

## PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

EPAS ID: PAT2912219

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	NUNC PRO TUNC ASSIGNMENT
<b>EFFECTIVE DATE:</b>	02/01/2006

**CONVEYING PARTY DATA**

Name	Execution Date
TRAEGER INDUSTRIES, INC.	04/04/2006

**RECEIVING PARTY DATA**

<b>Name:</b>	TRAEGER PELLET GRILLS LLC
<b>Street Address:</b>	9445 SW RIDDER RD
<b>Internal Address:</b>	310
<b>City:</b>	WILSONVILLE
<b>State/Country:</b>	OREGON
<b>Postal Code:</b>	97070

**PROPERTY NUMBERS Total: 1**

Property Type	Number
Patent Number:	4619209

**CORRESPONDENCE DATA**

Fax Number: (801)328-1707

*Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.*

Phone: 801-533-9800

Email: knakagama@wnlaw.com

Correspondent Name: WORKMAN NYDEGGER

Address Line 1: 60 E. SOUTH TEMPLE

Address Line 2: SUITE 1000

Address Line 4: SALT LAKE CITY, UTAH 84111

<b>ATTORNEY DOCKET NUMBER:</b>	20120.24
<b>NAME OF SUBMITTER:</b>	MICHAEL J. FRODSHAM
<b>SIGNATURE:</b>	/Michael J. Frodsham/
<b>DATE SIGNED:</b>	06/24/2014

**Total Attachments: 114**

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**ASSET PURCHASE AGREEMENT**

**AND**

**INTELLECTUAL PROPERTY RIGHTS ASSIGNMENT  
AGREEMENT**

**BY AND AMONG**

**TRAEGER PELLET GRILLS, LLC.,  
TRAEGER INDUSTRIES, INC.,  
THE JOE TRAEGER CHARITABLE TRUST,  
THE RANDY TRAEGER CHARITABLE TRUST,  
BRIAN TRAEGER, JOE TRAEGER,  
RANDY TRAEGER AND MARK TRAEGER**

**CONSUMMATED APRIL 24, 2006**

**Defined Terms**

Buyer	=	Traeger Pellet Grills LLC, a limited liability company under the laws of the State of Florida
Buyer's Counsel	=	Adorno & Yoss, P.A.
Seller	=	Traeger Industries, Inc.
Escrow Agent	=	Powers, McCulloch & Bennett LLP
IP Sellers	=	Brian Traeger, Joe Traeger, Randy Traeger and Mark Traeger
Seller's Counsel	=	Hooper, Englund & Weil LLP
Other Responsible Parties	=	The Joe Traeger Charitable Trust, The Randy Traeger Charitable Trust, The Mark Traeger Charitable Trust, Brian Traeger, Joe Traeger, Randy Traeger and Mark Traeger
USPTO	=	United States Patent and Trademark Office

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**Closing Documents**

<b><u>Document</u></b>	<b><u>Item No.</u></b>
<b><u>Asset Purchase</u></b>	
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Disclosure Schedule to Asset Purchase Agreement.....	2
Employment Agreement dated February 21, 2006, between Buyer and Joe Traeger.....	3
Employment Agreement dated February 21, 2006, between Buyer and Brian Traeger .....	4
Employment Agreement dated February 21, 2006, between Buyer and Mark Traeger .....	5
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Escrow Agreement dated February 21, 2006, between Buyer; Joe Traeger, Brian Traeger, Mark Traeger and Randy Traeger and Escrow Agent .....	7
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**Document**

**Item No.**

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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") made as of February 21<sup>st</sup>, 2006, by and among Traeger Pellet Grills LLC, a limited liability company under the laws of the State of Florida ("Buyer"), Traeger Industries, Inc., a corporation organized and existing under the laws of the State of Oregon (the "Seller"), The Joe Traeger Charitable Trust, organized and existing under trust agreement dated September 27, 2005 (the "Joe Traeger Trust"), The Randy Traeger Charitable Trust, organized and existing under a trust agreement dated September 27, 2005 (the "Randy Traeger Trust"), The Mark Traeger Charitable Trust, organized and existing under a trust agreement dated September 27, 2005 (the "Mark Traeger Trust") Brian Traeger, an individual residing at 405 Cindy Lane, Mt. Angel, Oregon 97362 ("Brian Traeger"), Joe Traeger, an individual residing at P.O. Box 1070, 255 Alder Street, Mt. Angel, Oregon 97362 ("Joe Traeger"), Randy Traeger an individual residing at 530 Alder Street, Mt. Angel, Oregon 97362 ("Randy Traeger"), Mark Traeger, an individual residing at P.O. Box 308, 260 S. Oak Street, Mt. Angel, Oregon 97362 ("Mark Traeger") (the Joe Traeger Trust, the Randy Traeger Trust, the Mark Traeger Trust, Brian Traeger, Joe Traeger, Randy Traeger, and Mark Traeger are referred to collectively as the "Other Responsible Parties"). The Seller and the Other Responsible Parties are collectively referred to as the "Seller Parties".

