, it is not correct up to this very
13 day, yes. Correct at the time.

14 69. Q. Okay. I am going to refer you to
15 paragraph 12(b) of the note, and I have got it
16 highlighted here. Just take a read of it and let
17 me know when you are done, and then I have just a
18 couple of questions.

19 A. Okay.

20 70. Q. So, this seems to suggest to me
21 that if we want to interpret this document, the
22 laws of the State of Delaware apply to the
23 interpretation of the agreement. Is that your
24 understanding of 12(b) as well?

25 A. That is my understanding of

12(b) .

71. Q. Did you...and by "you" I mean
Elsasser Holding...did you get Delaware law
advice during the negotiation and consummation of
this note?

A. I don't recall specifically. Our
lawyer, you know, worked in all states, so I am
sure they...I don't recall specifically, you
know? Yes.

72. Q. Without...I don't want you to
disclose any conversations that you had with your
lawyers, but what law firm was it?

A. Ballard Spahr.

73. Q. Okay, and they have offices in a
number of different states?

A. I don't know all the offices that
they have states in [sic]. I believe they have
offices in multiple states.

74. Q. Okay. I think we talked about
this before, but you understood at the time that
this note was signed that RBC was a secured
lender to Giftcraft Holding USA?

A. I understood that RBC or HSBC...I
can't remember at the time...was a secured lender
to the Giftcraft organization, yes.

1 75. Q. And you will agree with me that
2 RBC did not sign the note, it is only signed by
3 Elsasser Holding and Giftcraft Holding USA?

4 A. I agree that is only who it is
5 signed by, but the negotiation period intimately
6 involved the RBC team, which I spoke with and
7 emailed with several times during that
8 negotiation period.

9 76. Q. And I take it that Elsasser
10 Holding didn't take any security in respect of
11 the indebtedness evidenced in this note, is that
12 correct?

13 A. I am not sure I understand the
14 question, sir.

15 77. Q. Sure. There was no general
16 security agreement signed by Giftcraft Holding
17 USA? There was no collateral pledged by
18 Giftcraft to Elsasser Holding by way of security
19 for the indebtedness under this note? It is an
20 unsecured note?

21 A. Yes, it is an unsecured note, and
22 we are subordinated creditor, yes.

23 78. Q. Okay. I am going to refer you
24 to...I am still looking at the note, and I am
25 looking at paragraph 3(b). If you could read

1 that over, and then I will have a couple of
2 questions about that.

3 A. Sorry, this is a fairly dense
4 passage here.

5 79. Q. Yes, it is quite legalistic.
6 Take your time.

7 A. And sorry, you just would like to
8 ask me questions about the yellow portion, or the
9 entire section (b)?

10 80. Q. Well, it will just be focused on
11 the yellow portion.

12 A. Okay. Go ahead.

13 81. Q. So, using the language of
14 paragraph 3(b) of the note, you are aware, of
15 course, that a receiver was appointed over the
16 assets of Giftcraft, including Giftcraft Holdings
17 USA?

18 A. Yes, I am aware of a receiver
19 being appointed.

20 82. Q. And we can agree that the
21 receiver was not discharged within 90 days of the
22 appointment? The receiver still in place hasn't
23 been discharged?

24 A. To my knowledge, the receiver
25 wasn't discharged, nor was there a change in

1 receivers, to my knowledge.

2 83. Q. So, that being so, the
3 appointment of the receiver would seem to be an
4 event of default under the note, as per section
5 3(b) of the note. Can we agree to that?

6 A. I am not sure I am qualified to
7 make that distinction.

8 84. Q. Well, let me ask a factual
9 question. Did Elsasser Holding declare a default
10 or give notice of default to the maker of this
11 note?

12 A. I don't recall.

13 85. Q. Would your mother have a better
14 understanding of whether or not there was notice
15 given of a default under the note, or would you
16 be the best source of that information?

17 A. I would probably be the best
18 source of that information. But yes, I don't...I
19 am not a lawyer and this is not, you know, my
20 typical day-to-day job, so I just don't recall
21 the details of that. So, yes, you know...

22 86. Q. Okay, fair enough. So, let me
23 ask for this by way of undertaking, and take your
24 time to consider it. Can you provide me with any
25 correspondence between Elsasser Holding and

1 Giftcraft after the receiver was appointed in
2 respect of the obligations secured by the note?

3 So, what I want to know is, going back
4 to my original question, was there any notice
5 given to either the PE firm or the Giftcraft
6 group of companies that they were in default of
7 the obligations under the note?

8 A. I can go back and look for that
9 communication. I conducted several meetings with
10 Pritesh in the immediate aftermath of the
11 receivership occurring. So, some of our
12 communications are not written. U/T

13 87. Q. Okay. I understand that Pritesh
14 was put in place as a financial advisor to
15 Giftcraft even before KPMG was appointed as a
16 receiver. Is that correct?

17 A. I have no idea. I didn't work
18 for the company on anything...

19 88. Q. All right, fair enough. And then
20 my follow-up question is, taking a look at
21 paragraph 4, there are a number of remedies that
22 Elsasser Holding could invoke on default. Other
23 than meeting with the receiver, did Elsasser
24 Holding attempt to invoke any remedies in respect
25 of the breach of this note by Giftcraft Holdings

1 USA?

2 A. I believe we did. I don't recall
3 all the exact remedies in there, you know, the
4 different instruments used to enact them. It was
5 very clear to all parties that there was a
6 promissory note, that, you know, we were told by
7 the chairman of the board and by Pritesh that
8 they would not be making payments on the note,
9 that they could not make payments on the note.

10 It was all very clear to all parties
11 that there was, you know...that there was a
12 receivership going on, and, you know, defaulting
13 on millions of dollars of debt across the
14 business. I don't think it was a surprise.

15 89. Q. Yes, fair enough, but my question
16 is more precise than that, and I will ask for
17 this by way of undertaking. So, section 4 of the
18 note lists, it looks like, three different
19 remedies that could be invoked in the event of a
20 default. Can I ask you to check your records and
21 let me know of any attempts by Elsasser Holding
22 to invoke any of the remedies under section 4 of
23 the note after it was breached by the maker,
24 Giftcraft Holdings USA?

25 A. Yes, I will do my best to pull

any records of that, all records of that.

U/T

90. Q. Okay, I appreciate that. Still looking at the note, I understand that, for the purpose of the claim made to part of the proceeds of the sale of the RipSkirt business by Elsasser Holding, you...by "you", I mean Elsasser Holding...are relying on the definition of "change of control" that is contained in paragraph 1(b) of the note, and I have got it highlighted here on the screen. Is that correct?

A. Correct.

91. Q. Okay.

A. Sorry, can you repeat the question? What are you asking, exactly? Sorry, I believe you were asking me if I was familiar with this text. Was there a question associated with that?

92. Q. No, no, no. So, my understanding is Elsasser Holding is taking the position that the receiver's sale of the RipSkirt business amounts to a change of control.

A. Correct, yes.

93. Q. And if we want to know where the definition of "change of control" can be found, it is in the note at paragraph 1(b)?

1 A. I would say, correct, to a degree
2 that, you know, having this case to let a judge
3 decide if the change of control occurred or not,
4 right? So, I believe that some fairly
5 substantial text is written here, definitive
6 text, but it is obviously up to the court's
7 interpretation, in this instance.

8 94. Q. Yes, no, and I am not trying to
9 trick you. I am just saying, in the two
10 documents that are in issue in respect of this
11 claim are the Subordination Agreement and the
12 note, and the only place that "change of
13 control", that term, is defined is in 1(b) of the
14 note?

15 A. There may be other areas that it
16 is mentioned. I am not...you know, I haven't
17 reviewed the note in the last 24 hours, so I
18 don't know exactly every...I know there is
19 another section that refers to "sales" and
20 different things like that. So, this may be the
21 only area, but I am not positive of that.

22 95. Q. Okay, so I am going to ask for
23 another undertaking. On my reading of these two
24 documents, this seems to be the only place where
25 "change of control" is defined. Can you let me

1 know if you see it defined anywhere else in the
2 Subordination Agreement or in the note?

3 A. Sure. Yes, sir.

U/T

4 96. Q. Okay, I appreciate it. Going
5 back to your affidavit at paragraph 8, and I will
6 let you take a read of paragraph 8. It doesn't
7 fit all on the page, so let me know when you are
8 at the bottom and I will scroll down a little
9 bit.

10 A. Okay, I am at the bottom.

11 97. Q. Okay.

12 A. Go ahead.

13 98. Q. So, in the last sentence in
14 paragraph 8, you make the point that:

15 "...The definition contains no
16 requirement that the triggering
17 transaction be voluntary or that it
18 occur outside the context of a
19 court-supervised insolvency
20 proceeding..."

21 So, by the same token, would you agree with me
22 that the definition of "change of control" does
23 not expressly include the sale by a receiver?

24 A. So, what I said is it doesn't
25 exclude it, and what you are asking me is if I

1 believe that if it does not exclude it, that it
2 does not include it?

3 99. Q. Correct.

4 A. Could you go back to that
5 previous page?

6 100. Q. Sure, yes, so here is the "change
7 of control" definition in 1(b).

8 A. I would argue that it does
9 include it, because it says:

10 "...The sale or other disposition of all
11 or substantially all of the assets of
12 RipSkirt Hawaii LLC..."

13 And so, in my opinion, when Sierra Brands Group
14 purchased all of the assets of RipSkirt Hawaii,
15 that would trigger a change of control because,
16 you know, per this definition, all of the assets
17 were sold. And it doesn't specify, you know...
18 so, all the assets were sold, thus a change of
19 control has occurred, and that is how...

20 101. Q. I understand your position, yes,
21 I understand your position. My simple question
22 is, nowhere in the definition of "change of
23 control" does it specifically mention a sale by a
24 receiver. The word "receiver" doesn't appear in
25 this definition?

1 A. Sorry, I don't think I heard the
2 word "receiver" in your previous question. I do
3 not see the word "receiver" highlighted in
4 yellow, no.

5 102. Q. Okay, or any other licensed
6 insolvency trustee, such as a trustee in
7 bankruptcy or anything like that? There is no
8 mention of an insolvency proceeding in this
9 definition of "change of control", isn't that
10 fair? I know your position. I am just asking if
11 you agree with my reading of the words on the
12 page.

13 A. I apologize for my pause.

14 103. Q. No, no, take your time.

15 A. I do not see any mention of
16 insolvency or receivership in this text.

17 104. Q. Okay. Let's take a look at the
18 Subordination Agreement, and this is at appendix
19 E to the third report of the receiver, which is
20 part of the receiver's Motion Record, and the
21 text starts at page 78. So, firstly, remember I
22 asked you about the date that the note was
23 signed?

24 A. I can remember.

25 105. Q. Yes, this seems to suggest that

1 the unsecured promissory note was signed on
2 September 24th, 2024. Would you agree with that?

3 A. I would agree with that. It does
4 seem to suggest that.

5 106. Q. Okay, and going to page 83, this
6 was signed by you on behalf of Elsasser Holding?

7 A. That is a question? Yes.

8 107. Q. Yes, sorry, we do that. We make
9 statements and ask you if you agree with them.

10 A. Got it.

11 108. Q. And you understand, at the time
12 that you signed this document, and I am looking
13 at page 5 of the Subordination Agreement, page 82
14 of the receiver's record, that the construction,
15 the interpretation of this agreement is to be
16 governed by the laws of Ontario?

17 A. Yes. If that is in the agreement
18 and I signed it, then yes, I would agree with
19 that.

20 109. Q. Did you seek and receive...and
21 again, I don't want to know the details, but did
22 you get Ontario legal advice before signing this
23 document?

24 A. I don't recall, at that time,
25 specifically.

1 110. Q. Were you the individual on behalf
2 of Elsasser Holding who was responsible for
3 negotiating the terms and conditions of the
4 Subordination Agreement?

5 A. Primarily, yes.

6 111. Q. And did this agreement go through
7 a few different revisions? In other words, was
8 this agreement negotiated by you?

9 A. Yes. RBC, myself, and Eric
10 Derhemier of CID Capital, and Steve Cobb of CID
11 Capital were the primary folks who worked on this
12 agreement.

13 112. Q. Okay. Last question about this
14 document. I will take you back to page 1 of the
15 agreement, which is page 78 of the receiver's
16 record. And at the very bottom of the page, in
17 the last paragraph on page 1 of the Subordination
18 Agreement...just take a read of that paragraph,
19 and then I have got what I think is a very
20 obvious question about that.

21 A. Sorry, you would like me to read
22 the entire paragraph, or just the yellow portion?

23 113. Q. Well, I don't want to hide any
24 portion of the paragraph, so feel free to read
25 the entire paragraph, but I am only going to ask

1 about the bit that I have got highlighted.

2 A. I am ready for your question.

3 114. Q. So, this seems to suggest that
4 the subordinated creditor, which is Elsasser
5 Holding, agrees that it won't acquire any
6 security for the repayment of the subordinated
7 liabilities, and those are the liabilities under
8 the note. Is that correct?

9 A. I am sorry, can you hear that
10 noise? Is that just me? There was a noise
11 coming through your headphone.

12 115. MR. SMITH: Yes, just one second.

13 THE DEPONENT: Yes.

14
15 --- DISCUSSION OFF THE RECORD

16
17 BY MR. SMITH:

18 116. Q. Sorry. Did you hear the
19 question, or was it obscured by...

20 A. Yes, why don't you go ahead and
21 re-ask it? Sorry, it was pretty difficult to
22 hear. It came through...

23 117. Q. This term here, "subordinated
24 liabilities", in the bit that I have got
25 highlighted, those are the liabilities that are

1 evidenced by the note?

2 A. I believe so. I am not positive,
3 but yes, I believe so.

4 118. Q. So, Elsasser Holding agrees that
5 it won't acquire any security for the repayment
6 of the note without prior written consent of the
7 lender, the lender being RBC. And my question
8 is, at no time did Elsasser Holding seek
9 permission or consent of the lender to acquire
10 security in respect of the obligations secured by
11 the note, is that correct?

12 A. Prior to the signing of the
13 agreements, we did seek security, and RBC
14 declined, and I believe after that, we did not
15 seek security.

16 119. Q. Okay, yes, that was my question.
17 After the signing of the note, you didn't go to
18 RBC and say, "Hey, can we get some security in
19 respect of the obligations evidenced by the
20 note?"

21 A. No.

22 120. Q. Okay. In paragraph 12 of your
23 affidavit, you referenced writing to the receiver
24 on behalf of Elsasser Holding on or about
25 November 21, 2025, to ensure that your position

1 was known to the receiver. Do you see that?

2 A. Yes, I wrote that.

3 121. Q. Can we get a copy of that
4 communication to the receiver on November 21,
5 2025?

6 A. Sure.

U/T

7 122. Q. Okay, I appreciate it. And you
8 understand, sitting here today, that the assets
9 of RipSkirt were part of the assets that the
10 Giftcraft group of companies pledged to HSBC,
11 which then became RBC, in respect of the loans.
12 You understand that, right?

13 A. Yes, I do.

14 123. Q. Okay. Let's take a look, if we
15 can, at the Sale Agreement. So, this is Exhibit
16 C to the Nick Hollard affidavit in the RBC
17 record. This is the Asset Purchase Agreement,
18 dated January 18, 2026, in respect of the
19 RipSkirt business, and you have seen this
20 document before, I take it?

21 A. I received it, I believe for the
22 very first time, just...sorry, is this in...I
23 received this for the first time within these
24 court proceedings in the last, you know, two to
25 four weeks, something like that.

124. Q. And you will agree that...and you understand that the agreement is between KPMG, in its capacity as court-appointed receiver of the Giftcraft group of companies, and Sierra Brands Group LLC? You understand that, correct?

A. I do.

125. Q. Okay, and I will take you to the signature page. So, this is page 81 of the RBC record, and this is the signature page of the Sale Agreement. It is only signed by KPMG and Sierra Brands, correct?

A. That is correct. Those are the signatures I see on this page.

126. Q. Let me show you the second report of the receiver. Have you seen this document before? This is the second report of KPMG, dated January 19, 2026.

A. I don't recall.

127. Q. Okay. There is one thing I want to ask you about. Okay, here it is. So, paragraph 34(d) of the second report of the receiver suggests that the total purchase price is estimated to be about US 2.7 million. Do you see that?

A. I see the text highlighted in

1 yellow.

2 128. Q. And before reading this
3 receiver's report, were you aware of the purchase
4 price?

5 A. Yes, I was aware, you know...
6 sorry, before receiving which document? I
7 apologize.

8 129. Q. The second report of the
9 receiver, this January document.

10 A. I do not believe I was aware of
11 the purchase price until I saw...I don't know
12 when I became aware of the purchase price.

13 130. Q. Let me ask you about this. It
14 looks like, before the advent of the
15 receivership, there were efforts made by
16 Giftcraft to market and sell RipSkirt. Take a
17 look at the...

18 A. Before the event of the
19 receivership?

20 131. Q. Yes.

21 A. There were, before the event of
22 the receivership. I was intimately involved in
23 that process.

24 132. Q. Okay, that was my next question.
25 And those efforts took place in 2024, is that

1 correct?

2 A. It bridged several years, at
3 least two years. So, I don't recall the exact
4 time frame. I would have to spend a second
5 looking at the calendar, refreshing myself. But
6 that sounds, yes, in the ballpark. 2024, 2025,
7 yes.

8 133. Q. And then, starting at paragraph
9 29, KPMG described the receiver's efforts to
10 market RipSkirt after the receivership. So, take
11 a look at paragraph 30, and I am going to have
12 questions about 30(a)(ii).

13 A. Okay. Okay, I am ready to answer
14 questions.

15 134. Q. This seems to suggest that, once
16 the receiver started to market the RipSkirt
17 business, one of the entities that the receiver
18 contacted to see if that entity was interested in
19 purchasing RipSkirt was the family of the former
20 founder of the RipSkirt business. Did the
21 receiver reach out to you or your mother to see
22 if either you, personally, or Elsasser Holding
23 would be interested in repurchasing RipSkirt?

24 A. Several times, yes.

25 135. Q. The last question...take a look

1 at paragraph 16. Actually, I lied, I have two
2 more questions.

3 A. Sorry, there is a bit more
4 background noise. Do you have a second...do you
5 want to ask two questions simultaneously? How
6 would you like me to proceed at this time?

7 136. Q. Yes, if you can read paragraph
8 16, and specifically, (b):

9 "...RBC's lending and enforcement
10 actions ultimately resulted in RipSkirt
11 being sold..."

12 Do you see that?

13 A. Sorry, you asked me if I saw that
14 directly after you asked me to read the
15 paragraph, so I haven't gotten to that point in
16 the paragraph. But if you give me a moment to
17 read it, I can do that, yes.

18 137. Q. Take your time, take your time.
19 Yes, take your time.

20 A. Okay, go ahead.

21 138. Q. So, this reference in paragraph
22 16, behind the (b) in parentheses, talks about
23 RBC's lending and enforcement actions ultimately
24 resulting in RipSkirt being sold before the
25 underlying purchase obligations of the former

1 owners of RipSkirt were fully satisfied. Do you
2 see that?

3 A. I do.

4 139. Q. And that is a statement that
5 comes out of your mother's letter of May 9, 2026,
6 is that right?

7 A. I don't recall the exact date. I
8 see it listed here, so I am sure that is, you
9 know, relatively accurate, yes.

10 140. Q. Let me just take you to it. So,
11 here is the May 9 letter. So, I am looking at
12 page 104 of the RBC record, and about three
13 paragraphs from the bottom, we see that same
14 statement in your mother's letter?

15 A. Okay, yes.

16 141. Q. Okay, and I take it you are not
17 suggesting that RBC did anything wrong in
18 enforcing its security by making that statement,
19 are you?

20 A. Did anything wrong in enforcing
21 its security?

22 142. Q. You can think about that.

23 A. I don't know exactly...they are
24 not my words, so I don't know exactly how she
25 intended it to be. But in my interpretation, I

1 think you could say that, you know, morally...not
2 legally, but morally, you could make a case that
3 RBC sold something that they hadn't finished
4 paying for. And so, I could see how somebody
5 onlooking could read that and interpret that.

6 143. Q. Okay. Last question, and it is
7 another obvious question. Elsasser Holding has
8 never sought to vary or set aside the court order
9 appointing the receiver, is that correct?

10 A. Sorry, I am not sure I understand
11 the question.

12 144. Q. Sure.

13 A. "Sought to bury"? Is that what
14 you said? Maybe I misheard you.

15 145. Q. Vary, vary with a V.

16 A. Vary?

17 146. Q. Yes.

18 A. Oh, okay. We hadn't sought to...

19 147. Q. Elsasser...sorry, go ahead. I
20 interrupted you.

21 A. Sorry, no, no, go ahead. Sorry.

22 148. Q. Okay. Elsasser Holding...let me
23 stop sharing. Elsasser Holding hasn't brought a
24 motion to seek to vary, with a V, or set aside
25 the appointment order, is that correct?

1 A. The appointment order of what?

2 149. Q. The order appointing the receiver
3 over the assets of Giftcraft?

4 A. Oh, no, not to my knowledge, no.

5 150. MR. SMITH: Okay. Subject to the
6 undertakings, those are my questions.
7 Thank you very much. Off the record.

8

9 --- upon adjourning at 3:07 p.m.

1	<u>INDEX OF UNDERTAKINGS</u>		
2			
3			
4	REFERENCE	PAGE	QUESTION
5	<u>NUMBER</u>	<u>NUMBER</u>	<u>NUMBER</u>
6			
7	1	9	25
8	2	12	37
9	3	14	47
10	4	25	86
11	5	27	89
12	6	29	95
13	7	36	121

REPORTER'S NOTE:

Please be advised that any undertakings, objections, under advisements and refusals are provided as a service to all counsel, for their guidance only, and do not purport to be legally binding or necessarily accurate and are not binding upon Victory Verbatim Reporting Services Inc.

I hereby certify the foregoing to be a true and accurate transcription of the above-noted proceedings held before me on the **16th DAY OF SEPTEMBER, 2026**, and taken to the best of my skill, ability and understanding.

Certified Correct:



Glory Emanerame
Verbatim Reporter



Cole Elsasser
President
Elsasser Holding Company, Inc.
1025 Pine Street
Hood River, Oregon 97031

September 28, 2026

VIA EMAIL

Douglas O. Smith
Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON M5H 4E3

Dear Mr. Smith,

Re: Undertaking Requests – Royal Bank of Canada v. Giftcraft Ltd., et al.
Court File No. CV-25-00742864-00CL

Further to the cross-examination conducted virtually on September 16, 2026, and your letter dated September 17, 2026, please find below my responses to the outstanding undertakings.

Undertaking Description	Response
1. To provide the exact date of formation of Elsasser Holding Company, Inc.	IRS and the State of Oregon show formation dates of 8/5/2022 and 9/2/2022
2. To review the letter from Alecia Elsasser dated May 9, 2026, that can be found in Exhibit “D” to the Affidavit of Nick Hollard in RBC’s Responding Record and to advise whether there is anything contained within the letter that you disagree with.	Having reviewed the letter, Elsasser Holding Company, Inc. does not disagree with the statements contained within it.
3. To provide the purchase agreement between Giftcraft Holdings USA Inc. and Elsasser Holding Company, Inc. in respect of the RipSkirt business.	Attached is the Unit Purchase and Contribution Agreement between Giftcraft Holdings USA Inc., Elsasser Holding Company, Inc., Giftcraft Holdings, Inc., Ripskirt, Alecia Elsasser, and certain other parties thereto, dated September 16, 2022.
4. To provide any correspondence between Elsasser Holdings Company, Inc. and Giftcraft after the receiver was	Conversations concerning the obligations secured by the Promissory

Undertaking Description	Response
appointed in respect of the obligations secured by the Promissory Note, and to advise if notice of default was given to either the private equity firm (CID Capital) or Giftcraft.	Note following the Receiver's appointment were had in the meeting shown in the attached emails.
5. To advise if any attempts were made by Elsasser Holdings Company, Inc. to invoke any of the remedies listed under section 4 of the Promissory Note after the Promissory Note was breached by Giftcraft.	<p>No such attempts were made. The Subordination and Postponement Agreement independently prohibited Elsasser Holding Company, Inc. from taking any "enforcement action" (as defined therein, which expressly includes demand for payment and acceleration of debt) against any Debtor until the Release Date (as defined in the Subordination Agreement). The Release Date has not occurred, as the Outstanding Obligations owed to Royal Bank of Canada have not been paid and satisfied in full.</p> <p>For clarity, this restriction on enforcement action is separate from, and should not be conflated with, the distinct provision of the Subordination Agreement governing the timing of payment on the Subordinated Liabilities. That provision restricts payment only "until the earlier of" (a) a "Sale," (b) a "Change in Control" (each as defined in the Note and the Subordination Agreement).</p>
6. To advise if "change of control" is defined anywhere else in the Subordination Agreement or Promissory Note other than in paragraph 1(b) of the Note.	No. "Change of Control" is defined only in paragraph 1(b) of the Promissory Note.
7. To provide a copy of your communication to the receiver on or about November 21, 2025.	Attached is the email from Cole Elsasser to Pritesh Patel.

Best,

Cole Elsasser

President, Elsasser Holding Company, Inc.

**EIN Assistant**

Your Progress:

1. Identity ✓

2. Authenticate ✓

3. Addresses ✓

4. Details ✓

5. EIN Confirmation**Congratulations! The EIN has been successfully assigned.**EIN Assigned: **88-3585500**Legal Name: **ELSASSER HOLDING COMPANY INC**

The confirmation letter will be mailed to the applicant. This letter will be the applicant's official IRS notice and will contain important information regarding the EIN. Allow up to 4 weeks for the letter to arrive by mail.

We strongly recommend you print this page for your records.

Click "Continue" to get additional information about using the new EIN.

[Continue >>](#)**Help Topics**

[? Can the EIN be used before the confirmation letter is received?](#)

State of Oregon

*OFFICE OF THE SECRETARY OF STATE
Corporation Division*

Certificate of Existence 709V840V2

I, SHEMA FAGAN, SECRETARY OF STATE, and Custodian of the Seal of said State, do hereby certify:

ELSASSER HOLDING COMPANY, INC.

is

Incorporated

under the laws of The State of Oregon

and is active on the records of the Corporation Division as of the date of this certificate.

*In Testimony Whereof, I have hereunto set
my hand and affixed hereto the Seal of the
State of Oregon.*



A handwritten signature in black ink, appearing to read "Shemia Fagan", is written over the seal.

SHEMA FAGAN, SECRETARY OF STATE

9/2/2022

UNIT PURCHASE AND CONTRIBUTION AGREEMENT

DATED AS OF SEPTEMBER 16, 2022

BY AND AMONG

GIFTCRAFT HOLDINGS, INC.,

GIFTCRAFT HOLDINGS USA INC.,

RIPSKIRT HAWAII, LLC,

ELSASSER HOLDING COMPANY, INC.

AND

THE BENEFICIAL OWNERS OF ELSASSER HOLDING COMPANY, INC.

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I PURCHASE, SALE AND CONTRIBUTION OF THE ACQUIRED UNITS	2
Section 1.01. Acquired Units	2
Section 1.02. Consideration	2
Section 1.03. Payment of the Purchase Price	2
Section 1.04. Holdback Amounts	3
Section 1.05. Adjustments to Purchase Price	3
Section 1.06. Withholding Rights	5
ARTICLE II CLOSING	6
Section 2.01. Closing Date	6
Section 2.02. Deliveries by Seller	6
Section 2.03. Deliveries by Purchaser	7
ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE MEMBER PARTIES	8
Section 3.01. Organization; Power	8
Section 3.02. Authorization and Validity of Agreement	8
Section 3.03. No Conflict or Violation	8
Section 3.04. Consents and Approvals	8
Section 3.05. Litigation	9
Section 3.06. Broker's and Finder's Fees	9
ARTICLE IV REPRESENTATIONS AND WARRANTIES RELATED TO THE COMPANY GROUP AND SELLER	9
Section 4.01. Organization; Power	9
Section 4.02. Authorization and Validity of Agreement	9
Section 4.03. Capital Structure of the Company Group; Title to Acquired Units	10
Section 4.04. No Conflict or Violation	11
Section 4.05. Consents and Approvals	11
Section 4.06. Financial Statements; Books and Records	11
Section 4.07. Absence of Certain Changes	12
Section 4.08. Tax Matters	13
Section 4.09. Absence of Undisclosed Liabilities	16
Section 4.10. Real Property	16
Section 4.11. Conformity of the Leased Real Property	17
Section 4.12. Title to Assets and Related Matters	17
Section 4.13. Accounts Receivable, Accounts Payable and Inventory	18
Section 4.14. Products	18
Section 4.15. Intellectual Property	19
Section 4.16. Employee Benefit Plans	21
Section 4.17. Personnel; Labor Relations	23

Section 4.18.	Environmental Compliance.....	25
Section 4.19.	Licenses and Permits.....	26
Section 4.20.	Insurance; Bonds.....	26
Section 4.21.	Contracts and Commitments.....	27
Section 4.22.	Customers and Suppliers.....	29
Section 4.23.	Compliance with Law	29
Section 4.24.	Litigation.....	30
Section 4.25.	Affiliate Transactions.....	30
Section 4.26.	Broker's and Finder's Fees	31
Section 4.27.	Banking Facilities; Power of Attorney.....	31
Section 4.28.	Investment Representations	31
ARTICLE V REPRESENTATIONS AND WARRANTIES OF PURCHASER AND PARENT		33
Section 5.01.	Organization; Power	33
Section 5.02.	Authorization and Validity of Agreement	33
Section 5.03.	No Conflict or Violation	33
Section 5.04.	Consents and Approvals.....	33
Section 5.05.	Broker's and Finder's Fees	34
ARTICLE VI INDEMNIFICATION; SURVIVAL		34
Section 6.01.	Indemnification By the Seller Parties	34
Section 6.02.	Indemnification by Purchaser and Parent	35
Section 6.03.	Indemnification Notice; Litigation Notice	35
Section 6.04.	Disagreement Notice.....	36
Section 6.05.	Defense of Third-Party Claims	36
Section 6.06.	Survival	37
Section 6.07.	Limitation on Indemnified Costs	38
Section 6.08.	Net Recovery.....	38
Section 6.09.	Special Rule for Fraud and Intentional Misrepresentation	39
Section 6.10.	Exclusive Remedy.....	39
Section 6.11.	Tax Treatment of Indemnity Payments.....	39
ARTICLE VII RESTRICTIVE COVENANTS		39
Section 7.01.	Confidential Information.....	39
Section 7.02.	Non-Competition	40
Section 7.03.	Non-Solicitation	41
Section 7.04.	Non-Disparagement	42
Section 7.05.	Remedies.....	42
Section 7.06.	Release	42
ARTICLE VIII OTHER AGREEMENTS.....		43
Section 8.01.	Transfer Taxes.....	43
Section 8.02.	Preparation of Tax Returns	44

Section 8.03.	Cooperation on Tax Matters	45
Section 8.04.	Tax Contests.....	45
Section 8.05.	Special Tax Action.....	45
Section 8.06.	Tax Sharing Agreements.....	46
Section 8.07.	Tax Treatment of Transaction.....	46
ARTICLE IX MISCELLANEOUS		47
Section 9.01.	Public Announcements	47
Section 9.02.	Costs and Expenses.....	47
Section 9.03.	Further Assurances.....	47
Section 9.04.	Addresses for Notices, Etc.	47
Section 9.05.	Headings.....	48
Section 9.06.	Construction	48
Section 9.07.	Severability.	49
Section 9.08.	Entire Agreement and Amendment.....	49
Section 9.09.	No Waiver; Cumulative Remedies.	49
Section 9.10.	Parties in Interest.....	50
Section 9.11.	Successors and Assigns; Assignment	50
Section 9.12.	Governing Law; Jurisdiction and Venue	50
Section 9.13.	Waiver of Jury Trial	51
Section 9.14.	Counterparts	51
Section 9.15.	Schedules, Exhibits and Certificates.....	51

EXHIBITS

Exhibit A	-	Definitions
Exhibit B	-	Estimated Closing Date Balance Sheet and Estimated Closing Calculations
Exhibit C	-	Form of Amended and Restated Shareholders' Agreement

UNIT PURCHASE AND CONTRIBUTION AGREEMENT

THIS UNIT PURCHASE AND CONTRIBUTION AGREEMENT ("Agreement"), dated as of September 16, 2022, is made and entered into by and among (a) Giftcraft Holdings USA Inc., a New York corporation ("Purchaser"), (b) Giftcraft Holdings, Inc., an Indiana corporation ("Parent"), (c) RipSkirt Hawaii, LLC, an Oregon limited liability company (the "Company"), (d) Elsasser Holding Company, Inc., an Oregon corporation ("Seller"), (e) Alecia Elsasser, individually ("Elsasser"); and (f) Alecia E. Elsasser Living Trust and Cole Elsasser (collectively, the "Members" and each, a "Member").

WITNESSETH:

WHEREAS, prior to August 31, 2022, the Members, directly or indirectly, owned one hundred percent (100%) of the outstanding Company Units;

WHEREAS, (a) on August 31, 2022, the Members contributed all of the outstanding Company Units to Seller in exchange for all of the outstanding capital stock of Seller and (b) effective as of August 31, 2022, Seller made a valid election by filing IRS Form 8869 to treat the Company as a Qualified Subchapter S Subsidiary (collectively with the transactions described in clause (a), the "QSub Restructuring"), which pursuant to Revenue Ruling 2008-18, resulted in Seller succeeding to the Company's historic S-election;

WHEREAS, following the QSub Restructuring, effective as of September 1, 2022, the Company filed IRS Form 8832 to change its federal income tax classification and has elected to be treated as a disregarded entity for federal income tax purposes (the "DRE Election" and collectively with the QSub Restructuring the "Pre-Closing Reorganization");

WHEREAS, Seller owns beneficially and of record all of the issued and outstanding Company Units;

WHEREAS, Seller desires to contribute to Parent, and Parent desires to receive from Seller, 1,143 Company Units, representing approximately 11.43% of the total number of issued and outstanding Company Units (the "Contributed Units"), upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, immediately following the contribution of the Contributed Units to Parent, Parent desires to contribute to Purchaser, and Purchaser desires to receive from Parent, the Contributed Units (the "Purchaser Contribution");

WHEREAS, immediately following the contribution of the Contributed Units to Parent, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, the remaining 8,857 Company Units, representing the remaining approximately 88.57% of the total number of issued and outstanding Company Units (the "Purchased Units" and together with the Contributed Units, the "Acquired Units"), upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Member Parties, directly or indirectly, own beneficially and of record all of the issued and outstanding capital stock of Seller and have become a party to this Agreement as

a material inducement to Purchaser and Parent to enter into this Agreement and to consummate the transactions provided for and contemplated by this Agreement; and

WHEREAS, capitalized terms used but not otherwise defined shall have the meanings ascribed to them in Exhibit A attached hereto;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

PURCHASE, SALE AND CONTRIBUTION OF THE ACQUIRED UNITS

Section 1.01. Acquired Units. Upon the terms and subject to the conditions set forth in this Agreement and on the basis of the representations, warranties, covenants and agreements herein contained, at the Closing: (a) Parent hereby acquires and accepts from Seller and Seller hereby contributes, transfers, assigns, conveys and delivers to Purchaser, all right, title and interest in and to the Contributed Units, free and clear of all Encumbrances, and (b) immediately following the contribution of the Contributed Units, Purchaser hereby purchases, acquires and accepts from Seller and Seller hereby sells, transfers, assigns, conveys and delivers to Purchaser, all right, title and interest in and to the Purchased Units, free and clear of all Encumbrances.

Section 1.02. Consideration.

(a) The aggregate consideration to be paid by Purchaser to Seller for the Purchased Units, subject to adjustment as provided in Section 1.05 (the "Purchase Price"), shall be:

- (i) \$31,000,000;
- (ii) plus, the Estimated Closing Cash on Hand; and
- (iii) plus or minus, as the case may be, the amount by which the Estimated Net Working Capital is greater than the high end or less than the low end of the Target Net Working Capital Range.

(b) In exchange for the contribution by Seller of the Contributed Units to Parent, Parent shall issue to Seller 2,325,582 Preferred Shares of Parent (the "Parent Shares"). Immediately thereafter, Parent will contribute the Contributed Units to Purchaser.

Section 1.03. Payment of the Purchase Price. Purchaser shall pay the Purchase Price by wire transfer of immediately available funds as follows:

(a) an amount equal to the Estimated Closing Debt shall be paid at the Closing to the Persons or bank accounts and in the amounts specified in the Payoff Letters;

(b) an amount equal to the Estimated Closing Transaction Expenses shall be paid at the Closing to the Persons or bank accounts and in the amounts specified in the invoices or other documentation delivered pursuant to Section 2.02(n);

(c) the Holdback Amounts shall be retained and withheld by Purchaser in accordance with Section 1.04; and

(d) the remainder of the Purchase Price shall be paid at the Closing to Seller to an account designated in writing by Seller.

Section 1.04. Holdback Amounts.

(a) At the Closing, Purchaser shall retain and withhold, (i) \$3,500,000 (the "Indemnity Holdback Amount") of the Purchase Price for purposes of satisfying, at least in part, any indemnification obligations of the Seller Parties pursuant to Article VI and (ii) \$200,000 (the "Working Capital Holdback Amount" and together with the Indemnity Holdback Amount, the "Holdback Amounts") of the Purchase Price for purposes of satisfying, at least in part, any obligations of the Seller Parties pursuant to Section 1.05(h).

(b) Within ten (10) Business Days after the eighteen (18) month anniversary of the Closing Date, Purchaser shall pay to Seller from the Indemnity Holdback Amount an amount, if any, equal to (i) the Indemnity Holdback Amount, minus (ii) any amounts previously paid from the Indemnity Holdback Amount to the Purchaser Indemnified Parties, minus (iii) the amount of any Outstanding Claims as of such date.

Section 1.05. Adjustments to Purchase Price.

(a) Attached hereto as Exhibit B is: (i) the Estimated Closing Date Balance Sheet and (ii) calculations prepared by Seller from and consistent with the Estimated Closing Date Balance Sheet setting forth an estimate of (A) the Closing Net Working Capital (the "Estimated Net Working Capital"), (B) the Closing Cash on Hand (the "Estimated Closing Cash on Hand"), (C) the Closing Debt (the "Estimated Closing Debt"), and (D) the Closing Transaction Expenses (the "Estimated Closing Transaction Expenses").

(b) As promptly as practicable following the Closing Date, but in no event later than ninety (90) calendar days thereafter, Purchaser shall prepare and deliver to Seller (i) a consolidated balance sheet of the Company Group as of immediately prior to the Closing, which balance sheet shall be prepared in accordance with the Accounting Principles (the "Closing Balance Sheet"), and (ii) a statement (the "Purchaser Closing Statement") setting forth Purchaser's calculations, from and consistent with the Closing Balance Sheet, of (A) the Closing Net Working Capital (the "Purchaser Net Working Capital"), (B) the Closing Cash on Hand (the "Purchaser Closing Cash on Hand"), (C) the Closing Debt (the "Purchaser Closing Debt"), and (D) the Closing Transaction Expenses (the "Purchaser Closing Transaction Expenses").

