

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”), is entered into effective as of November 18, 2022, by and among Scissors and Scotch Coal Creek LLC, a Colorado limited liability company (“Seller”), its sole member Empire Personal Services Inc., a Delaware corporation (“Seller Member”), Brian Chatwin and Thomas Datwyler, solely with respect to Section 12.13 (“Guarantor”), S&S Erie LLC, a Colorado limited liability company, or its assigns (the “Buyer”), and Scissors & Scotch Ventures, LLC, a Delaware limited liability company, and Scissors & Scotch Colorado, LLC, a Colorado limited liability company, solely with respect to Section 12.13 (collectively, “Buyer’s Guarantor”). As used herein, capitalized terms shall have the meanings ascribed to such terms in Exhibit A attached hereto or as elsewhere defined in this Agreement.

WITNESSETH:

WHEREAS, Seller is engaged in the operation of a barbershop operating under the trade name “Scissors & Scotch” (the “Brand”), located generally in Weld County, Colorado in the shopping center commonly known as Coal Creek Center (the “Business”);

WHEREAS, Seller Member owns 100% of the issued and outstanding membership interests of Seller;

WHEREAS, Guarantor owns 100% of the issued and outstanding capital stock of Seller Member;

WHEREAS, Buyer and Seller entered into a Transition Services Agreement whereby Buyer is providing certain Services (as defined therein) pursuant to the terms thereof; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, substantially all of the assets of Seller that are used or useful in the Business on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the respective covenants and agreements hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1

THE TRANSACTION

Section 1.01 Sale and Purchase of Assets. Subject to the terms and conditions of this Agreement, at Closing, Seller shall sell, transfer and deliver to Buyer, and Buyer shall purchase from Seller, all of the tangible and intangible assets of Seller that are used or useful in the Business (the “Purchased Assets”), but excluding those assets specifically identified on Schedule 1.01 (the “Excluded Assets”), free and clear of all Liens (as defined herein below). The Purchased Assets include the following owned by Seller, wherever located:

(a) All furniture, fixtures, equipment, supplies, computer hardware and software and other similar miscellaneous tangible assets, including but not limited to those identified on Schedule 1.01(a) (the “Equipment”);

(b) All inventory in existence on the Closing Date, including but not limited to those identified on Schedule 1.01(b) (the “Inventory”);

(c) All leasehold improvements and rights to and under the Lease Agreement entered into between LSP Coal Creek, LLC, as the “Landlord” and Seller as the “Tenant” (“Lease”) of the leased premises located at in Coal Creek Center, Town of Erie, Weld County, Colorado (the “Leased Premises”);

(d) All of Seller’s customer lists and goodwill and going concern value associated solely with the Business;

(e) All of Seller’s contracts, agreements, equipment leases and other leases, arrangements, customer orders and commitments which are material to the operation of the Business and capable of being assigned to Buyer at no cost to Seller (the “Assumed Contracts”). All such contracts or commitments of Seller shall be deemed material and assignable to Buyer for purposes of this Section 1.01(f) except for those identified on Schedule 1.01(f);

(f) All accounts receivable, prepaid assets (other than prepaid insurance);

(g) All claims, deposits, prepayments, refunds, causes of action, choses in action, rights of recovery, rights of set-off, counterclaims and rights of recoupment, including for past, present or future damages for the breach, infringement or misappropriation of any Purchased Assets arising after the Closing Date;

(h) All books and records relating to the Purchased Assets and Business, excepting Seller’s articles of organization, seal, formation documents, minute and record books, other organizational documents, and income Tax Returns and records of Seller not related to the Purchased Assets and Business (the “Books and Records”); and

(i) All U.S. and foreign registered, issued, pending, contractual and common law, trade names, trademarks, logos, domain names, websites, goodwill, patents and patentable material, copyrights and copyrightable material, rights of publicity, permits, franchises and all technology rights and licenses, including computer software and programs (including all source code and object code), websites and all proprietary know-how, trade secrets, inventions, discoveries, developments, research, and formulas, whether or not patentable, and all other proprietary information or intangible property and any improvements, updates, enhancements or modifications related to any of the foregoing, in each case whether or not registered, owned by or licensed to Seller, developed in connection with the operation of Seller, or necessary for the operation of the business of Seller (hereinafter collectively referred to as “Intellectual Property Assets”);

(j) To the extent not otherwise specifically included or excluded from this transaction in this Section 1.01, all assets of every kind, character, nature and description, whether tangible or intangible, known or unknown, contingent or fixed associated solely with the Business.

Section 1.02 Assumed Liabilities. At Closing, pursuant to the Assumption Agreement, Buyer will assume all obligations due after the Closing under the Assumed Contracts (but excluding those contracts set forth on Schedule 1.02 (the “Excluded Contracts”) to the extent such obligations do not relate to breaches prior to the Closing (the “Assumed Liabilities”), and any and all Liabilities and obligations arising out of or relating to the Purchased Assets or the Business that arise on or after the Closing. Except as expressly set forth in this Section 1.02 and otherwise in this Agreement Buyer is not assuming any Liabilities (absolute, accrued, fixed or contingent, matured or unmatured or otherwise) of Seller, all such Liabilities are retained by Seller, and Seller shall satisfy in full such Liabilities. Without limitation, Buyer shall not be responsible for:

- (a) any liability to Seller Member or any affiliate, including, without limitation, any loans or advances received from Seller Member or expenses paid by Seller Member on behalf of Seller;
- (b) any liabilities for debt, borrowed money, or any guarantees, letters of credit or any obligations relating thereto;
- (c) any liabilities associated with the conduct of Seller’s business (including acts or omissions) prior to the Closing Date;
- (d) any liability of Seller insured against to the extent such liability is paid by an insurer;
- (e) any liabilities or expenses which are incurred by Seller in making or carrying into effect this Agreement or which are incidental thereto, including, without limitation, (i) any liquidation or dissolution of Seller; (ii) any Transfer Taxes; and (iii) any and all costs, expenses or liabilities of Seller that arise out of the sale herein contemplated or that arise after the Closing Date;
- (f) any liabilities arising from or relating to the Excluded Assets or the Excluded Contracts;
- (g) any Pre-Closing Taxes;
- (h) any liability accruing under any employee benefit plans or employee benefit arrangements; and
- (i) any liability associated with benefits or other perquisites provided to independent contractors.

Section 1.03 Termination of Employees. Buyer shall have no obligation to employ any employees of Seller, in accordance with the terms of this Agreement. Seller shall pay and be liable for all severance pay or other termination compensation or benefits which are required to be paid to its employees, past wages or salaries, accrued vacation or sick leave or retirement, pension, profit sharing or other welfare benefit plan benefits or other benefits or compensation of its employees. Buyer does not assume any such obligations or liabilities and shall have no obligation or liability in that regard and Seller shall defend, indemnify and hold Buyer harmless from any such liability or obligation.

Section 1.04 Purchase Price. Subject to the terms and conditions set forth in this Agreement, on the Closing Date Buyer shall purchase and assume from Seller, and Seller shall sell and assign to Buyer, all of the Purchased Assets. The purchase price for the Purchased Assets shall be an amount equal to Ten and no/100 Dollars (\$10.00) (the “Purchase Price”), payable to Seller at Closing in immediately available funds.

ARTICLE 2

CLOSING

Section 2.01 Closing. Unless this Agreement has been terminated as herein set forth, subject to and in accordance with the provisions of this Agreement, the consummation of the transactions contemplated hereby (the “Closing”) will occur at 9:00 a.m. local time, at the offices of Polsinelli PC 900 W. 48th Place, Suite 900, Kansas City, MO 64112, or at such other time, means (including the electronic exchange of signatures) or place as the parties mutually agree. The Closing will occur within three (3) business days after all of the conditions to Closing have been satisfied or waived in writing, or such other date and/or time as the Parties mutually agree (the “Closing Date”). The targeted Closing Date shall be November 17th, 2022 (the “Target Closing Date”). The Target Closing Date may be extended at the election of the Buyer to any date on or prior to December 31, 2022 (the “Outside Closing Date”). Subject to the provisions set forth herein, all transfers of the Purchased Assets will be deemed to occur as of 9:00 a.m. local time on the Closing Date, and until such time Seller will retain the ownership and possession of, and bear all risk of loss or damage to, the Purchased Assets and will remain liable for all liabilities that arise out of or relate to the Business.

Section 2.02 Closing Deliveries.