WITNESSETH:

WHEREAS, the Seller conducts the business of design, assembly, warehousing, manufacture, marketing, sale and distribution of wood pellet grills and smokers, wood pellet BBQs, camp stoves, other cooking devices using wood pellets, and flavored and/or BBQ wood pellets and related products and accessories for the foregoing by the Seller (the "Business"); and

WHEREAS, the Buyer has simultaneously with the execution hereof, entered into a Intellectual Property Rights Assignment Agreement, dated of even date herewith, with Joe Traeger, Randy Traeger, Mark Traeger and Brian Traeger (the "Rights Agreement"); and

WHEREAS, the Seller desires to sell to the Buyer all of the assets, properties and rights used or useful in the Business, other than the Excluded Assets (the "Purchased Assets"), free and clear of all liens, claims or encumbrances (the "Sale") and the Buyer desires to purchase from the Seller at the Closing all of the Purchased Assets, free and clear of all liens, claims or encumbrances, in each case upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties, intending legally to be bound, agree as follows:

[A list of defined terms is provided in Article 8 hereof]

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Article 1. Purchase and Sale

1.1 General. At the Closing (as defined in Section 1.8 hereof), and subject to the terms and conditions of this Agreement, the Seller agrees to sell, assign, convey and deliver to the Buyer, and the Buyer agrees to purchase, acquire and accept from the Seller, all of Seller's right, title and interest in and to the Business, including, without limitation, in and to all of the assets, properties, rights, goodwill, contracts and claims of the Business, wherever located, whether tangible or intangible, real or personal, known or unknown, actual or contingent, as the same shall exist as of the Closing, other than the Excluded Assets (such rights, title and interest in and to all such assets, properties, rights, contracts and claims, being collectively referred to herein as, the "Purchased Assets"). The Purchased Assets shall include, without limitation, the following assets:

- (a) all accounts receivable and other receivables of the Seller as of the Closing;
- (b) all inventory (including work in process, raw materials and finished goods), goods in transit, unbilled revenues and other properties and rights associated with the performance of contracts and the operation of the Business;
- (c) all equipment and machinery owned by the Seller related to the Business, including but not limited to those items described on Schedule 1.1 hereto, computers and software (including, without limitation, source code, object code, flow charts, operating systems and specifications, data, data bases, files, documentation, and other materials related thereto), office furniture and fixtures, as well as the rights to all communication numbers and addresses (telephone, fax, toll-free, e-mail, web site, domain name), telephone systems, office equipment and the like;
- (d) all of the tools, rotatable and expendable spare parts, and supplies used in the Business;
- (e) all of Seller's interest in the Intellectual Property Rights, including, without limitation, all results of the Business's research and development activities and other Intellectual Property Rights developed or acquired for the Business, or related to, or of use or potential use in connection with any current or contemplated potential future products or activities of the Business or parts, components or subassemblies used or purchased by the Business;
- (f) all notes receivable and other claims for money or other obligations due (or which hereafter will become due) to Seller arising out of the Business together with any unpaid interest accrued thereon from the respective obligors and any security or collateral therefor;
- (g) all marketing materials, office supplies and letterhead used in connection with the Business;
- (h) all of Seller's rights to any real or personal property under any real or personal property lease or license;

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(i) all right, title and interest in, to and under all contracts or purchase orders associated with the Business, subject in each case to the terms of such contracts or purchase orders, and all contracts and purchase orders with customers now and at the time of Closing;

(j) all past or present business files, books and records (including such books and records as are contained in computerized storage media) of the Business (active or inactive), including all financial records, inquiries, contracts, agreements, letters of intent, inventory, purchasing, accounting, sales, export, import, research, engineering, manufacturing, maintenance, repairs, marketing, banking, documents and records constituting Intellectual Property Rights, shipping records, personnel files, customer and supplier lists, publications, literature, forms, sales leads, "pipeline", correspondence, and manuals regarding the maintenance or use of any of the Purchased Assets, wherever located, provided the Seller may retain copies of all books and records related to Excluded Liabilities and provided further that the Seller Parties and/or their agents shall have reasonable access to the business files, books and records for tax, litigation or other appropriate reasons at mutually scheduled times during regular business hours;