(c) As promptly as practicable, but in no event later than thirty (30) calendar days after receipt of the Purchaser Closing Statement, Seller shall notify Purchaser in writing whether it accepts or disputes the accuracy of the items contained in the Purchaser Closing Statement. During such thirty (30) day period, Seller and its Representatives shall be provided with such access during

normal business hours to the Files and Records used in preparing the calculations in the Closing Balance Sheet and the Purchaser Closing Statement as they may reasonably request to respond to the Purchaser Closing Statement. If Seller accepts the Purchaser Closing Statement or if Seller fails within such thirty (30) day period to notify Purchaser of any dispute with respect thereto, (i) the Purchaser Net Working Capital shall be deemed the Final Net Working Capital, (ii) the Purchaser Closing Cash on Hand shall be deemed the Final Cash on Hand, (iii) the Purchaser Closing Debt shall be deemed the Final Debt, and (iv) the Purchaser Closing Transaction Expenses shall be deemed the Final Transaction Expenses.

(d) If Seller disputes the accuracy of any items contained in the Purchaser Closing Statement, Seller shall give written notice to Purchaser no later than thirty (30) calendar days following its receipt thereof (the "Dispute Notice"), which Dispute Notice shall specify the reasons for such disagreement, the amounts of any adjustments that are necessary in Seller's judgment for the computations in the Purchaser Closing Statement to conform to the requirements of this Agreement, and the basis for Seller's suggested adjustments. During the thirty (30) calendar day period following delivery of the Dispute Notice, the parties shall work together in good faith to resolve any such disagreements. During such thirty (30) day period, Purchaser and Seller and their respective Representatives shall be provided with such access to Files and Records and files and records of Seller as it may reasonably request to negotiate and resolve the items set forth in the Dispute Notice. If the parties resolve their differences over the disputed items in accordance with the foregoing procedure, the Final Net Working Capital, the Final Cash on Hand, the Final Debt or the Final Transaction Expenses, as applicable, shall be the amount agreed upon by them.

(e) If Purchaser and Seller are unable to resolve any disputed matters outstanding within such thirty (30) calendar day period, either such party may submit all disputed matters raised by Seller not so resolved to the Independent Accountant for final resolution. The Independent Accountant shall determine only those issues still in dispute and the determination of the Independent Accountant shall either adopt the position of Seller or Purchaser or result in an adjustment that is within the range of those respective positions. In resolving any disputed item, the Independent Accountant shall (i) not assign a value to any item greater than the greatest value for such item claimed by either party or less than the least value for such item claimed by either party, and (ii) consider only those items or amounts disputed by Seller in the Dispute Notice which remain in dispute. The Independent Accountant shall make its determination based solely on presentations by Seller and Purchaser. Purchaser and Seller shall use their respective commercially reasonable efforts to cause the Independent Accountant to make its determination as soon as possible, but in no event later than thirty (30) calendar days following the date on which the dispute is submitted. Such determination shall be final, binding and conclusive upon the parties hereto (absent fraud or manifest error) and shall be considered an arbitration determination and not an expert determination. The Independent Accountant's resolution of any such disagreement shall be reflected in a written report, which shall be delivered promptly to Purchaser and Seller. All fees and expenses of the Independent Accountant shall be paid by the party with whose determination the Independent Accountant does not agree, based on the aggregate amounts awarded by the Independent Accountant in accordance with Seller's position on disputed amounts and the aggregate amounts awarded by the Independent Accountant in accordance with Purchaser's position on disputed amounts. If a retainer is required by the Independent Accountant, the retainer shall be split equally between Purchaser and Seller; provided, however, that the retainer shall be considered part of the fees and expenses of the Independent Accountant and if either party has paid

a portion of such retainer, such party shall be entitled to be reimbursed by the other party to the extent required by this Section 1.05(e). If Seller is unable to pay its share of the fees and expenses of the Independent Accountant, such fees and expenses shall be paid by the Member Parties, jointly and severally. If any matters are submitted to the Independent Accountant, the Final Net Working Capital, the Final Cash on Hand, the Final Debt or the Final Transaction Expenses, as applicable, shall be the amount as determined by the Independent Accountant in accordance with this Section 1.05(e).

(f) The Estimated Closing Amount shall be (i) reduced by the amount, if any, by which the Final Net Working Capital Adjustment is negative, or increased by the amount, if any, by which the Final Net Working Capital Adjustment is positive, (ii) reduced by the amount, if any, by which the Final Cash on Hand is less than the Estimated Closing Cash on Hand, or increased by the amount, if any, by which the Final Cash on Hand exceeds the Estimated Closing Cash on Hand, (iii) reduced by the amount, if any, by which the Final Debt exceeds the Estimated Closing Debt, or increased by the amount, if any, by which the Final Debt is less than the Estimated Closing Debt, (iv) reduced by the amount, if any, by which the Final Transaction Expenses exceed the Estimated Closing Transaction Expenses, or increased by the amount, if any, by which the Final Transaction Expenses are less than the Estimated Closing Transaction Expenses. The amount by which the Estimated Closing Amount is adjusted pursuant to this Section 1.05(f) shall be referred to herein as the "Adjustment Amount".

(g) In the event that the Adjustment Amount is a positive amount, then, within five (5) calendar days after the determination thereof, (i) Purchaser shall pay to Seller an amount equal to the Adjustment Amount, by wire transfer of immediately available funds to an account designated in writing by Seller, and (ii) Purchaser shall pay to Seller the Working Capital Holdback Amount, by wire transfer of immediately available funds to an account designated in writing by Seller.

(h) In the event that the Adjustment Amount is a negative amount, then, within five (5) calendar days after the determination thereof, (i) Purchaser shall irrevocably retain and transfer to itself from the Working Capital Holdback Amount an amount equal to the Adjustment Amount (expressed as a positive number) and (ii) to the extent the Adjustment Amount (expressed as a positive number) is less than the Working Capital Holdback Amount, Purchaser shall pay to Seller the remaining Working Capital Holdback Amount, by wire transfer of immediately available funds to the account designated by Seller. To the extent the Adjustment Amount (expressed as a positive number) exceeds the Working Capital Holdback Amount, the Seller Parties (who shall be responsible for such deficiency on a joint and several basis) shall, within five (5) calendar days after the determination thereof, pay to Purchaser an amount equal to the amount by which the Adjustment Amount (expressed as a positive number) exceeds the Working Capital Holdback Amount, by wire transfer of immediately available funds to an account designated in writing by Purchaser.

Section 1.06. Withholding Rights. Notwithstanding any other provision of this Agreement to the contrary, Purchaser, Parent and the Company shall be entitled to deduct and withhold from any amounts payable to any Person pursuant to this Agreement such amounts as it is required to deduct and withhold under or in respect of any provision of Tax Law; provided, that prior to any such deduction and withholding, Purchaser shall provide Seller with reasonable notice of its intent to deduct and withhold amounts from any such payments. Any amounts so deducted

and withheld shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such amount was payable to prior to any such deduction or withholding. Upon the request of Seller, Purchaser shall reasonably cooperate with Seller to reduce or mitigate any such withholdings; provided, that such cooperation does not impose any material cost or other adverse consequence to Purchaser, Parent, any Affiliate of Purchaser or Parent or the Company Group.

ARTICLE II **CLOSING**

Section 2.01. Closing Date. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place concurrently with the execution of this Agreement on the date hereof (the "Closing Date") and shall be effective as of 12:01 a.m. (Pacific Time) on the Closing Date. In lieu of an in-person Closing, the Closing may instead be accomplished by email (in PDF format) transmission to the respective offices of legal counsel for the parties of the requisite documents, duly executed where required, delivered upon actual confirmed receipt. The parties hereto acknowledge and agree that all proceedings at the Closing shall be deemed to be taken and all documents to be executed and delivered by all parties at the Closing shall be deemed to have been taken and executed simultaneously, and no proceedings shall be deemed taken nor any document executed or delivered until all have been taken, executed and delivered.

Section 2.02. Deliveries by Seller. At the Closing, Seller shall deliver (or cause to be delivered) to Purchaser originals or copies, if specified, of the following:

- (a) counterparts of this Agreement, duly executed by Seller, the Company, the Members and Elsasser;
- (b) transfer powers or assignments, duly executed by Seller, effecting the transfer of the Purchased Units to Purchaser and the Contributed Units to Parent, in each case, free and clear of all Encumbrances;
- (c) resignations of all managers and officers of the Company Group, effective as of the Closing Date;
- (d) a counterpart of the Shareholders' Agreement, duly executed by Seller;
- (e) copies of each consent, waiver, authorization and approval required pursuant to Section 4.04 or Section 4.05;
- (f) a counterpart of the lease agreement for the Leased Real Property located at 1100 1st Avenue, Mosier, Oregon, duly executed by Elsasser Properties LLC;
- (g) estoppels and subordination, non-disturbance and attornment agreements from the landlords, sublandlords and sublessees of the Leased Real Property;
- (h) a Certificate of Existence of each member of the Company Group issued by the Secretary of State of the state of its organization, each dated within five (5) calendar days of the Closing;

(i) copies of (i) resolutions adopted by the member of the Company authorizing and approving the execution and delivery of this Agreement and the Related Agreements and the consummation of the Contemplated Transactions, (ii) the certified articles of organization (or equivalent) of each member of the Company Group, including all amendments thereto, and (iii) the operating agreement (or equivalent) of each member of the Company Group, including all amendments thereto, each certified to be true, complete, correct and in full force and effect by the Secretary of the Company Group;

(j) copies of (i) resolutions adopted by the Board of Directors and the stockholders of Seller authorizing and approving the execution and delivery of this Agreement and the Related Agreements and the consummation of the Contemplated Transactions, (ii) the certified articles of incorporation of Seller, including all amendments thereto, and (iii) the Bylaws of Seller, including all amendments thereto, each certified to be true, complete, correct and in full force and effect by the Secretary of Seller;

(k) Payoff Letters;

(l) evidence that all of the arrangements required to be disclosed on Section 4.25 of the Disclosure Schedules have been terminated with no Liability to Purchaser or the Company Group, other than those arrangements specifically stated on Section 4.25 of the Disclosure Schedules that they will not be terminated as of the Closing;

(m) a certification by Seller meeting the requirements of Treasury Regulation Section 1.1445-2(b) to the effect that Seller is not a "foreign person" as defined in Section 1445 of the Code; and

(n) invoices or other supporting documentation evidencing the Estimated Closing Transaction Expenses.

Section 2.03. Deliveries by Purchaser. At the Closing, Purchaser shall deliver (or cause to be delivered) to Seller originals, or copies if specified, of the following agreements, documents and other items:

(a) a counterpart of this Agreement, duly executed by Purchaser and Parent;

(b) payment of the Purchase Price, payable as provided in Section 1.02(b) and Section 1.03;

(c) a counterpart of the Shareholders' Agreement, duly executed by Parent and each other shareholders of Parent (other than Seller);

(d) a counterpart of the lease agreement for the Leased Real Property located at 1100 1st Avenue, Mosier, Oregon, duly executed by the Company; and

(e) copies of resolutions adopted by the Board of Directors of Purchaser and Parent authorizing and approving the execution and delivery of this Agreement and the Related Agreements and the consummation of the Contemplated Transactions.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE MEMBER PARTIES

Each Member Party, severally and not jointly (and solely with respect to himself, herself or itself, as the case may be) hereby represents and warrants to Purchaser and Parent that the statements contained in this Article III are true and correct as of the Closing Date.

Section 3.01. Organization; Power. If such Member Party is not a natural Person, such Member Party is duly organized, validly existing and in good standing under the laws of its state of organization. Such Member Party has all requisite power and authority to own, operate, lease and encumber its properties and carry on its business as now conducted.

Section 3.02. Authorization and Validity of Agreement. Such Member Party has all requisite legal capacity, power and authority to enter into, execute and deliver this Agreement and the Related Agreements to which such Member Party is a party, to consummate the Contemplated Transactions, to perform all of his obligations under this Agreement and the Related Agreements to which such Member Party is a party, and to comply with and fulfill the terms and conditions of this Agreement and the Related Agreements to which such Member Party is a party. The execution and delivery of this Agreement and the Related Agreements to which such Member Party is a party and the performance of the Contemplated Transactions have been duly authorized by such Member Party, and no other proceedings on the part of such Member Party are necessary to authorize the execution, delivery or performance by such Member Party of this Agreement and each of the Related Agreements to which such Member Party is a party. This Agreement and each of the Related Agreements to which such Member Party is a party has been duly executed and delivered by such Member Party and constitutes such Member Party's legal, valid and binding obligation, enforceable against such Member Party in accordance with its terms and conditions, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditor's rights generally or by general principles of equity (whether applied in a proceeding at law or equity).

Section 3.03. No Conflict or Violation. The execution, delivery and performance of this Agreement and each of the Related Agreements to which such Member Party is a party by such Member Party does not, and the performance of the Contemplated Transactions by such Member Party will not, (a) if such Member Party is not a natural Person, violate or conflict with any provision of the Governing Documents of such Member Party or any resolutions adopted by the equity holders or the governing body of such Member Party, (b) violate or conflict with any Law; or (c) (i) require any consent or approval or (ii) violate or result in a breach of or constitute a default (or an event which with due notice or lapse of time or both would become a default) or give to others any rights (including rights of termination, foreclosure, cancellation or acceleration), in each case, under any Contract, judicial consent, order, decree or other instrument or obligation to which such Member Party is a party.

Section 3.04. Consents and Approvals. No consent, waiver, authorization, permit or approval of any Governmental Entity, or of any other Person, or declaration to or filing or registration with any Governmental Entity, or any other Person, is required by such Member Party in connection with (a) the execution and delivery of this Agreement or any of the Related Agreements by such Member Party, (b) the performance by such Member Party of its obligations

hereunder or thereunder or (c) the consummation of the Contemplated Transactions by such Member Party.

Section 3.05. Litigation. (a) There are no Proceedings pending or, to the knowledge of such Member Party, threatened, against such Member Party, (b) there are no unsatisfied judgments of any kind against such Member Party, and (c) such Member Party is not subject to any outstanding judgment, order, writ, award, injunction or decree of any court or Governmental Entity or arbitrator or any outstanding settlement with any Person.

Section 3.06. Broker's and Finder's Fees. Except as set forth on Section 4.26 of the Disclosure Schedules (which fees shall be paid and fully discharged by Seller), no broker, finder or other Person is entitled to any commission or finder's fee in connection with this Agreement or the Contemplated Transactions as a result of any actions or commitments of such Member Party.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES RELATED TO THE COMPANY GROUP AND SELLER

Seller represents and warrants to Purchaser and Parent, subject to such exceptions as are specifically disclosed in the Disclosure Schedules delivered by Seller concurrently with the execution of this Agreement, dated as of the Closing Date (the "Disclosure Schedules"), that the statements contained in this Article IV are true and correct as of the Closing Date.

Section 4.01. Organization; Power.

(a) Each member of the Company Group is an entity duly organized, validly existing and in good standing under the Laws of the state of its organization. The Company Group is duly qualified or licensed as a foreign entity to transact business, and is validly existing and in good standing under the Laws of the states listed in Section 4.01 of the Disclosure Schedules and, to Knowledge of Seller, is not required to be qualified as a foreign entity in any other state or jurisdiction. The Company Group has all requisite power and authority to own, operate, lease and encumber its properties and carry on the Business as now conducted.

(b) Seller is a corporation duly organized, validly existing and in good standing under the Laws of the State of Oregon. Seller has all requisite power and authority to own, operate, lease and encumber its properties and carry on its business as now conducted.

Section 4.02. Authorization and Validity of Agreement.

(a) The Company has all requisite power and authority to enter into, execute and deliver this Agreement and the Related Agreements to which it is a party, to consummate the Contemplated Transactions, to perform all of its obligations under this Agreement and the Related Agreements to which it is a party, and to comply with and fulfill the terms and conditions of this Agreement and the Related Agreements to which it is a party. The execution and delivery of this Agreement and the Related Agreements to which the Company is a party and the performance of the Contemplated Transactions have been duly authorized by the Company, and no other proceedings on the part of the Company are necessary to authorize the execution, delivery or performance by it of this Agreement and each of the Related Agreements to which it is a party.

This Agreement and each of the Related Agreements to which the Company is a party has been duly executed and delivered by the Company and constitutes the Company's legal, valid and binding obligation, enforceable against the Company in accordance with its terms and conditions, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditor's rights generally or by general principles of equity (whether applied in a proceeding at law or equity).

(b) Seller has all requisite power and authority to enter into, execute and deliver this Agreement and the Related Agreements to which it is a party, to consummate the Contemplated Transactions, to perform all of its obligations under this Agreement and the Related Agreements to which it is a party, and to comply with and fulfill the terms and conditions of this Agreement and the Related Agreements to which it is a party. The execution and delivery of this Agreement and the Related Agreements to which Seller is a party and the performance of the Contemplated Transactions have been duly authorized by Seller, and no other proceedings on the part of Seller are necessary to authorize the execution, delivery or performance by it of this Agreement and each of the Related Agreements to which it is a party. This Agreement and each of the Related Agreements to which Seller is a party has been duly executed and delivered by Seller and constitutes Seller's legal, valid and binding obligation, enforceable against Seller in accordance with its terms and conditions, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditor's rights generally or by general principles of equity (whether applied in a proceeding at law or equity).

Section 4.03. Capital Structure of the Company Group; Title to Acquired Units.

(a) The total authorized, issued and outstanding Securities of each member of the Company Group are set forth on Section 4.03(a)(i) of the Disclosure Schedules. All outstanding Securities have been duly authorized and validly issued and are fully paid and non-assessable, free and clear of any preemptive rights, and were issued by the applicable member of the Company Group in compliance with all applicable Laws, including but not limited to, all applicable securities Laws. Except as set forth on Section 4.03(a)(i) of the Disclosure Schedules, there are no outstanding Securities. No member of the Company Group is obligated to issue, deliver or sell any Securities or any such option, warrant or right with respect to any Securities. Except as set forth on Section 4.03(a)(ii) of the Disclosure Schedules, no member of the Company Group has any subsidiaries or owns any shares of capital stock, other ownership interest or other securities of any other Person.

(b) Seller has good and marketable title to, and is the record and beneficial owner of, all of the Acquired Units, free and clear of all Encumbrances. Seller has complete and unrestricted power and the unqualified right to sell, convey, assign, transfer and deliver the Acquired Units. At the Closing, Seller shall transfer to Purchaser and Parent good and marketable title to the applicable Acquired Units, free and clear of all Encumbrances. Except pursuant to this Agreement, there is no Contract pursuant to which Seller has, directly or indirectly, granted any option, warrant or other right to any Person to acquire any Company Units, including any Acquired Units.

(c) There are no outstanding obligations of any member of the Company Group to repurchase, redeem or otherwise acquire or retire for value any Securities. Except as set forth on

Section 4.03(c) of the Disclosure Schedules, there are no voting trusts, member or stockholder agreements, proxies or other agreements or understandings in effect to which the Company Group or any Seller Party is a party, or by which it is bound, with respect to the governance of the Company Group or the voting or transfer of any Securities. There are no existing rights with respect to registration under the Securities Act or Exchange Act of any Securities.

(d) Neither the Company Group nor any Seller Party has any obligation, absolute or contingent, to any Person (other than Purchaser and Parent) to sell or transfer any Securities, or to effect any merger, consolidation or other reorganization of any member of the Company Group, or to enter into any agreement with respect thereto.

(e) Section 4.03(e) of the Disclosure Schedules sets forth a list of all outstanding Debt of the Company Group. No material default exists with respect to such Debt.

Section 4.04. No Conflict or Violation. The execution, delivery and consummation of this Agreement and each of the Related Agreements by the Company and the Seller Parties does not and the performance of the Contemplated Transactions by the Company and the Seller Parties shall not: (a) violate or conflict with any provision of the Governing Documents of the Company Group or Seller or any resolutions adopted by the equity holders, Board of Directors or managers of the Company Group or Seller; (b) violate or conflict with any Law; (c) except as set forth in Section 4.04 of the Disclosure Schedules, (i) require any consent or approval or (ii) violate or result in a breach of or constitute a change in control or a default (or an event which with due notice or lapse of time or both would become a default) or give to others any rights (including rights of termination, foreclosure, cancellation or acceleration), in each case, under any Contract, judicial consent, order, decree or other instrument or obligation to which the Company Group or Seller is a party, or by which any of the Company Group's or Seller's assets or properties, including the Acquired Units, may be bound or affected; (d) result in the imposition of any Encumbrance or restriction on the Business or any assets or properties of the Company Group or Seller, including any of the Acquired Units (with or without due notice or lapse of time or both); (e) cause Purchaser to become subject to, or to become liable for the payment of, any Tax; or (f) result in any equity holder of the Company Group or Seller having the right to exercise dissenters' appraisal rights or any similar rights.

Section 4.05. Consents and Approvals. Except as set forth in Section 4.05 of the Disclosure Schedules, no consent, waiver, authorization, permit or approval of any Governmental Entity, or of any other Person, or declaration to or filing or registration with any Governmental Entity, or any other Person, is required by the Company Group or Seller in connection with (a) the execution and delivery of this Agreement or any of the Related Agreements by the Company Group or Seller, (b) the performance by the Company Group or Seller of their respective obligations hereunder or thereunder, or (c) the consummation of the Contemplated Transactions by the Company Group or Seller.

Section 4.06. Financial Statements; Books and Records.

(a) Attached hereto as Section 4.06(a) of the Disclosure Schedules are true and complete copies of: (i) the unaudited balance sheets of Company Group as of December 31, 2019, December 31, 2020 and December 31, 2021, and the related profit and loss statements for the

calendar years then ended; and (ii) the unaudited balance sheet of the Company Group (the "Interim Balance Sheet") as of July 31, 2022 (the "Interim Balance Sheet Date"), and the related profit and loss statements for the seven (7) months then ended (collectively, the "Financial Statements"). All Financial Statements, including any notes thereto, have been prepared in accordance with GAAP, in all material respects, and fairly and accurately present the financial condition and results of operations of the Company Group as of the respective dates thereof, except, in the case of the Interim Balance Sheet, for the absence of footnotes.

(b) The Company Group maintains internal accounting controls which provide reasonable assurance that (i) transactions are executed with management's authorization; (ii) transactions are recorded as necessary to prepare the financial statements of the Company Group and to maintain accountability for the Company Group's assets; (iii) prevention or timely detection of unauthorized acquisition, use or disposition of the assets of the Company Group; (iv) the reporting of the Company Group's assets is compared with existing assets at regular intervals; and (v) accounts, notes and other receivables and inventory are recorded, and proper and reasonable procedures are implemented to effect the collection thereof on a current and timely basis.

Section 4.07. Absence of Certain Changes. Since December 31, 2021, the Company Group has conducted the Business in the Ordinary Course of Business and there has not occurred any event or development that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect. Except as set forth on Section 4.07 of the Disclosure Schedules, since December 31, 2021, there has not been any: (a) damage or destruction affecting a material portion of the assets or properties of the Company Group; (b) change in the Company Group's accounting policies, procedures or methodologies; (c) sale or transfer of any material tangible or intangible asset of the Company Group, except in the Ordinary Course of Business; (d) mortgage, pledge or imposition of any Encumbrances on any material asset of the Company Group; (e) declaration or payment of any distribution or dividend in respect of any Securities or, directly or indirectly, any purchase, redemption, issuance, sale, transfer or other acquisition or disposition by the Company Group of any Securities; (f) commitment by the Company Group to make or authorize any capital expenditure, other than capital expenditures in the Ordinary Course of Business not in excess of \$25,000; (g) acquisition by the Company Group (including, without limitation, by merger, consolidation, or acquisition of stock or assets) of any interest in any Person or any division thereof or any assets, other than acquisitions of assets in the Ordinary Course of Business; (h) incurrence by the Company Group of any Debt or assumption, guarantee or endorsement by the Company Group of the obligations of any Person; (i) entrance into, or amendment, acceleration, termination or modification of, any Material Contract; (j) other than pursuant to the Contemplated Transactions, issuance, sale, pledge, disposition, Encumbrance or transfer by the Company Group of any Securities; (k) waiver, release, assignment, settlement or compromise by the Company Group of any material rights or claims, or any material litigation or arbitration; (l) other than in the Ordinary Course of Business, increase or decrease in compensation (including bonus or incentive compensation) or benefits payable or to become payable to any current or former Personnel or independent contractor of the Company Group, (m) grant of rights to severance or termination pay to, or entrance into any employment, consulting or severance agreement with, any current or former Personnel or independent contractor of the Company Group, (n) establishment, entrance into, or amendment, modification or termination of, any Employee Plans; (o) loans or advances to, guarantees for the benefit of, or any investments in, any Person made by the Company Group; (p) other than pursuant to the Pre-Closing Reorganization,

amendment or modification to the Company Group's Governing Documents; (q) except in the Ordinary Course of Business, (i) acceleration of sales into a current period or deferral of any sales into a future period, (ii) delay or postponement of the repair or maintenance of any of the Company Group's properties or assets, or (iii) variance in any inventory purchase practices in any material respect from past practices; (r) except pursuant to the QSub Restructuring and the DRE Election, new, change in or revocation of any Tax election, settlement or compromise of any claim, notice, audit report or assessment in respect of Taxes, change in any annual Tax accounting period, adoption or change in any method of Tax accounting, filing of any amended Tax Return, entrance into any Tax allocation agreement, Tax sharing agreement, Tax indemnity agreement or closing agreement relating to any Tax, surrender of any right to claim a material Tax refund, or consent to any extension or waiver of the statute of limitations period applicable to any Tax claim or assessment; or (s) agreement or commitment by the Company Group to do any of the foregoing.

Section 4.08. Tax Matters.

(a) Except as set forth on Section 4.08(a) of the Disclosure Schedules, Seller and the Company Group have duly and timely filed or caused to be timely filed all Tax Returns that are or were required to be filed by or with respect to the Company Group pursuant to applicable Law. All such Tax Returns are true and correct and were prepared in compliance with all applicable Laws. Except as set forth on Section 4.08(a) of the Disclosure Schedules, Seller and the Company Group have paid all Taxes due and owing by it, whether or not shown to be due on such Tax Returns. The Company Group is not currently the beneficiary of any extension of time within which to file any Tax Return. There are no Encumbrances on any of the assets or properties of the Company Group that arose in connection with any failure (or alleged failure) to pay any Tax and no basis exists for assertion of any claims attributable to Taxes which, if adversely determined, would result in any such Encumbrance.

(b) Since December 31, 2018, except as required for the Pre-Closing Reorganization, neither Seller nor the Company Group has (i) made, changed or revoked any material Tax election, (ii) elected or changed any method of accounting for Tax purposes, (iii) changed any annual Tax accounting period, (iv) settled and/or compromised any Proceeding or Tax liability, (v) incurred any Liability for Taxes outside the Ordinary Course of Business or otherwise inconsistent with past custom and practice, (vi) filed an amended Tax Return or a claim for refund of Taxes, or (vii) entered into any contractual obligation in respect of Taxes.

(c) Seller has delivered to Purchaser copies of, and Section 4.08(c) of the Disclosure Schedules contains a complete and accurate list of, all Tax Returns filed by Seller or the Company Group for all Tax periods remaining open under the applicable statute of limitations, and all audit or examination reports and statements of deficiencies assessed against or agreed to by the Company Group. Neither Seller nor the Company Group 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 Group or for which the Company Group may be liable. No power of attorney has been granted with respect to the Company Group or the assets thereof as to any matter relating to Taxes, except for powers of attorney that are no longer in force. No closing agreements, private letter rulings, technical advice memoranda or similar agreements or rulings relating to Taxes have been entered into or issued by any Governmental Entity with or in respect of the Company Group.

(d) No deficiencies for Taxes with respect to the Company Group have been claimed, proposed or assessed by any Taxing Authority. The Company Group does not expect that any Taxing Authority may assess any additional Taxes for any period for which Tax Returns have been filed. There are no pending or, to the Knowledge of Seller, threatened, audits, assessments, disputes, claims or other actions concerning any Taxes of the Company Group. No issues relating to Taxes of the Company Group were raised by the relevant Taxing Authority in any completed audit or examination that would reasonably be expected to result in an amount of Taxes in a later Tax period. No claim has ever been made or, to the Knowledge of Seller, could reasonably be made by any Governmental Entity in a jurisdiction where Seller or the Company Group do not file Tax Returns that it is or may be subject to taxation by that jurisdiction.

(e) There is no Tax sharing agreement, Tax allocation agreement, Tax indemnity obligation or similar Contract, understanding or practice with respect to Taxes (including any advance pricing agreement, closing agreement or other arrangement relating to Taxes) that will require any payment by the Company Group or to which the Company Group is a party or by which it is bound.

(f) Neither Seller nor any member of the Company Group has ever been a member of an affiliated group filing a consolidated federal income Tax Return or any similar group for federal, state, local or foreign Tax purposes. Neither Seller nor any member of the Company Group has any Liability for Taxes of any other Person under Regulations Section 1.1502-6 (or any similar provision of state, local or foreign Law), as a transferee or successor, by Contract or otherwise.

(g) The provisions of Section 197(f)(9) of the Code do not currently apply to any intangible assets owned (directly or indirectly) by the Company Group.

(h) None of the Company Group nor its predecessors has conducted any business or held any assets, whether as an incorporated or unincorporated organization, prior to 1994.

(i) The Company made a valid and timely election to be classified as an S corporation within the meaning of Section 1361(a)(1) of the Code for federal income Tax purposes and for purposes of income Taxes in each state where the Company files income Tax Returns and that recognizes S corporation treatment and requires such an election to attain such treatment. No Governmental Entity, including the IRS, has challenged the "S" election or status of the Company. At all times from January 1, 2018 through the day before the QSub Restructuring, the Company was treated as a S corporation for federal income Tax purposes and for purposes of income Taxes in each state where the Company files income Tax Returns and that recognizes S corporation treatment. At all times from the date of the QSub Restructuring, the Company has been treated as disregarded entity for federal income Tax purposes and for purposes of income Taxes in each state where the Company files income Tax Returns and that recognizes such treatment.

(j) Neither the Company nor Seller have taken any action that would result in the termination of (i) the Company's status as an S corporation within the meaning of Section 1361(a)(1) of the Code prior to the QSub Restructuring or (ii) Seller's status as a S corporation within the meaning of Section 1361(a)(1) of the Code. Neither Seller nor the Company will be liable for any Tax under Section 1374 of the Code in connection with the deemed sale of the assets of the Company (including the assets of any "qualified subchapter S subsidiary"

within the meaning of Section 1361(b)(3)(B) of the Code) caused by the transactions contemplated herein.

(k) Seller is not a nonresident alien individual or foreign corporation within the meaning of Section 897 of the Code.

(l) Except as set forth on Section 4.08(l) of the Disclosure Schedules, the Company Group has not engaged in a trade or business, had a permanent establishment (within the meaning of an applicable Tax treaty), or otherwise become subject to Tax jurisdiction in a country other than the United States, Australia or New Zealand.

(m) Except as set forth on Section 4.08(m) of the Disclosure Schedules, the Company Group will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any Tax period (or portion thereof) ending after the Closing Date as a result of any of the following: (i) change in method of accounting of any such entity for a Pre-Closing Tax Period; (ii) "closing agreement" as described in Code Section 7121 (or any similar provision of other applicable Law) executed by any such entity on or prior to the Closing; (iii) installment sale or open transaction disposition made by any such entity on or prior to the Closing; (iv) intercompany transaction or excess loss account described in Treasury Regulations under Section 1502 of the Code (or any similar provision of other applicable Law); (v) prepaid amount or deferred revenue accrued on or prior to the Closing; or (vi) use of an improper method of accounting for a taxable period ending on or prior to the Closing.

(n) The Company Group has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any Personnel, independent contractor, creditor or equity holder of the Company Group or other Person. The Company Group has properly classified all individuals providing services to it as employees or non-employees for all relevant purposes.

(o) The Company Group has not been a party to a transaction that is or is substantially similar to a "reportable transaction," as such term is defined in Treasury Regulations Section 1.6011-4(b), or any other transaction requiring disclosure under analogous provisions of state, local or foreign Tax Law.

(p) The Company Group has not been nor will be required to include any amount into income under Code Section 965.

(q) At no time during the two (2)-year period ending on the date hereof was the Company Group a "distributing corporation" or "controlled corporation" within the meaning of Code Section 355(a)(1)(A) of the Code in any distribution intended to qualify under Section 355 of the Code.

(r) The Company Group is and has always been an accrual method taxpayer.

(s) The Company Group has not made elections to defer any Taxes under Section 2302 of the CARES Act, or any similar election under state or local Tax law.

(t) With respect to customs duties, the Company Group has properly classified all of its products under the Harmonized Tariff Schedule of the United States, has complied with all applicable country of origin reporting and marking obligations, has properly reported and valued all imported goods in its entry documents, and has paid all applicable duties (including but not limited to any applicable Section 301, Section 232, antidumping and/or countervailing duties).

Section 4.09. Absence of Undisclosed Liabilities. Except as set forth on Section 4.09 of the Disclosure Schedules, the Company Group does not have any Debt or Liability arising out of any transaction entered into prior to the Closing, or any action or inaction prior to the Closing, or any state of facts existing at or prior to the Closing, and there is no basis for any present or future Proceeding, charge, complaint, claim or demand against the Business or the Company giving rise to any such Debt or Liability, except for (a) Debt or Liabilities specifically disclosed, accrued or reserved against on the Interim Balance Sheet, (b) executory Liabilities under Contracts entered into by the Company Group in the Ordinary Course of Business (none of which results from, arises out of, relates to, is in the nature of or was caused by any breach of Contract, breach of warranty, tort, infringement or violation of Law), which are not required by GAAP to be included on the Financial Statements, and (c) Liabilities which have arisen in the Ordinary Course of Business since the Interim Balance Sheet Date (none of which results from, arises out of, relates to, is in the nature of or was caused by any breach of Contract, breach of warranty, tort, infringement or violation of Law), none of which are material and all of which are reflected in the Estimated Closing Date Balance Sheet.

Section 4.10. Real Property. The Company Group does not own nor has it ever owned any real property. Section 4.10(a) of the Disclosure Schedules sets forth a true and correct list of all real property in which the Company Group has a leasehold interest (the "Leased Real Property") and the leases or other agreements evidencing such interests (the "Real Property Leases"). Except as set forth on Section 4.10(b) of the Disclosure Schedules:

(a) the Company Group has good, marketable and valid leasehold interest in the Leased Real Property and the Company Group has not collaterally assigned, mortgaged, deeded in trust or granted any other Encumbrances in the Leased Real Property other than Permitted Encumbrances;

(b) the Company Group's leasehold interest in the Leased Real Property is not subject to any Encumbrance (other than the lien, if any, of current property Taxes and assessments not in default and other than as provided for in the Real Property Leases);

(c) the Real Property Leases constitute all written and oral agreements of any kind relating to the leasing, rental, use or occupancy of the Leased Real Property and contain arms-length terms with respect to the parties thereto;

(d) no third party is in possession of the Leased Real Property, and none of the Leased Real Property is subject to any lease, sublease, license, concession, option to purchase, purchase agreement or grant to any Person of any right relating to the use, occupancy or enjoyment of such property or any portion thereof;

(e) the Leased Real Property is not subject to any use restrictions, exceptions, reservations or limitations which interfere with or impair the present and continued use thereof as currently used by the Company Group in the conduct of the Business;

(f) there are no pending or, to the Knowledge of Seller, threatened, condemnation Proceedings relating to any of the Leased Real Property;

(g) the Leased Real Property abuts on and has direct vehicular access to a public road, or has access to a public road via a permanent, irrevocable, appurtenant easement benefiting the Leased Real Property, and access to the Leased Real Property is provided by paved public right-of-way;

(h) all necessary utilities are currently available to the Leased Real Property in sufficient size and capacity to adequately serve the continued use thereof as currently used by the Company Group in the conduct of the Business;

(i) the Leased Real Property is properly zoned to permit the continued use of the Leased Real Property for the conduct of the Business, and, to the Knowledge of Seller, there are no pending amendments to any applicable zoning ordinance which are likely to curtail or to interfere with such continued use;

(j) the conduct of the Business on the Leased Real Property is in full compliance with applicable Laws and the Real Property Leases, and no portion of the Leased Real Property is operated as a nonconforming use;

(k) all Licenses and Permits necessary for the occupancy and use of the Leased Real Property for the conduct of the Business have been obtained and are in full force and effect; and

(l) no portion of the Leased Real Property is located in either a "Special Flood Hazard Area" pursuant to the Federal Insurance Rate Maps created by the Federal Emergency Management Agency or an area which is inundated by a "100 year" flood as provided by any Governmental Entity.

Section 4.11. Conformity of the Leased Real Property. All buildings, structures and improvements located on, fixtures contained in, and appurtenances attached to the Leased Real Property conform to all applicable Laws in all material respects. All such buildings, structures, improvements, fixtures and appurtenances are in good condition and repair, subject to normal wear and tear, and no condition exists which interferes with the economic value or use thereof.

Section 4.12. Title to Assets and Related Matters.

(a) Except as set forth on Section 4.12 of the Disclosure Schedules, there are no material assets or properties used in the operation of the Business other than the assets and properties reflected on the Interim Balance Sheet or purchased or leased in the Ordinary Course of Business since the Interim Balance Sheet Date, and such assets are sufficient for the continued conduct of the Business after the Closing in substantially the same manner as conducted prior to the Closing. The Company Group has good and marketable title to, or a valid leasehold interest in, all such assets and properties reflected in the Interim Balance Sheet or acquired in the Ordinary

Course of Business since the Interim Balance Sheet Date, free and clear of all Encumbrances (other than Permitted Encumbrances), except as disposed of since the Interim Balance Sheet Date in the Ordinary Course of Business.

(b) The assets and properties currently used in the Business are in good operating condition and repair and are reasonably adequate for its intended use, ordinary wear and tear excepted, and are in conformity in all respects with all applicable Laws and other applicable requirements.

Section 4.13. Accounts Receivable, Accounts Payable and Inventory.

(a) The Company Group does not generally have any Accounts Receivable because of the nature of its Business. To the extent any Accounts Receivable are reflected in the Interim Balance Sheet, and any Accounts Receivable arising since the Interim Balance Sheet Date, such Accounts Receivable represent bona fide claims, arms-length transactions, against debtors for sales, services performed or other charges arising in the Ordinary Course of Business and are not subject to dispute, set-off or counterclaim.

(b) All accounts payable and other payables of the Company Group arose in bona fide arm's-length transactions in the Ordinary Course of Business and no such account payable or other payable is delinquent in its payment per its terms. All lease payments, utilities, Taxes, payroll and/or any and all payables owed by the Company Group that were due in accordance with their terms on a date before the Closing Date have been paid or reserved for on the Financial Statements in full prior to Closing and there are no outstanding amounts due with respect to such items. Since December 31, 2021, the Company Group has paid their respective accounts payable and other payables in accordance with their terms and has not delayed any such payments.