- (a) At or prior to the Closing, Seller shall deliver to Buyer:
 - (i) a Bill of Sale dated the Closing Date and duly executed by Seller in the form attached as Exhibit B (the “Bill of Sale”);
 - (ii) an Assumption Agreement dated the Closing Date and duly executed by Seller in the form attached as Exhibit C (the “Assumption Agreement”);
 - (iii) a certificate pursuant to Treasury Regulations Section 1.1445-2(b) that Seller is not a “foreign person” within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended (the “Code”), duly executed by Seller;
 - (iv) a certificate from an officer of Seller, given by him on behalf of Seller and not in his individual capacity, to the effect that the conditions set forth in Sections 8.01, 8.02 and 8.03 have been satisfied;
 - (v) the Seller’s Secretary’s certificate as required pursuant to Section 8.06;

(vi) written consents to the assignment of any Purchased Asset, including any Assumed Contract that is not assignable without the consent of any other person;

(vii) all consents or approvals from and filings with third parties, regulators and governmental agencies required to consummate the transactions contemplated hereby, or which, either individually or in the aggregate, if not obtained, would cause an adverse effect on Seller's financial condition or business, including, without limitation, those set forth on Schedule 2.02(a), shall have been obtained and delivered to Buyer;

(viii) a file-stamped copy of the termination or abandonment of any fictitious name filing made; and

(ix) such other documents as are reasonably required in order to consummate the transactions contemplated hereby and which may be requested by Buyer.

(b) At or prior to the Closing, Buyer shall deliver to Seller:

(i) the Purchase Price in accordance with Section 1.05;

(ii) a certificate from an officer of Buyer, given by him or on behalf of Buyer and not in his individual capacity, to the effect that the conditions set forth in Sections 7.01, 7.02 and 7.03 have been satisfied;

(iii) an Assumption Agreement dated the Closing Date and duly executed by Buyer in the form attached as Exhibit C;

(iv) the Buyer's Secretary's certificate as required pursuant to Section 7.05; and

(v) such other documents as are reasonably required in order to consummate the transactions contemplated hereby and which may be requested by Seller.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES **OF SELLER**

As an inducement to Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, Seller and Seller Member hereby jointly and severally represent and warrant to Buyer as of the date hereof and as of the Closing Date as follows:

Section 3.01 Organization and Good Standing. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Colorado. Seller is not a "foreign person" as that term is used in Treasury Regulations Section 1.1445-2.

Section 3.02 Capitalization. All of the issued and outstanding membership interests of Seller are owned by the Seller Member. All of the issued and outstanding capital stock of Seller Member is owned by the Guarantor.

Section 3.03 Authority and Enforceability. Seller has full power and authority to execute, deliver and perform this Agreement and each document to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery of this Agreement by Seller and Seller Member, and each document and performance of the transactions contemplated hereby and thereby have been duly authorized by all necessary limited liability company action on the part of Seller and Seller Member. This Agreement and each document have been duly executed and delivered by Seller and constitutes the valid and legally binding obligation of Seller, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, preferential transfers and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity.

Section 3.04 Noncontravention. Except as set forth on Schedule 3.04, the transaction will not: (a) violate any applicable law, regulation or other restriction of any governmental entity to which Seller is subject; (b) violate any provision of Seller's or Seller Member's governing documents; or (c) conflict with, result in a breach of, constitute a default under, result in the acceleration of, give any person the right to accelerate, terminate, modify or cancel, any agreement, permit, contract, instrument or other arrangement to which Seller is a party or by which it is bound or to which any of its assets or properties are subject (or result in the imposition of a Lien (as defined herein below), upon any of its assets).

Section 3.05 Title. Seller shall convey to Buyer valid and marketable title to the Purchased Assets free and clear of all claims, liens, pledges, security interests, encumbrances or special taxes of any kind, nature or description except those relating to an obligation of Seller and permitted by the terms of the Lease ("Liens"). Upon consummation of the transactions contemplated hereby, Buyer will receive good, valid, and marketable title to (or a valid leasehold interest in, as the case may be) the Purchased Assets.

Section 3.06 Government Approvals; Required Consents. Except as required under the Lease, no authorization, consent, approval or, permit of, or filing with, any governmental body or entity, any lender or lessor or any other person is required of Seller (a) to authorize, or is required in connection with, the execution, delivery and performance of this Agreement or the agreements contemplated hereby on the part of Seller or (b) in connection with the transfer of any of the Purchased Assets from Seller to Buyer. To the extent any authorization, consent, approval or, Permit (as defined below) of, or filing with, any governmental body, any lender or lessor or any other person is required of Seller, Seller has obtained (or by Closing, will obtain) such authorization, consent, or approval, permit, or made such filing. Notwithstanding the foregoing or anything to the contrary herein, Buyer acknowledges and agrees that Buyer is required to either obtain a transfer of the liquor licenses of Seller in connection with the acquisition of the Purchased Assets, or obtain a new liquor license in connection therewith, which Buyer shall obtain at its sole cost and expense.

Section 3.07 No Breach. Upon the receipt of all required consents set forth on Schedule 3.07, the execution and delivery of this Agreement by Seller and Seller Member, the consummation of the transactions, and the performance by Seller of its obligations hereunder will not result in any material breach of any term, condition or provision of, or constitute a material default under, any note, mortgage, indenture, contract, agreement, judgment or order to which Seller, Seller Member or the Purchased Assets may be bound, and will not contravene any provision of applicable law or regulation.

Section 3.08 Absence of Litigation and Claims. Except as set forth on Schedule 3.08, there are no claims, actions, suits of any kind, litigation, proceedings and investigations, including any condemnation proceedings, currently pending or, to the Knowledge of Seller, threatened in writing against or affecting Seller, Seller Member or the Business or any of the Purchased Assets, at law or in equity, or before or by any governmental entity or body. Within the last three years, Seller has not been, and is not now, subject to any order, judgment, decree, stipulation or consent of any, governmental entity or body. No inquiry, action or proceeding has been asserted, instituted or, to the Knowledge of Seller, threatened in writing to restrain or prohibit the carrying out of the transactions contemplated by this Agreement or to challenge the validity of such transactions or any part thereof or seeking damages on account thereof. To the Knowledge of Seller, there is no basis for any claim or action that would, or could reasonably be expected to (individually or in the aggregate), have a material, adverse effect on the Business or the Purchased Assets.

Section 3.09 Assumed Contracts. True, correct and complete copies of the Assumed Contracts have heretofore been provided by Seller to Buyer, and all such documents are genuine and in all respects what they purport to be. There are no agreements, contracts, leases, licenses or pricing commitments to which Buyer could be bound, that extend after the Closing Date, except the Assumed Contracts. Each of the Assumed Contracts is valid and enforceable in accordance with its terms. Except as set forth on Schedule 3.09, Seller is not in default in the performance, observance or fulfillment of any material obligation, covenant or condition contained in the Assumed Contracts, and no event has occurred which with the giving of notice or lapse of time would constitute a default thereunder.

Section 3.10 Sufficiency of Purchased Assets. The Purchased Assets constitute all material tangible and intangible property necessary for Buyer to conduct the Business being transferred to Buyer as of the Closing as it is currently conducted. None of the Excluded Assets are material to the operation of the Business.

Section 3.11 Lease. Except as set forth on Schedule 3.11, the Lease is in full force and effect, and, to Seller's Knowledge, neither Seller nor any other party to such leases is in default of the Lease, except as set forth on Schedule 3.11. Seller has made available to Buyer a true, correct and complete copy of the Lease, and Seller is not aware of any amendment, assignment, or other material modification to the Lease, except as set forth on Schedule 3.11.

Section 3.12 Employees. Seller has delivered to Buyer true, correct and complete copies of each agreement, plan or obligation, if any, providing for sick leave, salaries, wages, vacations, pensions, retirement benefits, profit-sharing, insurance, incentive, deferred compensation, bonus or other benefits or compensation for employees, whether written or oral and whether or not legally binding. A summary of such employee information is identified on Schedule 3.12 attached hereto.

To Seller's Knowledge, no employee of Seller, nor any consultant with whom Seller has contracted, is in violation of any term of any proprietary information agreement or any other agreement relating to the right of any such individual to be employed by, or to contract with, Seller because of the nature of the business to be conducted by Seller and Seller has not received any written notice alleging that any such violation has occurred. Seller has complied in all material respects with all legal requirements that relate to wages, hours and discrimination in employment and collective bargaining and is not liable for any arrears of wages or any Taxes or penalties for failure to comply with any of the foregoing. Seller is not a party to any collective bargaining agreement, nor is any organizing drive under way or any representation election scheduled. Seller is neither a party to, nor been affected by, nor threatened with, any dispute or controversy with a union or with respect to unionization or collective bargaining involving its employees.

Section 3.13 Taxes. Seller Parties have duly and timely filed true, correct and complete Tax Returns, all prepared in accordance with applicable laws, for all years and periods (and portions thereof) and for all jurisdictions (whether federal, state, local or foreign) in which any Tax Returns were due, excepting any extensions granted under applicable Laws. Each of the Seller Parties have timely paid all Taxes required to be paid by it in accordance with applicable Laws. There are no existing Liens for Taxes upon any of the Purchased Assets. No claim has ever been made by an authority in a jurisdiction where Seller Member or Seller does not file Tax Returns that Seller Member or Seller is or may be subject to Tax by that jurisdiction. There is no dispute or claim concerning any Tax liability of Seller. No Seller Party has waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency. Seller is and has always been an entity, other than one which is a "qualified subchapter S subsidiary" as such term is defined in Section 1361(b)(3)(B) of the Code, which is a limited liability company which is disregarded as an entity separate from its owner for U.S. federal (and applicable state and local) income tax purposes for which no election under Treasury Regulations Section 301.7701-3(c)(1)(i) for such entity to be treated in any other manner (including the filing of an Internal Revenue Service Form 8832) has been or will be made. Seller Member is, and has at all times properly been classified as taxed as an S corporation within the meaning of Section 1361(a)(1) of the Code for U.S. federal (and applicable state and local) income tax purposes.