(k) any other tangible assets of Seller which are used in the Business and which are of a nature not customarily reflected in the books and records of a business, such as assets which have been written off for accounting purposes but which are still used by or of value to the Business;

(l) all Permits which are transferable and which are used in the Business, as presently conducted;

(m) all rights of the Seller pursuant to any express or implied warranties, representations or guaranties made by suppliers to the Business;

(n) all goodwill associated with the Business;

(o) all rights under non-disclosure agreements with employees and agents of Seller and under confidentiality agreements with prospective purchasers of the Business or with other third parties to the extent relating to the Business;

(p) all deposits, prepaid charges, insurance, sums and fees, offset credit balances in any country, refunds, and causes of action;

(q) all rights in and proceeds of insurance contracts to the extent that such proceeds apply to assets that are within the definition of Purchased Assets and have been included in the calculation of Net Asset Value;

(r) any other asset of Seller in respect of which there is an Assumed Liability;  
and

(s) other than to the extent related to a liability asserted against Sellers, all rights of recovery, rights of set-off and rights of recoupment of Seller in connection with the Business.

The Seller shall not convey to the Buyer the following (the "Excluded Assets"):

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- (a) all cash and cash equivalents of the Seller as of the Closing;
- (b) prepaid income taxes;
- (c) deferred income taxes; and
- (d) any rights or liabilities under agreements whereby the Seller licensed rights to third party providers of products other than grills and barbecues previously disclosed by Seller to Buyer.

1.2 Certain Provisions Relating to the Purchased Assets.

(a) To the extent that a contract, Permit or other asset which would otherwise be included within the definition of "Purchased Assets," or any claim, right or benefit arising thereunder or resulting therefrom (each an "Interest" and collectively the "Interests"), is not capable of being sold, assigned, transferred or conveyed without the approval, consent or waiver of the issuer thereof or the other party thereto, or any third person (including a Governmental Authority), and such approval, consent or waiver has not been obtained prior to the Closing, or if such sale, assignment, transfer or conveyance or attempted sale, assignment, transfer or conveyance would constitute a breach thereof or a violation of any law, decree, order, regulation or other governmental edict, this Agreement shall not constitute a sale, assignment, transfer or conveyance thereof, or an attempted sale, assignment, transfer or conveyance thereof.

(b) Seller and Buyer shall use their best efforts and shall cooperate to obtain all approvals, consents or waivers necessary to convey to Buyer each Interest as of the Closing. The failure to obtain any approval, consent or waiver necessary to convey any Interest to Buyer shall not affect the obligations of the Seller to close hereunder. Subsequent to the Closing, the Seller shall execute and deliver any other instruments and take any actions, which may be reasonably required for the implementation of this Agreement and the transactions contemplated hereby.

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become liable for any and all obligations, commitments or liabilities of any and every nature whatsoever of the Seller including, without limitation, all obligations, commitments or liabilities (whether known or unknown, recourse or non-recourse to the Seller, fixed or contingent, relating to the ownership of the Purchased Assets, the operation of the Business or otherwise) including, without limitation:

- (a) Bank debt and other funded debt, including overdrafts of either of the Seller;
- (b) liabilities resulting from Environmental Claims or arising under Environmental Law arising from activities or conditions existing prior to the Closing;
- (c) claims based upon or relating to alleged infringement of the intellectual property rights of any Person;
- (d) any liability or obligation arising out of any claim of or for injury to persons or property by reason of the improper performance or malfunctioning, improper design or manufacture, or failure to adequately package, label or provide warnings as to the hazards of, any product, where the product giving rise to such claim was manufactured on or prior to the Closing Date;
- (e) any obligation to or any liability of any Affiliate of the Seller;
- (f) any liability of the Seller to any plan, individual or governmental agency arising out of any failure of the Seller to comply with the applicable provisions of any Employee Benefit Plans, ERISA, the Code, or other applicable Laws with respect to its employees, including any obligation or liability of the Seller for any penalty, fine or similar amount due from the Seller on account of any breach of fiduciary duty or failure to comply with applicable laws or regulations;
- (g) any liability arising from the hiring, employment or termination of any employees of the Seller at any time prior to Closing or any liability for severance pay, leaving allowances, guaranteed fixed terms of employment or retirement benefits beyond those provided under applicable law, collective bargaining agreements, or any Employee Benefit Plan applicable to employees of the Business generally, which arises out of any acts or omissions of the Seller on or prior to the Closing Date;
- (h) any liability, whether known or unknown, arising from any agreements whereby Seller licensed any rights to third party providers of products other than grills and barbecues; and
- (i) all liabilities of Seller or any Affiliate of the Seller for Taxes (collectively, the "Excluded Liabilities").