(c) All items of Inventory included in the assets reflected on the Interim Balance Sheet or acquired after the Interim Balance Sheet Date and prior to the Closing Date (i) were acquired in the Ordinary Course of Business, (ii) are owned free and clear of any Encumbrances (other than Permitted Encumbrances), (iii) have been valued in a manner consistent with past practice (including, without limitation, the method of computing overhead and other indirect expenses to applied to Inventory) and in accordance with GAAP. None of the Inventory is of a quantity or quality not usable and salable in the Ordinary Course of Business, is surplus, obsolete, defective, damaged or slow-moving, or is not merchantable and fit for its intended use, except to the extent accounted for in the reserve for inventory write-down set forth in the Final Net Working Capital. For purposes of this section, "surplus" means Inventory that on a per part basis exceeds the amount of such part sold during the prior twelve month period and "obsolete" means Inventory that on a per part basis has not been sold in the prior twelve month period.

Section 4.14. Products.

(a) Section 4.14(a) of the Disclosure Schedules contains complete and accurate copies of the standard terms and conditions of sale for each of the products of the Company Group (containing applicable guaranty, warranty and indemnity provisions). Except for such standard terms and conditions of sale, no product manufactured, sold, designed, produced or distributed by or on behalf of the Company Group is subject to any guaranty, warranty or other indemnity,

express or implied, beyond such standard terms and conditions. All products and other items manufactured, sold, designed, produced or distributed by or on behalf of the Company Group are in conformity with all applicable contractual commitments and all express and implied warranties.

(b) The Company Group does not have any Liability of any nature whether based on strict liability, negligence, breach of warranty (express or implied), breach of contract or otherwise, in respect of any product or other item manufactured, sold, designed, produced or distributed prior to the Closing by the Company Group that is not otherwise fully and adequately reserved against as reflected on the face of the Interim Balance Sheet. All products and other items manufactured, sold, designed, produced or distributed prior to the Closing by or on behalf of the Company Group have been manufactured, sold, designed, produced and distributed in compliance with all Laws.

(c) The Company Group has not received notice of any claims for (and, to the Knowledge of Seller, there are no threatened claims for) any extraordinary product returns, warranty obligations or product services relating to any product or other item manufactured, sold, designed, produced or distributed by or on behalf of the Company Group. There have been no product recalls, withdrawals or seizures by any Governmental Entity with respect to any products or other items manufactured, sold, designed, produced or distributed by or on behalf of the Company Group.

(d) Except as set forth in Section 4.14(d) of the Disclosure Schedules, since December 31, 2021, the Company Group has not received any returns of a material amount of products by any customer. To the Knowledge of Seller, no customer intends to return, or has given the Company Group notice that it may return, any material amount of products.

(e) Except as set forth on Section 4.14(e) of the Disclosure Schedules, the Company Group has not entered into, or offered to enter into, any Contract pursuant to which the Company Group is or shall be obligated to make any rebates, discounts, promotional allowances or similar payments or arrangements with or to any customer or other business relation. The Company Group has paid all such rebates, discounts, promotional allowances or similar payments or arrangements due and owing by it, and has adequately accrued for any such rebates, discounts, promotional allowances or similar payments or arrangements on the Interim Balance Sheet.

Section 4.15. Intellectual Property.

(a) Section 4.15(a) of the Disclosure Schedules contains a complete and accurate list of all of the material Intellectual Property Assets. The Intellectual Property Assets are all those necessary for or used in the operation of the Business. All of the Intellectual Property Assets are in good standing, are duly authorized, validly issued and enforceable and have not been cancelled. All Trade Secrets and other confidential information of the Company Group have at all times been subject to adequate measures to preserve their secrecy and confidentiality and, with respect to Trade Secrets, status as a trade secret under applicable Law. To the Knowledge of Seller, there are no facts, rulings or circumstances that would invalidate or render any of the Intellectual Property Assets unenforceable.

(b) The Company Group is the owner of all right, title and interest in and to each of the Intellectual Property Assets owned or purported to be owned by the Company Group, or, as set

forth on Section 4.15(b)(i) of the Disclosure Schedules, is the licensee of each of the Intellectual Property Assets licensed to the Company Group, free and clear of all Encumbrances. The Company Group's use of its Intellectual Property Assets, and the operation of the Business does not and shall not infringe, misappropriate or otherwise make any unlawful or unauthorized use of any of the intellectual property assets or other proprietary right of any Person. Except as set forth on Section 4.15(b)(ii) of the Disclosure Schedules, (i) there are no licenses now outstanding or other rights granted to any Person with respect to any of the Intellectual Property Assets, (ii) the Company Group is not a party to any Contract with respect to any of the Intellectual Property Assets and (iii) the Company Group has not received any notice or other communication claiming, alleging or suggesting that the Company Group has infringed, misappropriated or otherwise made any unlawful or unauthorized use of any of the Intellectual Property Assets, and, to Seller's Knowledge, no other Person has threatened to make any such claims and there are no basis for any claims. To Seller's Knowledge, no third party is infringing any of the Company Group's rights in any of the Intellectual Property Assets. The Company Group has not made, sent or otherwise communicated any notice or other communication claiming, alleging or suggesting that any third party has infringed, misappropriated or otherwise made any unlawful or unauthorized use of any of the Intellectual Property Assets, or inquiring regarding whether such third party has undertaken any of the foregoing actions. There are no unresolved claims made by any Person that any of the Intellectual Property Assets or the activities of the Company Group in connection with the Intellectual Property Assets constitutes unfair competition or are in violation or infringement of any intellectual property right of any other Person.

(c) The Company Group owns the complete and exclusive right, title and interest in and to all tangible and intangible property rights existing in the Intellectual Property Assets. No compensation, including, without limitation, royalties, is due or may become payable to any current or past Personnel, contractor or other Person for creation or use of any Intellectual Property Assets other than pursuant to a written Contract listed on Section 4.15(c) of the Disclosure Schedules. Each of the agreements listed on Section 4.15(c) of the Disclosure Schedules following the consummation of the Contemplated Transactions (i) shall remain the legal, valid, binding and enforceable obligations of such independent contractor or third party and (ii) have not been repudiated in any way by the Company Group nor is the Company Group in default under such agreements.

(d) All Software and Information Systems are commercially available. The Software and Information Systems are in good operating condition and repair, fit for the particular purpose for which they are intended and are all of the Software and Information Systems necessary or desirable for the operation of the Business as presently conducted. All Software is licensed to Seller by a third party, and the Company Group's use of the Software complies with the Contracts to which the Company Group is a party related to the license thereof. The Company Group has in place written agreements with all vendors for all Software, Information Systems, and associated hardware, cloud services and related infrastructure.

(e) The Company Group has not agreed to indemnify any Person against any charge of infringement or other violation with respect to any of the products or services of the Company Group or the exploitation or licensing of any of the Intellectual Property Assets.

(f) The Company Group has the right, which is non-terminable and not subject to expiration or revocation, to develop, license, control, regulate the use of or otherwise exploit the Intellectual Property Assets without any valid legal or equitable claim by, or payment or other obligation owing to, or required consent from, any Person.

(g) The Information Systems are fully operational and functioning consistent with the purposes for which they have been designed, are free from significant defects or programming errors, and conform in all material respects to the written documentation and specifications therefor, if any. The Company Group owns or possesses a royalty-free license to use all Intellectual Property necessary to operate its Information Systems, without any known conflict with, or infringement of, the rights of others. None of the Information Systems, or the use thereof, infringes or violates, or constitutes a misappropriation of, any intellectual property rights of the supplier thereof or any other Person. There are no known material upgrades or additions required to be made to the Information Systems to meet the demands of the Business as it is currently being operated.

(h) The Company Group's practices with regard to the collection, dissemination and use of Company Data are and have been in accordance in all material respects with all of its contractual obligations regarding Company Data and applicable Data Security Requirements. The Company Group has established, implemented and maintained (i) industry standard and reasonable safeguards against the destruction, loss or alteration of, and unauthorized access to, all Company Data and (ii) industry standard and reasonable physical, network, electronic and internet security procedures, protocols, security gateways and firewalls with respect to all Company Data. There has been no actual or suspected unauthorized disclosure or use of, or access to, any of the Company Data or other information in the possession or control of the Company Group, including any actual or suspected unauthorized access to or disclosure of any Company Data. The Company Group is not under investigation, subject to any monitoring or audit requirements that are ongoing or occurred in the last five (5) years or in receipt of any inquiries from any Governmental Entity with respect to Laws relating to data security, privacy, data procurement, use and handling, data loss, theft, and breach of security notification obligations.

(i) Section 4.15(i) of the Disclosure Schedules contains a complete and accurate list of all social media accounts used by the Company Group. The Company Group has complied with all terms of use, terms of service and other Contracts and all associated policies and guidelines relating to its use of any social media platforms, sites or services.

Section 4.16. Employee Benefit Plans.

(a) Section 4.16(a) of the Disclosure Schedules contains a true and correct list of each Employee Plan. Each Employee Plan is in full force and effect and complies in form and in operation, and has been administered in accordance with, its terms and applicable requirements of ERISA, the Code and other applicable Laws. No event has occurred, and, to the Knowledge of Seller, there exists no condition or set of circumstances which has resulted in or which could reasonably be expected to result in any material Liability under the terms of or with respect to such Employee Plan, ERISA, the Code or other applicable Law.

(b) With respect to each Employee Plan, the Company Group has made available to Purchaser true and complete copies (as in effect currently or at any time in the past six (6) years) of: (i) all plan documents, including all amendments and summary plan descriptions with respect thereto; (ii) if applicable, the three most recent annual reports (Form 5500 series) filed with the IRS; (iii) the most recent determination or prototype opinion letter, if any, issued by the IRS; (iv) any related trust, service, insurance or funding agreement; and (v) any other material document with respect to each Employee Plan.

(c) Each Employee Plan which is intended to meet the qualification requirements of Section 401(a) of the Code (i) has received a favorable determination letter or prototype opinion letter, as applicable, with respect to such Employee Plan's qualified status, (ii) has at all times met the qualification requirements of Section 401(a) of the Code and (iii) each related trust has at all times been exempt from taxation under Section 501(a) of the Code. No fact or event has occurred that could adversely affect the qualified status of any such Employee Plan or the exempt status of any trust. All contributions required to be made under the terms of any Employee Plans have been timely made or have been reflected in the Financial Statements.

(d) The Company Group is not part of a "controlled group" of corporations and is not under common control with any other Person which is required to be treated as a single employer under Sections 414(b), (c), (m) or (o) of the Code, or Section 3(5) or 4001(b)(1) of ERISA, or the regulations promulgated thereunder.

(e) Neither the Company Group nor any of their respective ERISA Affiliates sponsors, maintains or contributes to, or is required to contribute to, or has ever sponsored, maintained, contributed to, or has or has ever had any Liability with respect to, (i) a "pension plan" under Section 3(2) of ERISA that is subject to Title IV of ERISA, (ii) a Multiemployer Plan, (iii) a "multiple employer plan" within the meaning of ERISA, (iv) an employee benefit plan subject to Section 413(c) of the Code or (v) a "multiple employer welfare arrangement" within the meaning of Section 3(40) of ERISA.

(f) The Company Group does not sponsor, maintain or contribute to, nor is required to sponsor, maintain or contribute to, nor has ever sponsored, maintained or contributed to, nor does it have or ever had any Liability with respect to, any arrangement that provides medical, health, life or other welfare benefits for present or future terminated or retired employees or their spouses or dependents, other than as required by Part 6 of Subtitle B of Title I of ERISA, COBRA, or any comparable state Law.

(g) No Proceeding or claim has been brought or is pending or, to the Knowledge of Seller, is threatened, involving any Employee Plan, including audits or investigations by any Governmental Entity (except for individual claims for benefits payable in the normal operation of the Employee Plans).

(h) With respect to any Employee Plan, there has been no "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code that would be reasonably likely to result in material Liability with respect to the Company Group or any Employee Plan, nor has the Company Group or any ERISA Affiliate thereof or, to the Knowledge of Seller, any

Personnel of the Company Group or any ERISA Affiliate thereof, breached any duty imposed by Title I of ERISA, with respect to any Employee Plan.

(i) Each individual providing services to the Company Group and their respective ERISA Affiliates has been properly classified as an employee or a non-employee service provider with respect to each such entity for all purposes under applicable Law and the Employee Plans. All employees of the Company Group classified as exempt under the Fair Labor Standards Act and state and local wage and hour Laws are properly classified.

(j) Each Employee Plan and each other Contract, plan or program maintained by the Company Group that is a "nonqualified deferred compensation plan" (within the meaning of Section 409A(d)(1) of the Code) has been operated in compliance with Section 409A of the Code. No payment pursuant to any Employee Plan or other arrangement to any "service provider" (as such term is defined in Section 409A of the Code and the U.S. Treasury Regulations and IRS guidance thereunder) would subject any Person to Tax pursuant to Section 409A of the Code, whether pursuant to this Agreement or otherwise.

(k) Neither the execution and delivery of this Agreement, nor the consummation of the Contemplated Transactions hereby could (either alone or in conjunction with any other event): (i) result in any "parachute payment" as defined in Section 280G(b)(2) of the Code (whether or not such payment is considered to be reasonable compensation for services rendered); or (ii) give rise to any additional service credits under any Employee Plan sponsored or maintained by the Company Group (or under which the Company Group has any actual or potential liability).

(l) Except as set forth in Section 4.16(l) of the Disclosure Schedules, neither the Company Group nor any of their respective ERISA Affiliates has sponsored, maintained, contributed to, nor has been required to sponsor, maintain, participate in or contribute to, nor does it have or ever had any Liability with respect to, any employee benefit plan, program, or other arrangement providing compensation or benefits to any employee or former employee (or any dependent thereof) which is subject to the Laws of any jurisdiction outside of the United States.

(m) The Company Group has complied with the applicable provisions of the Affordable Care Act of 2010 and the Health Care and Education Reconciliation Act of 2010 (collectively, the "ACA") including all provisions of the ACA applicable to the Company Group's Personnel, including the employer shared responsibility provisions relating to the offer of "minimum essential coverage" to "full-time" employees that is "affordable" and provides "minimum value" (as defined in Section 4980H of the Code and related regulations). The Company Group is not an Applicable Large Employer under the employer shared responsibility provisions of the Affordable Care Act.

Section 4.17. Personnel; Labor Relations.

(a) (i) There is no labor strike, lockout, dispute, slowdown or stoppage pending or, to the Knowledge of Seller, threatened, against or involving the Company Group, nor has any such event or labor difficulty occurred within the past five (5) years, (ii) there are no union claims to represent the Company Group's Personnel, (iii) the Company Group is not a party to, nor is the Company Group bound by, any collective bargaining or other Contract with any union, work council, employee association or labor organization, written work rules or practices or unwritten

work rules or practices agreed to with any union, work council, labor organization or employee association, (iv) there has been no attempt to organize any group or all of the Company Group's Personnel within the past five (5) years, (v) except for failure to obtain Form I-9s for its employees, the Company Group is in compliance in all material respects with all applicable Laws relating to employment and employment practices, terms and conditions of employment, wages, hours of work, plant closing and occupational safety and health, (vi) there is no unfair labor practice charge or complaint against the Company Group pending or, to the Knowledge of Seller, threatened, before the National Labor Relations Board or any Governmental Entity (and, to the Knowledge of Seller, there is no reasonable basis therefor), (vii) there is no charge with respect to or relating to the Company Group pending before the Equal Employment Opportunity Commission or any other agency responsible for the prevention of unlawful or discriminatory employment practices (and, to the Knowledge of Seller, there is no reasonable basis therefor), (viii) the Company Group has not received any notice of the intent of any Governmental Entity responsible for the enforcement of labor or employment Laws to conduct an investigation or other inquiry relating to the Company Group, and no such investigation or other inquiry is in progress, (ix) there is no Proceeding pending or, to the Knowledge of Seller, threatened, in any forum by or on behalf of any present or former Personnel of the Company Group, any applicant for employment or any class or classes of the foregoing alleging breach of any express or implied Contract of employment, any Law governing employment or the termination thereof or other discriminatory, wrongful or tortious conduct in connection with the employment relationship, (x) there is no agreement of any kind which restricts the Company Group from relocating, closing or terminating any of its operations or facilities, (xi) Company has not received any notice from any Personnel that such person has any current or immediate plans to terminate his or her employment with the Company Group, and (xii) the Company Group does not have any present intention to terminate the employment of any of its Personnel due to misconduct, absenteeism or unsatisfactory performance.

(b) The Company Group has not, within the past five (5) years, effectuated (i) a "plant closing" (as defined in the WARN Act) affecting any site of employment or one or more facilities or operating units within any site of employment or facility of the Company Group, or (ii) a "mass layoff" (as defined in the WARN Act) affecting any site of employment or facility of the Company Group, nor has the Company Group been affected by any transaction or engaged in layoffs or employment terminations sufficient in number to trigger application of any similar Law. None of the Company Group's Personnel has suffered an "employment loss" (as defined in the WARN Act) during the previous six (6) months.

(c) None of the current Personnel of Company have informed the Company that such person is bound by any Contract that purports to limit the ability of such Personnel (i) to engage in or continue to perform any conduct, activity, duties or practice relating to the Business or (ii) to assign to the Company Group or to any other Person any rights to any invention, improvement or discovery. No former or current Personnel of the Company Group is a party to, or is otherwise bound by, any Contract that in any way adversely affected, affects or will affect the ability of the Company Group to conduct the Business.

(d) (i) The Company Group has not entered into any severance or similar arrangement with any Personnel or service provider that would result in any Liability of the Company Group to make any payment to such Personnel or service provider upon a termination of employment or service with the Company Group, including a termination of employment or service effected by

the Contemplated Transactions, and (ii) neither the execution of this Agreement nor the consummation of the Contemplated Transactions shall, individually or in the aggregate, (A) result in any payment becoming due to any Personnel or other service provider of the Company Group, (B) increase or modify any benefits otherwise payable by the Company Group to any Personnel or other service provider of the Company Group, or (C) result in the acceleration of time of payment or vesting of any awards or benefits.

(e) The Company Group has maintained workers' compensation coverage as required by applicable Law through the purchase of insurance and not by self-insurance or otherwise.

(f) Section 4.17(f) of the Disclosure Schedules contains a true and correct list of the current employees of the Company Group as of the Closing Date and shows with respect to each such employee, the employee's name, the employer's name, position, base salary or hourly wage rate, actual and target incentive compensation (including, without limitation, bonus, commissions and fringe benefits that are not provided to all employees, as applicable) for 2021 and 2022, as applicable.

(g) The Company Group is not sponsoring any employee to work in the United States or any other country under a visa or work authorization, and no petition for admission of any alien under a non-immigrant or other visa, or for transfer of sponsorship of any such employee, is currently pending. Each employee of the Company Group is authorized to work in the United States.

Section 4.18. Environmental Compliance.

(a) No Hazardous Material has been disposed of, spilled, leaked or otherwise released on any Leased Real Property, on any other property previously owned or leased by the Company Group or at any geologically or hydrologically adjoining property by the Company Group or, to the Knowledge of Seller, by any other Person, in an amount requiring reporting to a Governmental Entity, otherwise requiring cleanup under applicable Environmental Requirements or in violation of Environmental Requirements. Except in compliance with Environmental Requirements, no Hazardous Materials are present on or in the ambient air, surface water, ground water, land surface or surface strata at any Leased Real Property. No Hazardous Materials are or have been generated, manufactured, treated, stored, transported, used, disposed of or otherwise handled by the Company Group either on or off of any Leased Real Property or any other property previously owned or leased by the Company Group except in compliance with Environmental Requirements, and there are no underground storage tanks on the Leased Real Property (whether or not regulated and whether or not out of service, closed or decommissioned). There is no condition affecting any Leased Real Property which is in violation of any Environmental Requirement. There are no asbestos-containing materials incorporated into the buildings or interior improvements that are part of any of the Leased Real Property, or into any other assets of the Company Group. There is no electrical transformer, fluorescent light fixture with ballasts or other equipment containing polychlorinated biphenyls on any of the Leased Real Property. The Company Group has not conducted activities on the Leased Real Property involving the treatment, storage or disposal of Hazardous Materials. To the Knowledge of Seller, no previous owner or tenant of the Leased Real Property has spilled, disposed, discharged, emitted or released any Hazardous Materials into, upon or from the Leased Real Property or into or upon the soil, ground or surface water thereof, nor to

the Knowledge of Seller, has any previous owner or tenant of the Leased Real Property violated any Environmental Requirements with respect to the Leased Real Property.

(b) The Company Group is in compliance with, and has at all times during the prior six (6) years complied with, all Environmental Requirements, and the Company Group has not received any notice or been cited for any violation or potential violation of any Environmental Requirements. No capital expenditures by the Company Group are or will be required to establish or maintain compliance with any applicable Environmental Requirements. There is no pending investigation, civil, criminal or administrative action, notice or demand letter, notice of violation or other Proceeding by any Governmental Entity with respect to ground or surface water, soil or air contamination, the storage, treatment, release, transportation or disposal of Hazardous Materials or the violation of any Environmental Requirement relating to any Leased Real Property or the Business. The Company Group has not received any notice or other communication concerning any past, present or future events, actions or conditions which under present Environmental Requirements may give rise to any Liability of the Company Group relating to the presence of Hazardous Materials on the Leased Real Property or on the real property of any Person. The Company Group does not have any agreement with any Governmental Entity relating to any such environmental matter or any environmental or Hazardous Materials cleanup.

Section 4.19. Licenses and Permits. Section 4.19 of the Disclosure Schedules sets forth a true and correct list, together with a description of type, duration and status, of each of the Licenses and Permits owned or possessed by the Company Group. The Company Group has obtained and maintained in full force and effect all Licenses and Permits required to operate the Business in the Ordinary Course of Business, including all Licenses and Permits required by Export Control Laws to operate the Business. The Company Group has provided Purchaser with true and complete copies of all Licenses and Permits. The consummation of the Contemplated Transactions shall not interrupt or give any Governmental Entity the right to modify, terminate or interrupt the continuation of any of the Licenses and Permits or the conduct of the Business. The Company Group is in compliance with all terms, conditions and requirements of all Licenses and Permits and no Proceeding is pending or, to the Knowledge of Seller, threatened, relating to the revocation or limitation of any of the Licenses or Permits. The Company Group possesses and complies with the terms of all customs bonds and all import and export registrations, permits and licenses that are necessary to operate the Business in the United States, Australia, New Zealand, China and all other jurisdictions in which it does business. The Company Group does not, and has not, done business with any Persons or in any countries that are subject to US embargos, sanctions or other restrictions.

Section 4.20. Insurance; Bonds.

(a) Section 4.20(a) of the Disclosure Schedules sets forth a true and correct list of all policies of title, liability, fire, casualty, business interruption, workers' compensation and all other forms of insurance (including, without limitation, self-insurance arrangements) (collectively, the "Policies" and individually, a "Policy") insuring the properties, assets or other operations of the Company Group, setting forth the carrier, policy number, expiration dates, premiums, deductibles, description of type of coverage and coverage amounts. The Company Group has provided Purchaser with true and complete copies of all of the Policies.

(b) Each of the Policies is in an amount and insures against the risks usually and customarily carried by a Person engaged in the type of business which constitutes the Business. Each of the Policies is in full force and effect. All premiums due and payable under such Policies have been paid. The Company Group is not in default under any provisions of any Policy, and the Company Group has not received notice of default under, or cancellation or modification of, any Policy. There is no claim by the Company Group pending under any Policy as to which coverage has been questioned, denied or disputed by the underwriters of any Policy, and to the Knowledge of Seller, there is no basis for denial of any claim under any Policy. The Company Group has not received any notice from or on behalf of any insurance carrier issuing any Policy that insurance rates therefor shall hereafter be increased or that there shall hereafter be a cancellation or an increase in a deductible (or an increase in premiums in order to maintain an existing deductible) or non-renewal of any Policy. The Policies are sufficient for compliance by the Company Group with all requirements of Law and with the requirements of all Material Contracts. The Company Group has not experienced claims in excess of current coverage of such insurance.

(c) Section 4.20(c) of the Disclosure Schedules sets forth a true and correct list of all outstanding bonds, letters of credit or other surety arrangements issued or entered into in connection with the assets and properties of the Company Group or the Business. Except for those set forth on Section 4.20(c) of the Disclosure Schedules, no bond, letter of credit or other surety is required to satisfy any contractual, statutory or regulatory requirement applicable to the Company Group.

Section 4.21. Contracts and Commitments. Section 4.21 of the Disclosure Schedules contains a true and correct list of all of the following Contracts (collectively, the "Material Contracts"), with all such Material Contracts disclosed on Section 4.21 of the Disclosure Schedules identified by reference to the specific clause of this Section 4.21 to which such Material Contract relates:

(a) any Contract (or group of related Contracts) for the furnishing or receipt of products or services by the Company Group, in each case, the performance of which will extend over a period of more than one year or which provides for annual payments to or by the Company Group in excess of \$25,000;

(b) (i) any capital lease or (ii) any other lease or other Contract relating to equipment or machinery of the Company Group;

(c) any Contract, other than leases relating to equipment and machinery of the Company, relating to the lease or license of any assets of the Company Group, including any Intellectual Property Asset or Leased Real Property;

(d) any Contract relating to the Intellectual Property Assets, including, without limitation, Contracts relating to the development of the Intellectual Property Assets;

(e) any Contract relating to the acquisition or disposition of (i) any business of the Company Group (whether by merger, consolidation, or other business combination, purchase or sale of securities, purchase or sale of assets or otherwise), or (ii) any asset of the Company Group, other than in the Ordinary Course of Business;

(f) any Contract under which the Company Group is, or may become, obligated to pay any amount in respect of indemnification obligations, purchase price adjustment, earn-out obligations or otherwise in connection with any (i) acquisition or disposition of assets or securities, (ii) merger, consolidation or other business combination, or (iii) series or group of related transactions or events of the type specified in clauses (i) and (ii) above;

(g) all employment, severance, consulting, bonus, profit-sharing, percentage compensation, deferred compensation, pension, welfare, retirement, equity purchase or equity option plans and agreements and commitments with or relating to the Personnel (current or former) or Affiliates of the Company Group;

(h) any Contract (or group of related Contracts) (i) under which the Company Group has created, incurred, assumed or guaranteed any Debt or (ii) under which the Company Group has permitted any its assets to become Encumbered;

(i) any Contract under which any Person has guaranteed any Debt of the Company Group;

(j) any Contract relating to any joint venture, partnership, limited liability company, strategic alliance or sharing of profits or losses with any Person to which the Company Group is a party or by which the Company Group or any of its assets are bound;

(k) any Contract containing covenants purporting to limit the freedom of the Company Group or any Personnel (current or former) thereof to compete in any business or in any geographic area or to solicit, hire or engage any employees, customers, suppliers or other Persons;

(l) any agency, dealer, distributor, sales representative, service provider, marketing or similar Contract to which the Company Group is a party;

(m) any Contract requiring payments or distributions to any equity holder or Personnel of the Company Group (current or former), or any relative, Family Member or Affiliate of any such Person;

(n) any Contract not made by the Company Group in the Ordinary Course of Business;

(o) any Contract with any Material Supplier;

(p) any Contract, including all task orders issued from such Contracts, between the Company Group and any Governmental Entity;

(q) any Contract providing for termination, retention, change in control or similar payments; and

(r) any Contract that provides any customer with pricing, discounts or benefits that change based on the pricing, discounts or benefits offered to other customers of the Company Group, including any Contract which contains a "most favored nation" provision.

The Company Group has provided Purchaser with true and complete copies of all written Material Contracts and each amendment, supplement, waiver or modification thereto, and has provided to Purchaser a written summary setting forth the terms and conditions of each oral Material Contract. All of the Material Contracts are legal, valid, binding and enforceable in accordance with their respective terms with respect to the Company Group, and to the Knowledge of Seller, with respect to each other party to the Material Contracts, and are in full force and effect and shall continue to be in full force and effect on identical terms immediately following the consummation of the Contemplated Transactions. Neither the Company Group nor, to the Knowledge of Seller, any other party thereto, has breached any provision of, or is in default under the terms of, nor does any condition exist which, with or without notice or lapse of time, or both, would cause the Company Group or, to the Knowledge of Seller, any other party, to be in default under any of the Material Contracts or would constitute a breach or default or permit termination, modification or acceleration under any such Material Contract. The Company Group has not (i) received any written notice of cancellation or termination or, other than as reflected in the terms of such Material Contract existing as of the Closing Date, change in material terms (including, pricing, term and volume) of any such Material Contract or (ii) during the two (2) years prior to the Closing Date, obtained or granted in writing any material waiver of or under any provision of any such Material Contract except for routine waivers granted or sought in the Ordinary Course of Business. No default has been threatened in writing under any Material Contract. Except as set forth on Section 4.21 of the Disclosure Schedules, the consummation of the Contemplated Transactions shall not afford any other party the right to terminate any such Material Contract.

Section 4.22. Customers and Suppliers. Section 4.22 of the Disclosure Schedules sets forth a list of the twenty (20) largest suppliers of the Company Group (with specification of expenditures) for the calendar year ended December 31, 2021 and for the current fiscal year through July 31, 2022, each based on the dollar amount of expenditures by the Company Group for such period (the "Material Suppliers"). For the calendar year ended December 31, 2021 and for the current fiscal year through July 31, 2022, the Company Group does not have revenues from any one customer in excess of \$10,000.

Section 4.23. Compliance with Law.

(a) Except as set forth on Section 4.23 of the Disclosure Schedules, the Company Group is and has been during the prior six (6) years in compliance with all applicable Laws in all material respects. The Company Group has not received, at any time during the prior three (3) years, any written notice from any Governmental Entity regarding any actual, alleged or potential violation of, or failure to comply with, any term or requirement of any Law.

(b) None of the Company Group or any Personnel of the Company Group or other Person acting on behalf of or associated with the Company Group, has at any time: (i) received, directly or indirectly, any rebates, payments, commissions, promotional allowances or any other economic benefits, regardless of their nature or type, from any customer or supplier, or any employee or agent of any customer or supplier, (ii) directly or indirectly given or agreed to give any money, gift or similar benefit to any official or employee of any Governmental Entity, or other Person who was, is or could reasonably be expected to be in a position to help or hinder the Business (or assist the Company Group in connection with any actual or proposed business transaction), including, without limitation, any customer or supplier of the Company Group or any

Personnel or Representative of such customer or supplier, in each case which (x) could reasonably be expected to subject the Company Group to any damage or penalty in any civil, criminal or governmental Proceeding, (y) if not given in the past, could reasonably be expected to have had an adverse effect on the operations, cash flows or prospects of the Company Group or (z) if not continued in the future, could reasonably be expected to adversely affect the operations, cash flows or prospects of the Company Group or (iii) violated or is in violation of any provision of any Anti-Corruption Law.

(c) The Company Group has maintained systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with applicable Anti-Corruption Laws. Neither the Company Group nor any Personnel of the Company Group is the subject of any allegation, voluntary disclosure, investigation, prosecution or other enforcement action related to any Anti-Corruption Law.

(d) Neither the Company Group nor any Personnel of the Company Group has violated or is in violation of any Export Control Law. None of the Company Group has received notice alleging that it is not in compliance with applicable Export Control Laws, and the Company Group has not filed any voluntary disclosures of possible violations of applicable Export Control Laws or any other export violations. Neither the Company Group nor any Personnel of the Company Group (i) is named or described in any screening list maintained by any Governmental Entity, including any list issued by OFAC or any other lists included in the U.S. government's consolidated screening list or on any similar list, (ii) is otherwise a party with whom, or has its principal place of business or the majority of its business operations (measured by revenue) located in a country in which transactions are prohibited by Law, or (iii) have been convicted of a felony relating to money laundering or is under investigation by any Governmental Entity for money laundering.

Section 4.24. Litigation. Except as set forth on Section 4.24(a) of the Disclosure Schedules, (a) there are no Proceedings pending or, to the Knowledge of Seller, threatened, against the Company Group or Seller or affecting (i) any of its properties or assets, (ii) the Business or (iii) the Acquired Units, (b) there are no unsatisfied judgments of any kind against the Company Group or Seller or affecting (i) any of its properties or assets, (ii) the Business or (iii) the Acquired Units, and (c) neither the Company Group nor Seller is subject to any outstanding judgment, order, writ, award, injunction or decree of any Governmental Entity or arbitrator or any outstanding settlement with any Person. Except as set forth on Section 4.24(b) of the Disclosure Schedules, since January 1, 2017, the Company Group has not been a party to any Proceeding (no longer pending) nor, to the Knowledge of Seller, has the Company Group been threatened to be made a party to any Proceeding.

Section 4.25. Affiliate Transactions. Except for employment relationships and the payment of compensation and benefits in the Ordinary Course of Business or as disclosed on Section 4.25 of the Disclosure Schedules, the Company Group is not presently, nor has it been during the prior twelve (12) months, a party to any Contract with any current or former equity holder, Personnel or Affiliate of the Company Group or Seller or any Affiliate or Family Member thereof (each such Contract, an "Affiliate Transaction") nor does any current or former equity holder, Personnel or Affiliate of the Company Group or Seller or any Affiliate or Family Member thereof, directly or indirectly, have, or has had, any interest in any property (whether real, personal

or mixed and whether tangible or intangible) used in or pertaining to the Business or any customer or supplier of the Company Group.

Section 4.26. Broker's and Finder's Fees. Except as set forth on Section 4.26 of the Disclosure Schedules (which fees shall be paid and fully discharged by Seller), no broker, finder or other Person is entitled to any commission or finder's fee in connection with this Agreement or the Contemplated Transactions as a result of any actions or commitments of the Company Group (or its Affiliates).

Section 4.27. Banking Facilities; Power of Attorney. Section 4.27 of the Disclosure Schedules sets forth a true, correct and complete list of: (a) each bank, savings and loan or similar financial institution with which the Company Group has an account or safety deposit box or other arrangement, and any numbers or other identifying codes of such accounts, safety deposit boxes or such other arrangements maintained by the Company Group thereat; and (b) the names of all Persons authorized to draw on any such account or to have access to any such safety deposit box facility or such other arrangement. The Company Group does not have any general or special powers of attorney outstanding (whether as grantor or grantee thereof).

Section 4.28. Investment Representations.

(a) Seller has been given full access to all material information concerning the Parent Shares and the condition (financial and otherwise), properties, operations and prospects of Parent and its subsidiaries. Seller and its advisors, if any, have had a meaningful opportunity to ask questions of, and to receive information from, Parent and other Persons acting on its behalf concerning the terms and conditions of Seller's acquisition of the Parent Shares, and to obtain any additional information necessary to verify the accuracy of the information and data received by Seller. Seller is satisfied that there is no material information concerning the condition (financial or otherwise), properties, operations and prospects of Parent or its subsidiaries of which Seller is unaware. Seller has made, either alone or together with its advisors, if any, such independent investigation of Parent and its subsidiaries, its management and related matters as Seller deems to be, or its advisors, if any, have advised to be, necessary or advisable in connection with the acquisition of the Parent Shares; and Seller and its advisors, if any, have received all information and data which Seller and its advisors, if any, believe to be necessary or advisable in order to reach an informed decision as to acquiring the Parent Shares. Except as set forth in Article V, Seller is not relying upon any information, representation or warranty by Parent or any of its Affiliates or Representatives in determining to invest in Parent, and expressly acknowledges that neither Parent nor any of its Affiliates or Representatives has made any representations or warranties to Seller. Seller understands that the acquisition of the Parent Shares involves various risks. Among other risks, Seller understands that it is unlikely that any market will exist for any resale of the Parent Shares. Seller has reviewed all documents relating to the Parent Shares, including, without limitation, the Shareholders' Agreement and the Articles of Incorporation of Parent, and fully understands the rights, restrictions and obligations set forth therein.

(b) Seller has such knowledge, skill and experience in business, financial and investment matters such that Seller is capable of evaluating the merits and risks of an acquisition of the Parent Shares and is capable of protecting its interest in connection with its acquisition of the Parent Shares. To the extent that Seller has deemed it appropriate to do so, Seller has retained

and relied upon necessary and appropriate professional advice regarding the investment, tax and legal merits and consequences of this Agreement and owning the Parent Shares. By reason of Seller's business and financial experience, Seller has the capacity to protect its own interest in connection with its acquisition of the Parent Shares. Seller represents that Seller is an "accredited investor" as that term is defined in Rule 501 of Regulation D of the Securities Act. Seller agrees to furnish any additional information requested to assure compliance with applicable federal securities laws and the securities laws of any state (collectively referred to as "State Securities Laws") in connection with the acquisition of the Parent Shares.

(c) Seller is acquiring the Parent Shares solely for its own account, for investment purposes only, and not with a view to, or for resale in connection with, any distribution of the Parent Shares. Seller understands that the Parent Shares have not been registered under the Securities Act or State Securities Laws by reason of specific exemptions or qualifications under the provisions thereof which depend in part upon the investment intent of Seller and of the other representations and warranties and agreements made by Seller in this Agreement. Seller understands that Parent is relying upon Seller's representations, warranties and agreements contained in this Agreement (and any supplemental information provided by Seller in connection herewith) for the purpose of determining whether this transaction meets the requirements for such exemptions and qualifications. Seller understands that there is no existing public or other market for the Parent Shares and there can be no assurance that Seller will be able to sell or otherwise dispose of the Parent Shares. Seller understands that the Parent Shares are "restricted securities" under applicable federal securities laws, and that the Securities Act provides in substance that Seller may dispose of the Parent Shares only pursuant to an effective registration statement under the Securities Act or an exemption therefrom, and understands that Parent has no obligation or intention to register any of the Parent Shares thereunder, or to take action so as to permit sales pursuant to the Securities Act. Seller is also aware of the provisions of Rule 144 promulgated under the Securities Act which permit limited resale of securities purchased in a private placement subject to the satisfaction of certain conditions, including (except as limited by Rule 144(k)), among other things, the existence of a public market for the Parent Shares, the availability of certain current public information about Parent, the resale occurring not less than two years after a party has purchased and paid for the security to be sold, the sale being effected through a "broker's transaction" or in transactions directly with a "market maker" (as provided by Rule 144(f)) and the number of securities being sold during any three-month period not exceeding specified limitations. As a consequence, Seller understands that it must bear the economic risks of acquisition of the Parent Shares for an indefinite period of time. Except as provided in the Shareholders' Agreement, Seller agrees that (i) it will not directly or indirectly sell (or enter into any hedging or similar transaction with the same economic effect as a sale), grant any option to purchase, make any short sale of, or otherwise assign, transfer (whether by merger or consolidation, operation of law or otherwise), pledge, encumber, hypothecate or dispose of ("Transfer") the Parent Shares or any interest therein, or make any offer or attempt to do any of the foregoing, except pursuant to a registration of the Parent Shares under the Securities Act and all applicable State Securities Laws or in a transaction which, in the written opinion of counsel for Seller (which counsel, and the form and substance of which opinion, must be reasonably satisfactory to Parent (which requirement may be waived by Purchaser upon advice of counsel)), is exempt from the registration provisions of the Securities Act and all applicable State Securities Laws and (ii) Parent and any transfer agent for the Parent Shares shall not be required to give effect to any purported Transfer of any of the Parent Shares except upon compliance with the foregoing restrictions.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF PURCHASER AND PARENT

Purchaser and Parent hereby represent and warrant to the Seller Parties that the statements contained in this Article V are true and correct as of the Closing Date.