Section 3.14 Financial Statements. Seller has delivered to Buyer the unaudited financial statements of Seller for the year ended December 31, 2021, and the 8-month period ended August 31, 2022 (the "Financial Statements"). The Financial Statements fairly present the financial position of Seller as of the respective dates thereof and the operations for the periods therein referred to, and, in each case, to Seller's Knowledge, have been prepared in accordance with generally accepted accounting principles consistently applied. Seller has no liabilities and obligations related to the Business and the Purchased Assets other than those reflected on the Financial Statements or otherwise incurred in the ordinary course of the Business. All accounts and notes receivable of Seller as of the date hereof, which are set forth on Schedule 3.14, constitute valid claims against third parties not affiliated with Seller arising in the ordinary course of business of Seller. Seller has a sufficient amount and composition of inventories to conduct its business consistent with past practices.

Section 3.15 Undisclosed Liabilities. Seller has no Liabilities with respect to the Business, except (a) those which are adequately reflected or reserved against in the Balance Sheet

as of the Balance Sheet Date, and (b) those which have been incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date and which are not, individually or in the aggregate, material in amount.

Section 3.16 Licenses; Permits. The Permits identified in Schedule 3.16 constitute all governmental licenses and permits (“Permits”) necessary to conduct the Business as it is presently conducted. Seller and the Business have complied and are in compliance, in all material respects, with the terms and conditions of the Permits and no violation of any of the Permits or the laws or rules governing the issuance or continued validity thereof has occurred. Seller has no agreement or arrangement with any governmental entity with respect to the Permits, or with respect other licenses required to operate the Business, that might in any way impair the ability of Buyer to operate the Business.

Section 3.17 Legal Compliance. With respect to the conduct of the Business, Seller has materially complied with all applicable Laws, and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against Seller or, to Seller’s Knowledge, threatened alleging any failure to so comply that would have a material adverse effect on the transactions contemplated by this Agreement.

Section 3.18 Environmental Matters. To Seller’s Knowledge, (a) there is no asbestos or asbestos containing materials in the buildings located on the Leased Premises; (b) there does not now exist on, under or within the Leased Premises any discharge, spillage, uncontrolled loss, seepage or filtration of oil or petroleum or solid liquid or gaseous products or hazardous waste (collectively a “Spill”) or any hazardous waste or toxic substance; (c) there does not now exist any condition, and the current or proposed operations are not likely to cause to exist any condition, upon the Leased Premises that would materially increase the possibility of (i) the occurrence of a Spill; (ii) the presence of hazardous waste or a hazardous or toxic substance; or (iii) a violation of any environmental laws or any other federal, state or local environmental law, regulation or ruling applicable to the property.

As used in this context, environmental laws mean the Federal Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sections 9601-9675; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901-6992K; or any other federal, state or local statute, law, ordinance, code, rule, regulation, order, decree or regulation, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or materials as now or at any time hereafter in effect

As used in this Section 3.18 and only this Section 3.18, “Seller’s Knowledge,” or words of similar import, means the actual knowledge of Brian Chatwin, with no duty to investigate.

Section 3.19 Insurance. The Purchased Assets are insured under various policies of general liability and other forms of insurance. All such policies are in full force and effect in accordance with their terms, no notice of cancellation has been received, and there is no existing default or event which, with the giving of notice or lapse of time or both, would constitute a default thereunder. Such policies are in amounts which are adequate in relation to the Purchased Assets and all premiums to date have been paid in full.

Section 3.20 Conditions Affecting Seller. To Seller's Knowledge, there is no fact, development, or threatened development with respect to the services, customers, facilities, personnel, vendors, suppliers, operations, assets or prospects of Seller or the Business that are known to Seller and that could materially and adversely affect the Business, other than such conditions as may affect the economy as a whole, which includes, without limitation, labor shortages. Seller has used its commercially reasonable efforts to keep available for Buyer the services of the agents, independent contractors, customers and suppliers of Seller active in the conduct of the Business. Seller has not received notice or any other communication, written or oral from any of Seller's independent contractors or material suppliers that he, she or it will, for any reason, cease to do business with Buyer after the Closing Date.

Section 3.21 Seller's Brokers. Seller has not incurred any liability to any broker, finder or agent with respect to the payment of any commission regarding the consummation of the transaction.

Section 3.22 Full Disclosure. No representation or warranty by Seller in this Agreement nor in any certificate, schedule, exhibit, letter or other instrument furnished or to be furnished to Buyer or its representatives pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained therein not misleading. To Seller's Knowledge, there is no information of a material nature concerning the Purchased Assets or the business, operations, customers or employees of Seller which has not heretofore been disclosed to Buyer or its representatives.

Section 3.23 No Other Representations and Warranties. Except for the representations and warranties contained in this Article 3 of this Agreement, neither Seller, Seller Member, Guarantor, nor any other Person has made or makes any other express or implied representation or warranty on behalf of Seller and its Business, including any representation or warranty as to the accuracy or completeness of any information regarding such subject matter furnished or made available to Buyer, and including any information as to the future revenue, profitability or success of Seller and its Business, or any representation or warranty arising from statute or otherwise in Law.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER

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

Section 4.01 Organization and Good Standing. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Colorado. Buyer is not in violation of any provision of its governing documents.

Section 4.02 Authority and Enforceability. Buyer has full power and authority to execute, deliver and perform this Agreement and each transaction document to which it is a party

and to consummate the transactions contemplated hereby and thereby. The execution, delivery of this Agreement and each transaction document and performance of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of Buyer. This Agreement and each transaction document have been duly executed and delivered by Buyer and (assuming due authorization, execution and delivery by the counterparties thereto) constitutes the valid and legally binding obligation of Buyer, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, preferential transfers and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity.

Section 4.03 Noncontravention. The transaction contemplated hereby will not: (a) violate any law or other restriction of any governmental entity to which Buyer is subject; (b) violate any provision of Buyer's governing documents; or (c) conflict with, result in a breach of, constitute a default under, result in the acceleration of, give any person the right to accelerate, terminate, modify or cancel, or require any notice under, any agreement, permit, instrument or other arrangement to which Buyer is a party or by which it is bound or to which any of its assets or properties are subject (or result in the imposition of a Lien upon any of its assets).

Section 4.04 No Brokers. Buyer has not incurred any liability to any broker, finder or again with respect to the payment of any commission regarding the consummation of the transaction or which Seller has or could have any liability.

Section 4.05 Absence of Litigation. There is no action, suit, or proceeding currently pending or, to the knowledge of Buyer, threatened in writing against or affecting Buyer, at law or in equity, or before or by any governmental entity or body.

Section 4.06 Government Approvals; Required Consents. No authorization, consent, approval or, permit of, or filing with, any governmental body or entity, or any other person, except those which Buyer has obtained or filed, or will obtain or file before Closing, is required of Buyer (a) to authorize, or is required in connection with, the execution, delivery and performance of this Agreement or the agreements contemplated hereby on the part of Buyer. To the extent any authorization, consent, approval or filing with, any governmental body, any lender or lessor or any other person is required of Buyer, Buyer has obtained such authorization, consent, or approval, permit, or made such filing.

Section 4.07 No Breach. The execution and delivery of this Agreement by Buyer, the consummation of the transactions, and the performance by Buyer of its obligations hereunder will not result in any material breach of any term, condition or provision of, or constitute a material default under, any note, mortgage, indenture, contract, agreement, judgment or order to which Buyer may be bound, and will not contravene any provision of applicable law or regulation.

Section 4.08 Financial Wherewithal. Buyer and Buyer's Guarantor possesses the financial ability to perform all obligations contained in this Agreement.

Section 4.09 Non-Reliance. Except as expressly set forth in this Agreement, Buyer has not relied and will not rely on, and Seller, Seller Member, Guarantor have not made and are not liable for or bound by, any express or implied warranties, guarantees, statements, representations

or information pertaining to the Purchased Assets or the Business or relating thereto made or furnished by Seller, Seller Member, Guarantor, agent or third party representing or purporting to represent Seller, Seller Member, Guarantor, to whomever made or given, directly or indirectly, orally or in writing.

Section 4.10 Financial Statements. Buyer has delivered to Seller the unaudited financial statements of Buyer's Guarantor for the periods from January 2020 through December 2021 and January 2022 through July 2022 (collectively, the "Buyer's Financial Statements"). The Buyer's Financial Statements fairly present the financial position of Buyer's Guarantor as of the date thereof and the operations for the periods therein referred to, and, in each case, to Buyer's Knowledge, have been prepared in accordance with generally accepted accounting principles consistently applied.