The Seller Parties hereby agree to indemnify and hold Buyer and its Affiliates, officers, directors, Shareholders, employees, agents, representatives, Successors and assigns harmless from and against any Claims and Damages arising and/or resulting from the Excluded Liabilities.

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1.5 Deliveries. At the Closing, and subject to the terms and conditions of this Agreement, the Seller shall deliver to the Buyer, in addition to those items set forth elsewhere herein, the following items:

(i) Duly executed bills of sale and such other executed assignments, bills of sale or certificates of title, each dated the Closing Date and in form and substance reasonably satisfactory to counsel to Buyer, as are reasonably necessary to transfer to Buyer all of the Seller's right, title and interest in, to and under the Purchased Assets;

(ii) Duly executed assignments, sufficient to transfer all of Seller's right, title and interest in and to the Intellectual Property Rights to Buyer, in a form suitable for recording in the various appropriate national or regional patent, trademark, copyright offices or other governmental offices;

(iii) Certificates of the Secretary of the Seller, dated the Closing Date, (A) as to the incumbency and signatures of the officers or representatives of the Seller executing this Agreement and each of the agreements and any other certificate or other document to be delivered pursuant hereto or thereto, together with evidence of the incumbency of the Secretary, and (B) certifying attached resolutions of the Board of Directors and the stockholders of the Seller, which authorize and approve the execution and delivery of this Agreement and each of the agreements to which the Seller is a party and the consummation of the transactions contemplated hereby and thereby;

(iv) Duly executed and acknowledged assignment and assumption agreements, in form and substance reasonably acceptable to the Buyer, executed by the Seller and by the counterparty to each Material Contract transferring to Buyer all of right, title and interest of the Seller in and to each of the Material Contracts; and

(v) Duly executed letters, in form and substance reasonably acceptable to the Buyer, whereby the Seller notifies its suppliers, vendors and lessors of the consummation of the Sale.

1.6 Purchase Price; Payment.

REDACTED

*Handwritten signatures and initials, including "RT" and "AA".*

REDACTED

1.7 Post-Closing Adjustment.

REDACTED

(b) During the 60-day period following the delivery by the Buyer of the Closing Statement and the Proposed Adjustment referred to in Section 1.7(a) (or such longer period during which such statement and adjustment reasonably can be reviewed in light of the compliance of the Buyer with its obligations set forth in the following sentence), the Seller and its independent accountants will be permitted to review the working papers of the Buyer relating to the preparation of the Closing Statement and the Proposed Adjustment. The Buyer shall provide the Seller and its independent accountants access at all reasonable times to the relevant personnel, properties, books and records of the Seller for such purposes and to assist the Seller and its independent accountants in reviewing the Closing Statement.

(c) Unless the Seller delivers written notice to the Buyer of its disagreement with the Closing Statement and the Proposed Adjustment within 60 days following delivery by the Buyer of the Closing Statement and the Proposed Adjustment, the Seller will be deemed to have accepted and agreed to the Closing Statement and Proposed Adjustment, and such Adjustment shall be final and binding. If, within such 60-day period, the Seller notifies the Buyer that it disagrees with the Closing Statement and the Proposed Adjustment, and the Seller and the Buyer cannot agree with respect to the Closing Statement and the Proposed Adjustment within 14 days of the notice of disagreement provided by the Seller to the Buyer, then the determination shall be submitted for resolution promptly to an independent nationally recognized accounting firm jointly selected by the Seller and the Buyer (the "Neutral Auditor"), whose determination (the "Neutral Auditor Determination") shall be instructed by the parties to be made within 30 days and be final and binding upon all parties hereto. All fees and expenses relating to the work, if any, to be performed by the Neutral Auditor will be borne (i) by the Seller in the same proportion that the aggregate amount of all of the objections on the Closing Statement that are submitted by the Seller to the Neutral Auditor and are unsuccessfully disputed by the Seller, bear to the total amount of all of such objections and (ii) by the Buyer in the same proportion that the

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aggregate amount of all of the objections on the Closing Statement, that are submitted by the Seller to the Neutral Auditor and are successfully disputed by the Seller, bear to the total amount of all of such objections. The Buyer and the Seller shall reimburse the other to the extent the other pays more than the amount so required pursuant to the preceding sentence. In the event of a Neutral Auditor Determination, the Neutral Auditor shall deliver a certificate to each of the Seller and the Buyer setting forth the amount of the Adjustment.