Section 5.01. Organization; Power. Each of Purchaser and Parent is an entity duly organized, validly existing and in good standing (where such term has meaning) under the Laws of the state of its organization. Purchaser and Parent has all requisite power and authority to own, operate, lease and encumber its properties and carry on its business as now conducted.

Section 5.02. Authorization and Validity of Agreement. Each of Purchaser and Parent has all requisite power and authority to enter into, execute and deliver this Agreement and the Related Agreements to which it is a party, to consummate the Contemplated Transactions, to perform all of its obligations under this Agreement and the Related Agreements to which it is a party, and to comply with and fulfill the terms and conditions of this Agreement and the Related Agreements to which it is a party. The execution and delivery of this Agreement and the Related Agreements to which Purchaser or Parent is a party and the performance of the Contemplated Transactions have been duly authorized by Purchaser or Parent, respectively, and no other proceedings on the part of Purchaser or Parent are necessary to authorize the execution, delivery or performance by it of this Agreement and each of the Related Agreements to which it is a party. This Agreement and each of the Related Agreements to which Purchaser or Parent is a party has been duly executed and delivered by Purchaser or Parent, respectively, and constitutes Purchaser's or Parent's, as the case may be, legal, valid and binding obligation, enforceable against Purchaser or Parent, respectively, in accordance with its terms and conditions, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditor's rights generally or by general principles of equity (whether applied in a proceeding at law or equity).

Section 5.03. No Conflict or Violation. The execution, delivery and consummation of this Agreement and each of the Related Agreements by Purchaser and Parent does not and the performance of the Contemplated Transactions by Purchaser and Parent shall not: (a) violate or conflict with any provision of the Governing Documents of Purchaser or Parent or any resolutions adopted by the Board of Directors or equity holders of Purchaser or Parent, (b) violate or conflict with any Law; or (c) (i) require any consent or approval or (ii) violate or result in a breach of or constitute a default (or an event with due notice or lapse of time or both would become a default) or give to others any rights (including rights of termination, foreclosure, cancellation or acceleration), in each case, under any Contract, judicial consent, order, decree or other instrument or obligation to which Purchaser or Parent is a party, or by which any assets or properties of Purchase or Parent may be bound or affected.

Section 5.04. Consents and Approvals. No consent, waiver, authorization, permit or approval of any Governmental Entity, or of any other Person, or declaration to or filing or registration with any Governmental Entity, or any other Person, is required by Parent or Purchaser in connection with (a) the execution and delivery of this Agreement or any of the Related Agreements by Purchaser and Parent, (b) the performance by Purchaser and Parent of its

obligations hereunder or thereunder or (c) the consummation of the Contemplated Transactions by Purchaser and Parent.

Section 5.05. Broker's and Finder's Fees. No broker, finder or other Person is entitled to any commission or finder's fee in connection with this Agreement or the Contemplated Transactions as a result of any actions or commitments of Purchaser, Parent or their respective Affiliates.

ARTICLE VI **INDEMNIFICATION; SURVIVAL**

Section 6.01. Indemnification By the Seller Parties.

(a) Subject to the applicable provisions of this Article VI, the Seller Parties shall, jointly and severally, indemnify and hold harmless Purchaser, Parent, the Company Group and their respective successors, equity holders, Personnel, Representatives and Affiliates (other than the Seller Indemnified Parties) (the "Purchaser Indemnified Parties") from and against any and all Indemnity Losses incurred or suffered by the Purchaser Indemnified Parties or any of them as a result of, arising out of, or directly or indirectly relating to:

(i) any breach of, or inaccuracy in, any of the representations or warranties of or related to the Company Group or Seller contained in Article IV or contained in any of the Related Agreements;

(ii) any breach or failure to perform by the Company Group or Seller of its covenants, obligations or agreements contained in this Agreement or any of the Related Agreements;

(iii) (A) any Taxes (or the non-payment thereof) of the Company Group for any Pre-Closing Tax Period (including that portion of any Straddle Period ending on the Closing Date, apportioned in accordance with Section 8.02(c)), except to the extent such Taxes are taken into account in the determination of the Final Net Working Capital, (B) any Transfer Taxes pursuant to Section 8.01, (C) any Taxes of Seller (including, without limitation, capital gains Taxes arising as a result of the Contemplated Transactions) or of any of its Affiliates (excluding the Company Group) for any Tax period, (D) any Taxes for which the Company Group is liable under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign Law) by reason of inclusion in any consolidated, affiliated, combined or unitary group at any time on or before the Closing Date, or as a transferee or successor, by Contract, or otherwise, (E) with respect to any Pre-Closing Tax Period, any Taxes of the Company Group (including any withholding Tax Liability) and the incremental costs and expenses incurred by the Company Group (including for Tax Return preparation) due to the Company Group having become subject to Tax jurisdiction and failing to have paid Taxes in such jurisdiction, (F) Special Tax Costs, (G) all Taxes imposed on Seller or the Company Group under Section 1374 of the Code, (H) any employment Taxes (including withholding Taxes) required with respect to any payments under or contemplated by this Agreement or arising in connection with the Contemplated Transactions, and (I) payroll Taxes with respect to the Pre-Closing Tax Period deferred to

a period after the Pre-Closing Tax Period under Section 2302 of the CARES Act, or any similar election under state or local Law;

(iv) any Closing Date Debt not paid pursuant to Section 1.03(a) or taken into account in the determination of the Purchase Price pursuant to Section 1.05;

(v) any Closing Date Transaction Expenses not paid pursuant to Section 1.03(b) or taken into account in the determination of the Purchase Price pursuant to Section 1.05;

(vi) any Proceedings identified on, or which should have been identified on, Section 4.24(a) or Section 4.24(b) of the Disclosure Schedules; and

(vii) failure of the Company Group to obtain Form I-9 for employees and non-compliance with required processes and Laws with respect to obtaining such Forms I-9 and employment verification.

(b) Subject to the applicable provisions of this Article VI, each Member Party shall, severally and individually, and not jointly, indemnify and hold harmless the Purchaser Indemnified Parties from and against any and all Indemnity Losses incurred or suffered by the Purchaser Indemnified Parties or any of them as a result of, arising out of, or directly or indirectly relating to:

(i) any breach of, or inaccuracy in, any of the representations and warranties of such Member Party contained in Article III or contained in any of the Related Agreements;

(ii) the breach or failure to perform by such Member Party of his covenants, obligations or agreements in this Agreement or any of the Related Agreements; and

(iii) any Taxes of such Member Party (including, without limitation, capital gains Taxes arising as a result of the Contemplated Transactions) or any of such Member Party's Affiliates (excluding the Company Group) for any Tax period.

Section 6.02. Indemnification by Purchaser and Parent. Purchaser and Parent, jointly and severally, shall indemnify and hold harmless the Seller Parties and their respective successors, equity holders, Personnel, Representatives and Affiliates (collectively, the "Seller Indemnified Parties") from and against any and all Indemnity Losses incurred or suffered by the Seller Indemnified Parties or any of them as a result of, arising out of, or directly or indirectly relating to:

(a) any breach of, or inaccuracy in, any of the representations or warranties of Purchaser or Parent contained in Article V or contained in any of the Related Agreements; and

(b) any breach or failure to perform by Purchaser or Parent of its covenants, obligations or agreements contained in this Agreement or any of the Related Agreements.

Section 6.03. Indemnification Notice; Litigation Notice. If a party believes that it has suffered or incurred any Indemnity Loss to which it is entitled to indemnification pursuant to Sections 6.01 or 6.02 (such party, the "Claimant"), the Claimant shall so notify, as the case may

be, (a) Purchaser, in the event the Claimant is a Seller Indemnified Party, or (b) Seller, in the event the Claimant is a Purchaser Indemnified Party, promptly in writing (x) identifying the party or parties which the Claimant believes has an obligation to indemnify (the "Indemnifying Party") and (y) describing such Indemnity Loss, including the amount thereof, if known, in such detail as is reasonably practicable (the "Indemnification Notice"). If any Proceeding is instituted by a third party with respect to which the Claimant intends to claim any Liability or expense as an Indemnity Loss under this Article VI (a "Third-Party Claim"), it shall promptly notify the Indemnifying Party in writing of such Third-Party Claim describing such Indemnity Loss and the amount thereof, if known, all with reasonable detail (the "Litigation Notice") in lieu of an Indemnification Notice.

Section 6.04. Disagreement Notice. If the Indemnifying Party does not agree that the Claimant is entitled to full reimbursement for the amount specified in the Indemnification Notice or the Litigation Notice, as the case may be, the Indemnifying Party shall notify the Claimant (the "Disagreement Notice") within thirty (30) calendar days of its receipt of the Indemnification Notice or the Litigation Notice, as the case may be. Failure to deliver a Disagreement Notice in a timely manner shall be considered an express acknowledgment by the Indemnifying Party of its obligation to indemnify and hold harmless the Claimant with respect to the Indemnity Loss set forth in the Indemnification Notice or the Litigation Notice, as the case may be, and the Indemnifying Party shall pay to the Claimant the amount specified in the Indemnification Notice or the Litigation Notice within five (5) Business Days after the expiration of such thirty (30) day period. Any dispute regarding indemnification shall be resolved as provided for in Section 9.12.

Section 6.05. Defense of Third-Party Claims.

(a) The Indemnifying Party shall have thirty (30) calendar days after receipt of the Litigation Notice to (i) notify the Claimant, in writing, that it acknowledges its obligation to indemnify and hold harmless the Claimant with respect to the Indemnity Loss set forth in such Litigation Notice and that it elects to conduct and control the Third-Party Claim (the "Election Notice") and (ii) appoint counsel reasonably acceptable to the Claimant to be lead counsel in connection with the defense of such Third-Party Claim. If the Indemnifying Party gives a Disagreement Notice or does not give the foregoing Election Notice during such thirty (30) day period, the Claimant shall have the right (but not the obligation) to defend, contest, settle or compromise such Third-Party Claim in the exercise of its reasonable discretion. Notwithstanding the foregoing, the Indemnifying Party shall not have the right to assume control of the defense of such Third-Party Claim, and shall pay the reasonable fees and expenses of one counsel to all Claimants arising out of the same or similar set of circumstances in connection with such defense, if such Third-Party Claim (i) seeks non-monetary relief, (ii) involves a criminal allegation by a Governmental Entity, (iii) involves a claim by a current customer or supplier of the Claimant (or the Company Group in the event the Claimant is another Purchaser Indemnified Party) or involves a claim which, if adversely determined, would be reasonably expected to establish a precedent, custom or practice adverse to the continuing business interests or prospects of the Claimant (or the Company Group in the event the Claimant is another Purchaser Indemnified Party), (iv) could reasonably be expected to result in an Indemnity Loss (including the cost of defense) which exceeds the amount, if any, then remaining under the Indemnification Cap, (v) involves, in the opinion of counsel of the Claimant, a conflict of interest between the Indemnifying Party and the Claimant or (vi) involves a claim that, in the good faith judgment of the Claimant, the Indemnifying

Party failed or is failing to vigorously prosecute or defend (clauses (i) through (vi), the "Exception Claims").

(b) If the Indemnifying Party timely gives the foregoing Election Notice and such Third-Party Claim is not an Exception Claim, the Indemnifying Party shall have the right to undertake, conduct and control, at the Indemnifying Party's sole expense, the conduct and settlement of such Third-Party Claim, and the Claimant shall provide its reasonable cooperation, at the Indemnifying Party's expense, including providing reasonable access during regular business hours to records and Personnel of the Company Group, as applicable, to the Indemnifying Party in connection therewith; provided, however, that (i) the Indemnifying Party shall not thereby consent to the imposition of any injunction against the Claimant (or the Company Group in the event the Claimant is another Purchaser Indemnified Party) without the prior written consent of the Claimant, (ii) the Indemnifying Party shall permit the Claimant to participate in such conduct or settlement through legal counsel chosen by the Claimant, but the fees and expenses of such legal counsel shall be borne solely by the Claimant, (iii) upon a final determination of such Third-Party Claim, the Indemnifying Party shall promptly reimburse the Claimant for the full amount of any Indemnity Loss incurred by the Claimant, except fees and expenses of legal counsel that the Claimant incurred pursuant to clause (ii) following the receipt by the Claimant of the Election Notice, (iv) the Indemnifying Party shall have the right to pay or settle such Third-Party Claim provided that (A) that the claim is solely for monetary damages, all of which are being paid by the Indemnifying Party, (B) the Claimant has no Liability with respect to such settlement and (C) the terms of such settlement provide for a full release of the Claimant, and (v) the Claimant shall have the right to pay or settle any such Third-Party Claim with the consent of the Indemnifying Party.

(c) If (i) the Claimant does not receive an Election Notice within thirty (30) days after the Indemnifying Party's receipt of the Litigation Notice with respect to a Third-Party Claim, (ii) such Third-Party Claim is an Exception Claim or (iii) the Indemnifying Party fails to agree to indemnify the Claimant for all Indemnity Losses attributed to such Third-Party Claim, in each case, the Claimant may defend against and settle such matter as it deems appropriate at the expense of the Indemnifying Party; provided that the Indemnifying Party shall be entitled to participate in the defense of such claim and to employ counsel of its choice for such purpose; provided, however, that the fees and expenses of such separate counsel shall be borne by the Indemnifying Party and shall not be recoverable from such Claimant or the Indemnity Holdback Amount under this Article VI.

(d) To the extent of any conflict between this Section 6.05 and Section 8.04, Section 8.04 shall govern.

Section 6.06. Survival. Claims for indemnification under Section 6.01(a)(i), Section 6.01(b)(i) and Section 6.02(a) shall only be valid to the extent that such claims are made on or prior to the eighteen (18) month anniversary of the Closing Date; provided, however, that notwithstanding the foregoing, claims arising from any breach of the Fundamental Representations shall survive the Closing indefinitely and may be made at any time after the Closing. Notwithstanding anything to the contrary contained herein, the right to indemnification and the payment of any Indemnity Loss of any Purchaser Indemnified Party pursuant to this Article VI, or the availability of any other remedies contemplated hereby or otherwise available to the Purchaser Indemnified Parties at law or in equity, based upon any representation, warranty, covenant,

agreement or obligation of any Seller Party contained in or made pursuant to this Agreement will not be affected by any investigation made by or on behalf of any Purchaser Indemnified Party or its Affiliates or Representatives, or the knowledge of the Purchaser Indemnified Party's (or its Affiliates' or Representatives') shareholders, managers, members, partners, Personnel or Representatives, with respect to the accuracy or inaccuracy of, or compliance or non-compliance with, any such representation, warranty, covenant, agreement or obligation at any time prior to or following the parties' entrance into this Agreement.

Section 6.07. Limitation on Indemnified Costs.

(a) The Seller Parties shall not be required to indemnify the Purchaser Indemnified Parties for Indemnity Losses arising under Section 6.01(a)(i) or Section 6.01(b)(i) unless and until the aggregate amount of such Indemnity Losses for which the Purchaser Indemnified Parties are otherwise entitled to indemnification pursuant to Section 6.01(a)(i) or Section 6.01(b)(i) exceeds \$350,000 (the "Indemnification Basket"); provided, however, that the Indemnification Basket shall not apply to Indemnity Losses arising from any breach of any Fundamental Representation.

(b) After the Indemnification Basket is exceeded, the Purchaser Indemnified Parties shall be entitled to be paid the amount of all Indemnity Losses in excess of the Indemnification Basket, subject to the limitations on recovery and recourse set forth herein. The Seller Parties in the aggregate shall not be liable to indemnify the Purchaser Indemnified Parties for Indemnity Losses arising under Section 6.01(a)(i) or Section 6.01(b)(i) in excess of \$7,000,000 (the "Indemnification Cap"); provided, however, that the Indemnification Cap shall not apply to Indemnity Losses arising from any breach of any Fundamental Representation.

(c) The Seller Parties in the aggregate shall not be liable to indemnify the Purchaser Indemnified Parties for Indemnity Losses arising under Section 6.01(a)(i) or Section 6.01(b)(i) from breaches of any Fundamental Representations in excess of the Base Purchase Price.

(d) Except with respect to the representations and warranties set forth in the first sentence of Section 4.07 (with respect to the non-occurrence of a Material Adverse Effect), for the purposes of determining the existence of any breach of or inaccuracy in any representation or warranty in this Agreement or in calculating Indemnity Losses hereunder, each qualification to a representation or warranty by use of the word "material" or "materially" shall be disregarded.

Section 6.08. Net Recovery.

(a) The amount of any Indemnity Loss for which indemnification is provided under Section 6.01 or Section 6.02 shall be net of any amounts actually received by the Purchaser Indemnified Parties or the Seller Indemnified Parties, as applicable, under insurance policies with respect to such Indemnity Loss (after deducting therefrom costs and expenses reasonably incurred in pursuing or obtaining such insurance proceeds, the amount of any deductible or retention and the amount of any increased premium amounts directly attributable to such claim). The Purchaser Indemnified Parties or the Seller Indemnified Parties, as applicable, shall use commercially reasonable efforts (which shall not include commencing litigation or incurring material out-of-pocket costs or expenses) to pursue recovery for Indemnity Losses under any available insurance coverage.

(b) In the event an insurance claim relating to an Indemnity Loss is pending or has not been filed or the amount of the insurance proceeds is disputed by the Indemnifying Party at the time such Indemnity Loss is to be paid by the Indemnifying Party, the Indemnifying Party shall pay the full amount of such Indemnity Loss, and any insurance proceeds subsequently received by the Claimant or agreed upon by the Indemnifying Party relating to such Indemnity Loss (after the deductions set forth above in Section 6.08(a)) shall be paid by such Purchaser Indemnified Parties or the Seller Indemnified Parties, as applicable, to the Indemnifying Party, up to the amount of the Indemnifying Party's payment.

Section 6.09. Special Rule for Fraud and Intentional Misrepresentation. Notwithstanding anything to the contrary contained in this Article VI, in the event of any breach of or inaccuracy in any representation or warranty by any party hereto constitutes fraud or intentional misrepresentation, by or on behalf of any Seller Party or the Company Group (including, without limitation, any intentional misrepresentation or fraudulent act committed by any Personnel or Representative of any Seller Party or the Company Group in connection with the consummation of the Contemplated Transactions), on the one hand, or Purchaser or Parent, on the other hand, then (a) such representation or warranty shall survive indefinitely and (b) the limitations set forth Section 6.07, as applicable, shall not apply to any Indemnity Loss that the Purchaser Indemnified Parties or the Seller Indemnified Parties, as the case may be, may suffer, sustain or become subject to, as a result of, arising out of, relating to or in connection with any such breach.

Section 6.10. Exclusive Remedy. Except as provided in Section 1.05 or Section 7.05, for specific performance or injunctive relief, and for legal or equitable relief for any claim for fraud or intentional misrepresentation, the right to indemnification under this Article VI shall constitute the sole and exclusive right and remedy available to any party hereto for any breach of any representation, warranty, covenant, agreement or obligation set forth herein, and no party hereto shall initiate or maintain any legal action at law or in equity against any other party hereto which is directly or indirectly related to any breach of any representation, warranty, covenant, agreement or obligation set forth herein.

Section 6.11. Tax Treatment of Indemnity Payments. To the maximum extent permitted by Law, it is the intention of the parties to treat any indemnity payment made under this Agreement as an adjustment to the purchase price for all Tax purposes, and the parties agree to file their Tax Returns accordingly.

ARTICLE VII **RESTRICTIVE COVENANTS**

Section 7.01. Confidential Information.

(a) Each Seller Party (each, a "Restricted Party") acknowledges and agrees that the success of the Company Group after the Closing depends upon the continued preservation of the confidentiality of certain information possessed by such Restricted Party, that the preservation of the confidentiality of such information by such Restricted Party is an essential premise of the bargain between such Restricted Party and Purchaser and Parent, and that Purchaser and Parent would be unwilling to enter into this Agreement in the absence of the obligations and restrictions

set forth in this Article VII. Accordingly, each Restricted Party hereby agrees with Purchaser and Parent that such Restricted Party, and its Affiliates and Representatives, will not, and that such Restricted Party will cause its Affiliates and Representatives not to, at any time on or after the Closing Date (other than in the Ordinary Course of Business in connection with employment with the Company Group, if applicable), directly or indirectly, without the prior written consent of Purchaser, use, disclose, communicate or otherwise divulge, any Confidential Information. For purposes of this Section 7.01(a), "Confidential Information" means any information that is treated as confidential or proprietary by the Company Group, including the Company Group's Trade Secrets, customer and supplier lists and pricing information; provided, however, that the information subject to the foregoing provisions of this sentence will not include any information generally available to, or known by, the public (other than as a result of disclosure in violation hereof); and provided, further, that the provisions of this Section 7.01(a) will not prohibit any disclosures (i) required by any applicable Law so long as reasonable prior notice is given to Purchaser of such disclosure and a reasonable opportunity is afforded to Purchaser or the Company to contest the same or (ii) made in connection with the enforcement of any right or remedy relating to this Agreement or the Contemplated Transactions. Each Restricted Party agrees that it will be responsible for any breach or violation of the provisions of this Section 7.01(a) by any of its Representatives or Affiliates.

(b) To the extent this Agreement is being enforced in a jurisdiction that requires a time restriction for non-disclosure restrictions applicable to information that does not rise to the level of a statutory trade secret, the time restriction for the obligations in Section 7.01(a) with respect to such information that does not qualify as a statutory trade secret shall be five (5) years following the Closing Date.

Section 7.02. Non-Competition.

(a) From the Closing Date until the fifth (5th) anniversary of the Closing Date (the "Restricted Period"), no Restricted Party shall, directly or indirectly, engage in, own, manage, operate, join, control, lend money or other assistance to, or participate in or be connected with, as an officer, director, employee, partner, stockholder, member, consultant, manager, agent or otherwise, a Restricted Business in the Restricted Area. Notwithstanding the foregoing, nothing in this Agreement or in the definition of Restricted Business shall prohibit or in any way restrict a Restricted Party from: (A) directly or indirectly owning equity securities of Parent or performing services for the Company Group as an employee or consultant; or (B) making or maintaining passive investments of less than three percent (3%) of the outstanding equity securities in any entity engaged in the Restricted Business listed for trading on any recognized securities exchange or in the over-the-counter markets.

(b) Each Restricted Party hereby acknowledges and agrees that the restrictive period of time, geographic scope and scope of restricted activity specified herein are reasonable and necessary in view of the transactions contemplated by this Agreement and the nature of the business in which the Company Group was engaged or is engaged as of the Closing. Each Restricted Party further acknowledges and agrees that the restrictions set forth in this Section 7.02 are reasonable and necessary to protect Purchaser's and Parent's investment under this Agreement and to safeguard the value and goodwill associated with the Acquired Units. Each Restricted Party acknowledges and agrees that Purchaser and Parent would not have entered into this Agreement

but for each Restricted Party's agreements and obligations pursuant to this Section 7.02 to protect such value and goodwill. If the scope of any stated restriction is too broad to permit enforcement of such restriction(s) to its full extent, then the parties agree that such restriction shall be enforced and/or modified to the maximum extent permitted by Law. The parties agree that in the event of a breach of this Section 7.02, the Restricted Period shall be extended with respect to the breaching party by the period of the breach.

Section 7.03. Non-Solicitation.

(a) During the Restricted Period, no Restricted Party shall, whether for its own account or for the account of any Person, directly or indirectly:

(i) call upon, solicit, contact or have any communication with any Person who is a customer or supplier of the Company Group as of the Closing, or who was a customer or supplier of the Company Group at any time within the twelve (12) month period immediately preceding the Closing for the purpose of: (A) diverting or attempting to divert or influence any business of such customer or supplier to any Restricted Business; (B) marketing, selling, distributing, leasing or providing any products or services in competition with the Business or the Company Group; or (C) otherwise interfering in any fashion with the operations being conducted by the Company Group as of the Closing or with any operations conducted by the Company Group during the Restricted Period;

(ii) cause, induce or attempt to cause or induce any customer, supplier, licensee, licensor, franchisee, distributor, employee, consultant or other Person who is a business relation of the Company Group as of the Closing or who was a customer, supplier, licensee, licensor, franchisee, distributor, employee, consultant or business relation of the Company Group within the twelve (12) month period immediately preceding the Closing, to cease doing business with the Company Group or in any way interfere with the relationship between any such customer, supplier, licensee, licensor, franchisee, distributor, employee, consultant or business relation and the Company Group; or

(iii) solicit for employment, hire or retain any Person who is an employee, independent contractor or other Personnel of the Company Group as of the Closing.

(b) Each Restricted Party hereby acknowledges and agrees that the restrictive period of time, geographic scope and scope of restricted activity specified herein are reasonable and necessary in view of the transactions contemplated by this Agreement and the nature of the business in which the Company Group was engaged or is engaged as of the Closing. Each Restricted Party further acknowledges and agrees that the restrictions set forth in this Section 7.03 are reasonable and necessary to protect Purchaser's and Parent's investment under this Agreement and to safeguard the value and goodwill associated with the Acquired Units. Each Restricted Party acknowledges and agrees that Purchaser and Parent would not have entered into this Agreement but for each Restricted Party's agreements and obligations pursuant to this Section 7.03 to protect such value and goodwill. If the scope of any stated restriction is too broad to permit enforcement of such restriction(s) to its full extent, then the parties agree that such restriction shall be enforced and/or modified to the maximum extent permitted by Law. The parties agree that in the event of

a breach of this Section 7.03, the Restricted Period shall be extended with respect to the breaching party by the period of the breach.

Section 7.04. Non-Disparagement. Each Restricted Party shall not, directly or indirectly, make any negative or disparaging statement, or release any information, or encourage others to make any statement or release any information that has the effect of embarrassing or criticizing the Company Group, Purchaser or Parent or any of their respective Affiliates, the Business, the products offered or provided in the Business or any of the Company Group's actual or prospective customers, competitors or current or former Personnel, including any statements made to the press or other media in the United States of America or in any other country.

Section 7.05. Remedies. Upon any breach or alleged breach of Section 7.01, Section 7.02, Section 7.03 or Section 7.04 by any Restricted Party, Purchaser and/or the Company Group shall be entitled to each of the following remedies, which shall be deemed cumulative:

(a) Injunctive Relief. Each Restricted Party hereby acknowledges that any breach or alleged breach of Section 7.01, Section 7.02, Section 7.03 or Section 7.04 shall cause irreparable injury to the goodwill and proprietary rights of the Company Group and Purchaser, for which the Company Group and Purchaser shall not have an adequate remedy at law. Accordingly, each Restricted Party agrees that the Company Group and/or Purchaser shall be able to seek and obtain immediate injunctive relief in the form of a temporary restraining order, preliminary injunction, and/or permanent injunction against such Restricted Party to restrain or enjoin any actual or threatened violation of any provision of Section 7.01, Section 7.02, Section 7.03 or Section 7.04 without any requirement of posting a bond or other surety or proving damages.

(b) Damages. To the extent calculable, the Company Group and/or Purchaser shall also be entitled to recover from such Restricted Party monetary damages for any violation of Section 7.01, Section 7.02, Section 7.03 or Section 7.04.

(c) Costs, Expenses and Attorneys' Fees. The Company Group and/or Purchaser shall be entitled to recover from such Restricted Party all costs, expenses and reasonable attorneys' fees incurred by them in seeking either enforcement of Section 7.01, Section 7.02, Section 7.03 or Section 7.04 or damages for a breach of such Sections or in defending any action brought by a Restricted Party to challenge or construe the terms of any of such Sections.

(d) Other Legal or Equitable Remedies. The Company Group and/or Purchaser shall be entitled to pursue any other legal or equitable remedies that may be available to them.

Section 7.06. Release.

(a) Each Restricted Party, on behalf of such Restricted Party and its Representatives, Affiliates, equity holders, heirs, executors, personal representatives, trustees, beneficiaries, successors and assigns, and any other Person claiming by, through, or under such Restricted Party, does hereby unconditionally and irrevocably release, waive and forever discharge the Company Group and each of their respective past and present Personnel, Representatives, predecessors, successors, assigns, equity holders, insurers, subsidiaries and Affiliates (collectively, the "Released Parties"), from any and all Liabilities, Contracts, Proceedings, claims, demands, damages, judgments and causes of action (collectively, the "Claims"), arising directly or indirectly

from any act or failure to act (INCLUDING ANY ACT OR FAILURE TO ACT THAT CONSTITUTES ORDINARY OR GROSS NEGLIGENCE, OR RECKLESS OR WILLFUL OR WANTON MISCONDUCT, OR FRAUD), misrepresentation, omission, event, fact, transaction, Contract or other matter occurring prior to the Closing (whether based on any governmental requirement or right of action, at Law or in equity or otherwise, foreseen or unforeseen, matured or unmatured, accrued or not accrued) (collectively, "Pre-Closing Matters"), including without limitation, any and all Claims and Pre-Closing Matters arising out of or relating to (i) such Restricted Party's capacity as a current or former equity holder or Representative of any of the Released Parties (or such Restricted Party's capacity as a current or former trustee or Representative of any other Person in which capacity such Restricted Party is or was serving at the request of any of the Released Parties), (ii) any rights of indemnification, compensation, expense advancement or contribution, whether pursuant to the Released Parties' Governing Documents, applicable Law, Contract or otherwise and (iii) any Contract or other arrangement, whether verbal or written, entered into or established prior to the Closing (with the effect that the Liabilities of any of the Released Parties under any such Contract or other arrangement are hereby terminated in their entirety), but excluding this Agreement and the Related Agreements and any claims arising out of this Agreement or any of the Related Agreements. Each Restricted Party understands that this is a full and final release of all Claims that could have been asserted in any legal or equitable Proceeding against the Released Parties and waives any and all provisions, rights and benefits conferred by any legal requirement of any state or territory (including, without limitation, the Commonwealth of Puerto Rico) of the United States, or principle of common Law, which is similar, comparable or equivalent to California Civil Code section 1542, as well as the rights and benefits conferred by California Civil Code section 1542 itself, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR".

(b) Each Restricted Party represents and warrants, for and on behalf of such Restricted Party and such Restricted Party's Representatives, Affiliates, equity holders, heirs, executors, personal representatives, trustees, beneficiaries, successors and assigns and any other Person claiming an interest in the Claims by, through or under such Restricted Party, as follows: (i) the Claims released herein have not be encumbered in any way, and there are no Encumbrances or assignments in Law or equity or otherwise of or against any of the Claims and (ii) such Restricted Party has not transferred or otherwise alienated any of the Claims.

ARTICLE VIII **OTHER AGREEMENTS**

Section 8.01. Transfer Taxes. All transfer, stamp, documentary, sales, use, registration, value-added and other similar Taxes (including all applicable real estate transfer Taxes) incurred in connection with this Agreement and the Contemplated Transactions ("Transfer Taxes") shall be paid by the Seller Parties, jointly and severally. Seller hereby agrees to file in a timely manner all necessary documents (including, but not limited to, all Tax Returns) with respect to all such amounts. Purchaser agrees to cooperate with Seller in the filing of any Tax Returns with respect to Transfer Taxes, including promptly supplying any information in its possession reasonably requested by Seller that is reasonably necessary to complete such Tax Returns and promptly

remitting to Seller any invoices for such Transfer Taxes that are received by Purchaser. Seller shall provide Purchaser with evidence satisfactory to Purchaser that such Transfer Taxes have been paid by the Seller Parties. Purchaser and Seller further agree, upon request, to use commercially reasonable efforts to obtain any certificate or other document from any Taxing Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed in connection with the transactions contemplated hereby.

Section 8.02. Preparation of Tax Returns.

(a) Subject to Section 8.05, Seller shall prepare and timely file, or shall cause to be prepared and timely filed, and the Seller Parties, jointly and severally, shall be responsible for any and all fees, expenses and Taxes relating to or arising from, all income Tax Returns in respect of the Company Group or the Business (including, but not limited to, Tax Returns related to Seller's ownership of the Acquired Units) for any Tax Period ending on or prior to the Closing Date (the "Seller Prepared Returns") and the Seller Prepared Returns shall not be amended without the prior written consent of Purchaser, which consent shall not be unreasonably withheld. The Seller Prepared Returns shall be prepared by treating items on the Seller Prepared Returns in a manner consistent with the past practices of the Company Group, with respect to such items, except as required by applicable Law. Seller shall deliver at least thirty (30) days prior to the due date for the filing of any Seller Prepared Return to Purchaser for its review a draft of such Seller Prepared Returns. Seller shall reflect any reasonable comment that Purchaser submits to Seller no less than five (5) days prior to the due date of such Seller Prepared Returns.

(b) Notwithstanding Section 8.02(a) and in addition to Section 8.05, Purchaser shall cause the Company Group to prepare and timely file all Tax Returns of the Company Group (other than Seller Prepared Returns) for the Pre-Closing Tax Period or the Straddle Period that are due after the Closing Date ("Purchaser Prepared Returns"). Purchaser shall deliver at least ten (10) days prior to the due date for the filing of such Purchaser Prepared Returns to Seller for its review a draft of such Tax Return. Purchaser shall reflect any reasonable comment that Seller submits to Purchaser no less than five (5) Business Days prior to the due date of such Purchaser Prepared Return.

(c) With respect to Taxes of the Company Group relating to a Straddle Period, the Seller Parties, jointly and severally, shall pay to Purchaser the amount of such Taxes allocable to the portion of the Straddle Period that is deemed to end on the Closing Date. In the case of any Taxes that are imposed on a periodic basis, the portion of such Tax that relates to the portion of such Straddle Period ending on the Closing Date shall (i) in the case of any Taxes other than Taxes based upon or related to income or receipts, be deemed to be the amount of such Tax for the entire Straddle Period *multiplied* by a fraction (A) the numerator of which is the number of days in the Straddle Period ending at the end of the day on the Closing Date and (B) the denominator of which is the number of days in the entire Straddle Period, and (ii) in the case of any Tax based upon or related to income or receipts, be determined as though the taxable year of the Company Group terminated as of the end of the day on the Closing Date. Except to the extent such Taxes are taken into account in the determination of the Final Net Working Capital, the Seller Parties shall make such payment at least two (2) Business Days before payment of Taxes (including estimated Taxes, if applicable) is due to the Taxing Authority.

Section 8.03. Cooperation on Tax Matters.

(a) The parties hereto shall cooperate, and shall cause their respective Representatives to cooperate, including by agreeing to furnish or cause to be furnished to the other, upon request, as promptly as practicable, such information and assistance relating to Taxes of the Company Group for the Pre-Closing Tax Period, including, without limitation, access to books and records, as is reasonably necessary in preparing and filing all Tax Returns (including amended Tax Returns and claims for refund), in making any election relating to Taxes, in handling audits, examinations, investigations and administrative, court or other Proceedings relating to Taxes, in resolving all disputes, audits and refund claims with respect to such Tax Returns and Taxes, and in all other appropriate Tax matters. Any information obtained by any party or its Affiliates or Representatives from another party or its Affiliates or Representatives in connection with any Tax matters to which this Agreement relates shall be kept confidential, except: (i) as may be otherwise necessary (A) in connection with the filing of Tax Returns or claims for refund or in conducting an audit or other Proceeding relating to Taxes or as may be otherwise required by applicable Law, (B) to enforce rights under this Agreement or (C) to pursue any claim for refund or contest any proposed Tax assessment; or (ii) for any external disclosure in audited financial statements or regulatory filings which a party reasonably believes is required by applicable Law or stock exchange or similar applicable rules.

(b) Notwithstanding the provisions of Section 8.03(a), and in addition to all other obligations imposed by this Section 8.03, the Seller Parties, on one hand, and Purchaser, on the other hand, agree to give Purchaser or Seller, respectively, reasonable written notice prior to transferring, destroying or discarding any files and records within four (4) years from the Closing Date with respect to Pre-Closing Tax Period Tax matters of the Company Group and, if the other party so requests, shall allow the other party to take possession of such files and records.

Section 8.04. Tax Contests.

(a) Purchaser and the Company Group, on the one hand, and the Seller Parties, on the other hand, shall promptly notify Seller or Purchaser, respectively, upon receipt by such party of written notice of any inquiries, claims, assessments, audits or similar events with respect to Taxes of the Company Group relating to a Pre-Closing Tax Period (any such inquiry, claim, assessment, audit or similar event, a "Tax Matter"). Any failure to so notify the other party of any Tax Matter shall not relieve such other party of any liability with respect to such Tax Matters except to the extent such party was actually prejudiced as a result thereof.

(b) Purchaser and/or the Company Group shall have sole control of the conduct of all Tax Matters, including any settlement or compromise thereof; provided, however, that the Seller Parties, jointly and severally, shall be Liable for and shall indemnify the Purchaser Indemnified Parties for any Indemnity Loss related to such Tax Matters; provided, further, Purchaser shall keep Seller reasonably informed of the progress of any Tax Matter and shall not affect any such settlement or compromise with respect to which Seller is liable without obtaining Seller's prior written consent thereto, which shall not be unreasonably withheld or delayed.

Section 8.05. Special Tax Action. Purchaser and/or the Company Group shall be entitled to initiate, conduct and control any Special Tax Action; provided, that, (a) Seller shall be entitled

to participate in any discussions with any Governmental Entity in connection with any Special Tax Action, (b) Seller shall be permitted to review and comment on all written submissions in connection with any such Special Tax Action, (c) Purchaser shall not, and shall cause the Company Group not to, settle, compromise, discharge or abandon any such Special Tax Action without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed, and (d) for the avoidance of doubt, Purchaser shall, and shall cause the Company Group to, at all times act in good faith in connection with the prosecution and performance of any such Special Tax Action. The Seller Parties, jointly and severally, shall pay any Special Tax Costs, including without limitation, any Special Tax Costs arising from or related to a Special Tax Action on or prior to the date that such amounts are due.

Section 8.06. Tax Sharing Agreements. All Tax sharing agreements, Tax allocation agreements, Tax indemnity agreements or similar Contracts between the Company Group, on the one hand, and Seller, any equity holder of Seller or their respective Affiliates, on the other hand, shall be terminated prior to the Closing Date, and, after the Closing Date, the Company Group shall not be bound thereby or have any Liability thereunder.

Section 8.07. Tax Treatment of Transaction.

(a) It is intended for U.S. federal and applicable state and local income Tax purposes that (i) the QSub Restructuring shall be treated as a reorganization within the meaning of Section 368(a)(1)(F) of the Code, (ii) Purchaser's purchase of the Purchased Units be treated as a taxable purchase of a proportionate share of each of the Company's assets, (iii) Seller's contribution of the Contributed Units to Parent as a taxable contribution of the remaining share of the Company's assets, and (iv) the Purchaser Contribution be treated as a tax free contribution governed by Code Section 351(a). The parties hereto agree that, for all Tax purposes, the Contemplated Transactions will be reported in a manner that is consistent with the treatment described in this Section 8.07(a) and none of them (nor any of their respective Affiliates) will take any Tax position inconsistent therewith on any Tax Return or otherwise, except as otherwise required by Law or a final "determination" within the meaning of Section 1313(a)(1) of the Code or any similar provision of any state, foreign or local Law.