ARTICLE 5

COVENANTS OF SELLER

Section 5.01 Affirmative Covenants of Seller.

(a) **Non-Compete; Non-Solicit.** In exchange for the Purchase Price and the other consideration herein, for two (2) years following the Closing Date, Seller agrees and covenants as follows, and will cause its Affiliates:

(i) Not to divert, or attempt to divert, directly or indirectly, any business, business opportunity, or customer of Buyer to any competitor of Buyer;

(ii) Except with prior written consent of Buyer, not to employ, or seek to employ, any person who is at the time or was within the preceding 180 days employed by Buyer or its affiliates, or otherwise directly or indirectly induce such person to leave that person's employment;

(iii) Except with prior written consent of Buyer, not to directly or indirectly for themselves or through, on behalf of, or in conjunction with any person, partnership, corporation, or other legal entity, own, maintain, operate, engage in, or have any financial or beneficial interests in (including any interests in corporations, partnerships, trusts, unincorporated associations, other legal entities, or joint ventures) become employed, advise, assist or make loans to, any business that looks like, copies, imitates, or operates in a manner similar to a the business of Buyer within a five (5) mile radius of any location where Buyer or its affiliates do business;

(iv) Not disparage the professional or company reputation of Buyer or any of its Affiliates in any way that would adversely and materially affect the goodwill, reputation, or business relationship of Buyer or with the public generally; provided, however, that the foregoing shall not prohibit Seller from making any truthful statement in any legal proceedings.

(b) **Actions Before Closing.** Seller shall use commercially reasonable efforts to perform and satisfy all conditions to Closing to be performed or satisfied by it under this Agreement as soon as possible, but in no event later than the Closing Date.

(c) **Notification.** Seller shall promptly notify Buyer of any action, suit, or proceeding that shall be instituted or threatened in writing against such party to restrain, prohibit, or otherwise challenge the legality of any transaction contemplated by this Agreement. Seller shall promptly notify Buyer of: (a) any lawsuit, claim, proceeding, or investigation that may be threatened in writing, brought, asserted in writing, or commenced against Seller, and (b) any other event or matter which becomes known to Seller and would cause any other representation or warranty contained in Article 3 to be untrue in any material respect.

(d) **Further Assurances.** From time to time following the Closing, Seller shall execute and deliver such other bills of sale, deeds, endorsements, assignments, and other instruments of conveyance and transfer as Buyer may reasonably request or as may be otherwise necessary to more effectively consummate the transaction contemplated in this Agreement, provide that the same do not expand the obligations or liabilities of Seller, Seller Member or Guarantor beyond those set forth in this Agreement.

(e) **Tax Cooperation.** After the Closing Date, Buyer and Seller shall cooperate fully, as and to the extent reasonably requested by the other, in connection with the filing of Tax Returns and any audit litigation, appeal, hearing or other proceeding with respect to taxes. Each party shall bear its own expenses in complying with the foregoing provisions.

(f) **Ordinary Course of Business.** Seller shall carry on the operations of the Business only in the usual, regular and ordinary course consistent with past practices of the Business.

(g) **Maintenance of Relationships.** Seller shall use its best efforts to maintain and preserve its business organization, to retain its present employees and to maintain its present relationships with employees, customers, suppliers and others having business dealings with the Business.

(h) **Maintenance of the Purchased Assets.** Seller shall maintain the Purchased Assets in existing operating repair and maintain the level of inventories in accordance with past practices of the Business.

(i) **Payment of Obligations in Ordinary Course.** Seller shall pay and discharge all costs and expenses of carrying on the operation of the Business and of maintaining and operating the Purchased Assets as they become due and pay and discharge any such costs and expenses which at the date hereof are past due, unless contested in good faith.

(j) **Representations and Warranties.** Seller shall use its best efforts to prevent the occurrence of any change or event which would prevent any of the representations and warranties of Seller contained herein from being true in all material respects at and as of the Closing Date with the same effect as though such representations and warranties had been made at and as of the Closing Date.

(k) **Maintenance of Records.** Seller shall maintain its books and records, including those regarding accounts receivable, in the usual, regular and customary manner on a basis consistently applied.

(l) **Access to and Updating of Information.** Subject to the parties' confidentiality obligations, during reasonable business hours, Seller shall afford to the officers, attorneys, accountants, and other authorized representatives of Buyer, free and full access to the Purchased Assets, the Books and Records of Seller, and Seller's employees in order that Buyer may have full opportunity to make a reasonable investigation with respect to the Business and the Purchased Assets.

(m) **Consents.** As soon as practicable after the date of the Agreement and prior to the Closing, Seller covenants and agrees that it will use its best efforts to secure all waivers, orders, approvals or consents of third parties (including, without limitation, any waivers, orders, approvals or consents deemed necessary by Buyer) which are required to consummate the transactions contemplated hereby, provided that the same do not expand the obligations or liabilities of Seller, Seller Member or Guarantor beyond those set forth in this Agreement.

Section 5.02 Negative Covenants of Seller. Except as may be otherwise expressly provided herein, from and after the date of the Agreement and until the Closing Date, with respect to the Purchased Assets and the operation of the Business, without the consent of Buyer, Seller covenants and agrees that it will not, other than in the ordinary course of business consistent with prior practices:

(i) **Creation of Obligations.** Incur any obligation or liability, absolute or contingent, except in the usual, regular and ordinary course consistent with past practices of the Business;

(ii) **Encumbrances.** Execute, grant or suffer any Lien upon the Purchased Assets;

(iii) **Disposition of Purchased Assets.** Effect any sale, transfer, Lien or other disposition of the Purchased Assets, except for Equipment replaced with items of equivalent or greater value and Inventory in the ordinary course of business;

(iv) **Assumed Contracts.** Amend, modify, assign, transfer, grant or terminate any of the Assumed Contracts;

(v) **Employee Benefits.** Grant any increase in the salaries of any employee of Seller or make any increase in any other benefits to which such employees may be entitled unless such benefits result from a change in Seller's corporate benefit program applicable generally to all salaried employees of Seller;

(vi) **Rights.** Waive, modify or release any rights of material value to the Purchased Assets;

(vii) **Extensions of Credit.** Make loans or extensions of credit with respect to the operations of the Business; and

(viii) **Termination of Operations.** Terminate, discontinue, close or dispose of any part of the Purchased Assets or the operations of the Business except as provided in Section 5.02(iii).

Section 5.03 No Solicitation of Other Bids.

(i) Each of Seller and Seller Member shall not, and shall not authorize or permit any of their respective Affiliates or any of its or their Representatives to, directly or indirectly, (i) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. Each of Seller and Seller Member shall immediately cease and cause to be terminated, and shall cause its Affiliates and all of its and their Representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Persons conducted heretofore with respect to, or that could lead to, an Acquisition Proposal. For purposes hereof, “Acquisition Proposal” shall mean any inquiry, proposal or offer from any Person (other than Buyer or any of its Affiliates) concerning (i) a merger, consolidation, liquidation, recapitalization or other business combination transaction involving Seller; (ii) the issuance or acquisition of equity interests in Seller; or (iii) the sale, lease, exchange or other disposition of any significant portion of Seller’s properties or assets.

(ii) Each of Seller and Seller Member agrees that the rights and remedies for noncompliance with this Section 5.03 shall include having such provision specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to Buyer and that money damages would not provide an adequate remedy to Buyer.

ARTICLE 6

COVENANTS OF BUYER

Section 6.01 Actions Before Closing. Buyer shall not take any action that shall cause it to be in material breach of any of its representations, warranties, covenants, or agreements contained in this Agreement. Buyer shall use commercially reasonable efforts to perform and satisfy all conditions to Closing to be performed or satisfied by it under this Agreement as soon as possible, but in no event later than the Closing Date.

Section 6.02 Further Assurances. From time to time following the Closing, Buyer shall execute and deliver, or cause to be executed and delivered, to Seller such other documents and agreements as Seller may reasonably request or as may be otherwise necessary to more effectively consummate the transactions contemplated by this Agreement.

Section 6.03 Further Assurances. Buyer will use commercially reasonable efforts to obtain a release of any Seller, Seller Member, Guarantor, or any of their Affiliates from any guaranty obligations of leases assumed by Buyer.

ARTICLE 7
CONDITIONS PRECEDENT TO PERFORMANCE
BY SELLER

The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, at or before the Closing Date, of the following conditions, any one or more of which may be waived in writing by Seller in its sole discretion.

Section 7.01 Representations and Warranties of Buyer. All representations and warranties made by Buyer in this Agreement that are qualified as to materiality shall be true and correct, and all representations and warranties of Buyer that are not so qualified shall be true and correct in all material respects, in each case, as of the date hereof, and, except to the extent such representations and warranties refer to a specific date (which shall be true and correct as of such date), as of the Closing Date as though made by Buyer on and as of the Closing Date. Seller shall have received a certificate to that effect dated the Closing Date and signed by the President or other duly authorized representative of Buyer.