(b) Schedule 8.07 attached hereto reflects the methodology for allocation of the Purchase Price (and other relevant items of consideration) among the assets of the Company (collectively, the "Allocation Methodology"). Within one hundred twenty (120) days after the finalization of the Adjustment Amount, Purchaser shall deliver to Seller a statement which shall allocate the Purchase Price and other acquisition consideration allocable for income Tax purposes among the assets of the Company as of the Closing in accordance with the Allocation Methodology (the "Allocation"). The parties hereto agree that the Allocation shall be modified to reflect any adjustments made pursuant to this Agreement or the payment of any indemnification claims pursuant to Article VI as mutually agreed upon by Purchaser and Seller in good faith (and, if applicable, consistent with the prior allocation of similar items). No party hereto (and none of their respective Affiliates) will take any Tax position inconsistent therewith on any Tax Return or otherwise with the Allocation, except as otherwise required by Law or a final "determination" within the meaning of Section 1313(a)(1) of the Code or any similar provision of any state, local or non-U.S. Law.

ARTICLE IX
MISCELLANEOUS

Section 9.01. Public Announcements. None of the Seller Parties shall make any public announcement of the Contemplated Transactions unless the form and substance of the announcement is agreed upon by Purchaser, which agreement shall not be unreasonably withheld, conditioned or delayed, or unless public disclosure is necessary to comply with applicable Laws. Purchaser and Parent shall not make any public announcement of the Contemplated Transaction that indicates or makes any mention of the Purchase Price.

Section 9.02. Costs and Expenses. Except as otherwise expressly provided herein, each of the parties shall bear all expenses and costs incurred by him, her or it in connection with this Agreement and the Related Agreements and the Contemplated Transactions, including, without limitation, the fees and disbursements of any legal counsel, independent accountants or any other Person or Representative whose services have been used by such party; provided, however, all Transaction Expenses shall be the direct obligation of Seller.

Section 9.03. Further Assurances. The parties shall cooperate reasonably with each other in connection with any steps required to be taken as part of their respective obligations under this Agreement or any of the Related Agreements, and shall: (a) furnish upon request to each other such further information; (b) execute and deliver to each other such other documents; and (c) do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of Contemplated Transactions.

Section 9.04. Addresses for Notices, Etc. All notices, requests, demands and other communications that are required or may be given pursuant to the terms of this Agreement or any of the Related Agreements shall be in writing, and delivery shall be deemed sufficient in all respects and to have been duly given as follows: (a) on the actual date of service if delivered personally; (b) at the time of receipt if given by electronic mail to the e-mail addresses set forth in this Section 9.04; or (c) on the day after delivery to a nationally recognized overnight courier service during its business hours or the Express Mail service maintained by the United States Postal Service during its business hours for overnight delivery against receipt, and properly addressed as set forth in this Section 9.04:

If to Purchaser, Parent or the Company:

Giftcraft Holdings, Inc.
c/o CID Capital Opportunity Fund II
10201 N. Illinois St., Suite 200
Indianapolis, Indiana 46290
Attention: Steve Cobb
E-mail: steve@cidcap.com

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

Ice Miller LLP
One American Square, Suite 2900
Indianapolis, Indiana 46282
Attention: Brent Showalter
E-mail: brent.showalter@icemiller.com

If to the Seller Parties:

Elsasser Holding Company, Inc.
1025 Pine Street
Hood River, Oregon 97031
Attention: Alecia E. Elsasser
E-mail: aleciaelsasser@mac.com
coleelsasser@gmail.com

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

Lane Powell PC
601 S.W. Second Avenue, Suite 2100
Portland, Oregon 97204
Attention: Cliff E. Spencer
E-mail: spencerc@lanepowell.com

Any party may change its address or other contact information for notice by giving notice to each other party in accordance with the terms of this Section 9.04. In no event will delivery to a copied Person alone constitute delivery to the party represented by such copied Person.

Section 9.05. Headings. The article, section and paragraph headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

Section 9.06. Construction.

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

(b) Except as otherwise specifically provided in this Agreement or any of the Related Agreements (such as by "sole", "absolute discretion", "complete discretion", or words of similar import), if any provision of this Agreement or any of the Related Agreements requires or provides for the consent, waiver or approval of a party, such consent, waiver or approval shall not be unreasonably withheld, conditioned or delayed.

(c) Nothing in the Disclosure Schedules shall be deemed adequate to disclose an exception to a representation or warranty made herein unless the Disclosure Schedule identifies the exception with particularity and describes the relevant facts in reasonable detail.

(d) The parties acknowledge and agree that each breach of a covenant or agreement in this Agreement or any of the Related Agreements shall have independent significance.

(e) Words of any gender or no gender (such as "it") used in this Agreement or any of the Related Agreements shall be held and construed to include any other gender and no gender; words in the singular shall be held to include the plural and words in the plural shall be held to include the singular, unless and only to the extent the context indicates otherwise.

(f) Reference to any Law means such Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Law means that provision of such Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision.

(g) "Hereunder," "hereof," "hereto," "herein," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular article, section or other provision hereof.

(h) "Including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term.

(i) "Or" is used in the inclusive sense of "and/or."

Section 9.07. Severability. The invalidity or unenforceability of any provision of this Agreement or any of the Related Agreements shall in no way affect the validity or enforceability of any other provision of this Agreement or any of the Related Agreements. Wherever possible, each provision hereof shall be interpreted in such a manner as to be effective and valid under applicable Law. In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision or provisions shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability, without invalidating the remainder of such invalid, illegal or unenforceable provision or provisions or any other provisions hereof, unless such a construction would be unreasonable.

Section 9.08. Entire Agreement and Amendment. This Agreement, the Related Agreements and the Contemplated Transactions, including the Exhibits, Schedules and Disclosure Schedules referred to and incorporated by reference herein and therein that form a part of this Agreement and the Related Agreements, contain the entire understanding of the parties with respect to the subject matter of this Agreement and the Related Agreements. This Agreement, the Related Agreements and the Contemplated Transactions supersede all prior agreements and understandings among the parties hereto with respect to this Agreement, the Related Agreements and the Contemplated Transactions, including, without limitation, the letter of intent, by and among Parent, the Company, Elsasser and Cole Elsasser, dated May 18, 2022. Except as set forth in Section 7.02(b), Section 7.03(b) or Section 9.07, this Agreement may not be amended, supplemented or otherwise modified except by a written agreement executed by Purchaser and Seller.

Section 9.09. No Waiver; Cumulative Remedies. Except as specifically set forth herein, the rights and remedies of the parties to this Agreement are cumulative and not alternative. No failure or delay on the part of any party in exercising any right, power or remedy under this Agreement or any of the Related Agreements will operate as a waiver of such right, power or remedy, and no single or partial exercise of any such right, power or remedy will preclude any other or further exercise of such right, power or remedy or the exercise of any other right, power or remedy. To the maximum extent permitted by applicable Law, (a) no claim or right arising out of this Agreement or any of the Related Agreements can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by such party; (b)

no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or any of the Related Agreements.

Section 9.10. Parties in Interest. Nothing in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on any Person other than (a) Purchaser, Parent, the Company, Seller, the Members, Elsassner and each of their respective successors and permitted assigns, (b) the Purchaser Indemnified Parties and the Seller Indemnified Parties under Article VI and (c) the Released Parties under Section 7.06.

Section 9.11. Successors and Assigns; Assignment. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors, permitted assigns, heirs, estate, executors, beneficiaries and legal representatives. No party hereto shall have the right to assign or delegate his, her or its rights or duties hereunder or under any of the Related Agreements, in whole or in part, without the prior written consent of Seller and Purchaser; provided that the Company and Purchaser may assign all or a portion of its rights hereunder or under the Related Agreements to (a) one or more of its Affiliates (a "Purchaser Assignee") or (b) any of its or any Purchaser Assignee's lenders as collateral security; provided, further that no such transfer or assignment will relieve such party of its obligations hereunder. Except as expressly set forth herein, including as set forth in Section 9.10, nothing in this Agreement shall confer any claim, right, interest or remedy on any Person (other than the parties hereto) or inure to the benefit of any Person (other than the parties hereto) other than to any lender of the Company, Purchaser or any Purchaser Assignee as security for obligations to such lender in respect of the financing arrangements entered into in connection with the transactions contemplated hereby and any refinancings, extensions, refundings or renewals thereof; provided, further, that no assignment to any such lender shall in any way affect such party's obligations or liabilities under this Agreement.

Section 9.12. Governing Law; Jurisdiction and Venue.

(a) The Laws of the State of Delaware shall govern the creation, interpretation, construction and enforcement of and the performance under this Agreement and the Related Agreements and all transactions and agreements contemplated by any of them, as well as any and all claims arising out of or relating in any way to this Agreement or any of the Related Agreements, without giving effect to the choice or conflict of law rules (whether of the State of Delaware or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than the State of Delaware.

(b) Any Proceeding permitted by the terms of this Agreement to be filed in a court (which shall not include disputes under Section 1.05), which Proceeding is brought to enforce, challenge or construe the terms or making of this Agreement or any of the Related Agreements, and any claims arising out of or related to this Agreement or any of the Related Agreements, shall be exclusively brought and litigated exclusively in any state or federal court having subject matter jurisdiction and located in Wilmington, Delaware. For the purpose of any Proceeding instituted with respect to any claim arising out of or related to this Agreement or any of the Related Agreements, each party hereby irrevocably submits to the exclusive jurisdiction of any state or federal courts having subject matter jurisdiction and located in Wilmington, Delaware; provided,

however, that Purchaser, Parent and the Company Group, in its sole discretion, may elect to bring any action or claim relating to or arising out of a breach by any Restricted Party of any of the provisions of Article VII in the county or state where the breach of such Restricted Party occurred or where the breaching Restricted Party can be found. Each party hereby irrevocably waives any objection or defense which it may now or hereafter have of improper venue, forum non conveniens or lack of personal jurisdiction. Each party further irrevocably consents to the service of process out of such courts by the mailing of a copy thereof, by registered mail, postage prepaid, to the party and agrees that such service, to the fullest extent permitted by applicable Laws, (i) shall be deemed in every respect effective service of process upon it in any Proceeding arising out of or related to this Agreement or any of the Related Agreements and (ii) shall be taken and held to be valid personal service upon and personal delivery to it. Nothing herein contained shall affect the right of each party to serve process in any other manner permitted by applicable Laws.

Section 9.13. Waiver of Jury Trial. To the extent not prohibited by applicable Law, which cannot be waived, for any Proceeding which is permitted under this Agreement to be filed in a court, each party hereby expressly and irrevocably waives any right to a trial by jury in such Proceeding, including but not limited to those Proceedings to enforce or defend any rights under this Agreement or any of the Related Agreements or under any amendment, consent, waiver, instrument, document or agreement delivered or which may in the future be delivered in connection with any of them or arising from any relationship existing in connection with this Agreement or any of the Related Agreements. Each party agrees that in any such Proceeding, the matters shall be tried to a court and not to a jury.

Section 9.14. Counterparts.

(a) This Agreement and the Related Agreements may be executed in multiple original, PDF or facsimile counterparts (including electronic mail or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com), each of which shall be deemed an original, but all of which shall together constitute one and the same agreement.

(b) This Agreement and the Related Agreements, to the extent signed and delivered by means of a facsimile machine or electronic mail (including any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com), shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or electronic mail to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or electronic mail as a defense to the formation of a contract and each such party forever waives any such defense.

Section 9.15. Schedules, Exhibits and Certificates. All Schedules, Disclosure Schedules and Exhibits referred to herein form an integral part of this Agreement and shall be deemed to be part of this Agreement to the same extent as if set forth in the text of this Agreement. References to this Agreement or any Related Agreement herein or therein shall be deemed to refer as well to all addenda, appendices, exhibits, schedules or amendments thereto.

[Signature Pages Follow]

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

"COMPANY"

RIPSKIRT HAWAII, LLC

By:  _____

Name: _____

Title: _____

"SELLER"

ELSASSER HOLDING COMPANY, INC.

By:  _____

Name: _____

Title: _____

"ELSASSER"



Alecia Elsasser

"MEMBERS"



Alecia Elsasser



Cole Elsasser

ALECIA E. ELSASSER LIVING TRUST

By: 

Alecia Elsasser, Trustee

"PURCHASER"

GIFTCRAFT HOLDINGS USA INC.

By: 
Steve Cobb, Chairman

"PARENT"

GIFTCRAFT HOLDINGS, LLC

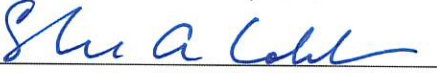
By: 
Steve Cobb, Chairman

EXHIBIT A
DEFINITIONS

As used in this Agreement, the following terms have the meanings indicated below:

"ACA" has the meaning set forth in Section 4.16(m).

"Accounting Principles" means GAAP and, to the extent consistent with GAAP, the methodologies, practices and principles used by the Company Group in the preparation of the Interim Balance Sheet.

"Accounts Receivable" means: (a) all trade accounts receivable and other rights to payment from customers of the Company Group and the full benefit of all security for such accounts or debts, including all trade accounts receivable representing amounts receivable in respect of goods shipped or products sold or services rendered to customers; (b) all other accounts or notes receivable and the full benefit of all security for such accounts or notes; and (c) any claims, remedies and other rights related to any of the foregoing.

"Acquired Units" has the meaning set forth in the Recitals to this Agreement.

"Adjustment Amount" has the meaning set forth in Section 1.05(f).

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by or is under common control with such Person. As used in this definition, "control" (including, its correlative meanings "controlled by" and "under common control with") means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of ten percent (10%) or more of outstanding voting securities or partnership or other ownership interests, by Contract or otherwise).

"Affiliate Transaction" has the meaning set forth in Section 4.25.

"Agreement" has the meaning set forth in the Preamble to this Agreement.

"Allocation" has the meaning set forth in Section 8.07(b).

"Allocation Methodology" has the meaning set forth in Section 8.07(b).

"Anti-Corruption Laws" means the U.S. Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act of 2010, and other applicable Laws concerning or relating to bribery or corruption, as applicable.

"Base Purchase Price" means \$35,000,000.

"Business" means the business of designing, sourcing, marketing, selling and distributing women's beachwear and apparel, including skirts, shirts, scarves, towels and totes and related accessories.

"Business Day" means any day other than Saturday, Sunday and any day on which commercial banks in Delaware are authorized by Law to be closed.

"CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act (Pub. L. 116-136) and any administrative or other guidance published with respect thereto by any Governmental Entity.

"Cash on Hand" means all cash and cash equivalents of the Company Group on such date, as determined in accordance with GAAP, net of (a) any issued and uncleared wires or checks and (b) Restricted Cash.

"Claimant" has the meaning set forth in Section 6.03.

"Claims" has the meaning set forth in Section 7.06(a).

"Closing" has the meaning set forth in Section 2.01.

"Closing Balance Sheet" has the meaning set forth in Section 1.05(b).

"Closing Cash on Hand" means Cash on Hand as of immediately prior to the Closing.

"Closing Date" has the meaning set forth in Section 2.01.

"Closing Debt" means Debt as of immediately prior to the Closing.

"Closing Net Working Capital" means Net Working Capital as of immediately prior to the Closing.

"Closing Transaction Expenses" means Transaction Expenses as of immediately prior to the Closing.

"COBRA" means Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Company" has the meaning set forth in the Preamble to this Agreement.

"Company Data" means the Company Group's proprietary, confidential data, including customer data and Personal Data held by the Company Group.

"Company Group" means, individually and collectively, the Company and its Subsidiaries.

"Company Units" means the units of membership interest of the Company.

"Confidential Information" has the meaning set forth in Section 7.01(a).

"Contemplated Transactions" means all of the transactions contemplated by this Agreement, including: (a) the Pre-Closing Reorganization, (b) the sale of the Purchased Units by

Seller to Purchaser, (c) the contribution of the Contributed Units by Seller to Parent, (d) the performance by the parties of their respective covenants and obligations under this Agreement and each of the Related Agreements, and (e) Purchaser's and Parent's acquisition and ownership of the Acquired Units.

"Contracts" mean any contract, agreement, indenture, note, bond, loan, instrument, lease, conditional sale contract, mortgage, license, franchise, insurance policy, commitment or other arrangement or agreement, whether written or oral.

"Contributed Units" has the meaning set forth in the Recitals to this Agreement.

"Data Security Requirements" means, collectively, all of the following to the extent relating to the access, collection, use, import, export, processing, storage, sharing, distribution, transfer, disclosure, security, destruction, or disposal of any Personal Data or sensitive or confidential information or data (whether in electronic or any other form or medium) or otherwise relating to personal information data protection, privacy, security, or security breach notification requirements and applicable to the Company Group, to the conduct of the Business, or to any of the Information Systems or any Company Data: (a) the Company Group's own rules, policies, and procedures; (b) all Laws, including HIPAA Part 2, and state medical privacy laws; (c) industry standards applicable to the industry in which the Business operates; (d) Contracts into which the Company Group has entered or by which the Company Group is otherwise bound; and (e) any public commitments or statements.

"Debt" means any Liability of the Company Group whether recourse is secured by or is otherwise available against none, or all or only a portion of the assets of the Company Group, including, without duplication: (a) obligations of the Company Group for money borrowed or issued in substitution for or exchange of indebtedness for borrowed money, including the current portion of all long-term indebtedness; (b) obligations of the Company Group evidenced by bonds, debentures, notes, debt securities or other similar instruments, including obligations incurred in connection with the acquisition of property, assets or businesses; (c) indebtedness for the deferred purchase price of property or services with respect to which the Company Group is liable, other than ordinary course trade payables; (d) any severance payments or benefits due or that may become due to any former Personnel of the Company Group or any current Personnel of the Company Group that prior to the Closing has given notice or been given notice of termination of employment, including the amount of the employer portion of any payroll, social security, unemployment or similar Taxes related thereto; (e) any payroll Taxes with respect to the Pre-Closing Tax Period deferred to a period that is not a Pre-Closing Tax Period under Section 2302 of the CARES Act, or any similar election under state or local Law; (f) every reimbursement obligation of the Company Group with respect to letters of credit, to the extent drawn, banker's acceptances or similar facilities issued for the account of the Company Group; (g) obligations of the Company Group in respect of leases which are, or otherwise should be, capitalized in accordance with GAAP (for purposes of this paragraph the Leased Real Property is not considered debt); (h) all payment obligations under any interest rate swap agreements or interest rate hedge agreements to which the Company Group is party, (i) any interest owed with respect to the indebtedness referred to above and prepayment premiums or fees related thereto and (j) obligations of the types described in clauses (a) through (i) guaranteed, directly or indirectly, in any manner

by the Company Group. The term "Debt" does not include trade payables, account payables or other current liabilities taken into consideration in determining the Final Net Working Capital.

"Disagreement Notice" has the meaning set forth in Section 6.04.

"Disclosure Schedules" has the meaning set forth in Article IV.

"Dispute Notice" has the meaning set forth in Section 1.05(d).

"DRE Election" has the meaning set forth in the Recitals to this Agreement.

"Election Notice" has the meaning set forth in Section 6.05(a).

"Elsasser" has the meaning set forth in the Preamble of this Agreement.

"Employee Plans" means any "employee benefit plan" as defined in Section 3(3) of ERISA (whether or not subject to ERISA) and each other plan, policy, program, practice, agreement, understanding or arrangement (whether written or oral) providing compensation or other benefits to any current or former Personnel (or to any dependent or beneficiary thereof) of the Company Group or any ERISA Affiliate thereof, which is now, or was within the past six (6) years of the Closing Date, maintained, sponsored or contributed to by the Company Group or any ERISA Affiliate thereof, or under which the Company Group or any ERISA Affiliate thereof has or may have any Liability, whether actual or contingent, including, without limitation, all incentive, bonus, deferred compensation, change in control, severance, retirement, vacation, holiday, cafeteria, fringe benefit, medical, disability, stock purchase, sick leave, option, unit appreciation, phantom unit, restricted unit or other stock-based compensation plans, policies, programs, practices or arrangements.

"Encumbrance" means all liens (statutory or other), leases, mortgages, pledges, security interests, conditional sales agreements, charges, claims, options, easements, rights of way (other than easements of record) and other encumbrances of any kind or nature whatsoever, including those encumbrances set forth on any schedule hereto.

"Environmental Requirements" means all Laws, guidance documents, approvals, plans, authorizations, licenses or permits issued by any Governmental Entity and all judicial, administrative and regulatory decrees, judgments, and orders relating to human health, pollution, or protection of the environment (including ambient air, surface water, ground water, land surface or surface strata), including: (a) Laws relating to emissions, discharges, releases, or threatened releases of Hazardous Materials; (b) Laws relating to the identification, generation, manufacture, processing, distribution, use, treatment, storage, disposal, recovery, transport or other handling of Hazardous Materials; (c) the Comprehensive Environmental Response Compensation and Liability Act of 1980; the Toxic Substances Control Act; the Hazardous Materials Transportation Act; Resource Conservation and Recovery Act; the Clean Water Act; the Safe Drinking Water Act; the Clean Air Act; the Atomic Energy Act of 1954; the Occupational Safety and Health Act; and the Emergency Planning and Community Right-to-Know Act; and (d) any Law similar to those set forth above.

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

"ERISA Affiliate" means any Person that, together with the Company Group, is required to be treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

"Estimated Closing Amount" means (a) \$31,000,000, plus or minus, as the case may be, (b) the amount by which the Estimated Net Working Capital is greater than the high end or less than the low end of the Target Net Working Capital Range, plus (c) the Estimated Closing Cash on Hand, minus (d) the Estimated Closing Debt, minus (e) the Estimated Closing Transaction Expenses.

"Estimated Closing Cash on Hand" has the meaning set forth in Section 1.05(a).

"Estimated Closing Date Balance Sheet" means the consolidated estimated balance sheet of the Company Group reflecting the financial position of the Company Group as of immediately prior to the Closing, prepared in accordance with the Accounting Principles and delivered pursuant to Section 1.05(a).

"Estimated Closing Debt" has the meaning set forth in Section 1.05(a).

"Estimated Closing Transaction Expenses" has the meaning set forth in Section 1.05(a).

"Estimated Net Working Capital" has the meaning set forth in Section 1.05(a).

"Exception Claims" has the meaning set forth in Section 6.05(a).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder from time to time.

"Export Control Laws" means the Arms Export Control Act, International Traffic in Arms Regulations, Export Administration Regulations and Laws administered and implemented by the Office of Foreign Assets Control ("OFAC"), Foreign Trade Regulations, and any other U.S. or foreign Law related to the exportation or importation of supplies or services, including any export or import declaration filing and payment of customs duties.

"Family Member" means, with respect to any natural Person, (a) such Person's spouse, (b) any children or siblings of such Person or such Person's spouse and (c) any other natural Person who resides with such Person.

"Files and Records" means all financial and accounting files, records and other information of the Company Group relevant to resolving any disputes under Section 1.05.

"Final Cash on Hand" means Closing Cash on Hand, as finally determined pursuant to Section 1.05.

"Final Debt" means Closing Debt, as finally determined pursuant to Section 1.05.

"Final Net Working Capital" means the Closing Net Working Capital, as finally determined pursuant to Section 1.05.

"Final Net Working Capital Adjustment" means an amount equal to (a) the amount, if any, by which the Final Net Working Capital is greater than high end of the Target Net Working Capital Range (resulting in a positive number for purposes of this calculation) or less than the low end of the Target Net Working Capital Range (resulting in a negative number for purposes of this calculation), minus, (b) any amount by which the Purchase Price was increased pursuant to Section 1.02(a)(iii), if any, plus, (c) any amount by which the Purchase Price was decreased pursuant to Section 1.02(a)(iii), if any.

"Final Transaction Expenses" means the Closing Transaction Expenses as finally determined pursuant to Section 1.05.

"Financial Statements" has the meaning set forth in Section 4.06(a).

"Fundamental Representation" means any representation or warranty set forth in Sections 3.01, 3.02, 3.06, 4.01, 4.02, 4.03, 4.08, 4.12(a), 4.25, 4.26, 4.28, 5.01, 5.02 or 5.05.

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

"Governing Documents" means, with respect to any particular entity: (a) if a corporation, the articles or certificate of incorporation and the bylaws of such entity; (b) if a limited liability company, the articles of organization or the certificate of formation and the limited liability company agreement or operating agreement of such entity; (c) if a partnership, the certificate of limited partnership and the partnership agreement of such entity; (d) all equity holders' agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any Person or relating to the rights, duties and obligations of the equity holders of any Person; and (e) any amendment or supplement to any of the foregoing.

"Governmental Entity" means any court, government agency, department, commission, board, bureau or instrumentality of the United States, any local, county, state, federal or political subdivision thereof, or any foreign governmental entity of any kind.

"Hazardous Materials" means: (a) any substance that is or becomes defined as a "hazardous substance," "hazardous waste," "hazardous material," "pollutant," or "contaminant" under any Environmental Requirements; (b) petroleum (including crude oil and any fraction thereof); (c) any natural or synthetic gas (whether in liquid or gaseous state); (d) asbestos, PCBs or lead-based paints; and (e) toxic mold.

"Holdback Amounts" has the meaning set forth in Section 1.04.

"Indemnification Basket" has the meaning set forth in Section 6.07(a)

"Indemnification Cap" has the meaning set forth in Section 6.07(b).

"Indemnification Notice" has the meaning set forth in Section 6.03.

"Indemnifying Party" has the meaning set forth in Section 6.03.

"Indemnity Holdback Amount" has the meaning set forth in Section 1.04.

"Indemnity Loss" means any damages, losses, Liabilities, claims, Encumbrances, penalties, costs, expenses, duties, deficiencies, demands, Proceedings, assessments and Taxes (including costs of investigation and defense and reasonable attorneys' fees and expenses).

"Independent Accountant" means Grant Thornton LLP (or, if Purchaser and Seller so agree, such other independent accounting firm mutually agreed upon by Purchaser and Seller).

"Information Systems" means the computer systems, Software, tangible or digital computer systems (including computers, workstations, routers, hubs, servers, networks and other hardware), devices, networking, systems, data information subscription or access agreements, internet and e-commerce sales information technology Software, services and infrastructure, and equipment and websites owned, used, operated, leased or licensed by the Company Group.

"Intellectual Property Assets" means all intellectual property owned, in whole or in part, or licensed by the Company Group (as licensor or licensee) in which the Company Group has a proprietary interest, whether arising or protected under the laws of the United States or any other jurisdiction or treaty, including, without limitation: (a) each member of the Company Group's name, all assumed fictional business names, trade names, registered and unregistered trademarks and service marks, trade dress and similar rights and applications for registration of any of the foregoing; (b) all patents (including certificates of invention, industrial rights and other patent equivalents), provisional, non-provisional, divisional, continuation, continuation in-part and reissue applications and patents issuing therefrom, any revivals, renewals, extensions, inventions and discoveries that may be patentable (collectively, "Patents"); (c) all registered and unregistered copyrights in both published works and unpublished works and applications for registration, all moral rights and all rights to register and obtain renewals and extensions of registrations; (d) all know-how, trade secrets, concepts, processes, customer lists, technical information and other confidential or proprietary information (collectively, "Trade Secrets"); (e) all user guides, manuals, instructions, forms, data, software, layouts, programmer notes or logs, source code annotations, designs, plans, drawings, process technology, plans, blue prints, documentation or materials that relate to any aspect of the Intellectual Property Assets, whether in tangible, electronic or other intangible form; (f) all rights in internet web sites, internet domain names and social media accounts used by the Company Group; (g) all versions of all software (including software programs, objects, modules, routines, algorithms and code, in source code, object code and executable form), machine readable databases and compilations, data structures and all data and collections of data and all derivative works of any such software (collectively, "Software"); (h) all websites and FTP sites, including all associated scripts, information, text, graphics and other content relating to any and all of the Company Group's websites or FTP and all derivative works thereof; and (i) all rights in mask works and similar rights protecting circuits and chip topographies and layouts.

"Interim Balance Sheet" has the meaning set forth in Section 4.06(a).

"Interim Balance Sheet Date" has the meaning set forth in Section 4.06(a).

"Inventory" or "Inventories" means all inventories of the Company Group, wherever located, including all finished goods, work in process, raw materials, spare parts, replacement parts and all other materials, supplies and other items of personal property to be used or consumed by the Company Group in the operation of the Business.

"IRS" means the United States Internal Revenue Service and, to the extent relevant, the United States Department of the Treasury.

The phrases "to the Knowledge of Seller," or "Known to Seller," or words of similar import, means the actual knowledge Alecia Elsasser or Cole Elsasser has or would have had after making investigation of the subject matter of the applicable representations and warranties which is reasonable in light of the role of each one in the Company and, where appropriate, has conferred with appropriate Personnel and examined files and records of the Company.

"Law" means any local, county, state, federal, foreign or other law (including common law), statute, regulation, ordinance, rule, policy, order, decree, judgment, consent decree, settlement agreement or governmental requirement enacted, promulgated, entered into, agreed or imposed by any Governmental Entity.

"Leased Real Property" has the meaning set forth in Section 4.10.

"Liability" with respect to any Person, means any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"Licenses and Permits" means all licenses, permits, franchises, certifications, approvals and authorizations that relate directly or indirectly to, or are necessary for, the conduct of the Business or the operation of the assets of the Company Group, and all pending applications therefor or renewals thereof.

"Litigation Notice" has the meaning set forth in Section 6.03.

"Material Adverse Effect" when used with respect to the Company Group means any event, change, occurrence, condition or circumstance which has had or could reasonably be expected to have a material adverse impact on any of the Acquired Units, the prospects, Liabilities, capitalization, business operations or condition (financial or otherwise) or results of operations of the Company Group or the Business, or the ability of any party hereto to consummate any of the Contemplated Transactions or any of the Related Agreements whether as a result of any legislative or regulatory change, revocation of any Licenses and Permits or right to do business, fire, explosion, accident, casualty, labor difficulty, flood, drought, riot, storm, act of terrorism, act of enemy, condemnation or act of God or public force, or otherwise.

"Material Contracts" has the meaning set forth in Section 4.21.

"Material Suppliers" has the meaning set forth in Section 4.22.

"Member" or "Members" has the meaning set forth in the Preamble of this Agreement.

"Member Parties" or "Member Party" means, collectively and individually, the Members and Elsasser.

"Multiemployer Plan" means any Employee Plan that is a "multiemployer plan" within the meaning of Section 4001(a)(3) or Section 3(37) of ERISA or a "multiple employer plan" within the meaning of Section 4063 or 4064 of ERISA.

"Net Working Capital" means (i) the sum of the Company Group's current assets, consisting of Accounts Receivable (net of reserves), Inventory (net of reserves), prepaid expenses and other current assets, but not including Cash on Hand, less (ii) the sum of the Company Group's current liabilities, consisting of accounts payable, accrued expenses (including, but not limited to, benefits, deposits, payroll Taxes, accrued payroll, accrued vacation, 401(k) deferrals, dues payable and sales and use Tax payables) and other current liabilities, but excluding any amounts that relate to the Transaction Expenses or Debt, all as calculated as of immediately prior to the Closing and in accordance with Schedule 1.05 attached hereto.

"Ordinary Course of Business" means any action taken by a Person if: (a) such action is consistent in nature, scope and magnitude with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person; (b) such action does not require authorization by the Board of Directors, Board of Managers or equity holders of such Person (or by any Person or group of Persons exercising similar authority) and does not require any other separate or special authorization of any nature; and (c) such action is similar in nature, scope and magnitude to actions customarily taken, without any separate or special authorization, in the ordinary course of the normal day-to-day operations of other Persons that are in the same line of business as such Person.

"Outstanding Claim" means any claim for Indemnity Losses with respect to which any Purchaser Indemnified Party has given notice in accordance with Article VI on or prior to the date such indemnification would otherwise terminate in accordance with Section 6.06 that is pending or settled but not paid.

"Parent" has the meaning set forth in the Preamble of this Agreement.

"Parent Shares" has the meaning set forth in Section 1.02(b).

"Payoff Letters" means the payoff letters, each in form and substance satisfactory to Purchaser, from each holder of Estimated Closing Debt indicating the amount required to discharge in full such Estimated Closing Debt at the Closing and, if such Estimated Closing Debt is secured, an undertaking by such holder to discharge in connection with the Closing any Encumbrance securing such Estimated Closing Debt.

"Permitted Encumbrance" means any of the following: (a) with respect to Leased Real Property, easements, rights-of-ways, zoning laws, restrictions and other similar charges and encumbrances of record that do not materially impair the use of the Leased Real Property as

currently used by the Company, (b) statutory liens of landlords, carriers, warehousemen, mechanics, materialmen and other similar Persons and other liens imposed by applicable Laws incurred in the Ordinary Course of Business for amounts that are not delinquent and for which adequate reserves are set forth on the face of the Interim Balance Sheet in accordance with GAAP; and (c) liens for current Taxes and other governmental assessments, charges or claims not yet due and payable and for which adequate reserves are set forth on the face of the Interim Balance Sheet in accordance with GAAP.

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

"Personal Data" means (a) a natural person's name, street address, telephone number, email address, photograph, passport number, credit card number, bank information, or account number, and (b) any other piece of non-publicly available information that allows the identification of such natural person.

"Personnel" means any director, manager, officer, employee, consultant, agent or other personnel of such Person.

"Policy" or "Policies" has the meaning set forth in Section 4.20(a).

"Pre-Closing Matters" has the meaning set forth in Section 7.06(a).

"Pre-Closing Reorganization" has the meaning set forth in the Recitals to this Agreement.

"Pre-Closing Tax Period" means any Tax period ending on or before the Closing Date and that portion of any Straddle Period ending on the Closing Date.

"Preferred Shares" means the shares of Series A-3 Preferred Stock of Parent.

"Proceeding" means any action, arbitration, audit, hearing, investigation, litigation or suit.

"Purchase Price" has the meaning set forth in Section 1.02(a).

"Purchased Units" has the meaning set forth in the Recitals to this Agreement.

"Purchaser" has the meaning set forth in the Preamble of this Agreement.

"Purchaser Assignee" has the meaning set forth in Section 9.11.

"Purchaser Closing Cash on Hand" has the meaning set forth in Section 1.05(b).

"Purchaser Closing Debt" has the meaning set forth in Section 1.05(b).

"Purchaser Closing Statement" has the meaning set forth in Section 1.05(b).

"Purchaser Closing Transaction Expenses" has the meaning set forth in Section 1.05(b).

"Purchaser Contribution" has the meaning set forth in the Recitals to this Agreement.

"Purchaser Indemnified Parties" has the meaning set forth in Section 6.01(a).

"Purchaser Net Working Capital" has the meaning set forth in Section 1.05(b).

"Purchaser Prepared Return" has the meaning set forth in Section 8.02(b).

"QSub Restructuring" has the meaning set forth in the Recitals to this Agreement.

"Real Property Leases" has the meaning set forth in Section 4.10.

"Related Agreements" means, collectively, the Shareholders' Agreement and all other agreements, documents, instruments and certificates entered into pursuant hereto or thereto or pursuant to the Contemplated Transactions.

"Released Parties" has the meaning set forth in Section 7.06(a).

"Representative" means, with respect to any Person, any director, manager, officer, employee, agent, consultant, advisor or other representative of such Person, including legal counsel, accountants and financial advisers.

"Restricted Area" means the geographic area in which the Company Group was engaged in the Business as of the Closing Date, and shall include each state, commonwealth, country, territory or other political subdivision located in the United States of America, Australia and New Zealand.

"Restricted Business" means designing, sourcing, marketing, selling or distributing women's beachwear or apparel, including skirts, shirts, scarves, towels and totes and related accessories, including, without limitation, products that are (a) reasonably similar in form and function to the products designed, manufactured, marketed, sourced, sold or distributed by the Company Group as of the Closing Date or (b) reasonably related to such products or products currently being developed by the Company Group as of the Closing Date.

"Restricted Cash" means cash or cash equivalents held in escrow or as a security or other deposit, held for or on behalf of a customer, deposited with a customer or if usage of, or access to, such cash or cash equivalents is restricted by Law, Contract or otherwise.

"Restricted Party" has the meaning set forth in Section 7.01(a).

"Restricted Period" has the meaning set forth in Section 7.02(a).

"Securities" means, with respect to each member of the Company Group, (a) shares of capital stock, membership interests, other equity interests or voting securities, including, with respect to the Company, Company Units, and (b) options, restricted equity, equity appreciation rights, phantom equity, SAFEs, warrants or similar rights, or other rights of any kind to acquire any shares of capital stock, membership interests, other equity interests or voting securities or obligations to issue, deliver or sell, any shares of capital stock, membership interests, other equity

interests or voting securities or securities convertible into or exchangeable for equity interests or voting securities.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder from time to time.

"Seller" has the meaning set forth in the Preamble of this Agreement.

"Seller Indemnified Parties" has the meaning set forth in Section 6.02.

"Seller Parties" or "Seller Party" means, collectively and individually, Seller, the Members and Elsassner.

"Seller Prepared Returns" has the meaning set forth in Section 8.02(a).

"Shareholders' Agreement" means that certain Amended and Restated Shareholders' Agreement of Parent, by and among Parent, Seller and each other shareholder of Parent, substantially in the form attached hereto as Exhibit C.

"Special Taxes" means any Liability for failure to collect, withhold, deposit, report, pay, pay over or otherwise comply with obligations in respect of state income, gross receipts, sales, use, franchise and similar Taxes imposed with respect to any Pre-Closing Tax Period in respect of the Company's income or sale of products.

"Special Tax Costs" means (i) Special Taxes, (ii) reasonable costs and expenses incurred in respect of any Special Tax Action, including reasonable fees of accountants, and (iii) reasonable costs and expenses of a state Tax nexus study, including specifically income and sales and use Tax.

"Special Tax Action" means, in respect of Special Taxes, (a) any claim, audit, examination, investigation or administrative or court proceeding relating to any audits or assessments or other disputes regarding any Taxes or any Tax Return, or (b) any other action or proceeding with any Governmental Entity, including the initiation, negotiation and conclusion of any ruling or other advisory process, voluntary disclosure agreement, settlement agreement, closing agreement or similar agreement or arrangement (including any discussions with any Governmental Entity in connection with the foregoing).

"State Securities Laws" has the meaning set forth in Section 4.29(b).

"Straddle Period" means any Tax period beginning on or before and ending after the Closing Date.

"Subsidiaries" and "Subsidiary" means, with respect to any member of the Company Group, any other Person the majority of whose voting securities are directly or indirectly owned or controlled by a member of the Company Group, and each of them.

"Target Net Working Capital Range" means the range from \$1,950,000 to \$2,150,000.

"Tax" or "Taxes" means all federal, state, local and foreign taxes (including excise taxes, value added taxes, occupancy taxes, employment taxes, unemployment taxes, ad valorem taxes, custom duties, estimated taxes, goods and services taxes, unclaimed property taxes, transfer taxes, and fees), levies, imposts, impositions, assessments and other governmental charges of any nature imposed upon a Person, including all taxes and governmental charges imposed upon any of the personal properties, real properties, tangible or intangible assets, income, receipts, payrolls, transactions, stock transfers, capital stock, net worth or franchises of a Person (including all sales, use, withholding or other taxes which a Person is required to collect or pay over to any government), and all related additions to tax, penalties or interest thereon, in all cases whether disputed or not.

"Tax Matter" has the meaning set forth in Section 8.04(a).

"Tax Return" means and includes all returns, statements, declarations, estimates, forms, reports, information returns and any other documents (including all consolidated, affiliated, combined or unitary versions of the same), including all related and supporting information, filed or required to be filed with any Governmental Entity in connection with the determination, assessment, reporting, payment, collection or administration of any Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Taxing Authority" means any Governmental Entity having or purporting to exercise jurisdiction with respect to any Tax.

"Third-Party Claim" has the meaning set forth in Section 6.03.

"Transaction Expenses" means all costs and expenses incurred by the Company Group in connection with the negotiation, preparation or execution of this Agreement, the Related Agreements or the consummation of the Contemplated Transactions, including (a) any brokerage fees incurred by the Company Group or any Seller Party, and (b) (i) any bonus, change of control, severance or similar payments and fees to any Personnel of the Company Group that the Company Group is obligated to pay at the Closing or in connection with the Contemplated Transactions, and (ii) any bonus amounts that are payable or attributable to the period prior to the Closing Date to any Personnel of the Company Group as of the Closing Date (and not covered by the foregoing clause (i)), in each case, (x) including the amount of the employer portion of any payroll, social security, unemployment or similar Taxes related thereto and (y) to the extent such amounts are not specifically accrued in the Estimated Net Working Capital.

"Transfer" has the meaning set forth in Section 4.29(b).

"Transfer Taxes" has the meaning set forth in Section 8.01.

"WARN Act" means the Worker Adjustment and Retraining Notification Act of 1988, as amended.

"Working Capital Holdback Amount" has the meaning set forth in Section 1.04.

EXHIBIT B

**ESTIMATED CLOSING DATE BALANCE SHEET AND ESTIMATED CLOSING
CALCULATIONS**

(See Attached.)

Estimated Net Working Capital

\$2,295,907.47

Estimated Closing Cash on Hand:

\$500,000

Estimated Closing Debt:

\$0

Estimated Closing Transaction Expenses:

Lane Powell, LLP - \$15,937.49

Acquisitions Northwest - \$945,000.00 (Additional payout of \$105,000 when holdback is paid)

Mike Rompa (Geffen Mesher) - \$7,300.00

Project Beach
Monthly working capital

Monthly working capital			
\$'000	Reported		
	Dec-20	Dec-21	Jun-22
Current assets			
Cash	3,837	2,900	3,153
Accounts receivable	-	-	-
Inventory	1,656	2,357	3,143
Prepaid expenses	26	200	191
Other current assets	16	(24)	32
Total current assets	5,535	5,433	6,519
Current liabilities			
Accounts payable	348	727	1,052
Credit cards	(28)	68	6
Payroll liabilities	14	1	3
Other current liabilities	10	192	310
Total current liabilities	345	988	1,370
Working capital, reported	5,190	4,445	5,149
Working capital, % of T3M net sales	244.8%	112.9%	72.3%
Exclusions & adjustments			
[1] Cash	(3,837)	(2,900)	(3,153)
[2] Other current assets	(16)	24	(32)
[3] Reserve for sales returns, net			
[3a] Reserve for sales returns	(81)	(224)	(437)
[3b] Inventory returns	19	68	86
[3] Reserve for sales returns, net	(62)	(156)	(352)
[4] Inventory reserve	(56)	(88)	(31)
[5] Normalization of inventory	67	-	-
[6] Prepaid software subscriptions	8	53	24
[7] Gift card liability	-	85	96
[8] Payroll accrual	(14)	(26)	(27)
[9] Accrued wages	10	17	-
Total exclusions & adjustments	(3,900)	(2,990)	(3,475)
Working capital, adjusted	1,290	1,456	1,674
Working capital, % of T3M net sale	60.9%	37.0%	23.5%
Working capital, % of T12M net sal	10.0%	7.7%	7.9%
Other considerations			
[10] Prepaid inventory	(26)	(200)	(104)

Cash conversion cycle:	
DSO	
DIO	
DPO	
Cash conversion cycle	

Net sales	
Cost of goods sold + Advertising and promotion	

Source:

Formulas used:
DSO: (AR / (T3M net sales))*90
DIO: (Inventory / (T3M COGS))*90
DPO: (AP / (T3M COGS))*90
CCC: DSO + DIO - DPO

11-Sep
2,893
-
3,437
70
3
6,403
268
12
2
522
803
5,601
(2,893)
(3)
(351)
45
(306)
(94)
-
-
-
(8)
-
(3,305)
2,296

7.7% of T2M Sales, consistent with peg methodology
Reserve for sales returns * Gross margin in current month
T12M average reserve rate of 2.8%, below PY references of 4.1% (Aug) and 3.7% (Sept.)
4 days of payroll accrual

RipSkirt Hawaii

Balance Sheet

	11-Sep	Notes
ASSETS		
Current Assets		
Bank Accounts		
10000 Columbia Bank Checking	638,302.37	Verified
10100 Columbia Bank Savings	1,630,529.43	Verified
10200 Bank of Hawaii Checking	23,353.43	Verified
10250 Airwallex AUD	139,982.59	Verified against AirWallex
10251 Airwallex USD	15,619.05	Verified against AirWallex
10300 Treasury Direct - Savings Account	0.00	n/a
10400 Cash on hand	0.00	n/a
10900 Afterpay Holding - US	626.05	Estimated based on sales/deposits
10901 Afterpay Holding - AUD	27,295.60	Estimated based on sales/deposits
11000 Amazon Pay Holding	25,108.05	Estimated based on sales/deposits
11100 AUD Undeposited Funds Clearing Account	0.00	n/a
11400 PayPal Holding - US	41,904.51	Estimated based on sales/deposits
11401 PayPal Holding - AUD	126,497.98	Estimated based on sales/deposits
11402 PayPal Holding - NZD	6,134.01	Estimated based on sales/deposits
11403 PayPal Holding - HUF	0.00	n/a
11600 Shopify US	79,633.74	Estimated based on sales/deposits
11601 Shopify Australia - AUD	138,960.77	Estimated based on sales/deposits
11700 Stripe Holding	-915.36	Estimated based on sales/deposits
Total Bank Accounts	\$ 2,893,032.22	n/a
Accounts Receivable		
12000 Accounts Receivable	0.00	n/a
Total Accounts Receivable	\$ 0.00	n/a
Other Current Assets		
13000 Credit Card Holding - US	0.00	n/a
13100 AUS/NZ Credit Card Holding	0.00	n/a
Total 13000 Credit Card Holding - US	\$ 0.00	n/a
13800 Cash Advance	0.00	n/a

13900 eCommerce Clearing*	2,649.10	Estimated based on sales/deposits
13990 Undeposited Funds	0.00	n/a
14000 Inventory		
14100 Inventory Global Product Raw Value	210,937.99	Estimate from Alecia based on average margin 9.1-9.11
14200 Inventory Total USA Value	2,022,372.77	Estimate from Alecia based on average margin
14201 x Inventory USA Duty	0.00	n/a
14250 Inventory Total AUS Value	1,203,848.25	Estimate from Alecia based on average margin
X 13550 X GST Paid - Australia	0.00	n/a
Total 14000 Inventory	\$ 3,437,159.01	n/a
14900 Inventory Pre Paid Deposits on PO's - Global	62,098.46	Estimate from Alecia
16000 PrePaid Expenses - Non Inv.	0.00	Estimate from Alecia
16050 Pre-Paid Duty USA	0.00	n/a
16100 Security Deposits Asset	8,345.00	n/a
16150 Prepaid Expenses - Other	0.00	Estimate from Alecia
16200 Prepaid Rent	0.00	Estimate from Alecia
16300 Prepaid Software Licenses	0.00	Estimate from Alecia
Total 16000 PrePaid Expenses - Non Inv.	\$ 8,345.00	Estimate from Alecia
16500 Payroll Corrections	0.00	n/a
Amazon Carried Balances	0.00	n/a
Amazon Pending Balances	0.00	n/a
Repayment		
against advance given	0.00	n/a
Total Repayment	\$ 0.00	n/a
Total Other Current Assets	\$ 3,510,251.57	n/a
Total Current Assets	\$ 6,403,283.79	n/a
Fixed Assets		
15000 Furniture and Equipment	55,837.68	n/a
15100 Computers & Printers	32,709.35	n/a
15200 Trailer	0.00	n/a
15300 Vehicles	15,000.00	n/a
15900 Leasehold Improvements	96,194.77	n/a
17000 xAccumulated Depreciation	-166,083.35	n/a
Total Fixed Assets	\$ 33,658.45	n/a
Other Assets		

16020 Security Deposits AUS	26,740.62	n/a
Total Other Assets	\$ 26,740.62	n/a
TOTAL ASSETS	\$ 6,463,682.86	n/a
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
20000 Accounts Payable	267,521.52	
Accounts Payable (A/P) - AUD	0.00	
Total Accounts Payable	\$ 267,521.52	
Credit Cards		
20100 Credit Card 2377	10,436.52	Soft rec against CC
20110 Business Visa *9927	88.50	Soft rec against CC
20115 Business Visa *0308	0.00	Soft rec against CC
20120 Business Visa *2073	987.04	Soft rec against CC
20125 Business Visa *6242	0.00	Soft rec against CC
Total 20100 Credit Card 2377	\$ 11,512.06	Soft rec against CC
20200 BOH- Credit Card	0.00	Soft rec against CC
20300 Credit Card 2949	0.00	Soft rec against CC
20400 Credit Card 1046	0.00	Soft rec against CC
Total Credit Cards	\$ 11,512.06	Soft rec against CC
Other Current Liabilities		
21000 Payroll Liabilities	0.00	n/a
21100 Federal Taxes (941/944)	0.00	n/a - immaterial payroll taxes
21200 Federal Unemployment (940)	42.27	n/a - immaterial payroll taxes
21300 HI Income Tax	-167.30	n/a - immaterial payroll taxes
21400 HI Quarterly Taxes	227.01	n/a - immaterial payroll taxes
21500 OR Employment Taxes	1,501.26	n/a - immaterial payroll taxes
21600 OR Income Tax	0.00	n/a - immaterial payroll taxes
21700 OR Statewide Transit Taxes	129.75	n/a - immaterial payroll taxes
21800 Health	0.00	n/a
21900 Dental	0.00	n/a
Gift Card Bonus	0.00	n/a
Total 21000 Payroll Liabilities	\$ 1,732.99	n/a

22000 Accrued Wages	300,000.00	Bonus accrual (including employer taxes		
22100 Direct Deposit Payable	0.00	n/a		
22400 Gift Card Liability AUD	9,699.04	Estimated based on sales/deposits		
22500 Gift Card Liability US	97,307.87	Estimated based on sales/deposits		
22600 GST Collected	0.00	n/a		
23000 Sales Tax Liability	303.16	n/a		
23100 Sales Tax Clearing	0.00	n/a		
23200 Sales Tax Payable - US	102,763.24	Estimated based on sales/deposits		
23250 Sales Tax Prepayments	-3,160.00	n/a		
Total 23200 Sales Tax Payable - US	\$ 99,603.24	n/a		
23260 Sales Tax Overpayment Credit	-167.41	n/a		
23400 Sales Tax GST Payable - AUS	15,009.12	Estimated based on sales/deposits		
Total 23000 Sales Tax Liability	\$ 114,748.11	n/a		
Total Other Current Liabilities	\$ 523,488.01	n/a		
Total Current Liabilities	\$ 802,521.59	n/a		
Total Liabilities	\$ 802,521.59	n/a		
Equity				
30000 Opening Balance Equity	0.00	n/a		
32000 Retained Earnings	11,475,521.68	n/a		
33000 Members' Capital	271,968.99	n/a		
34000 Members' Distributions	-1,095,487.39	n/a		
90001 Pass-Through Entity – Elective Tax	-300,000.00	n/a		
Total 34000 Members' Distributions	-\$ 1,395,487.39	n/a		
34001 Member Distribution AEE	-8,512,423.04	n/a		
34002 Member Distribution CWE	-675,309.07	n/a		
Net Income	4,496,890.10			
Total Equity	\$ 5,661,161.27	n/a		
TOTAL LIABILITIES AND EQUITY	\$ 6,463,682.86	n/a	\$	-

EXHIBIT C

FORM OF AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT

(See Attached.)

GIFTCRAFT HOLDINGS, INC.

AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT

September 16, 2022

GIFTCRAFT HOLDINGS, INC.
AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT

THIS AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT is made and entered into as of September 16, 2022, by and among Giftcraft Holdings, Inc., an Indiana corporation (the “Company”), and the Shareholders identified on Schedule A attached hereto, which constitute all of the shareholders of the Company as of the date hereof.

RECITALS

WHEREAS, certain Shareholders are purchasing shares of Series B Preferred Stock and Series A-3 Preferred Stock;

WHEREAS, in connection with and as a condition to the purchase and sale of the Series B Preferred Stock and the Series A-3 Preferred Stock, the Corporation and the Shareholders party to that certain Shareholders' Agreement, dated January 10, 2019 (the “Prior Agreement”), desire to amend the Prior Agreement, which may not be modified or amended without the written approval of the Company and the holders of at least a majority of the then-outstanding shares of Series A Preferred Stock;

WHEREAS, the Shareholders believe it to be in the best interest of the Company and the Shareholders to provide for the continued stability of the business and policies of the Company and its Subsidiaries, as the same may exist from time to time, and, to that end, the parties hereto set forth this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

The following terms have the following meanings:

“Acceptance Notice” shall have the meaning set forth in Section 3.2(b).

“Accredited Investor” means an “accredited investor” within the meaning of all applicable federal and state securities laws.

“Additional Consideration” shall have the meaning set forth in Section 3.6(b).

“Affiliate” means, with respect to any specified Person, any other Person who, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, managing member, officer or director of such Person or any venture capital or private equity fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person. The term “control,” as used in the immediately preceding sentence, means, with respect to a corporation the right to exercise, directly or

indirectly, more than 50% of the voting rights attributable to the controlled corporation, and, with respect to any individual or other Entity, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies thereof.

“Agreement” means this Amended and Restated Shareholders' Agreement, as the same may be amended, modified or supplemented after the date hereof.

“Approved Sale” shall have the meaning set forth in Section 3.6(a).

“Articles” means the Amended and Restated Articles of Incorporation of the Company in effect as of the date hereof, as the same may be amended, modified or supplemented after the date hereof.

“Board” means the Board of Directors of the Company.

“Boards” means the Board and the board of directors (or equivalent body) of any Subsidiary and any respective committees thereof.

“Cause” shall have the meaning set forth in any written employment or services agreement by and between the Company (or any Subsidiary of the Company) and an Employee Shareholder; provided, however, in the event that the Company (or any of its Subsidiaries) and such Employee Shareholder have not entered into a written employment or services agreement or “Cause” is not defined in such written employment or services agreement, “Cause” shall mean the termination of an Employee Shareholder's employment or services with the Company (or any Subsidiary of the Company) for any of the following reasons: (A) theft, fraud, embezzlement, dishonesty or other similar behavior by an Employee Shareholder or any act resulting in a criminal conviction of an Employee Shareholder (other than non-material, insignificant convictions not related to the performance by an Employee Shareholder of his or her duties, such as traffic violations); (B) any gross neglect of duty, intentional insubordination or intentional misconduct of an Employee Shareholder in discharging any of his or her duties and responsibilities; (C) any occurrence of an Employee Shareholder reporting to work under the influence of alcohol or drugs; (D) any intentional and material failure or refusal by an Employee Shareholder to comply with the reasonable policies, rules and regulations of the Company or any of its Subsidiaries, whether now in force or hereinafter adopted in good faith; or (E) any intentional and material breach by an Employee Shareholder of any written employment or services agreement by and between such Employee Shareholder and the Company (or any of its Subsidiaries).

“Change of Control Transaction” means the occurrence of one of the following events: (i) the Transfer, license or lease of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to a Person in a single transaction or a series of related transactions; or (ii) the Transfer, directly or indirectly, either through the sale of Shares or the sale of Shareholder Equity, of more than a majority of the outstanding Shares of the Company or of more than a majority of the voting power of any Subsidiary of the Company, in a single transaction or a series of related transactions, whether by merger, exchange, combination, consolidation, share purchase or otherwise, to a Person not a shareholder of the Company prior thereto.

“CID” means CID Capital Opportunity Fund II, L.P., a Delaware limited partnership, together with its Permitted Transferees.

“CID Director(s)” shall have the meaning set forth in Section 2.1(a)(ii).

“Co-Sale Notice” shall have the meaning set forth in Section 3.3(a).

“Co-Sale Participant” shall have the meaning set forth in Section 3.3(c).

“Common Stock” shall mean the common stock, no par value per share, of the Company.

“Company” shall have the meaning set forth in the Preamble to this Agreement.

“Control Seller(s)” shall have the meaning set forth in Section 3.6(a).

“Declining Shareholder” shall have the meaning set forth in Section 3.2(d).

“Demand Registration” shall have the meaning set forth in Section 6.4(b).

“EBITDA” has the meaning set forth in the Loan Documents.

“Employee Shareholder” means any employee and/or director of the Company or any of its Subsidiaries who directly owns Shares or who indirectly owns Shares through any Employee Shareholder Entity.

“Employee Shareholder Entity” means a Shareholder in which an employee and/or director (or any Affiliate or Immediate Family Member thereof) of the Company or any of its Subsidiaries has an ownership interest or is a trustee or beneficiary.

“Employee Shareholder Party” means the Terminated Employee Shareholder, each Employee Shareholder Entity and their respective Affiliates, Permitted Transferees and Immediate Family Members.

“Employee Shareholder Shares” means the Shares held by each Employee Shareholder Party.

“Entity” means any Person other than a natural Person.

“Equity Securities” means all shares of capital stock of the Company, all securities convertible into or exchangeable for shares of capital stock of the Company, and all options, warrants, and other rights to purchase or otherwise acquire from the Company shares of such capital stock, including any stock appreciation or similar rights, contractual or otherwise, convertible debt or units of equity and debt.

“Equity Value” means six and three tenths times (6.3x) EBITDA for the twelve (12) months ending on the last day of the calendar month immediately preceding the calendar month in which the event triggering the Company's repurchase rights pursuant to Section 4.2, as applicable, occurs, minus (i) Net Debt, (ii) an amount equal to the aggregate amount of Preferred Distributions for all Series A Shareholders and all Series B Shareholders and (iii) an amount of

transaction expenses that would be customarily incurred by the Company in a Change of Control Transaction, as reasonably determined by the Company.

“Exempt Transfer” means any Transfer by a Shareholder to (a) an Affiliate of such Shareholder; provided, however, that in no event shall (i) the Company or any of its Subsidiaries or (ii) any “portfolio company” (as such term is customarily used among institutional investors) of any Shareholder constitute a “Affiliate” for purposes of an Exempt Transfer, (b) any direct or indirect shareholder, member, partner, or equity holder of such Shareholder or any Immediate Family Member thereof, (c) a trust, for estate planning purposes, which trust is for the benefit of such Shareholder or an Immediate Family Member of such Shareholder, (d) an Immediate Family Member or an Entity that is an Affiliate of an Immediate Family Member or (e) with respect to a Rollover Shareholder to the other Rollover Shareholder.

The “Fair Market Value” of the Series A Preferred Stock with respect to a repurchase of shares of Series A Preferred Stock pursuant to Section 4.2 shall mean the sum of (i) that portion of the applicable Employee Shareholder Party's Preferred Distributions with respect to the applicable series of Series A Preferred Stock, if any, which remains unpaid as of the termination date of the Terminated Employee Shareholder multiplied by a fraction, the numerator of which is the number of shares of such series of Series A Preferred Stock being repurchased pursuant to Section 4.2 and the denominator of which is the total number of shares of such series of Series A Preferred Stock owned by the Employee Shareholder Party as of the termination date of the Terminated Employee Shareholder (the “Unpaid Preferred Distribution Amount”), and (ii) the Equity Value multiplied by a fraction, the numerator of which is the number of shares of such series of Series A Preferred Stock being repurchased pursuant to Section 4.2 and the denominator of which is the total number of outstanding Shares; provided, however, if at the time of the determination of the Fair Market Value, the aggregate amount of Preferred Distributions for all Series A Shareholders and all Series B Shareholders is greater than the Net Equity Value, then the Fair Market Value shall equal the Net Equity Value multiplied by a fraction, the numerator of which is the Unpaid Preferred Distribution Amount and the denominator of which is the total Preferred Distributions. The “Fair Market Value” of the Common Stock with respect to a repurchase of the Common Stock pursuant to Section 4.2 shall equal the Employee Shareholder Party's pro rata share (calculated based on the ratio of the shares of Common Stock owned by such Employee Shareholder to all outstanding Shares) of the Equity Value.

“Fully Exercising Shareholder” shall have the meaning set forth in Section 3.4(b).

“GAAP” shall have the meaning set forth in Section 6.1(a).

“Giftcraft Canada” means Giftcraft Holdings Canada Ltd., an Ontario corporation and a wholly-owned subsidiary of the Company as of the date hereof.

“Giftcraft US” means Giftcraft Midco, Inc., an Indiana corporation and a wholly-owned subsidiary of the Company as of the date hereof.

“Immediate Family Member” means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of a natural person referred to herein.

“Initial Consideration” shall have the meaning set forth in Section 3.6(b).

“Junior Debt Financing” means a bona fide debt financing transaction with the principal purpose of raising debt proceeds, pursuant to which the Company or any of its Subsidiaries issues and sells debt securities (i.e. promissory notes) junior in payment to indebtedness under the Loan Documents and senior in payment to any other indebtedness of the Company and its Subsidiaries. For the avoidance of doubt, Junior Debt Financing shall not include, without limitation, any debt (a) incurred by the Company or any of its Subsidiaries in the ordinary course of business, such as accounts payable, capital leases, for the deferred purchase price of property or services or otherwise or (b) issued pursuant to the acquisition of another Person by the Company or any of its Subsidiaries.

“Junior Debt Financing Notice” shall have the meaning set forth in Section 7.18(a).

“Loan Documents” means the Amended and Credit Agreement, dated as of the date hereof, by and among Giftcraft US, Giftcraft Canada, HSBC Bank Canada, as administrative agent, and lenders from time to time party thereto, as may be amended, modified, restated or replaced from time to time.

“Net Debt” means all indebtedness for borrowed money which the Company or any of its Subsidiaries is liable less cash as reflected on a balance sheet of the Company or its Subsidiaries.

“Net Equity Value” means the Equity Value prior to any payment of unpaid Preferred Distributions to the Series A Shareholders and the Series B Shareholders.

“New Securities” means any Equity Securities of the Company or any equity securities of any Subsidiary of the Company, whether now or hereafter authorized, and rights, options or warrants to purchase such Equity Securities or any equity securities of any Subsidiary of the Company, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such Equity Securities or any equity securities of any Subsidiary of the Company; provided, however, the term “New Securities” does not include Exempted Securities (as defined in the Articles), other than Exempted Securities described in Section 3.4(e)(i).

“Non-Control Seller” shall have the meaning set forth in Section 3.6(a).

“Note” means a promissory note issued by the Company that shall (i) bear interest at the prime rate as published in the *Wall Street Journal* or if the *Wall Street Journal* is not published on the applicable date, the date of the most recent publication; (ii) pay interest on a quarterly basis; (iii) subject to clause (iv) below, be payable in full on the earlier of the third anniversary of the Note or the consummation of a Change of Control Transaction or an Approved Sale; and (iv) is subordinated to the Company's obligations under the Loan Documents.

“Observers” shall have the meaning set forth in Section 2.4.

“Offer” shall have the meaning set forth in Section 3.2(a).

“Offer Notice” shall have the meaning set forth in Section 3.4(a).

“Original Series A Purchase Price” means (a) \$1.00 per share of Series A-1 Preferred Stock and Series A-2 Preferred Stock (as appropriately adjusted for any stock splits, stock dividends, reverse stock splits, stock combinations, recapitalizations, reclassifications and the like) and (b) \$1.72 per share of Series A-3 Preferred Stock (as appropriately adjusted for any stock splits, stock dividends, reverse stock splits, stock combinations, recapitalizations, reclassifications and the like).

“Original Series B Purchase Price” means (a) \$1.72 per share of Series B Preferred Stock (as appropriately adjusted for any stock splits, stock dividends, reverse stock splits, stock combinations, recapitalizations, reclassifications and the like).

“ORIX” means OCC Giftcraft Holdings, LP, a Delaware limited partnership.

“ORIX Director” shall have the meaning set forth in Section 2.1(a)(v).

“ORIX Observer” shall have the meaning set forth in Section 2.4.

“ORIX Shareholder” means ORIX, together with its Permitted Transferees.

“Overallotment Notice” shall have the meaning set forth in Section 3.2(d).

“Overallotment Period” shall have the meaning set forth in Section 3.2(d).

“Participating Shareholder” shall have the meaning set forth in Section 3.2(d).

“Participating Shareholder Overallotment Notice” shall have the meaning set forth in Section 3.2(d).

“Permitted Transferees” means Transferees in an Exempt Transfer.

“Person” shall be construed in the broadest sense and means and includes a natural person, a partnership, a corporation, an association, a joint stock company, a limited liability company, a trust, a joint venture, an unincorporated organization and any other entity and any federal, state, municipal, foreign or other government, governmental department, commission, board, bureau, agency or instrumentality, or any private or public court or tribunal.

“Preferred Distributions” means (a) distributions to Series A Shareholders such that each share of Series A Preferred Stock is paid the applicable Original Series A Purchase Price and all accrued but unpaid dividends for the applicable Series A Preferred Stock through the date fixed for distribution and (b) distributions to Series B Shareholders such that each share of Series B Preferred Stock is paid the Original Series B Purchase Price and all accrued but unpaid dividends for the Series B Preferred Stock through the date fixed for distribution.

“Prior Agreement” shall have the meaning set forth in the Recitals to this Agreement.

“Prohibited Transfer” shall have the meaning set forth in Section 3.3(j).

“Rejection Notice” shall have the meaning set forth in Section 3.2(b).

“Repurchase Notice” shall have the meaning set forth in Section 4.2(a)(ii).

“Ripskirt Rollover Shareholder” means Elsasser Holding Company, Inc., an Oregon corporation

“Rollover Shareholders” means Giftcraft Holdings Inc., an Ontario corporation and Bropol Investments Inc., an Ontario corporation and their Permitted Transferees.

“Second Right” shall have the meaning set forth in Section 3.2(c).

“Securities Act” means the Securities Act of 1933, as amended.

“Seehoff” means Seehoff Living Trust.

“Senior New Securities” means New Securities ranking pari passu with or senior to the Series B Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation and the accrual or payment of dividends.

“Series A Preferred Stock” means the Series A-1 Preferred Stock, the Series A-2 Preferred Stock and the Series A-3 Preferred Stock.

“Series A Shareholder(s)” means the Shareholders holding shares of Series A Preferred Stock and any Transferee of such Shareholders who or which agrees in writing to be treated as a Series A Shareholder hereunder and to be bound by the terms and comply with all applicable provisions hereof.

“Series A-1 Preferred Majority” means a majority of the voting power of the then issued and outstanding shares of Series A-1 Preferred Stock, voting separately as a single class.

“Series A-1 Preferred Stock” means the Series A-1 Preferred Stock, no par value per share, of the Company.

“Series A-2 Preferred Majority” means a majority of the voting power of the then issued and outstanding shares of Series A-2 Preferred Stock, voting separately as a single class.

“Series A-2 Preferred Stock” means the Series A-2 Preferred Stock, no par value per share, of the Company.

“Series A-3 Preferred Majority” means a majority of the voting power of the then issued and outstanding shares of Series A-3 Preferred Stock, voting separately as a single class.

“Series A-3 Preferred Stock” means the Series A-3 Preferred Stock, no par value per share, of the Company.

“Series B Offer Notice” shall have the meaning set forth in Section 3.5(a).

“Series B Preferred Stock” means the Series B Preferred Stock, no par value per share, of the Company.

“Series B Shareholder(s)” means the Shareholders holding shares of Series B Preferred Stock and any Transferee of such Shareholders who or which agrees in writing to be treated as a Series B Shareholder hereunder and to be bound by the terms and comply with all applicable provisions hereof.

“Shareholder Acceptance Notice” shall have the meaning set forth in Section 3.2(c).

“Shareholder Equity” shall have the meaning set forth in Section 3.1(b).

“Shareholders” means the shareholders identified on Schedule A hereto, including without limitation the holders of Common Stock, holders of Series A Preferred Stock and the holders of Series B Preferred Stock, and includes any Transferee of any such Person who or which agrees in writing to be treated as a Shareholder hereunder and to be bound by the terms and comply with all applicable provisions hereof.

“Shares” means all Equity Securities held at any time during the term of this Agreement by any Shareholder. Any reference to a number of “Shares” shall treat each share of Series A Preferred Stock as the number of shares of Common Stock into which it is then convertible pursuant to the Articles and any warrants or convertible securities as the number of shares of Series A Preferred Stock or Common Stock for which it is then exercisable or convertible.

“Sig Guff” means SBCOF II Giftcraft Holdings, LLC, a Delaware limited liability company.

“Sig Guff Observer” shall have the meaning set forth in Section 2.4.

“Sig Guff Shareholder” means Sig Guff, together with its Permitted Transferees.

“Subject Shares” shall have the meaning set forth in Section 3.2(a).

“Subsidiary” means, with respect to any Person, any other Person the majority of whose voting securities are directly or indirectly owned or controlled by such Person, including with respect to the Company, Giftcraft US, Giftcraft Canada and their respective Subsidiaries.

“Third Party” means a prospective purchaser of Shares in an arm's-length transaction where such purchaser is not the Company, an Affiliate of the Company, a Shareholder or a Permitted Transferee of any Shareholder. In the case of a prospective purchase to be affected through a merger, consolidation, recapitalization, redemption or similar structure, the Person(s) acquiring control of the Company shall be considered the prospective purchaser(s), notwithstanding that Shares may be acquired by the Company or an Affiliate of the Company.

“Transfer” means any sale, assignment, encumbrance, hypothecation, pledge, conveyance, alienation, gift, transfer by request, devise or descent, exchange or other transfer or disposition of any kind, whether voluntarily or involuntary, including, but not limited to, transfers to receivers, creditors, lienholders, levying creditors, trustees or receivers in bankruptcy

proceedings or general assignees for the benefit of creditors, upon judicial order or other legal process (such as a Transfer in connection with divorce proceedings), whether voluntary or by operation of law, directly or indirectly, of any of the Shares or any Shareholder Equity, as applicable.

“Transferee” means any Person to whom a Shareholder shall Transfer or propose to Transfer any Shares.

“Transferor” means any Shareholder who Transfers or proposes to Transfer any Shares.

“Unpaid Preferred Distribution Amount” shall have the meaning set forth in the definition of Fair Market Value.

ARTICLE II

BOARD REPRESENTATION

2.1 Board Representation.

(a) Each Shareholder shall vote, or caused to be voted, all Shares held by such Shareholder, or over which such Shareholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that at each annual or special meeting of shareholders at which an election of directors is held or pursuant to any written consent of the shareholders, the following individuals shall be elected to the Boards:

(i) the President of Giftcraft US from time to time, which individual shall initially be Todd Vore;

(ii) for so long as CID or a Permitted Transferee of CID owns any Shares, two (2) individuals designated by CID (each, a “CID Director” and collectively, the “CID Directors”), with one such person to be designated (in CID's sole discretion) as the Chairman of the Board, which individuals shall initially be Steve Cobb and Eric Derheimer, and which CID Directors shall each have three (3) votes on any action to be taken by the Boards;

(iii) for so long as CID or a Permitted Transferee of CID owns any Shares, up to one (1) individual designated by CID, which individual shall initially be vacant;

(iv) for so long as CID or a Permitted Transferee of CID owns any Shares, up to two (2) other individuals designated by CID, who are not, at the time of designation, stockholders, partners, managers, officers, directors, employees or equityholders of any of the Shareholder, the Company or any of its Subsidiaries or any of their respective Affiliates, one of which shall initially be Gary Seehoff and the other of which shall initially be Brian Bozlinski; and

(v) for so long as the ORIX Shareholder owns any Shares, up to one (1) individual designated by the ORIX Shareholder (the “ORIX Director”), which individual shall initially be Brian Kerr.

(b) Any vote taken to remove any director elected pursuant to this Section 2.1, or to fill any vacancy created by the resignation or death of a director elected pursuant to this Section 2.1, shall also be subject to the provisions of this Section 2.1. Without limiting the generality of the foregoing, no Shareholder shall vote to remove any member of the Board designated in accordance with this Section 2.1 unless the Persons so designating directors as specified above so vote, and, if such Persons so vote then the other Shareholders shall likewise so vote. In addition, without limiting the generality of the foregoing, any vacancy on the Board created by the resignation, removal, incapacity or death of any individual designated under this Section 2.1 shall be filled by another individual designated in a manner so as to preserve the constituency of the Board as provided above. In the absence of any designation from the Persons with the right to designate a director under this Section 2.1, the director previously designated by them and then serving shall be reelected if still eligible to serve as provided herein.

2.2 Regular Meetings. Regular meetings of the Board shall be held at least quarterly, and at least one of such meeting shall be held at a physical location duly noticed to the members of the Board. Reasonable efforts will be made to accommodate the schedules of all the members of the Board but, if agreement on a date and time (and if applicable, physical location) of a regular meeting cannot be reached within ten (10) days of delivery of an initial proposal by any member of the Board, then such regular meeting will be held on a date and at a time (and if applicable, physical location) agreed by a majority of the Board.

2.3 Committees; Subsidiaries.

(a) To the extent the Company shall at any time form any committee of the Board, or any Subsidiary of the Company shall at any time form any committee of its board of directors (or equivalent body), in accordance with their respective Bylaws or otherwise, each of the CID Directors and the ORIX Director shall have the right, but not the obligation, to be appointed to each such committee.

(b) The Company and each Shareholder shall take, and each Shareholder shall use all reasonable efforts to cause each director of the Company nominated by such Shareholder to take, such actions as may reasonably be required to ensure that composition of the board of directors (or equivalent body) of all Subsidiaries of the Company is identical to the composition of the Board. On any action to be taken by the board of directors (or equivalent body) of all Subsidiaries of the Company, the CID Directors shall each have three (3) votes.

(c) To the extent any Subsidiary of the Company is a member-managed limited liability company, any action or consent requiring consent of the member shall require approval by the Board.

2.4 Board Observer. The Company shall allow (a) one (1) person designated by the ORIX Shareholder (the "ORIX Observer") and (b) one (1) person designated by the Sig Guff Shareholder (the "Sig Guff Observer") and together with the ORIX Observer, the "Observers"), to be a non-voting observer to the Boards. The Observers shall be entitled to be present at all meetings of the Boards, and the Observers shall be notified of each meeting of the Boards, including such meeting's time and place, in the same manner as the other directors and managers sitting on the applicable Board. The Observers shall have the same access to information

provided to the Board, including any copies of all notices, minutes, consents, and other materials distributed to members of each Board, including notice of any action proposed to be taken by written consent without a meeting, and shall receive such information at the same time, as the members of the applicable Board and shall be entitled to participate in discussions and consult with, and make proposals and furnish advice to, such Board without voting. The Company shall reimburse the Observers for his or her reasonable out-of-pocket expenses (including travel) incurred in connection with the attendance of meetings of the Boards. If an issue is to be discussed or otherwise arises at any meeting of such Board which, in the reasonable good faith judgment of such Board, is not appropriate to be discussed in the presence of the Observers in order to preserve an attorney-client privilege, then such issue may be discussed without the Observers being present, so long as the Observers are given notice of the occurrence of such judgment by such Board and that the Observers are being excused.

2.5 Grant of Proxy. Upon the failure of any Shareholder to vote such Shareholder's Shares in accordance with the terms of this Agreement following reasonable prior notice of such required vote, such Shareholder hereby grants to a Shareholder designated by the Board a proxy coupled with an interest in all Shares owned by such Shareholder, which proxy shall be irrevocable until this Agreement terminates pursuant to its terms or this Section 2.5 is amended to remove such grant of proxy in accordance with Section 7.10, to vote all such Shares in the manner provided in this Article II, Section 3.6 and Section 7.1 with respect to the matter for which such Shareholder failed to vote.

2.6 No Liability for Election of Recommended Director. No Shareholder and no officer, director, stockholder, partner, employee or agent of any Shareholder (a) makes any representation or warranty as to the fitness or competence of the nominee of any Shareholder hereunder to serve on the Boards by virtue of such party's execution of this Agreement or by the act of such Shareholder in voting for such nominee pursuant to this Agreement, or (b) shall have any liability as a result of designating an individual for election as a director for any act or omission by such designated individual in his or her capacity as a director of the Company or any of its Subsidiaries.

2.7 Expenses and Compensation. The Company shall reimburse each director for his or her reasonable out-of-pocket expenses (including travel) incurred in connection with the attendance of meetings of the Boards. The Company may provide each director who is not an employee of the Company or any of its Subsidiaries reasonable and customary compensation in connection with his or her service on the Boards.

2.8 Director Indemnification and Insurance. The Company shall at all times maintain provisions in the Articles indemnifying all directors from and against liability to the maximum extent permitted under the laws of the State of Indiana. The Company will purchase and maintain customary directors and officers liability insurance for each of its directors and officers with aggregate limits reasonably acceptable to the Board.

ARTICLE III
RESTRICTIONS ON TRANSFER OF SHARES; PREEMPTIVE RIGHTS; DRAG
ALONG RIGHTS

3.1 Restrictions on Transfer.

(a) None of the Shares shall be Transferred except in compliance with the terms and conditions set forth in this Agreement, including, without limitation, Sections 3.2 and 3.3, and unless and until: (i) such Shareholder shall have notified the Company of the proposed Transfer and shall have furnished the Company with a reasonably detailed statement of the circumstances surrounding the proposed Transfer; (ii) except for (A) Exempt Transfers, (B) Transfers by Non-Participating Preferred Shareholders pursuant to Section 3.3, and (C) Transfers in an Approved Sale pursuant to Section 3.6, the Board (including at least one CID Director), in its sole discretion, has consented to such Transfer in writing; (iii) the Transferee executes documentation satisfactory to the Board agreeing to be bound by the terms of this Agreement; and (iv) if reasonably requested by the Company, such Shareholder delivers an opinion of counsel satisfactory to the Company, that such disposition will not require registration under applicable federal and state securities laws. Any Transfer of Shares by any Shareholder not in accordance with the terms and conditions of this Article III, including, without limitation, Sections 3.2 and 3.3, shall be null and void ab initio, shall not be recorded on the books and records of the Company or its transfer agent and shall not be recognized by the Company. Each party hereto acknowledges and agrees that any breach of this Article III would result in substantial harm to the other parties hereto for which monetary damages alone could not adequately compensate. Therefore, the parties hereto unconditionally and irrevocably agree that any non-breaching party hereto shall be entitled to seek protective orders, injunctive relief and other remedies available at law or in equity (including, without limitation, seeking specific performance or the rescission of purchases, sales and other Transfers not made in strict compliance with this Agreement).