Section 7.02 Performance of the Obligations of Buyer. Buyer shall have performed in all material respects all of its obligations required under this Agreement to be performed by it on or before the Closing Date. Seller shall have received a certificate to that effect dated the Closing Date and signed by the President or other duly authorized representative of Buyer.

Section 7.03 No Violation of Orders. No preliminary or permanent injunction or other order issued by any court or other governmental or regulatory authority, domestic or foreign, nor any statute, rule, regulation, decree, or executive order promulgated or enacted by any governmental entity, including any enactment, issuance, or promulgation, that declares this Agreement invalid or unenforceable in any respect, that prevents the consummation of the transactions contemplated hereby shall be in effect.

Section 7.04 Closing Documents. Buyer shall have delivered each of the items specified in Section 2.02(b) that are required to be delivered to Seller at Closing.

Section 7.05 Secretary's Certificate. Buyer shall have delivered to Seller a certificate of the Secretary of Buyer, dated as of the Closing Date, certifying as to (a) the governing documents of Buyer in effect as of the Closing Date, and (b) the incumbency of each party executing this Agreement and any other agreements, documents or instruments to be delivered by Buyer to Seller pursuant to this Agreement at or prior to the Closing.

Section 7.06 Consents. Seller shall have obtained all orders, approvals or consents of third parties that shall be required to consummate the transactions contemplated hereby, including, without limitation, consents to the assignment of the Assumed Contracts, Lease and any and all other agreements, leases, arrangements, commitments, licenses, permits, certificates, approvals, authorizations, memberships and franchises to be assigned to Buyer.

ARTICLE 8

CONDITIONS PRECEDENT TO PERFORMANCE BY BUYER

The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment, at or before the Closing Date, of the following conditions, any one or more of which may be waived by Buyer in its sole discretion:

Section 8.01 Representations and Warranties of Seller. All representations and warranties made by Seller in this Agreement that are qualified as to materiality shall be true and correct, and all representations and warranties of Seller that are not so qualified shall be true and correct in all material respects, in each case as of the date hereof, and, except to the extent such representations and warranties refer to a specific date (which shall be true and correct as of such date), as of the Closing Date as though made by Seller on and as of the Closing Date. Buyer shall have received a certificate to that effect dated the Closing Date and signed by a duly authorized representative of Seller.

Section 8.02 Performance of the Obligations of Seller. Seller shall have performed in all material respects all obligations required under this Agreement to be performed by it on or before the Closing Date, and Buyer shall have received a certificate to that effect dated the Closing Date and signed by a duly authorized representative of Seller.

Section 8.03 No Violation of Orders. No preliminary or permanent injunction or other order issued by any court or governmental or regulatory authority, domestic or foreign, or any statute, rule, regulation, decree, or executive order promulgated or enacted by any governmental entity, that declares this Agreement invalid in any respect or prevents the consummation of the transactions contemplated hereby.

Section 8.04 Closing Documents. Seller and Seller's Member shall have delivered each of the items specified in Section 2.02(a) that are required to be delivered to Buyer at Closing.

Section 8.05 No Material Adverse Effect. During the period from the date hereof to the Closing Date, there shall not have occurred any event that, individually or when considered together with any other matter, has had or is reasonably likely to have a material adverse effect on the Business or the Purchased Assets.

Section 8.06 Secretary's Certificate. Seller shall have delivered to Buyer a certificate of the Secretary of Seller, dated as of the Closing Date, certifying as to (a) the governing documents of Seller in effect as of the Closing Date, and (b) the incumbency of each party executing this Agreement and any other agreements, documents or instruments to be delivered by Seller to Buyer pursuant to this Agreement at or prior to the Closing.

Section 8.07 Litigation. At the Closing Date and except as disclosed to Buyer on Schedule 3.11 (with any materials updates related thereto as being disclosed prior to the Closing Date), there shall not be pending or threatened any litigation in any court or any proceeding before any agency (a) in which it is sought to restrain or prohibit or obtain damages in respect of the consummation of the purchase and sale of the Purchased Assets or the other transactions contemplated hereby, (b) which could, if adversely determined, result in any material adverse

change in the Purchased Assets or in the business, operations, condition, financial or otherwise, or results of operations of Business, or (c) as a result of which, in the reasonable judgment of Buyer, Buyer would be deprived of the material benefits of its ownership of the Purchased Assets.

Section 8.08 Consents. Seller shall have obtained all orders, approvals or consents of third parties that shall be required to consummate the transactions contemplated hereby, including, without limitation, consents to the assignment of the Assumed Contracts and any and all other agreements, leases, arrangements, commitments, licenses, permits, certificates, approvals, authorizations, memberships and franchises to be assigned to Buyer.

Section 8.09 Franchise Agreement. Buyer shall have entered into a Franchise Agreement or equivalent agreement, and any other related contracts, licenses or agreements, upon terms acceptable to Buyer, with Scissors & Scotch Franchising, LLC, a Kansas limited liability company (“Franchisor”) pursuant to which Buyer shall be entitled to operate the Business and Purchased Assets as a franchisee of the Franchisor, which shall include the providing of high end hair barbershop services and products, including but not limited to haircuts, hair coloring, shaves, waxes, massages, hand repairs, foot repairs, lounge and bar services (the “Franchise Agreement”).

Section 8.10 Satisfaction of Amounts Owed to Vendors. Seller shall have paid in full all amounts owed to vendors specified on Schedule 1.

ARTICLE 9

INDEMNIFICATION

Section 9.01 Survival; Right to Indemnification. The representations and warranties and covenants and agreements of Seller, Seller’s Member, Guarantor, Buyer and Buyer’s Guarantor herein and in the documents and instruments to be delivered pursuant hereto shall survive the Closing Date as follows: (a) all covenants and agreements concerning pre-Closing conduct or matters shall terminate at Closing; (b) all covenants and agreements concerning post-Closing conduct or matters shall terminate on the second (2nd) anniversary of the Closing Date, unless another date is explicitly reference in the applicable covenant or agreement; (c) the representations and warranties in Sections 3.03 and Section 4.02 shall survive indefinitely; (d) the covenants, agreements, representations and warranties set forth in Section 11.01 shall survive indefinitely unless otherwise limited specifically in Section 11.01; and (e) all other representations and warranties shall survive for a period of 18 months following the Closing Date.

Section 9.02 Indemnification by Seller. From and after the Closing Date, Seller and Seller Member shall jointly and severally indemnify and hold Buyer and each of its Affiliates and their respective Representatives (the “Buyer Indemnitees”) harmless from and will pay to Buyer Indemnitees the amount of all damages, penalties, losses, deficiencies, costs, expenses, obligations, fines, expenditures, claims and liabilities, including reasonable attorneys’ fees and expenses, but excluding any special, punitive, consequential, indirect or incidental losses (including loss of profits, lost business or enhanced damages), unless and to the extent resulting from punitive damages arising from a third-party claim (collectively the “Damages”), whether or not involving a third-party claim, suffered by Buyer Indemnitees arising directly or indirectly from or in connection with (a) any breach or inaccuracy of a representation or warranty on the part of

Seller or Seller Member under this Agreement; (b) any breach of any covenant or agreement on the part of Seller or Seller Member under this Agreement; and (c) except those which have been expressly assumed by Buyer as an Assumed Liability or pursuant to the Assumption Agreement, any and all liabilities and obligations of Seller, including, but not limited to, any claim arising out of the operation of the Business, or for products or services sold by Seller prior to the Closing Date. The provisions of this Section 9.02 shall survive the Closing.

Section 9.03 Indemnification by Buyer. From and after the Closing Date, Buyer shall indemnify and hold harmless Seller and its respective officers, directors, employees, agents, representatives, owners, members, managers, and controlling persons (the “Seller Indemnitees”), and will pay to Seller Indemnitees all Damages, whether or not involving a third-party claim, suffered by the Seller Indemnitees arising directly or indirectly from or in connection with (a) any breach or inaccuracy of a representation or warranty or nonfulfillment of any agreement or covenant on the part of Buyer under this Agreement, (b) any and all liabilities and obligations of Buyer arising out of the operation of the Business after the Closing Date; (c) any Assumed Liability, and (d) any default or event of default under the Lease; and (e) any breach of Article 11. The provisions of this Section 9.03 shall survive the Closing.

Section 9.04 Insurance. To the extent that a party hereto entitled to indemnification (such party, an “Indemnified Party”) receives insurance proceeds as a result of any Damages, the Indemnified Party shall pay the amount of such insurance proceeds to the party from whom indemnification is sought (such party, an “Indemnifying Party”) promptly after such insurance proceeds are actually received by the Indemnified Party less the sum of any costs incurred in the collection thereof; provided, however, that the Indemnifying Party shall not be entitled to any such net insurance proceeds in excess of the indemnification payment or payments actually received from the Indemnifying Party by the Indemnified Party with respect to such Damages.