(b) For purposes of this Article III, with respect to any Shareholder that is an Entity (other than CID, the ORIX Shareholder and the Sig Guff Shareholder), any direct or indirect creation, issuance or Transfer (i) of any shares or other equity interests of such Shareholder or any derivative or other instrument or agreement that directly or indirectly derives any of its value from any of such shares or other equity interests of such Shareholder (including any derivative or other instrument or agreement created or issued by any holders of such shares or other equity interests of such Shareholder) ("Shareholder Equity"); provided, however, for avoidance of doubt, the equivalent to Exempt Transfers shall be permitted with regard to any such creation, issuance or Transfer of Shareholder Equity, or (ii) of any Shares, shall be deemed to be a Transfer subject to this Article III.

3.2 Right of First Refusal.

(a) Except for (A) Exempt Transfers, (B) Transfers by Non-Participating Preferred Shareholders pursuant to Section 3.3, (C) Transfers in an Approved Sale pursuant to Section 3.6, and (D) Transfers of Series B Preferred Stock, if a Shareholder proposes to Transfer all or any part of the Shares owned by him, her or it (the "Subject Shares"), the Transferor shall submit (in accordance with the notice provisions of Section 7.11) a written offer to sell such

Shares to the Company and each of the Series A Shareholders (other than the Transferor) on terms and conditions, including price, not less favorable to the Company and each of the other Series A Shareholders than those on which the Transferor proposes to sell such Shares (the “Offer”). The Offer shall describe in reasonable detail the proposed Transfer, including, without limitation, the number and class of Shares to be Transferred, the nature and terms of such Transfer, the consideration to be paid, and the name and address of each Transferee.

(b) The Company shall have the first right and option, for a period of ten (10) days after delivery of the Offer by the Transferor, to purchase all or any portion of the Subject Shares at the purchase price and on the terms stated in the Offer. To exercise its right under this Section 3.2(b), the Company (by determination of a majority of the directors on the Board having no interest in or affiliation with the Transferor) must deliver a binding and irrevocable notice (the “Acceptance Notice”) to the Transferor in writing within such ten (10) day period. If the Company does not intend to exercise its first right and option with respect to all or any portion of the Subject Shares, the Company shall give binding and irrevocable notice (the “Rejection Notice”) to the Transferor and the Series A Shareholders to that effect no later than ten (10) days after delivery of the Offer by the Transferor; provided, however, that failure by the Company to give either an Acceptance Notice or a Rejection Notice, as applicable, to the Transferor within ten (10) days after delivery of the Offer by the Transferor will be deemed an election by it not to exercise its first right and option pursuant to this Section 3.2(b). The Company shall effect its purchase of any Subject Shares, including payment of the purchase price, not more than thirty (30) days after delivery of the Acceptance Notice, and at such time the Transferor shall deliver to the Company the certificate(s) representing the Shares to be purchased by the Company, each certificate to be properly endorsed for transfer. If any Transferee has offered to pay for any Subject Shares with property, services or any other non-cash consideration, the Company shall nevertheless have the right to pay for such Subject Shares with cash in an amount equal to the fair market value of the non-cash consideration offered by the Transferee in question, where the fair market value of such non-cash consideration shall be conclusively determined in good faith by the Board.

(c) Each Series A Shareholder shall have the second right and option (“Second Right”), for a period of ten (10) days after delivery of the Rejection Notice (or the deemed election by the Company not to exercise its first right and option due to the failure by the Company to deliver an Acceptance Notice within the time period specified in Section 3.2(b)), to purchase up to its pro rata share of the Subject Shares that were not purchased by the Company, at the purchase price and on the terms stated in the Offer. To exercise its Second Right under this Section 3.2(c), a Series A Shareholder must deliver a binding notice (the “Shareholder Acceptance Notice”) to the Transferor in writing within such ten (10) day period. Each Series A Shareholder's pro rata share shall be equal to the product obtained by multiplying (i) the aggregate number of Subject Shares that were not purchased by the Company and (ii) a fraction, the numerator of which is the number of Shares of Series A Preferred Stock (and any shares of Common Stock issued upon conversion of shares of Series A Preferred Stock) owned by the Series A Shareholder immediately prior to the Transfer and the denominator of which is the sum of the total number of shares of Series A Preferred Stock (and any shares of Common Stock issued upon conversion of shares of Series A Preferred Stock) owned by all Series A Shareholders immediately prior to the Transfer (other than the Transferor).

(d) In the event that not all of the Series A Shareholders elect to purchase their pro rata share of the Subject Shares available pursuant to the Second Right under Section 3.2(c) within the time period specified in Section 3.2(c) (each a “Declining Shareholder”), then the Transferor shall promptly give written notice (the “Overallotment Notice”) to each of the Series A Shareholders electing to purchase its pro rata share of the Subject Shares available pursuant to the Second Right under Section 3.2(c) (each a “Participating Shareholder”), which notice shall set forth the number of Subject Shares not purchased by the Declining Shareholders, and shall offer such Participating Shareholders the right to acquire such unsubscribed shares. The Participating Shareholders shall have five (5) days after receipt of the Overallotment Notice (the “Overallotment Period”) to deliver a written notice to the Transferor (the “Participating Shareholder Overallotment Notice”) of its election to purchase up to its pro rata share of the unsubscribed Subject Shares on the same terms and conditions as set forth in the Offer. For purposes of this Section 3.2(d), each Participating Shareholder's pro rata share shall be equal to the product obtained by multiplying (i) the aggregate number of Subject Shares not purchased by the Declining Shareholders and (ii) a fraction, the numerator of which is the number of shares of Series A Preferred Stock (and any shares of Common Stock issued upon conversion of shares of Series A Preferred Stock) owned by the Participating Shareholder immediately prior to the Transfer and the denominator of which is the sum of the total number of shares of Series A Preferred Stock (and any shares of Common Stock issued upon conversion of shares of Series A Preferred Stock) owned by all Participating Shareholders immediately prior to the Transfer.

(e) The Participating Shareholders shall effect the purchase of the Subject Shares, including payment of the purchase price, not more than thirty (30) days after the expiration of the Overallotment Period, and at such time, the Transferor shall deliver to the Participating Shareholders the certificate(s) representing the Shares to be purchased by the Participating Shareholders, each certificate to be properly endorsed for transfer. If any Transferee has offered to pay for any Subject Shares with property, services or any other non-cash consideration, the Participating Shareholders shall nevertheless have the right to pay for such Subject Shares with cash in an amount equal to the fair market value of the non-cash consideration offered by the Transferee in question, where the fair market value of such non-cash consideration shall be conclusively determined in good faith by the Board.

3.3 Right of Co-Sale.

(a) If all of the Subject Shares proposed to be Transferred by the Transferor are not purchased by the Company or the Series A Shareholders as provided in Section 3.2, then following the exercise or expiration of the rights of purchase set forth in Section 3.2, the Transferor shall deliver to the Company and each Series A Shareholder who is not a Participating Shareholder (each, a “Non-Participating Preferred Shareholder”) written notice (the “Co-Sale Notice”) that each Non-Participating Preferred Shareholder shall have the right, exercisable upon written notice to such Transferor with a copy to the Company within ten (10) days after receipt of the Co-Sale Notice, to participate in such Transfer of the remaining Subject Shares on the same terms and conditions specified in the Offer. Such notice shall indicate the number and class of Shares, up to that number of Shares determined under Section 3.3(b), such Non-Participating Preferred Shareholder wishes to sell under his, her or its right to participate. In the event the Subject Shares are shares of Common Stock, a Non-Participating Preferred Shareholder may participate by selling his, her or its shares of Series A Preferred Stock on an as-

converted to Common Stock basis. To the extent one or more of the Non-Participating Preferred Shareholders exercise such right of participation in accordance with the terms and conditions set forth below, the number of Shares that such Transferor may sell in the transaction shall be correspondingly reduced.

(b) Each Non-Participating Preferred Shareholder may sell all or any portion of that number of Shares equal to the product obtained by multiplying (i) the aggregate number of Subject Shares not purchased by the Company or the Participating Shareholders pursuant to Section 3.2 by (ii) a fraction, the numerator of which is the number of Shares owned by such Non-Participating Preferred Shareholder immediately prior to the Transfer and the denominator of which is the sum of the total number of Shares owned by the Transferor (excluding shares purchased by the Company and/or the Participating Shareholders pursuant to Section 3.2) and the total number of Shares owned by all of the Non-Participating Preferred Shareholders immediately prior to the Transfer. For purposes of the foregoing sentence, in the event the Subject Shares are shares of Common Stock, the foregoing calculation shall assume the conversion of the Series A Preferred Stock into shares of Common Stock. If not all of the Non-Participating Preferred Shareholders elect to sell their pro rata portion of the Shares within said ten (10) day period, then the Transferor shall promptly notify in writing the Non-Participating Preferred Shareholders who do so elect and shall offer such Non-Participating Preferred Shareholders the additional right to participate in the sale of such additional Shares proposed to be transferred on the same proportional basis as set forth above in this Section 3.3(b). The Non-Participating Preferred Shareholders shall have five (5) days after receipt of such notice to notify the Transferor in writing with a copy to the Company of its election to sell all or a portion thereof of the unsubscribed shares.

(c) Each Non-Participating Preferred Shareholder who elects to participate in the Transfer pursuant to this Section 3.3 (a “Co-Sale Participant”) shall effect its participation in the Transfer by promptly delivering to such Transferor for transfer to the Transferee one or more certificates, properly endorsed for transfer, which represent the number and class of Shares which such Co-Sale Participant elects to sell.

(d) The stock certificate or certificates that the Co-Sale Participant delivers to such Transferor pursuant to Section 3.3(c) shall be transferred to the Transferee in consummation of the sale of the Shares pursuant to the terms and conditions specified in the Co-Sale Notice, and the Transferor shall concurrently therewith remit to such Co-Sale Participant that portion of the sale proceeds to which such Co-Sale Participant is entitled by reason of its participation in such sale. To the extent that any Transferee prohibits such assignment or otherwise refuses to purchase Shares from a Co-Sale Participant exercising its rights of co-sale hereunder, such Transferor shall not sell to such Transferee any Shares unless and until, simultaneously with such sale, such Transferor shall purchase such Shares from such Co-Sale Participant on the same terms and conditions specified in the Co-Sale Notice; provided, that if such sale constitutes a Change of Control Transaction, the portion of the aggregate consideration paid by the Transferor to such Co-Sale Participant shall be made in accordance with Section 3.3(h).

(e) To the extent that the Non-Participating Preferred Shareholders do not elect to participate in the sale of Shares subject to the Co-Sale Notice, such Transferor may, not later than sixty (60) days following delivery of the Co-Sale Notice, enter into an agreement

providing for the closing of the Transfer of such Shares covered by the Co-Sale Notice within thirty (30) days of such agreement on terms and conditions not more favorable to the Transferor than those described in the Co-Sale Notice. Any proposed Transfer on terms and conditions more favorable than those described in the Co-Sale Notice, as well as any subsequent proposed Transfer of any of the Shares by a Transferor, shall again be subject to the first refusal and co-sale rights of the Company and/or the Series A Shareholders and shall require compliance by a Shareholder with the procedures described in this Article III.

(f) The exercise or non-exercise of the rights of any Series A Shareholder under this Section 3.3 or under Section 3.2 to participate in one or more Transfers of Shares made by any Shareholder shall not adversely affect such Shareholder's right to participate in subsequent Transfers of Shares subject to this Article III.

(g) Subject to Section 3.3(h), the Transferor and each Co-Sale Participant (i) shall pay his, her or its pro rata portion (determined based on his, her or its share of the proceeds received or to be received in such sale transaction), of the expenses incurred by the Transferor in connection with such Transfer and not paid by the Company or the Transferee (not to exceed the aggregate proceeds received by such Shareholder for his, her or its Shares), (ii) shall effect such Transfer on the same price per Share (on an as-converted to Common Stock basis) and same terms and conditions as are applicable to the Transferor and each other Co-Sale Participant, and (iii) shall be obligated to join severally (but not jointly) based on its pro rata portion, as calculated consistent with this Section 3.3(g), in any indemnification or other obligations that the Transferor agrees to provide in connection with such Transfer (other than any such obligations that relate specifically to a particular Shareholder such as indemnification with respect to representations and warranties given by a Shareholder regarding such Shareholder's title to and ownership of Shares); provided that no Shareholder shall be obligated in connection with such Transfer to agree to indemnify or hold harmless the Transferee with respect to an amount in excess of the net proceeds received by such Shareholder for his, her or its Shares in connection with such Transfer; provided further, that any escrow proceeds of any such transaction shall be withheld among all participating Shareholders in accordance with their respective pro rata portions, as calculated consistent with this Section 3.3(g).

(h) Notwithstanding Section 3.3(g) or anything to the contrary herein, in the event that a Transfer subject to this Section 3.3 constitutes a Change of Control Transaction, the consideration to be received in connection with such Transfer shall be allocated in accordance with Section 3.6(b). Further, in the event that a Transfer subject to this Section 3.3 constitutes a Change of Control Transaction, such Transfer shall comply in all respects with the requirements, and be subject in all respects to the conditions, applicable to an Approved Sale as set forth in Section 3.6(d), including, without limitation, the condition that the ORIX Shareholder and the Sig Guff Shareholder shall not be required to be subject to any non-competition, non-solicitation or other restrictive covenants, other than customary confidentiality obligations in connection with such Transfer.

(i) Upon exercise by the Company, the Participating Shareholders or the Non-Participating Shareholders, as the case may be, of their respective rights under Section 3.2 or this Section 3.3, the Company, the Participating Shareholders and the Non-Participating Shareholders, as the case may be, and the applicable Transferor shall be legally obligated to

consummate the purchase and sale contemplated thereby and shall use their commercially reasonable efforts to secure any governmental authorizations that are required, to comply as soon as reasonably practicable with all applicable laws and to take all such other actions and to execute such additional documents as are reasonably necessary or appropriate in connection therewith and to consummate the purchase and sale of the Subject Shares as promptly as practicable. The Company shall take commercially reasonable steps necessary to assist and cooperate with the Transferor to facilitate the transfer of the Subject Shares, including providing potential purchasers reasonable due diligence and access to the Company's officers and employees and cooperating with the Transferor and the potential purchaser with respect to any required regulatory filings, notices or approvals.

(j) If any Transferor subject to this Section 3.3 purports to sell any Subject Shares in contravention of this Section 3.3 (a "Prohibited Transfer"), each Non-Participating Preferred Shareholder that desires to exercise its participation right under this Section 3.3 may, in addition to such remedies as may be available by law, in equity or hereunder, require such Transferor to purchase from such Non-Participating Preferred Shareholder the type and number of Shares that such Non-Participating Preferred Shareholder would have been entitled to sell to the Transferor had the Prohibited Transfer been effected in compliance with the terms of this Section 3.3. The sale will be made on the same terms and conditions as would have applied had the Transferor not made the Prohibited Transfer, except that the sale (including, without limitation, the delivery of the purchase price) must be made within ninety (90) days after the Non-Participating Preferred Shareholder learns of the Prohibited Transfer.

3.4 Preemptive Rights of Series A Shareholders. Subject to applicable securities laws, if the Company or any Subsidiary of the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Series A Shareholder who is an Accredited Investor. A Series A Shareholder shall be entitled to apportion the right of first offer hereby granted to it among itself and its Affiliates who are Accredited Investors in such proportions as it deems appropriate. Each Series A Shareholder or Affiliate thereof shall be given the opportunity to certify and/or evidence its qualification as an Accredited Investor.

(a) The Company shall give notice (the "Offer Notice") to each Series A Shareholder, stating (i) its bona fide intention to offer such New Securities, (ii) the number and class or series of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within twenty (20) days after the Offer Notice is given, each Series A Shareholder may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that (i) the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Series A Preferred Stock and any other Equity Securities then held, by such Series A Shareholder bears to (ii) the total Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Series A Preferred Stock and any other Equity Securities then held, by all Series A Shareholders. At the expiration of such twenty (20) day period, the Company shall promptly notify each Series A Shareholder that elects to purchase or acquire all the shares available to it (each, a "Fully Exercising Shareholder") of any other Series A Shareholder's

failure to do likewise. During the five (5) day period commencing after the Company has given such notice, each Fully Exercising Shareholder may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of Shares specified above, up to that portion of the New Securities for which Series A Shareholders were entitled to subscribe but that were not subscribed for by the Series A Shareholders which is equal to the proportion that (i) the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Series A Preferred Stock and any other Equity Securities then held, by such Fully Exercising Shareholder bears to (ii) the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Series A Preferred Stock and any other Equity Securities then held, by all Fully Exercising Shareholders who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Section 3.4(b) shall occur within the earlier of sixty (60) days of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Section 3.4(c).

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Section 3.4(b), the Company may, during the sixty (60) day period following the expiration of the periods provided in Section 3.4(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such sixty (60) day period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Series A Shareholders in accordance with this Section 3.4.

(d) Notwithstanding anything to the contrary set forth in this Agreement, in lieu of offering any New Securities to the Series A Shareholders who are Accredited Investors at the time such New Securities are offered to any potential investor in the Company, the Company may, upon Board approval, comply with the provisions of this Section 3.4 by offering to the Series A Shareholders who are Accredited Investors their proportionate share of such New Securities promptly, and in any event within ten (10) days, after the sale to such investor is effected. In such event, the proportionate share of each Series A Shareholder who is an Accredited Investor shall be determined in accordance with Section 3.4(b) based on the actual number of New Securities sold to such investor so as to achieve the same economic effect as if such offer would have been made prior to such sale.

(e) The right of first offer in this Section 3.4 shall not be applicable to (i) Exempted Securities (as defined in the Articles), other than Exempted Securities set forth in Section 5.5(d)(D)(3) of the Articles issued to CID, any Affiliate of CID, or any of their respective managers, principals, officers, directors, employees or shareholders (excluding any such Exempted Securities issued to directors of the Company who are not CID Directors); (ii) any shares of Common Stock that are issued by the Company pursuant to a registration statement filed under the Securities Act; and (iii) Senior New Securities, other than Senior New Securities not purchased by the Series B Shareholders pursuant to Section 3.5.

3.5 Preemptive Rights of Series B Shareholders. Subject to applicable securities laws, if the Company or any Subsidiary of the Company proposes to offer or sell any Senior New

Securities, the Company shall first offer such Senior New Securities to each Series B Shareholder who is an Accredited Investor. A Series B Shareholder shall be entitled to apportion the right of first offer hereby granted to it among itself and its Affiliates who are Accredited Investors in such proportions as it deems appropriate. Each Series B Shareholder or Affiliate thereof shall be given the opportunity to certify and/or evidence its qualification as an Accredited Investor.

(a) The Company shall give notice (the “Series B Offer Notice”) to each Series B Shareholder, stating (i) its bona fide intention to offer such Senior New Securities, (ii) the number and class or series of such Senior New Securities to be offered, if applicable, and (iii) the price and terms, if any, upon which it proposes to offer such Senior New Securities.

(b) By notification to the Company within twenty (20) days after the Series B Offer Notice is given, each Series B Shareholder may elect to purchase or otherwise acquire, at the price and on the terms specified in the Series B Offer Notice, up to that portion of such Senior New Securities which equals the proportion that (i) the Series B Preferred Stock then held by such Series B Shareholder bears to (ii) the total Series B Preferred Stock then held by all Series B Shareholders. The closing of any sale pursuant to this Section 3.5(b) shall occur within the earlier of sixty (60) days of the date that the Series B Offer Notice is given and the date of initial sale of Senior New Securities pursuant to Section 3.4(c).

(c) If all Senior New Securities referred to in the Series B Offer Notice are not elected to be purchased or acquired as provided in Section 3.5(b), the Company shall offer such Senior New Securities to the Series A Shareholders pursuant to Section 3.4 and, if not purchased pursuant thereto, the Company may offer and sell the remaining unsubscribed portion of the Senior New Securities in accordance with Section 3.4(c).

(d) Notwithstanding anything to the contrary set forth in this Agreement, in lieu of offering any Senior New Securities to the Series B Shareholders who are Accredited Investors at the time such Senior New Securities are offered to any potential investor in the Company, the Company may, upon Board approval, comply with the provisions of this Section 3.5 by offering to the Series B Shareholders who are Accredited Investors their proportionate share of such Senior New Securities promptly, and in any event within ten (10) days, after the sale to such investor is effected. In such event, the proportionate share of each Series B Shareholder who is an Accredited Investor shall be determined in accordance with Section 3.5(b) based on the actual number of Senior New Securities sold to such investor so as to achieve the same economic effect as if such offer would have been made prior to such sale.

(e) The right of first offer in this Section 3.5 shall not be applicable to (i) Exempted Securities (as defined in the Articles), other than Exempted Securities set forth in Section 5.5(d)(D)(3) of the Articles issued to CID, any Affiliate of CID, or any of their respective managers, principals, officers, directors, employees or shareholders (excluding any such Exempted Securities issued to directors of the Company who are not CID Directors); and (ii) any shares of Common Stock that are issued by the Company pursuant to a registration statement filed under the Securities Act.

3.6 Drag Along Rights.

(a) If the holders of a majority of the then outstanding shares of Series A Preferred Stock (collectively, “Control Sellers” and each, individually, a “Control Seller”), approve a Change of Control Transaction to any Third Party and, if applicable, required consents or votes set forth in Section 5.3(b)(i) or Section 5.3(b)(ii) of the Articles are obtained (each, an “Approved Sale”), each other Shareholder (each such holder a “Non-Control Seller”) and the Company shall consent to and raise no objections against the Approved Sale, and if the Approved Sale is structured as a sale or exchange of Shares, each Non-Control Seller shall, if requested by the Control Sellers, sell or exchange (or otherwise Transfer) the same proportion of his, her or its Shares as the proportion of the Shares being Transferred by the Control Sellers in such transaction or related series of transactions, on the same terms and conditions received by the Control Sellers, except as expressly provided otherwise in this Section 3.6. The Company and each Non-Control Seller shall promptly take all actions necessary or desirable (in the reasonable judgment of the Control Sellers) to facilitate the consummation of the Approved Sale (whether in such Non-Control Seller's capacity as a stockholder, director or officer of the Company or otherwise). Without limiting the foregoing, (i) if the Approved Sale is structured as an asset sale, merger, consolidation, reorganization, or similar transaction, each Non-Control Seller shall vote in favor of such transaction and waive any dissenters' rights, appraisal rights or similar rights in connection with such transaction, and (ii) each Non-Control Seller shall enter into and become a party to any merger agreement, share purchase agreement, asset purchase agreement or other agreement entered into by the Company and/or the Control Sellers in order to effect such Approved Sale and shall be bound by the same obligations under such agreement as the Control Sellers. The Company or the Control Sellers shall notify the Non-Control Sellers in writing not less than twenty (20) days prior to the proposed consummation of an Approved Sale of its intention to exercise the drag-along rights under this Section 3.6(a). Each Non-Control Seller shall agree not to directly or indirectly, disclose to any other Person (other than to such Non-Control Seller's legal counsel, accountants, other professional service providers, Affiliates, employees, consultants or agents to the extent, but only to the extent, reasonably necessary to participate in such Approved Sale in confidence or as otherwise required by law) any non-public information related to such Change of Control Transaction.

(b) Notwithstanding anything to the contrary herein, (i) the obligations of the Non-Control Sellers under Section 3.6(a) with respect to an Approved Sale are subject to the satisfaction of the condition that the consideration to be received by the Shareholders in connection with such Approved Sale shall be allocated among the Shareholders in accordance with Sections 5.2(a), (b) and (c) of the Articles; and (ii) in the event any portion of the consideration in such Approved Sale is subject to contingencies (the “Additional Consideration”), (A) the portion of such consideration that is not subject to subject to any contingencies (the “Initial Consideration”) shall be allocated among the Shareholders in accordance with Sections 5.2(a) and (b) of the Articles as if the Initial Consideration was the only consideration payable in connection with the Approved Sale and (B) any Additional Consideration which becomes payable to the Shareholders upon satisfaction of contingencies shall be allocated among the Shareholders in accordance with Sections 5.2(a), (b) and (c) of the Articles after taking into account the previous payment of the Initial Consideration as part of the same transaction. For purposes of this Section 3.6(b), consideration placed into escrow or retained as a holdback to be available for satisfaction of indemnification or similar obligations in connection with such Approved Sale shall be deemed to be Initial Consideration.

(c) Notwithstanding anything to the contrary herein, each Shareholder Transferring Shares pursuant to Section 3.6(a) shall pay his, her or its pro rata portion (determined based on his, her or its share of the final dollar of the proceeds received or to be received in such Approved Sale) of the expenses incurred by the Control Sellers in connection with such Approved Sale if such expenses were incurred at the direction of the Board or the Control Sellers and not paid by the Company or the Third Party (not to exceed the aggregate proceeds received by such Shareholder in his, her or its capacity as an equity holder of the Company in connection with such Approved Sale); provided, however, that no Non-Control Seller shall be obligated to pay any such expenses unless the Approved Sale is actually consummated (excluding modest expenditures for postage, copies, etc.).

(d) Notwithstanding anything to the contrary herein, a Shareholder will not be required to comply with Section 3.6(a) above in connection with any Approved Sale unless: (i) any representations and warranties to be made by such Shareholder in connection with such Approved Sale are limited to representations and warranties related to due power, authority, non-contravention, enforceability, broker's fees, ownership and the ability to convey title to such Shareholder's Shares free and clear of all liens; (ii) CID, the ORIX Shareholder, the Sig Guff Shareholder and the Rollover Shareholders shall not be required to be subject to any non-competition, non-solicitation or other restrictive covenants, other than customary confidentiality obligations; (iii) the liability for indemnification, if any, of such Shareholder in the Approved Sale and for the inaccuracy of any representations and warranties made by the Company or its shareholders in connection with the Approved Sale is several and not joint with any other Person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company); and subject to the provisions of the Articles related to the allocation of the escrow, is limited to his, her or its pro rata portion (determined based on his, her or its share of the final dollar of the proceeds received or to be received in such Approved Sale) of such indemnity and limited, in the aggregate, to the aggregate proceeds received by such Shareholder for his, her or its Shares in connection with such Approved Sale; provided to the extent that any Shareholder's liability for indemnification in such Approved Sale exceeds the net cash proceeds received by such Shareholder in connection with such Approved Sale, such excess shall be satisfied only out of the non-cash portion of the proceeds received by such Shareholder in connection with such Approved Sale (and any proceeds therefrom); (iv) a Shareholder shall not be liable for breaches of representations and warranties made by any other Shareholder regarding such other Shareholder's due power, authority, non-contravention, enforceability, broker's fees, ownership and the ability to convey title to such other Shareholder's Shares free and clear of all liens, and (v) upon the consummation of the Approved Sale, (A) each holder of each class or series of Shares will receive the same form of consideration for their Shares of such class or series as is received by other holders in respect of their Shares of such same class or series of stock, (B) each Series A Shareholder will receive the same amount of consideration per share of Series A Preferred Stock as is received by other Series A Shareholders in respect of their shares of Series A Preferred Stock; (C) each Series B Shareholder will receive the same amount of consideration per share of Series B Preferred Stock as is received by other Series B Shareholders in respect of their shares of Series B Preferred Stock; and (D) each holder of Common Stock will receive the same amount of consideration per share of Common Stock as is received by other holders in respect of their shares of Common Stock. Notwithstanding the foregoing or anything to the contrary in this Section 3.6, if the consideration to be paid in connection with an Approved Sale includes any

securities, and due receipt thereof by any Shareholder would require (x) the registration or qualification of such securities or of any Person as a broker or dealer or agent with respect to such securities or (y) the provision to any Shareholder of any information other than such information as a prudent issuer would generally furnish in an offering made solely to Accredited Investors, the Company may cause to be paid to any such Shareholder in lieu thereof an amount in cash equal to the fair value (as determined in good faith by the Board) of the securities which such Shareholder would otherwise receive as of the date of the issuance of such securities.

(e) Each Shareholder (other than the ORIX Shareholder and the Sig Guff Shareholder) hereby appoints CID to be such Shareholder's attorney-in-fact, thereby authorizing CID to sell or exchange (or otherwise Transfer) the Shares owned by such Shareholder, or to otherwise effectuate the Approved Sale, pursuant to the terms of this Section 3.6, and to execute and complete, on behalf of such Shareholder, such documents as are determined by CID to be necessary or desirable to give effect to the Approved Sale; provided, however, that this limited power-of-attorney shall be deemed null and void if the Approved Sale is not completed within ninety (90) days of delivery of the notice to exercise the drag-along rights under Section 3.6(a). The power of attorney granted hereby, and all authority conferred hereby, is coupled with an interest and therefore shall be irrevocable and shall not be terminated by any act of such Shareholder or by operation of law, whether by the death, disability, incapacity, dissolution, termination or liquidation of such Shareholder or by the occurrence of any other event or events (including, without limitation the termination of any trust or estate for which the Shareholder is acting as a fiduciary or fiduciaries), and if, after the execution hereof, such Shareholder shall die or become incapacitated, or is dissolved, terminated or liquidated, or if any other such event or events shall occur before the completion of the Approved Sale pursuant to the terms of this Section 3.6, CID shall nevertheless be authorized and directed to complete such Approved Sale as if such death, disability, incapacity, dissolution, termination or liquidation or other event or events had not occurred and regardless of notice thereof. It is understood that CID does not assume any responsibility or liability to any person by virtue of the power of attorney granted hereby. Each Shareholder (other than the ORIX Shareholder and the Sig Guff Shareholder) agrees to indemnify CID for, and to hold CID harmless against, any loss, claim, damage or liability incurred by it arising out of or in connection with acting as the attorney-in-fact under the power of attorney created by such Shareholder hereby, as well as the cost and expense of investigating and defending against any such loss, claim, damage or liability except to the extent such loss, claim, damage or liability is due to the gross negligence or bad faith of CID.

(f) Notwithstanding Section 3.6(e), CID shall not be entitled to exercise the limited power-of-attorney granted in Section 3.6(e) (i) in order to grant any approval of any matter or transaction that contravenes any of the provisions of this Agreement or the Articles, (ii) in order to waive any right or grant any approval in respect of any right of any individual Shareholder or group of Shareholders in a manner that would conflict with the provisions of this Agreement or the Articles, (iii) in order to amend this Agreement or the Articles in a manner inconsistent with the amendment provisions set forth in Section 7.10, or (iv) with respect to any right, provision or remedy in this Agreement that may be exercised by a Shareholder which requires the consent or approval of Shareholders.

ARTICLE IV
RIGHTS OF REPURCHASE UPON TERMINATION OF
EMPLOYMENT OR SERVICES

4.1 Forfeiture Upon Termination for Cause.

(a) Upon termination of an Employee Shareholder's employment or services with the Company for Cause, all of the shares of Common Stock held by any Employee Shareholder Party (whether held by such Employee Shareholder Party on the date of termination of the Employee Shareholder's employment or services or thereafter acquired by such Employee Shareholder Party pursuant to the exercise of any Equity Securities held by such Employee Shareholder Party) shall be automatically forfeited to the Company and canceled as of the date of termination of the Employee Shareholder's employment or services.

(b) From and after the date of termination of the Employee Shareholder's employment or services, each Employee Shareholder Party shall no longer have any rights as a holder of such shares of Common Stock forfeited and canceled pursuant to this Section 4.1(a), and such shares of Common Stock shall be deemed forfeited and cancelled.

4.2 Repurchase Right.

(a) Repurchase Right.

(i) Upon termination or resignation of an Employee Shareholder's employment or services with the Company for any reason, including without limitation, due to death, disability, resignation or termination (the "Terminated Employee Shareholder"), the Company shall have the right, but not the obligation, to purchase all or any portion of the Employee Shareholder Shares held by an Employee Shareholder Party (whether held by such Employee Shareholder Party on the date of termination of the Terminated Employee Shareholder's employment or services or thereafter acquired by such Employee Shareholder Party pursuant to the exercise of any Equity Securities held by such Employee Shareholder Party), at a purchase price equal to the respective Fair Market Value of such Employee Shareholder Shares.

(ii) The Company may elect to exercise its right to purchase all or any portion of the Employee Shareholder Shares held by such Employee Shareholder Party pursuant to Section 4.2(a)(i) by delivering written notice (a "Repurchase Notice") to such Employee Shareholder Party within ninety (90) days following the occurrence of the event triggering the Company's repurchase right pursuant to Section 4.2(a)(i), specifying the number and class of Employee Shareholder Shares to be purchased, the purchase price to be paid for such Employee Shareholder Shares (which shall be calculated based on the Fair Market Value of such Employee Shareholder Shares), the method by which the Company will pay for such Employee Shareholder Shares pursuant to Section 4.2(b) and the time and place for the closing of the purchase.

(b) Closing of the Company's Purchase Right.

(i) The closing of the transactions contemplated by this Section 4.2 shall take place on the date designated by the Company in the Repurchase Notice, which date shall not be more than thirty (30) days after the delivery of the Repurchase Notice. The Company may, in its sole discretion, pay all or any portion of the purchase price for any Employee Shareholder Shares being purchased pursuant to this Section 4.2 by delivery of a Note, with the remainder of the purchase price, if any, paid by the Company by check or wire transfer of funds at the closing. The Employee Shareholder Party shall deliver to the Company on the payment date specified in the Repurchase Notice, the certificate(s) representing such Employee Shareholder Shares, properly endorsed for transfer, free and clear of any restrictions (other than securities law restrictions), liens, encumbrances or other claims, against payment of the purchase price for such Employee Shareholder Shares by the Company in the form of payment described above.

(ii) From and after the closing date specified by the Company, the Employee Shareholder Party shall no longer have any rights as a holder of such Employee Shareholder Shares (other than the right to receive payment of such consideration in accordance with this Agreement), and such Employee Shareholder Shares shall be deemed purchased in accordance with the applicable provisions of this Agreement and the Company shall be deemed the owner and holder of such Employee Shareholder Shares, so long as the Company shall make available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Employee Shareholder Shares to be purchased in accordance with the provisions of this Section 4.2.

4.3 No Other Rights. Other than as expressly set forth in this Agreement or as declared by the Board, an Employee Shareholder Party, upon cessation of his, her or its ownership of Employee Shareholder Shares purchased or forfeited pursuant to Section 4.1 or Section 4.2 shall only be entitled to the amounts expressly provided for in this Agreement in full settlement for any and all rights such Employee Shareholder Party may have with respect to such Employee Shareholder Shares. Upon any such cessation of ownership of shares of Employee Shareholder Shares (whether by death or otherwise), the Employee Shareholder Party shall take such steps, execute such documents or take such other action as the Company may reasonably request to more fully carry out the intent of this Agreement.

4.4 Acknowledgement. The parties acknowledge that (a) neither CID or any of the CID Directors nor any Permitted Transferee thereof is or shall be deemed an Employee Shareholder, an Employee Shareholder Party or an Employee Shareholder Entity, nor shall any of the Shares held by such Persons be deemed Employee Shareholder Shares, (b) neither the ORIX Shareholder or the ORIX Director nor any Permitted Transferee thereof is or shall be deemed an Employee Shareholder, an Employee Shareholder Party or an Employee Shareholder Entity, nor shall any of the Shares held by such Persons be deemed Employee Shareholder Shares, (c) the Sig Guff Shareholder is not nor shall be deemed an Employee Shareholder, an Employee Shareholder Party or an Employee Shareholder Entity, nor shall any of the Shares held by the Sig Guff Shareholder be deemed Employee Shareholder Shares, (d) solely with respect to Series A Preferred Stock (and any Common Stock into which Series A Preferred Stock is converted) and for purposes of Section 6.1, none of the Rollover Shareholders or Seehoff is or shall be deemed an Employee Shareholder Party or an Employee Shareholder Entity, nor shall

any of the Series A Preferred Stock held by such Persons be deemed Employee Shareholder Shares and (e) solely with respect to Series A Preferred Stock (and any Common Stock into which Series A Preferred Stock is converted) and for purposes of Section 6.1, RipSkirt Rollover Shareholder is not nor shall be deemed an Employee Shareholder Party or an Employee Shareholder Entity, nor shall any of the Series A Preferred Stock held by Ripskirt Rollover Shareholder be deemed Employee Shareholder Shares.

ARTICLE V

RIGHTS OF REPURCHASE OF SERIES B PREFERRED STOCK

5.1 Redemption Rights.

(a) Repurchase Right.

(i) At any time and from time to time on or after March 16, 2024, the Company shall have the right, but not the obligation, to purchase all or any portion of the shares of Series B Preferred Stock held by the Series B Shareholders at a price per share equal to the Preferred Distributions with respect to such shares of Series B Preferred Stock (the "Redemption Price").

(ii) The Company may elect to exercise its right to purchase all or any portion of the shares of Series B Stock held by the Series B Shareholders pursuant to Section 5.1(a)(i) by delivering written notice (a "Redemption Notice") to each Series B Shareholder, specifying the number of shares of Series B Preferred Stock to be purchased, the Redemption Price to be paid for such shares of Series B Preferred Stock and the time and place for the closing of the purchase. In the event the Company elects to purchase a portion of the shares of Series B Preferred Stock, such purchase shall be made pro rata among the Series B Shareholders, determined by dividing the number of shares of Series B Preferred Stock then held by each Series B Shareholder by the total number of shares of Series B Preferred Stock held by all Series B Shareholders.

(b) Closing of Company's Purchase Right.

(i) The closing of the transactions contemplated by this Section 5.1 shall take place on the date designated by the Company in the Redemption Notice, which date shall not be more than thirty (30) days after the delivery of the Redemption Notice. The Company shall pay the Redemption Price for any shares of Series B Preferred Stock held by a Series B Shareholder being purchased pursuant to this Section 5.1 in cash. The Series B Shareholders shall deliver to the Company on the closing date specified in the Redemption Notice, the certificate(s) representing such shares of Series B Preferred Stock, properly endorsed for transfer, free and clear of any restrictions (other than securities law restrictions), liens, encumbrances or other claims, against payment of the Redemption Price for such shares of Series B Preferred Stock by the Company.

(ii) From and after the closing date specified by the Company, each Series B Shareholder shall no longer have any rights as a holder of such shares of Series

B Preferred Stock (other than the right to receive payment of such consideration in accordance with this Agreement), and such shares of Series B Preferred Stock shall be deemed purchased in accordance with the applicable provisions of this Agreement and the Company shall be deemed the owner and holder of such shares of Series B Preferred Stock, so long as the Company shall make available, at the time and place and in the amount provided in this Agreement, the consideration for the shares of Series B Preferred Stock to be purchased in accordance with the provisions of this Section 5.1.

5.2 No Other Rights or Obligations. Other than as expressly set forth in this Agreement or as declared by the Board, a Series B Shareholder upon cessation of his, her or its ownership of shares of Series B Preferred Stock purchased pursuant to this Section 5.1 shall only be entitled to the amounts expressly provided for in this Agreement in full settlement for any and all rights such Series B Shareholder may have with respect to such shares of Series B Preferred Stock. Upon any such cessation of ownership of shares of Series B Preferred Stock, the Series B Shareholders shall (a) take such steps, execute such documents or take such other action as the Company may reasonably request to more fully carry out the intent of this Agreement and (b) not have any liabilities or obligations with respect to such shares of Series B Preferred Stock to the extent arising after such cessation of ownership.

ARTICLE VI

INFORMATION RIGHTS; REGISTRATION RIGHTS

6.1 Delivery of Financial Statements. The Company shall deliver to each Series A Shareholder and each Series B Shareholder:

(a) as soon as practicable, but in any event within one hundred twenty (120) days after the end of each fiscal year of the Company, a consolidated balance sheet of the Company and its Subsidiaries as at the end of such fiscal year, and consolidated statements of income and cash flows of the Company and its Subsidiaries for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with generally accepted accounting principles (“GAAP”) (except as noted therein or as disclosed in writing to the recipients thereof) and audited by independent certified public accountants of recognized standing selected by the Board, and accompanied by management's discussion and analysis, all in reasonable detail, including a comparison of the actual results for such fiscal year to those originally budgeted prior to the beginning of such fiscal year;

(b) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, an unaudited consolidated balance sheet of the Company and its Subsidiaries as of the end of such fiscal quarter, and unaudited consolidated statements of income and cash flows of the Company and its Subsidiaries for such period, all prepared in accordance with GAAP (except that such financial statements may (A) be subject to normal year-end audit adjustments and (B) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event within thirty (30) days after the end of each month (including the last month of the fiscal year of the Company), a consolidated and consolidating balance sheet of the Company and its Subsidiaries, as at the end of such

month, and the related consolidated and consolidating statements of income and cash flows for such month and for the period from the beginning of the then current fiscal year of the Company to the end of such month, along with management's discussion and analysis, all in reasonable detail, including a comparison of the actual results for such period to those originally budgeted prior to the beginning of such period; and

(d) as soon as practicable, but in any event within thirty (30) days after the end of each fiscal year of the Company, the annual budget of the Company and its Subsidiaries.

Notwithstanding the foregoing, upon termination or resignation of an Employee Shareholder's employment or services with the Company for any reason, the Company shall no longer be required to deliver to any such Employee Shareholder Party the financial statements set forth in this Section 6.1; provided, however, the Company shall, upon request, deliver to such Employee Shareholder Party, so long as such Employee Shareholder Party owns any shares of Series A Preferred Stock, the audited financial statements of the Company and its Subsidiaries for any fiscal year

6.2 Inspection. The Company shall permit each Series A Shareholder and each Series B Shareholder (provided that the Board has not reasonably determined that such Shareholder is a competitor of the Company (it being understood and agreed that neither the ORIX Shareholder nor the Sig Guff Shareholder is, nor shall be determined to be, a competitor of the Company)), at such Shareholder's expense, upon reasonable notice (which in no event shall be less than three (3) business days) to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers and employees, during normal business hours of the Company as may be reasonably requested by such Shareholder; provided, however, that the Company shall not be obligated pursuant to this Section 6.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

6.3 Confidentiality. Each Shareholder agrees that such Shareholder will keep confidential and will not disclose or divulge for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company or any of its Subsidiaries pursuant to the terms of this Agreement, unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 6.3 by such Shareholder), (b) is or has been independently developed or conceived by the Shareholder without use of the Company's confidential information, or (c) is or has been made known or disclosed to the Shareholder by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that a Shareholder may disclose confidential information (i) to its officers, employees, attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Shares from such Shareholder, if such prospective purchaser agrees to be bound by the provisions of this Section 6.3; provided, however, that the Board has not reasonably determined that such prospective purchaser is a competitor of the Company; (iii) as may be required by law, provided that the Shareholder promptly notifies the Company of such disclosure and takes

reasonable steps to minimize the extent of any such required disclosure; and (iv) to any existing Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Shareholder regarding the status of its investment in the Company (without disclosing specific confidential information other than as contemplated below and only to those Persons with an express duty of confidentiality to such Shareholder). It is hereby acknowledged and understood that a Shareholder may disclose the following to its Affiliates, partners, members, stockholders, wholly owned subsidiaries or prospective investors in any investment fund managed or to be managed by an Affiliate of such Shareholder, with respect to the Company and its Subsidiaries: (1) a description of management team changes, new initiatives and other efforts to seek and maintain profitability, (2) historical information regarding its investment terms, including the total amount raised at the time of its investment and information used for valuation purposes at that time, (3) the current status of its investment, such as its book and fair value, its accumulated net unrealized gain or loss and its gross and net internal rate of return, including investment multiple, and (4) summary financial information such as revenues, EBITDA, capital structure and similar information (e.g., so that it may compare and demonstrate progress from one year or quarter to the next, including progress against expectations).

6.4 Registration Rights.

(a) The Company shall notify each Series A Shareholder in writing at least fifteen (15) days prior to the filing of any registration statement under the Securities Act for purposes of a public offering of securities of the Company, and will afford each Series A Shareholder an opportunity to include in such registration statement all or part of the Shares held by such Series A Shareholder. Each Series A Shareholder desiring to include in any such registration statement all or any part of the Shares held by it shall, within fifteen (15) days after the above-described notice from the Company, so notify the Company in writing. Such notice shall state the number of Shares to be registered and the intended method of disposition of the Shares by such Series A Shareholder.

(b) The holders of a majority of the then-outstanding shares of Series A Preferred Stock of the Company may demand that the Company register all or part of their Shares by filing of a registration statement under the Securities Act (a “Demand Registration”). The Company shall notify each Series A Shareholder in writing of the Demand Registration at least fifteen (15) days after receipt of a demand. Each Series A Shareholder desiring to include in any such registration statement all or any part of the Shares held by it shall, within fifteen (15) days after the above-described notice from the Company, so notify the Company in writing. Such notice shall state the number of Shares to be registered and the intended method of disposition of the Shares by such Series A Shareholder. All costs and expenses related to a Demand Registration shall be paid by the Company.

(c) The registration rights set forth in this Section 6.4 shall be governed by customary cutback mechanisms, registration procedures and indemnification provisions.

ARTICLE VII **MISCELLANEOUS**

7.1 Vote to Increase Common Stock. Each Shareholder shall vote, or caused to be voted, all Shares held by such Shareholder, or over which such Shareholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to increase the number of authorized shares of Common Stock from time to time to ensure that there will be sufficient shares of Common Stock available for conversion of all of the shares of Series A Preferred Stock outstanding at any given time.

7.2 Shareholder Action by Consent. If Shareholders (other than the ORIX Shareholder) desire to take any action by written consent, the Shareholders desiring to take such action shall use reasonable efforts to deliver written notice of such action (which notice shall include the text of the written consent or otherwise describe the action sought to be taken in reasonable detail) to the ORIX Shareholder prior to the effective time of the action, and in any event the Shareholders shall deliver such notice to the ORIX Shareholder no later than the time notice of the action sought to be taken is delivered to CID.

7.3 Amendments to Advisory Agreement. At any time that the ORIX Shareholder holds any Equity Securities, the Company shall not amend or otherwise modify the terms of the Advisory Agreement, dated as of the date hereof, by and between CID Capital II, Inc. and the Company in manner that materially benefits CID Capital II, Inc. (or any of its Affiliates) without the prior written approval of the ORIX Shareholder.

7.4 Future Shareholders. Unless otherwise approved by the Board, the Company shall cause each Person that acquires Shares after the date first written above, unless such Person is already a party to this Agreement, to execute a counterpart of this Agreement, countersigned by the Company. Upon such execution and delivery of a counterpart signature page to this Agreement and its written acceptance by the Company, such Person shall become a party to this Agreement and shall become a Shareholder hereunder with all the rights and obligations of a Shareholder hereunder. The Company shall promptly update Schedule A accordingly.

7.5 Legend on Stock Certificates. Each certificate representing Shares shall be stamped or otherwise imprinted with legends substantially similar to the following (in addition to any legend required under applicable state securities laws):

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”) AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR PURSUANT TO AN EXEMPTION AVAILABLE THEREFROM.

THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN SHAREHOLDERS' AGREEMENT AS IN EFFECT FROM TIME TO TIME BY AND AMONG THE SHAREHOLDER, THE COMPANY AND CERTAIN HOLDERS OF STOCK OF THE COMPANY. COPIES OF SUCH AGREEMENT MAY

BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.”

7.6 Term. This Agreement shall continue in full force and effect from the date hereof through the earliest of the following dates, on which date it shall terminate in its entirety:

(a) the date of the closing of a firm commitment underwritten public offering by the Company pursuant to a registration statement filed with the Securities and Exchange Commission, and declared effective under the Securities Act of 1933, as amended; or

(b) the date of the closing of a Deemed Liquidation Event, as defined in the Articles.

7.7 Governing Law; Waiver of Jury Trial. This Agreement and all disputes and controversies hereunder shall be governed by and construed in accordance with the laws of the State of Indiana, without regard to principles of conflicts of law.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

7.8 Severability. It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permissible under the law and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, in the event that any provision of this Agreement would be held in any jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

7.9 Assignments; Successors and Assigns. Except in connection with any Transfer of Shares in accordance with this Agreement, the rights of each party under this Agreement may not be assigned. This Agreement shall bind and inure to the benefit of the parties and their respective successors, permitted assigns, legal representatives and heirs.

7.10 Amendments; Waivers. This Agreement may only be modified or amended, and, except as otherwise specifically set forth herein, the observance of any term of this Agreement may only be waived (either generally or in a particular instance and either retroactively or prospectively), by an instrument in writing signed by (a) the Company, (b) the holders of a Series A-1 Preferred Majority, (c) the holders of a Series A-2 Preferred Majority, (d) holders of a Series A-3 Preferred Majority, (e) CID, (f) if such modification, amendment or waiver would result in disproportionately adverse treatment of the Rollover Shareholders as compared to the treatment of the other holders of Series A-1 Preferred Stock, the holders of at least a majority of the then-outstanding shares of Series A Preferred Stock held by the Rollover Shareholders (provided that any modification, amendment or waiver of this Agreement in

connection with the issuance of New Securities in accordance with Section 3.4 or Section 3.5 or in connection with a transaction that has been approved under Section 5.3(b) of the Articles shall be deemed not to result in such disproportionately adverse treatment), (g) if such modification, amendment or waiver would result in disproportionately adverse treatment of the Ripskirt Rollover Shareholder as compared to the treatment of the other holders of Series A-3 Preferred Stock, the holders of at least a majority of the then-outstanding shares of Series A Preferred Stock held by the Ripskirt Rollover Shareholder (provided that any modification, amendment or waiver of this Agreement in connection with the issuance of New Securities in accordance with Section 3.4 or Section 3.5 or in connection with a transaction that has been approved under Section 5.3(b) of the Articles shall be deemed not to result in such disproportionately adverse treatment), (h) if such modification, amendment or waiver would result in disproportionately adverse treatment of the holders of Series B Preferred Stock as compared to the treatment of the holders of Series A Preferred Stock, the holders of at least a majority of the then-outstanding shares of Series B Preferred Stock (provided that any modification, amendment or waiver of this Agreement in connection with the issuance of New Securities in accordance with Section 3.4 or Section 3.5 or in connection with a transaction that has been approved under Section 5.3(b) and, if applicable, Section 5.3(c), of the Articles shall be deemed not to result in such disproportionately adverse treatment) and (i) if such modification, amendment or waiver is of Article V, the holders of at least a majority of the then-outstanding shares of Series B Preferred Stock. Any modification, amendment or waiver of this Agreement made in accordance with this Section 7.10 shall be deemed adopted by, binding upon, and enforceable against each and every Shareholder, regardless of whether the Company obtains each such Shareholder's signature to such modification, amendment or waiver.

7.11 Notices. All notices, requests, consents and other communications hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or sent by telecopy or electronic mail, nationally-recognized overnight courier or first class registered or certified mail, return receipt requested, postage prepaid, addressed to such party at the address set forth below or such other address as may hereafter be designated in writing by such party to the other parties:

(a) if to the Company, to:

Giftcraft Holdings, Inc.
c/o CID Capital
10201 N. Illinois Street, Suite 200
Indianapolis, IN 46290
Email: steve@cidcap.com
Attention: Steve Cobb

With a copy to:

Ice Miller LLP
One American Square, Suite 2900
Indianapolis, IN 46282-0200
Facsimile: (317) 592-4741
Email: brent.showalter@icemiller.com

Attention: Brent Showalter

(b) if to the Shareholders, to their respective addresses set forth on Schedule A hereto,

or to such other address as the party to whom notice is to be given may have furnished to the other parties in writing in accordance herewith. All such notices, requests, consents and other communications shall be deemed to have been delivered (a) in the case of personal delivery or delivery by telecopy or electronic mail, on the date of such delivery, (b) in the case of dispatch by nationally-recognized overnight courier, on the next business day following such dispatch and (c) in the case of mailing, on the third business day after the posting thereof.

7.12 Attorneys' Fees. In the event that any suit or action is instituted under or in relation to this Agreement, including without limitation to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals. The term "prevailing party" shall include, but not be limited to, a party who obtains legal counsel or brings an action or makes a claim against the other by reason of the other's alleged breach or alleged default and obtains substantially the relief sought whether by compromise, settlement, or judgment.

7.13 Specific Enforcement. It is agreed and understood that monetary damages would not adequately compensate an injured party for the breach of this Agreement by any other party, that this Agreement shall be specifically enforceable, and that any breach or threatened breach of this Agreement shall be the proper subject of a temporary or permanent injunction or restraining order. Further, each party hereto waives any claim or defense that there is an adequate remedy at law for such breach or threatened breach.

7.14 Entire Agreement. This Agreement contains the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings with respect to such subject matter. The parties hereto represent and warrant that there are no other agreements or understandings regarding any of the subject matter hereof other than as set forth herein and covenant not to enter into any such agreements or understandings after the date hereof except pursuant to an amendment, modification or waiver of the provisions of this Agreement. The Prior Agreement is hereby amended in its entirety and restated herein. All provisions of, rights granted and covenants made in the Prior Agreement are hereby waived, released and superseded in their entirety and shall have no further force or effect. This Agreement has been approved and adopted in accordance with Section 6.10 of the Prior Agreement and shall be deemed adopted by, binding upon, and enforceable against each and every Shareholder, regardless of whether the Corporation obtained each such Shareholder's signature to this Agreement.

7.15 Counterparts. This Agreement may be executed in multiple original, facsimile or portable document format counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7.16 Titles and Subtitles. The titles of the articles and sections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

7.17 Investment Opportunities and Conflicts of Interest.

(a) The Company hereby agrees and acknowledges that each of CID, ORIX and Sig Guff (together with their respective Affiliates) is a professional investment organization, and as such reviews the business plans and related proprietary information of many enterprises, some of which may compete directly or indirectly with the Company's business. The Company hereby agrees that, to the extent permitted under applicable law, neither CID, ORIX, Sig Guff, Seehoff, the Rollover Shareholders or their respective Affiliates shall be liable to the Company for any claim arising out of, or based upon, (i) the investment by CID, ORIX, Sig Guff, Seehoff, the Rollover Shareholders (subject to any existing restrictive covenants) or any of their respective Affiliates in any entity competitive with the Company, or (ii) actions taken by any partner, officer, employee or other representative of CID, ORIX, Sig Guff, Seehoff, the Rollover Shareholders (subject to any existing restrictive covenants) or any of their respective Affiliates to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not relieve (x) any of the Shareholders from liability associated with the unauthorized disclosure of the Company's confidential information obtained pursuant to this Agreement, or (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company.

(b) Each Employee Shareholder, for so long as he or she is employed by the Company or one of its Subsidiaries, shall, and shall cause each of his or her Affiliates to, bring all investment or business opportunities to the Company of which any of the foregoing become aware and which they believe are, or may be, within the scope and investment objectives related to the business of the Company or any of its Subsidiaries (of which such Employee Shareholder is aware) or are otherwise competitive with the business of the Company or any of its Subsidiaries.

7.18 Junior Debt Financing Right of First Refusal. If the Board approves Junior Debt Financing, the Company shall first offer such Junior Debt Financing to the Sig Guff Shareholder. The Sig Guff Shareholder shall be entitled to apportion the right of first offer hereby granted to it among itself and its Affiliates in such proportions as it deems appropriate.

(a) The Company shall give notice (the "Junior Debt Financing Notice") to the Sig Guff Shareholder, stating (i) that the Board has approved Junior Debt Financing, (ii) the principal amount of the Junior Debt Financing, and (iii) the terms upon which it proposes to offer the Junior Debt Financing.

(b) By notification to the Company within twenty (20) days after the Junior Debt Financing Notice is given, the Sig Guff Shareholder may elect to provide all (but not less than all) of the Junior Debt Financing, in the principal amount and on the terms specified in the Junior Debt Financing Notice. The closing of Junior Debt Financing pursuant to this Section

7.18(b) shall occur within the earlier of sixty (60) days of the date that the Junior Debt Financing Notice is given.

(c) If the Junior Debt Financing referred to in the Junior Debt Financing Notice is not elected to be provided by the Sig Guff Shareholder as provided in Section 7.18(b), the Company may, during the ninety (90) day period following the expiration of the twenty (20) day period provided in Section 7.18(b), offer the Junior Debt Financing to any Person or Persons at a principal amount not less than, and upon terms not materially more favorable to the offeree than, those specified in the Junior Debt Financing Notice. If the Company does not enter into an agreement for the Junior Debt Financing within such ninety (90) day period, the right provided hereunder shall be deemed to be revived and Junior Debt Financing shall not be offered unless first reoffered to the Sig Guff Shareholder in accordance with this Section 7.18.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned parties have executed this Shareholders' Agreement to be effective as of the date first written above.

“COMPANY”

Gifcraft Holdings, Inc.

By: _____
Steve A. Cobb, Chairman

“SHAREHOLDERS”

CID Capital Opportunity Fund II, L.P.

By: CID Capital Opportunity Partners II, LLC,
its General Partner

By: CID Capital II, Inc., its Manager

By: _____
Steve A. Cobb, Managing Director

Gifcraft Holdings Inc. (an Ontario corporation)

By: _____
Name: _____
Title: _____

Bropol Investments Inc.

By: _____
Name: _____
Title: _____

Elsasser Holding Company, Inc.

By: _____
Name: _____
Title: _____

OCC Giftcraft Holdings, LP

By: Prolign Holdings I-A, LLC,
its General Partner

By: Prolign Capital Fund I GP, LLC,
its Manager

By: _____
Name: _____
Title: _____

Seehoff Living Trust

By: _____
Name: _____
Title: _____

Gary Seehoff

Todd Vore

Brian Bozlinski

SBCOF II Giftcraft Holdings, LLC

By: _____

Name: Joshua Posner

Title: Authorized Signatory

SCHEDULE A

Shareholders



Cole Elsasser <coleelsasser@gmail.com>

Ripskirt - call with KPMG

1 message

Patel, Pritesh <pritchpatel@kpmg.ca>
To: Cole Elsasser <coleelsasser@gmail.com>

Wed, Jul 16, 2025 at 6:07 AM

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From: Cole Elsasser <coleelsasser@gmail.com>
Sent: Tuesday, July 15, 2025 11:58 PM
To: Patel, Pritesh <pritchpatel@kpmg.ca>
Subject: Re: An introduction for your work as GC receiver [EXTERNAL]

Hi Pritesh,

I'm well, thanks. I hope you have been enjoying your summer since we last spoke.

I'm happy to chat and am available at the times below. If you could share the subject matter you'd like to cover, I'll put together some thoughts beforehand.

Wednesday 7/16 - 12-4pm EST

Thursday 7/17 - 2-5pm EST

Thanks,

Cole

On Tue, Jul 15, 2025 at 8:06 PM Patel, Pritesh <pritchpatel@kpmg.ca> wrote:

Hi Cole

I hope you're well.

Reaching out to see if you have some time this week to reconnect on Ripskirt. If so, please propose some times that would work for you.

Thanks

Pritesh

Pritesh Patel

Partner, Deal Advisory

KPMG LLP

M: 416.271.1266

O: 416.468.7923

pritchpatel@kpmg.ca

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7K



Cole Elsasser <coleelsasser@gmail.com>

An introduction for your work as GC receiver

23 messages

Steve Cobb <Steve@cidcap.com>

Wed, May 14, 2025 at 11:44 AM

To: "Patel, Pritesh" <pritchpatel@kpmg.ca>

Cc: "aleciaelsasser@mac.com" <aleciaelsasser@mac.com>, Cole Elsasser <coleelsasser@gmail.com>

Pritesh

I'd like to get you connected to the former owners / operators of Ripskirt, Alecia Elsasser and her son Cole Elsasser, to exchange ideas for the business. I've copied both of them so you have their contact information.

Steve

**Steve Cobb***Senior Partner***Office:** (317) 708-4853**Mobile:** (317) 753-1821

10201 N. Illinois Street, Suite 200

Carmel, IN 46290

steve@cidcap.com

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Patel, Pritesh <pritchpatel@kpmg.ca>

Wed, May 14, 2025 at 12:05 PM

To: Steve Cobb <Steve@cidcap.com>

Cc: "aleciaelsasser@mac.com" <aleciaelsasser@mac.com>, Cole Elsasser <coleelsasser@gmail.com>, "Ho, Kristina" <kristinah@kpmg.ca>

Thank you, Steve.

Alecia/Cole – nice to meet you over email. Let us know if you have time for a call either tonight or tomorrow afternoon to get caught up on Ripskirt.

Thanks

Pritesh

Pritesh Patel

Partner, Deal Advisory

KPMG LLP

M: 416.271.1266

O: 416.468.7923

pritpatel@kpmg.ca

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Cole Elsasser <coleelsasser@gmail.com>

Wed, May 14, 2025 at 12:31 PM

To: "Patel, Pritesh" <pritchpatel@kpmg.ca>

Cc: "aleciaelsasser@mac.com" <aleciaelsasser@mac.com>, "Ho, Kristina" <kristinaho@kpmg.ca>

Hi Pritesh and Kristina,

Thanks for your kind message, it's nice to meet you both.

We're available to meet tomorrow from 8am-12pm HST / 11am-3pm PST / 2pm-6pm EST. Are you available during that time frame? If not, suggest a time that works well for you tomorrow, and I should be able to accommodate without Alecia.

Thanks,

Cole

[Quoted text hidden]

Patel, Pritesh <pritchpatel@kpmg.ca>

Wed, May 14, 2025 at 1:09 PM

To: Cole Elsasser <coleelsasser@gmail.com>

Cc: "aleciaelsasser@mac.com" <aleciaelsasser@mac.com>, "Ho, Kristina" <kristinaho@kpmg.ca>

Hi Cole

8am HST works best for us. We will send out an invite.

Thanks

Pritesh

Pritesh Patel

Partner, Deal Advisory

KPMG LLP

M: 416.271.1266

O: 416.468.7923

pritchpatel@kpmg.ca

[Quoted text hidden]

Patel, Pritesh <pritchpatel@kpmg.ca>

Wed, May 14, 2025 at 2:33 PM

To: Cole Elsasser <coleelsasser@gmail.com>, "aleciaelsasser@mac.com" <aleciaelsasser@mac.com>, "Ho, Kristina" <kristinaho@kpmg.ca>

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10K

Cole Elsasser <coleelsasser@gmail.com>

Wed, May 14, 2025 at 4:03 PM

To: "Patel, Pritesh" <pritchpatel@kpmg.ca>

Cc: "aleciaelsasser@mac.com" <aleciaelsasser@mac.com>, "Ho, Kristina" <kristinaho@kpmg.ca>

Hi Pritesh,

Great, looking forward to chatting with you tomorrow.

Thanks,

Cole

[Quoted text hidden]

Cole Elsasser <coleelsasser@gmail.com>

Thu, May 15, 2025 at 3:11 PM

To: "Patel, Pritesh" <pritchpatel@kpmg.ca>

Cc: "aleciaelsasser@mac.com" <aleciaelsasser@mac.com>, "Ho, Kristina" <kristinaho@kpmg.ca>

Hi Pritesh,

Thank you for your time today – it was a pleasure meeting you and getting an update on the receivership process.

Alecia and I are interested in pursuing the acquisition of RipSkirt and would like to proceed with the NDA and gain access to the dataroom. Could you please advise on the next steps?

Additionally, I'd like to reiterate my willingness to support both you and RipSkirt throughout this process. If my assistance would be valuable, I'm available to help on an ad hoc basis or in a more formal consulting capacity. The latter could be particularly useful if the businesses are split and sold separately. I'd be glad to assist in areas such as transaction due diligence, interim leadership, or other similar roles where my legacy knowledge could accelerate or derisk processes.

Let me know how I can be of help.

Thanks,

Cole

[Quoted text hidden]

Cole Elsasser <coleelsasser@gmail.com>

Mon, May 19, 2025 at 7:40 AM

To: "Patel, Pritesh" <pritchpatel@kpmg.ca>

Cc: "aleciaelsasser@mac.com" <aleciaelsasser@mac.com>, "Ho, Kristina" <kristinaho@kpmg.ca>

Hi Pritesh,

I hope you had a peaceful weekend after your busy week! I just wanted to follow up on this and see if you could share the NDA and access to the VDR.

Thanks,

Cole

[Quoted text hidden]

Patel, Pritesh <pritchpatel@kpmg.ca>

Tue, May 20, 2025 at 8:35 AM

To: Cole Elsasser <coleelsasser@gmail.com>

Cc: "aleciaelsasser@mac.com" <aleciaelsasser@mac.com>, "Ho, Kristina" <kristinaho@kpmg.ca>

Hi Cole

Thanks for following up, I must of missed your original email. Attached is a copy of the NDA. Please complete the sections highlighted in yellow and return a signed copy at your earliest convenience.

Thanks

Pritesh

Pritesh Patel

Partner, Deal Advisory

KPMG LLP

M: 416.271.1266

O: 416.468.7923

pritpatel@kpmg.ca

[Quoted text hidden]



Form of NDA (Elsasser).docx

45K

Patel, Pritesh <pritpatel@kpmg.ca>

Wed, May 21, 2025 at 1:54 PM

To: Cole Elsasser <coleelsasser@gmail.com>

Cc: "aleciaelsasser@mac.com" <aleciaelsasser@mac.com>, "Ho, Kristina" <kristinaho@kpmg.ca>

Hi Cole

Just following up on my email from yesterday with the NDA to ensure you received it and if any questions at this point. Let us know when you have a chance.

Thanks

Pritesh

Pritesh Patel

Partner, Deal Advisory

KPMG LLP

M: 416.271.1266

O: 416.468.7923

pritpatel@kpmg.ca

[Quoted text hidden]



Form of NDA (Elsasser).docx

45K

Cole Elsasser <coleelsasser@gmail.com>

Thu, May 22, 2025 at 9:19 AM

To: "Patel, Pritesh" <pritpatel@kpmg.ca>

Cc: "aleciaelsasser@mac.com" <aleciaelsasser@mac.com>, "Ho, Kristina" <kristinaho@kpmg.ca>

Hi Pritesh,

Thanks for checking back in on this. After further discussion, Alecia and I have decided not to pursue a repurchase of the

business and will not be signing the NDA.

Our wish is to help RipSkirt find the best home possible and to get it there safely. I'd just like to reiterate my offer from the last email- If my assistance would be valuable, I'm available to help on an ad hoc basis or in a more formal consulting capacity. The latter could be particularly useful if the businesses are split and sold separately. I'd be glad to assist in areas such as transaction due diligence, interim leadership, or other similar roles where my legacy knowledge could accelerate or derisk processes.

In the last week, I've had employees, vendors, and third parties reach out to me all seeking advice and leadership regarding the receivership. Unfortunately, I'm not able to help them and just give them my best wishes. There is an (understandable) lack of leadership for the RipSkirt Team right now and I'm being reached out to help fill that void. That said, I understand you may not be able to embrace my help as your bandwidth is so saturated. My one piece of critical advice- do not starve RipSkirt of cash to operate the legacy GC businesses or the new Charlie Page DTC site. Neither will be able to operate profitably, regardless of what is told to you. Running RipSkirt at a reduced ad budget and lower revenue will be your best path for predictable profitability.

I'm always here if you'd like to discuss the order of operations for RipSkirt expenses. Feel free to ping my cell as needed.

Thanks,

Cole

503-927-0138

[Quoted text hidden]

Patel, Pritesh <pritchpatel@kpmg.ca>

Thu, May 22, 2025 at 10:00 AM

To: Cole Elsasser <coleelsasser@gmail.com>

Cc: "aleciaelsasser@mac.com" <aleciaelsasser@mac.com>, "Ho, Kristina" <kristinaho@kpmg.ca>

Cole, thanks for the update. If you receive any inquiries on Ripskirt, please direct them to giftcraft@kpmg.ca, or directly to Kristina and I.

[Quoted text hidden]

Patel, Pritesh <pritchpatel@kpmg.ca>

Tue, Jul 15, 2025 at 8:06 PM

To: Cole Elsasser <coleelsasser@gmail.com>

Hi Cole

I hope you're well.

Reaching out to see if you have some time this week to reconnect on Ripskirt. If so, please propose some times that would work for you.

Thanks

Pritesh

Pritesh Patel

Partner, Deal Advisory

KPMG LLP

M: 416.271.1266

O: 416.468.7923

pritpatel@kpmg.ca

[Quoted text hidden]

Cole Elsasser <coleelsasser@gmail.com>

Tue, Jul 15, 2025 at 8:58 PM

To: "Patel, Pritesh" <pritpatel@kpmg.ca>

Hi Pritesh,

I'm well, thanks. I hope you have been enjoying your summer since we last spoke.

I'm happy to chat and am available at the times below. If you could share the subject matter you'd like to cover, I'll put together some thoughts beforehand.

Wednesday 7/16 - 12-4pm EST

Thursday 7/17 - 2-5pm EST

Thanks,

Cole

[Quoted text hidden]

Patel, Pritesh <pritpatel@kpmg.ca>

Wed, Jul 16, 2025 at 6:06 AM

To: Cole Elsasser <coleelsasser@gmail.com>

Hi Cole

Thanks for the quick response. 130pm ET would work for me, I will send out an invite shortly.

In terms of topics, I would appreciate your input on:

1. A bidder from the prior TM Capital that has re-emerged and expressed interest in acquiring the business
2. Discuss potential other parties we should consider in the sale process, based on your experience through prior sale processes.
3. Potential proposal on how you could assist the Ripskirt business during this transition period

Best

Pritesh

Pritesh Patel

Partner, Deal Advisory

KPMG LLP

M: 416.271.1266

O: 416.468.7923

pritpatel@kpmg.ca

From: Cole Elsasser <coleelsasser@gmail.com>**Sent:** Tuesday, July 15, 2025 11:58 PM**To:** Patel, Pritesh <pritpatel@kpmg.ca>**Subject:** Re: An introduction for your work as GC receiver [EXTERNAL]

Hi Pritesh,

[Quoted text hidden]

[Quoted text hidden]

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Cole Elsasser <coleelsasser@gmail.com>

Wed, Jul 16, 2025 at 8:24 AM

To: "Patel, Pritesh" <pritpatel@kpmg.ca>

Hi Pritesh,

Great, thank you for the details. I look forward to talking with you shortly.

Thanks,

Cole

[Quoted text hidden]

Cole Elsasser <coleelsasser@gmail.com>

Thu, Jul 17, 2025 at 10:29 AM

To: "Patel, Pritesh" <pritpatel@kpmg.ca>

Hi Pritesh,

Thank you for your time yesterday. It was helpful to hear the latest on the business and get a clearer understanding of where things currently stand. I'm excited about being able to help and am optimistic we can come to an agreement. I feel strongly that I can improve short-term sales performance while helping craft a narrative for buyers that will increase curb appeal and maximize enterprise value.

Additionally, I've spent some more time reflecting on an acquisition organized by Mary Alice. I fear that even if she is able to find backing and submit a credible LOI, that during the due diligence process her financial sponsors will likely realize her potential shortcomings and ultimately back out near the closing date. In both her previous acquisition attempt and consulting role, all involved parties quickly realized she could not execute her strategy nor operate within the timelines required to achieve actual results. It's highly unlikely we find success down that path.

As discussed, here are the key terms I'd like to include in a potential consulting agreement. Let me know if you have any questions. I'm happy to discuss further via phone tomorrow if helpful.

Time Commitment

- 10-hour-per-week guarantee
- Flexibility to increase up to 20 hours per week as needed

Structure & Oversight

- A clearly defined scope of work and list of roles and responsibilities included in the agreement

- A clear outline of my direct reporting line, as well as any positions reporting to me
- These two elements (SOW and org structure) should be distributed to all employees and explained in an all-hands meeting

Compensation & Payment

- \$145/hour
- Biweekly payment terms

Duration

- I don't have a specific contract length in mind, but I understand that the receivership process may require certain dates, timelines, or stipulations. I'm happy to align on whatever's needed.

Transaction Incentive

- \$300,000 transaction incentive if a sale occurs during the term of my contract or within 90 days following termination

Personnel Restrictions

- No employees or contractors transitioned from Giftcraft to RipSkirt without my approval

Buyer List

- I'll share a short list of potential buyers and begin networking shortly after onboarding

Let me know if you have any questions or if anything here requires further discussion.

Thanks,

Cole Elsasser

[Quoted text hidden]

Patel, Pritesh <pritchpatel@kpmg.ca>
To: Cole Elsasser <coleelsasser@gmail.com>

Thu, Jul 17, 2025 at 6:19 PM

Cole

Acknowledging receipt of your email and will be in touch early next week.

Thanks

Pritesh

Pritesh Patel

Partner, Deal Advisory

KPMG LLP

M: 416.271.1266

O: 416.468.7923

pritchpatel@kpmg.ca

[Quoted text hidden]

Patel, Pritesh <pritchpatel@kpmg.ca>

Thu, Jul 24, 2025 at 12:43 PM

To: Cole Elsasser <coleelsasser@gmail.com>

Hi Cole

Apologies for the delay in getting back to you. Reaching out to see if you have time for a follow-up call tomorrow if you're available. If so, let me know what time(s) works for you.

Thanks

Pritesh

Pritesh Patel

Partner, Deal Advisory

KPMG LLP

M: 416.271.1266

O: 416.468.7923

pritchpatel@kpmg.ca

[Quoted text hidden]

Cole Elsasser <coleelsasser@gmail.com>

Thu, Jul 24, 2025 at 1:07 PM

To: "Patel, Pritesh" <pritchpatel@kpmg.ca>

Hey Pritesh,

Thanks for the message, no apologies needed regarding the delay. I'm available at the following times and would be happy to chat. Feel free to shoot over an invite for whatever time works best for you.

8am-10am PST

12pm-3pm PST

Thanks,

Cole

[Quoted text hidden]

Patel, Pritesh <pritchpatel@kpmg.ca>

Fri, Jul 25, 2025 at 6:17 AM

To: Cole Elsasser <coleelsasser@gmail.com>

Hi Cole

Let's go with 12pm PST. I will send you a Teams link.

[Quoted text hidden]

Fri, Jul 25, 2025 at 6:18 AM

Patel, Pritesh <pritchpatel@kpmg.ca>
To: Cole Elsasser <coleelsasser@gmail.com>
Cc: "Ho, Kristina" <kristinaho@kpmg.ca>

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[Quoted text hidden]

 **invite.ics**
12K

Cole Elsasser <coleelsasser@gmail.com>
To: "Patel, Pritesh" <pritchpatel@kpmg.ca>

Fri, Jul 25, 2025 at 8:00 AM

Hi Pritesh,

Great, sounds good, talk to you then.

Thanks,

Cole

[Quoted text hidden]



Cole Elsasser <coleelsasser@gmail.com>

Elsasser Holding Company and GiftCraft Loose Ends

1 message

Patel, Pritesh <pritchpatel@kpmg.ca>

Mon, Nov 24, 2025 at 12:51 PM

To: Cole Elsasser <coleelsasser@gmail.com>

Cc: "Ho, Kristina" <kristinaho@kpmg.ca>, Alecia Elsasser <aleciaelsasser@mac.com>

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From: Cole Elsasser <coleelsasser@gmail.com>**Sent:** Monday, November 24, 2025 11:12 AM**To:** Patel, Pritesh <pritchpatel@kpmg.ca>**Cc:** Ho, Kristina <kristinaho@kpmg.ca>; Alecia Elsasser <aleciaelsasser@mac.com>**Subject:** Re: Elsasser Holding Company and GiftCraft Loose Ends

Hi Pritesh,

Thanks for the quick response. Glad to hear your trip went so well. Please see my comments below-

- Pref Shares
 - Understood, thank you. I'll sync up with CID.
- Promissory Note
 - Ok, we'll hold tight for your team's opinion.
- Ripskirt Sale
 - That would be great, thanks for offering. Please see our availability below-
 - Tuesday 11-1 pm EST
 - Wednesday 1-3 pm EST
 - Friday 2-4 pm EST

Thanks,

Cole

On Fri, Nov 21, 2025 at 4:28 AM Patel, Pritesh <pritchpatel@kpmg.ca> wrote:

Hi Cole

The trip was great, thanks for asking. I hope you are enjoying your new role.

In regards to your questions:

1. Pref Shares

- The Receiver only provides notice to creditors of the companies, so we would not have provided any notice to shareholders. I am not sure if we even have a complete shareholder register?
- Best to speak to CID on what notice, if any, they have provided to shareholders on the receivership proceedings.

2. Promissory Note

- Thanks for sending this along. My initial thoughts are the Holder's rights under this note would be subject to the stay of proceedings in the receivership proceedings. Further as the note is unsecured, it would think it still ranks behind RBC's secured debt in terms of priority on any distributions
- However, I will have legal counsel review and come back to you on this point.

3. Ripskirt Sale

- Happy to have a call next week to provide an update, please propose some times that work for you on Monday or Tuesday

Thanks

Pritesh

Pritesh Patel

Partner, Deal Advisory

KPMG LLP

M: 416.271.1266

O: 416.468.7923

pritpatel@kpmg.ca**From:** Cole Elsasser <coleelsasser@gmail.com>**Sent:** Friday, November 21, 2025 1:00 AM**To:** Patel, Pritesh <pritpatel@kpmg.ca>**Cc:** Ho, Kristina <kristinaho@kpmg.ca>; Alecia Elsasser <aleciaelsasser@mac.com>**Subject:** Elsasser Holding Company and GiftCraft Loose Ends [EXTERNAL]

Hi Pritesh,

I hope you're well and that you enjoyed your time in Italy. I'm sure it was a great chance to unplug.

I wanted to follow up on a couple of loose ends regarding the relationship between Elsasser Holding Company and GiftCraft:

1. Elsasser Holding Company is the owner of 2,325,582 Preferred Shares of GiftCraft Holdings, Inc. We have not received any formal notice of the receivership from any involved parties. Have KPMG, RBC, GiftCraft, or RipSkirt issued any written notices to shareholders? Outside of verbal communications from you and Steve Cobb, we have no paper trail. We are operating under the assumption that those shares are now worthless, but we need documentation to support that to our tax professionals.
 - Has GC or its receiver shared written notices with its shareholders? If so, can you please share copies or point me to where they were distributed?
 - If no written notices have been issued, when can we expect formal communications?
2. Elsasser Holding Company also holds the attached Promissory Note, which contains a clause entitling Elsasser Holding Company to partial repayment in the event of a change in control of RipSkirt. Could you please provide RBC's perspective on this clause and any guidance on how it will be treated in the receivership process?
3. Have you had any luck with the sale of RipSkirt? I'd love a quick update if possible, I'm sure a lot has transpired since we last spoke.

Thanks,

Cole Elsasser

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10K