Section 9.05 Exclusive Remedy. Except as provided in Section 12.02, Buyer, Seller and Seller’s Member each further acknowledges and agrees that, from and after the Closing, its and its affiliates’ sole and exclusive remedy with respect to any and all claims relating to this Agreement or the transactions contemplated herein shall be pursuant to the indemnification provisions set forth in this Article 9.

ARTICLE 10

TERMINATION

Section 10.01 Conditions of Termination. Notwithstanding anything to the contrary contained herein, this Agreement may be terminated at any time before the Closing:

- (a) By mutual written consent of Seller and Buyer;
- (b) By Buyer or Seller, upon ten days’ prior written notice to the other party if the Closing has not occurred by December 31, 2022;
- (c) By Buyer, if Seller has materially breached any representation, warranty, covenant, or agreement contained in this Agreement, and has not, in the case of a breach of a covenant or agreement, cured such breach within 15 days after written notice to Seller (*provided*

that Buyer is not then in material breach of the terms of this Agreement and *provided, further*, that no cure period shall be required for a breach that by its nature cannot be cured) such that the conditions set forth in Article 8 hereof will not be satisfied; or

(d) By Seller, if Buyer has materially breached any representation, warranty, covenant, or agreement contained in this Agreement and has not, in the case of a breach of a covenant or agreement, cured such breach within 15 days after written notice to Buyer (*provided that* Seller is not then in material breach of the terms of this Agreement and *provided, further*, that no cure period shall be required for a breach that by its nature cannot be cured) such that the conditions set forth in Article 7 will not be satisfied.

Section 10.02 Effect of Termination. In the event of the termination of this Agreement as provided in Section 10.01(a) or (b) above, this Agreement shall forthwith become void and there shall be no further liability or obligation on the part of Seller or Buyer under this Agreement. In the event of termination of this Agreement as provided in Section 10.01(c), Buyer may proceed with recovery against Seller of any and all actual damages. In the event of the termination of this Agreement as provided in Section 10.01(d), Seller may proceed with recovery against Buyer of any and all actual damages.

ARTICLE 11

BUYER'S POST-CLOSING COVENANTS

Section 11.01 Guaranteed Leases. With respect to any Lease which is guaranteed by Seller, Seller Member, Guarantor, Brian Chatwin and/or Datwyler or any of their respective Affiliates (a "Guaranteed Lease"), Buyer shall not, without obtaining either (a) a release of all guarantees of such Guaranteed Lease of Seller, Seller Member, Guarantor, Brian Chatwin and/or Tom Datwyler and their respective Affiliates (the "Seller Lease Parties"), in a form and substance reasonably approved by the same, or (b) the written consent of all of Seller Lease Parties which are a guarantor of such Guaranteed Lease, do any of the following or permit any of the following to occur:

(a) Default under or invalidly terminate any Guaranteed Lease;

(b) Amend or modify any Guaranteed Lease in manner that would materially increase the obligations and/or liabilities of the Seller Lease Parties that are a guarantor under such Guaranteed Lease and/or extend the term of such Guaranteed Lease; provided however, that Buyer will have the ability exercise any option to renew a Guaranteed Lease pursuant to the terms of any option right that exists under such lease as of the date hereof without the consent or release of such Seller Lease Parties;

(c) Either directly or indirectly, assign a Guaranteed Lease or sublease, transfer, mortgage, pledge, or encumber all or any part of the premises under the Guaranteed Lease or of Buyer's interest under the Guaranteed Lease or in such premises, by operation of law or otherwise, or the use or occupancy of all or any part of such premises by anyone other than Buyer; or

(d) Otherwise make a “Transfer” (hereinafter defined) with respect to Buyer and/or Buyer’s Guarantor. As used in this Article 11, “Transfer” shall mean the transfer or change, whether voluntary, involuntary, or by operation of law, of fifty percent (50%) or more of the control or ownership, whether legal or beneficial, in Buyer and/or Buyer’s Guarantor; the dissolution, merger, consolidation, or other reorganization of Buyer or Buyer’s Guarantor; the withdrawal, resignation, or termination of the majority of any general partners, managers, or board of directors of Buyer; the filing of a voluntary petition in bankruptcy or is adjudicated a bankrupt or insolvent or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal, state, or other statute or law by Buyer and/or Buyer’s Guarantor; the appointment of any trustee, receiver or similar officer for all or any substantial part of the property of Buyer and/or Buyer’s Guarantor; or the sale of all or substantially all of the assets of Buyer and/or Buyer’s Guarantor. For the avoidance of doubt, the reorganization of Buyer or any Buyer Guarantor that does not ultimately result in fifty percent (50%) or more of the indirect control or ownership of such entity changing hands shall not be deemed a Transfer under the terms of Article 11.

The provisions of this Article 11 shall survive Closing until the term of the Guaranteed Lease has expired.

ARTICLE 12

MISCELLANEOUS

Section 12.01 Successors and Assigns Except as otherwise provided in this Agreement, no party hereto shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other party hereto and any such attempted assignment without such prior written consent shall be void and of no force and effect. This Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the parties hereto.

Section 12.02 Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) THIS AGREEMENT SHALL BE CONSTRUED, PERFORMED AND ENFORCED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF MISSOURI, WITHOUT GIVING EFFECT TO THE CONFLICT OR CHOICE OF LAW RULES THEREOF. THE PARTIES AGREE THAT ANY LEGAL ACTION INVOLVING THIS AGREEMENT IN ANY WAY WILL BE INSTITUTED IN A COURT OF COMPETENT JURISDICTION LOCATED IN JACKSON COUNTY, MISSOURI, AND THE PARTIES CONSENT TO JURISDICTION OF THE STATE OR FEDERAL COURTS IN JACKSON COUNTY, MISSOURI OVER THE PERSON OF THE PARTIES FOR PURPOSE OF SUCH LEGAL ACTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY INSTRUMENT OR DOCUMENT DELIVERED THEREUNDER OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 12.03 Expenses. Except as otherwise provided for in this Agreement, all of the fees, expenses, and costs incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party hereto incurring such fees, expenses, and costs.

Section 12.04 Severability. In the event that any part of this Agreement is declared by any court or other judicial or administrative body to be null, void, or unenforceable, said provision shall survive to the extent it is not so declared, and all of the other provisions of this Agreement shall remain in full force and effect. To the extent permitted by Law, each party hereto waives any provision of Law that renders any such provision prohibited or unenforceable in any respect.

Section 12.05 Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given: (a) on the date of service if served personally on the party to whom notice is to be given; (b) on the day of transmission if sent via e-mail to the e-mail address given below if sent prior to 5 p.m. Central time or the next business day if sent on or after such time; or (c) on the business day after deposit to Federal Express or similar overnight courier or the Express Mail service maintained by the U.S. Postal Service, to the party as follows:

If to Seller: Scissors and Scotch Coal Creek LLC
2421 Fairway Wood Circle
Castle Rock, CO 80109
ATTN: Brian Chatwin
E-mail: bwchatwin@gmail.com

With a copy to: Spencer Fane LLP
1700 Lincoln St., Suite 2000
Denver, CO 80203
ATTN: Kelly Vos
E-mail: kvos@spencerfane.com

If to Buyer: S&S Erie LLC
1908 Main Street
Kansas City, MO 64108
ATTN: Sean Finley
E-mail: sean@scissorsscotch.com

With a copy to: Polsinelli PC
900 W. 48th Place, Suite 900
Kansas City, MO 64112
ATTN: Mike Fisher
E-mail: mfisher@polsinelli.com

Any party may change its address for the purpose of this Section by giving the other party written notice of its new address in the manner set forth above.

Section 12.06 Amendments; Waivers. This Agreement may be amended or modified, and any of the terms, covenants, representations, warranties, or conditions hereof may be waived, only by a written instrument executed by all of the parties hereto, or in the case of a waiver, by the party waiving compliance. Any waiver by any party of any condition, or of the breach of any provision, term, covenant, representation, or warranty contained in this Agreement, in any one or more instances, shall not be deemed to be nor construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation, or warranty of this Agreement.

Section 12.07 Public Announcements. Each party agrees to communicate with each other party and cooperate with each other prior to any public disclosure of this transaction.

Section 12.08 Entire Agreement. This Agreement contains the entire understanding among the parties hereto with respect to the transactions contemplated hereby and supersedes and replaces all prior and contemporaneous agreements and understandings, oral or written, with regard to such transactions. All Exhibits and Schedules hereto are expressly made a part of this Agreement as fully as though completely set forth herein.

Section 12.09 Parties in Interest. Nothing in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than parties hereto and their respective successors and permitted assigns. Nothing in this Agreement is intended to relieve or discharge the obligations or liability of any third persons to Seller or any Buyer. No provision of this Agreement shall give any third parties any right of subrogation or action over or against Seller or any Buyer.

Section 12.10 Joint Drafting. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises regarding this Agreement, this Agreement will be construed as if drafted jointly by the parties and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. The parties intend that each representation, warranty and covenant contained herein shall have independent significance.

Section 12.11 Section and Paragraph Headings. The section and paragraph headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

Section 12.12 Counterparts; Electronic Signature. This Agreement may be executed in one or more counterparts (including by facsimile, by portable document format (.pdf) or by any electronic signature complying with the U.S. federal ESIGN Act of 2000, as amended (the “ESIGN Act”) for the convenience of the Buyer and Seller, each of which will be deemed an original, and all of which will constitute one and the same agreement. No party will raise the use of any electronic signature that complies with the ESIGN Act (including www.docusign.com), or the use of a facsimile machine, electronic mail or other similar transmission method as a means to deliver

a signature to this Agreement or any amendment hereto as a defense to the formation or enforceability of a contract.

Section 12.13 Guaranty. Guarantor hereby irrevocably and unconditionally guarantees the full and complete performance of Seller's and Seller Member's obligations (including all performance and payment obligations) set forth in Article 9 and acknowledges that a breach of such provisions by Seller or Seller Member shall be deemed to be a breach of this Agreement by Guarantor. Buyer's Guarantor hereby irrevocably and unconditionally guarantees the full and complete performance of Buyer's obligations (including all performance and payment obligations) in this Agreement, including, without limitation, the provisions of Section 9.03 and Article 11, and acknowledges that a breach of such provisions by Buyer shall be deemed to be a breach of this Agreement by Buyer's Guarantor. The provisions of this Section 12.13 shall survive Closing or the termination of this Agreement indefinitely.

Section 12.14 Confidentiality. None of Seller, Seller Member or Guarantor at any time or in any manner, directly or indirectly, use or disclose to any party other than Buyer or its Representatives any trade secrets or other Confidential Information. As used herein, the term "Confidential Information" means information not generally known in the industry in which Seller or Buyer are engaged and that in any way relates to the Buyer's products, processes, services, inventions (whether patentable or not), finances, formulas, techniques or know-how, including, but not limited to, information relating to distribution systems and methods, pricing, customers or customer contacts, research, development, manufacturing, purchasing, accounting, marketing, merchandising and selling, in each case related to the Business or other business operations of Buyer. For the avoidance of doubt, nothing in this Agreement shall be interpreted or applied to prohibit Seller, Seller Member or Guarantor from making any good faith report to any governmental agency or other governmental entity concerning any act or omission that Seller, Seller Member or Guarantor reasonably believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. In addition, for the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, none of Seller, Seller Member or Guarantor shall be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose or reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding. Buyer does not waive any applicable privileges or the right to continue to protect its privileged attorney-client information, attorney work product, and other privileged information.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Asset Purchase Agreement to be executed as of the date first above written.

SELLER:

SCISSORS AND SCOTCH COAL CREEK
LLC

By: Empire Personal Services, Inc., its sole
member

DocuSigned by:

By:

BRIAN CHATWIN

Name: Brian Chatwin

Title: CEO

DocuSigned by:

By:

Thomas Datwyler

Name: Thomas Datwyler

Title: CFO

SELLER MEMBER:

EMPIRE PERSONAL SERVICES INC.

DocuSigned by:

By:

BRIAN CHATWIN

Name: Brian Chatwin

Title: President & CEO

DocuSigned by:

By:

Thomas Datwyler

Name: Thomas Datwyler

Title: CFO

GUARANTOR:

DocuSigned by:

BRIAN CHATWIN

Brian Chatwin

DocuSigned by:

Thomas Datwyler

Thomas Datwyler

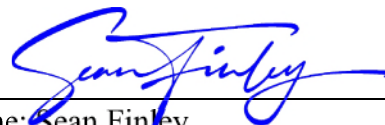
BUYER:

S&S ERIE LLC

By: 
Name: Sean Finley
Title: Managing Member, Administrator

BUYER GUARANTOR:

SCISSORS & SCOTCH VENTURES, LLC

By: 
Name: Sean Finley
Title: Managing Member, Administrator

SCISSORS & SCOTCH COLORADO, LLC


By: 
Name: Sean Finley
Title: Managing Member, Administrator

Exhibit A

Certain Definitions

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

“Knowledge” with respect to Seller, means the actual knowledge of Guarantor after commercially reasonable inquiry, including reasonable inquiry of other employees who may have knowledge given their role within, and involvement in the business of Seller, and with respect to Buyer, means the actual knowledge of Sean Finley, Tanner Wiles and Erik Anderson, in each case after commercially reasonable inquiry, including reasonable inquiry of other employees who may have knowledge given their role within, and involvement in the business of Buyer. This definition is subject to the carve out in Section 3.18.

“Laws” means, without limitation, all domestic, foreign, federal, provincial, state and local laws, statutes, rules, regulations, codes, ordinances, plans, orders, judicial decrees, writs, injunctions, notices, decisions or demand letters issued, entered or promulgated pursuant to any domestic, foreign, federal, provincial, state or local law.

“Liabilities” means liabilities, obligations, or commitments of any nature whatsoever, whether asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, or otherwise.

“Person” means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association, or other entity.

“Pre-Closing Taxes” means any Taxes (i) payable with respect to the Business or the Purchased Assets for any period on or before the Closing Date, or (ii) applicable of the Seller or the Guarantor, including, without limitation, any Taxes that are incident to or arising solely as a consequence of the consummation by Seller of the transactions contemplated hereby.

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

“Seller Parties” means, collectively, Guarantor, Seller Member and Seller.

“Tax” and “Taxes” means all taxes of any kind whatsoever, including, without limitation, net income, capital gains, gross income, gross receipts, sales, use, transfer, ad valorem, franchise, profits, license, capital, withholding, payroll, employment, excise, goods and services, severance, stamp, occupation, premium, property, assessments, or other taxes or governmental charges of any kind whatsoever, together with any interest, fines and any penalties, additions to tax or additional

amounts incurred or accrued under applicable federal, state, local or foreign tax law or assessed, charged or imposed by any governmental authority, domestic or foreign.

“Tax Returns” means all Tax returns, statements, reports, elections, schedules, claims for refund, and forms (including estimated Tax or information returns and reports), including any supplement or attachment thereto and any amendment thereof.

“Transfer Taxes” means all transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) arising in connection with this Agreement.

“Treasury Regulations” means the regulations promulgated by the Treasury Department with respect to the Code, as such regulations are amended from time to time, or corresponding provisions of future regulations.

Exhibit B

Bill of Sale

See attached.

BILL OF SALE

THIS BILL OF SALE (this “**Bill of Sale**”) is made and entered into as of November __, 2022 (the “**Closing Date**”), by and between Scissors and Scotch Coal Creek LLC, a Colorado limited liability company d/b/a Scissors & Scotch (“**Seller**”) and S&S Erie LLC, a Colorado limited liability company (“**Buyer**”). Unless otherwise defined herein, all initially capitalized terms used herein shall have the meanings ascribed to them in the Asset Purchase Agreement dated as of the date hereof, by and among Seller, Buyer, and the other parties named therein (the “**Asset Purchase Agreement**”).

RECITALS

WHEREAS, pursuant to the Asset Purchase Agreement, Seller has agreed to sell, and Buyer has agreed to purchase, the Purchased Assets; and

WHEREAS, this Bill of Sale is being entered into in order to effect the sale, transfer, and conveyance of the Purchased Assets from Seller to Buyer.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Transfer of Purchased Assets. Upon the terms and subject to the conditions set forth in the Asset Purchase Agreement, Seller hereby conveys, grants, bargains, sells, transfers, sets over, assigns, alienates, remises, releases, and delivers unto Buyer, its successors and assigns, forever, all of the Purchased Assets. Seller hereby irrevocably constitutes and appoints Buyer as its true and lawful attorney, with full power of substitution, in Seller’s name and stead, but on behalf and for the benefit of Buyer, to demand and receive any and all of the Purchased Assets, and to give receipts and releases therefor, and from time to time to take any and all actions in Seller’s name, for the benefit of Buyer for the collection and/or reduction to possession of the Purchased Assets. Such powers of attorney are coupled with any interests and are irrevocable by Seller. Except as specifically set forth herein or in the Asset Purchase Agreement, Seller transfers the Purchased Assets, on an “As Is”, “Where Is” and “With All Faults” basis, and without recourse, and without any warranties, representations or guaranties, either express or implied, of any kind, nature or type whatsoever, including, but not limited to, any warranty as to the fitness for a particular purpose or merchantability of the Purchased Assets.

2. Excluded Assets. Seller shall retain all, and Buyer shall not, and does not, acquire any right, title or interest in, to or under the Excluded Assets.

3. Further Assurances. Each party hereto shall execute such additional documents and instruments and take such further action as reasonably may be required or desirable to carry out the provisions hereof.

4. No Modification of Asset Purchase Agreement. Neither the making nor the acceptance of this Bill of Sale shall enlarge, restrict or otherwise modify the terms of the Asset Purchase Agreement or constitute a waiver or release by any party to the Asset Purchase Agreement of any liabilities, duties or obligations imposed thereby.

5. Waivers. The waiver by any party hereto of a breach of any provision of this Bill of Sale shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

6. Governing Law. This Bill of Sale shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware without reference to Delaware's choice of law rules.

7. Severability. If any term or other provision of this Bill of Sale is invalid, illegal, or incapable of being enforced by any law or public policy, all other terms or provisions of this Bill of Sale shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party.

8. Binding Effect. This Bill of Sale shall be binding upon and enforceable by, and shall inure to the benefit of, the parties hereto and their respective permitted successors and permitted assigns. Nothing in this Bill of Sale shall create or be deemed to create any third party beneficiary rights in any person or entity not a party to this Bill of Sale.

9. Counterparts; Electronic Signature. For the convenience of the parties and to facilitate execution, this Bill of Sale may be executed in two or more counterparts (including by facsimile, by portable document format (.pdf) or by any electronic signature complying with the U.S. federal ESIGN Act of 2000, as amended (the "ESIGN Act"), each of which will be deemed an original, but all of which shall constitute one and the same document. No party will raise the use of any electronic signature that complies with the ESIGN Act (including www.docusign.com), or the use of a facsimile machine, electronic mail or other similar transmission method as a means to deliver a signature to this Bill of Sale as a defense to the formation or enforceability of a contract.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Bill of Sale to be executed by their duly authorized representatives on the day and year first above written.

SELLER:

SCISSORS AND SCOTCH COAL CREEK LLC

By: Empire Personal Services, Inc., its sole member

By: _____

Name: Brian Chatwin

Title: President & CEO

By: _____

Name: Thomas Datwyler

Title: CFO

(Signatures Continue on Following Page)

BUYER:

S&S ERIE LLC

By: _____

Name: Sean Finley

Title: Managing Member, Administrator

Exhibit C
Assumption Agreement

See attached.

ASSIGNMENT AND ASSUMPTION AGREEMENT

Pursuant to that certain Asset Purchase Agreement, dated as November __, 2022 (the “**Purchase Agreement**”), S&S Erie LLC, a Colorado limited liability company (“**Buyer**”), Scissors and Scotch Coal Creek LLC, a Colorado limited liability company (“**Seller**”), and the other parties named therein, effective as of the Closing Date, Seller does hereby sell, convey, transfer, deliver, and assign unto Buyer, its successors and assigns, and Buyer does hereby purchase, acquire, and assume from Seller, all of Seller’s right, title, and interest in and to the Purchased Assets and all of the Assumed Liabilities (as such terms are defined in the Purchase Agreement). Effective as of the Closing Date, Buyer hereby accepts this Assignment and Assumption Agreement and assumes and agrees to pay, perform, and discharge, as appropriate, all debts, liabilities or obligations of Seller associated with Seller’s obligations arising and accruing under the Assumed Liabilities. Buyer shall not assume any liabilities arising from the Excluded Assets and the Excluded Contracts (the “**Excluded Liabilities**”), and the parties hereto agree that all Excluded Liabilities shall remain the sole responsibility of Seller.

1. DEFINITIONS. Capitalized terms used in this Assignment and Assumption Agreement and not defined herein have the meanings ascribed to them in the Purchase Agreement.

2. GOVERNING LAW. This Assignment and Assumption Agreement will be governed by and construed and enforced in accordance with the substantive laws of the State of Delaware, without giving effect to the principles of conflict of laws.

3. PURCHASE AGREEMENT. This Assignment and Assumption Agreement is subject to the terms and conditions of the Purchase Agreement, including, without limitation, Article 9 therein. In the event of any conflict or ambiguity between the terms of this Assignment and Assumption Agreement and the Purchase Agreement, the terms of the Purchase Agreement shall take precedence.

4. MISCELLANEOUS. The titles and headings to sections and subsections in this Assignment and Assumption Agreement are inserted for convenience of reference only, and are not intended to be a part of or to affect the meaning or interpretation of this Assignment and Assumption Agreement. If any term or other provision of this Assignment and Assumption Agreement is invalid, illegal, or incapable of being enforced by any law or public policy, all other terms or provisions of this Assignment and Assumption Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. This Assignment and Assumption Agreement shall be binding upon and enforceable by, and shall inure to the benefit of, the parties hereto and their respective permitted successors and permitted assigns. Nothing in this Assignment and Assumption Agreement shall create or be deemed to create any third party beneficiary rights in any person or entity not a party to this Assignment and Assumption Agreement. This Assignment and Assumption Agreement may be executed in one or more counterparts (including by electronic means), each counterpart shall be deemed an original, and all counterparts collectively shall constitute one and the same instrument. For the convenience of the parties and to facilitate execution, this Assignment and Assumption Agreement may be executed in two or more counterparts (including by facsimile, by portable document format (.pdf) or by any electronic signature complying with the U.S. federal E-SIGN

Act of 2000, as amended (the “ESIGN Act”), each of which will be deemed an original, but all of which shall constitute one and the same document. No party will raise the use of any electronic signature that complies with the ESIGN Act (including www.docusign.com), or the use of a facsimile machine, electronic mail or other similar transmission method as a means to deliver a signature to this Assignment and Assumption Agreement as a defense to the formation or enforceability of a contract.

[Signature Page Follows]

IN WITNESS WHEREOF, Buyer and Seller have executed, or caused their duly authorized representatives to execute, this Assignment and Assumption Agreement on and as of the Closing Date.

SELLER:

SCISSORS AND SCOTCH COAL CREEK
LLC

By: Empire Personal Services, Inc., its sole
member

By: _____

Name: Brian Chatwin

Title: President & CEO

By: _____

Name: Thomas Datwyler

Title: CFO

(Signatures Continue on Following Page.)

BUYER:

S&S ERIE LLC

By: _____

Name: Sean Finley

Title: Managing Member, Administrator

Schedule 1

Outstanding Amounts Owed to Vendors

None.

SELLER’S DISCLOSURE SCHEDULES
TO
ASSET PURCHASE AGREEMENT
BY AND AMONG
SCISSORS AND SCOTCH COAL CREEK LLC,
EMPIRE PERSONAL SERVICES INC.,
BRIAN CHATWIN,
THOMAS DATWYLER,
S&S ERIE LLC,
AND
SCISSORS & SCOTCH VENTURES, LLC
DATED AS OF NOVEMBER 18, 2022

These Disclosure Schedules (these “**Schedules**”) are made and given pursuant to that certain Asset Purchase Agreement, dated as of November 18, 2022 (the “**Agreement**”), by and between S&S Erie LLC, a Colorado limited liability company (“**Buyer**”), Scissors & Scotch Ventures, LLC, a Delaware limited liability company (“**Buyer’s Guarantor**”), Scissors and Scotch Coal Creek LLC, a Colorado limited liability company (“**Seller**”), Empire Personal Services Inc., a Delaware corporation (“**Seller Member**”), Brian Chatwin (“**Guarantor 1**”), and Thomas Datwyler (“**Guarantor 2**”, and collectively with Guarantor 1, “**Guarantor**”).

The disclosure of an item on one of these Schedules shall be deemed to modify both (i) the representations or warranties contained in the section of the Agreement to which it specifically corresponds in number and (ii) any other representation and warranty of Seller in the Agreement to the extent that it is readily apparent from the face of such disclosure item that it would also qualify such other representation or warranty.

These Schedules shall not be deemed to expand in any way the scope or effect of any of the representations and warranties in the Agreement. The information contained in these Schedules is disclosed solely for purposes of the Agreement, and no information contained herein shall be deemed to be an admission to any third party of any matter whatsoever (including any violation of Law or breach of contract). No reference to or disclosure of any item or other matter in these Schedules shall be construed as an admission or indication that such item or other matter is material or otherwise establishes a standard of materiality. Any capitalized term not otherwise defined herein, but which is defined in the Agreement, shall have the meaning given to it in the Agreement.

Schedule 1.01 – Excluded Assets

None.

Schedule 1.01(a) – Equipment

None.

Schedule 1.01(b) – Inventory

None.

Schedule 1.01(f) – Assumed Contracts

None.

Schedule 1.02 – Excluded Contracts

None.

Schedule 2.02(a) – Consents and Approvals

None.

Schedule 3.04 – Noncontravention

None.

Schedule 3.07 – No Breach

None.

Schedule 3.08 – No Claims

None.

Schedule 3.11 – Lease

Commercial Lease by and between LSP Coal Creek, LLC (“**Landlord**”), and Scissors and Scotch Coal Creek LLC (“**Tenant**”), as amended by that certain First Amendment to Lease, dated June 2021, by and between Landlord and Tenant, and as amended by that certain Second Amendment to Lease, dated January 2022, by and between Landlord and Tenant.

Schedule 3.12 – Employee Information

None.

Schedule 3.14 – Accounts and Notes Receivable

None.

Schedule 3.16 – Permits

None.