REDACTED

1.9 Taking of Necessary Action; Further Action. Each of the parties shall use its respective reasonable best efforts to take all such action as may be necessary or appropriate in order to duly and timely effectuate the Closing. If, on or at any time after the Closing Date, any further reasonable action is necessary or desirable to carry out the purposes of this Agreement and to vest the Buyer with full right, title and possession to all Purchased Assets and the Business, the Seller shall take, and shall ensure that the officers of the Seller are fully authorized, in the name of the Seller or otherwise, to take, and shall take, all such lawful and necessary action.

1.10 Allocation of the Purchase Price. The Purchase Price shall be allocated to the Purchased Assets as set forth on Schedule 1.10 hereto.

Article 2. Representations and Warranties Relating to the Seller Parties.

The Seller Parties jointly and severally represent and warrant to the Buyer as follows:

2.1 Organization and Standing.

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(a) The Seller is a corporation duly incorporated, validly existing, and in good standing under the laws of the state of Oregon and has all requisite corporate power and authority to own, lease and operate its properties and assets and to conduct its business as it is now being conducted and as contemplated. The Seller is duly qualified to do business as a foreign corporation and is in good standing under the laws of each state in which the operation of its business or ownership of its assets makes such qualification necessary, except where the failure to so qualify or be in good standing would not have a Material Adverse Effect.

(b) Each of the Joe Traeger Trust, the Randy Traeger Trust, and the Mark Traeger Trust (collectively, the "Trusts") is a trust duly and validly formed and in good standing under the laws of Oregon. The Trusts have caused to be delivered to the Buyer true and accurate copies of the trust agreements in force establishing the trusts. The trustees set forth in such agreements are the sole persons authorized to act for such Trusts and no consent of any beneficiary is required for the trustees of such Trusts to authorize any action contemplated hereby or by the agreements referred to in this Agreement. The Trusts have the requisite power to own the assets that they purport to hold.

2.2 Binding Agreement. Each of the Seller Parties has all requisite corporate power and authority to enter into this Agreement, to execute and deliver this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by the Seller Parties and the consummation by the Seller Parties of their obligations hereunder have been duly and validly authorized by all necessary corporate and stockholder action on the part of the Seller Parties. This Agreement has been duly executed and delivered on behalf of the Seller Parties and, assuming the due authorization, execution and delivery by the Buyer, constitutes a legal, valid and binding obligation of each of the Seller Parties enforceable in accordance with its terms. None of the spouses of Seller Parties have community property, dower or similar rights that restrict any of the Seller Parties from authorizing the sale of the Purchased Assets free and clear of any such rights.

2.3 Absence of Violations or Required Consents. Except for the Required Consents listed on Schedule 2.3 hereto, the execution, delivery and performance by the Seller Parties of this Agreement do not and will not (a) violate or result in the breach or default of any provision of articles, certificates of incorporation, trust agreements, or other charter or corporate governance documents of the Seller Parties, (b) violate any Law or Governmental Order applicable to any of the Seller Parties or any of their respective properties or assets, (c) except for the Required Consents, require any consent, approval, authorization or other order of, action by, registration or filing with or declaration or notification to any Governmental Authority or any other Person or (d) result in any violation or breach of, constitute a default (or event which with the giving of notice, or lapse of time or both, would become a default) under, require any consent under, or give to others any rights of notice, termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any Encumbrance on any of the Seller Parties' respective assets, or result in the imposition or acceleration of any payment, time of payment, vesting or increase in the amount of compensation or benefit payable, pursuant to, any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license or permit, or franchise to which any of the Seller Parties is a party or by which their respective assets are bound. Except for the Required Consents, none of the Seller Parties needs to give any notice to,

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make any filing with or obtain any authorization, consent or approval of any Government Entity in order for the parties to consummate the transactions contemplated by this Agreement.

#### 2.4 Ownership of Purchased Assets.

(a) The Seller is the record and beneficial owner of all of the Purchased Assets, free and clear of all Encumbrances, other than those encumbrances specified on Schedule 2.4. (the "Permitted Encumbrances"). Traeger Brothers, Inc., a corporation organized and existing under the Laws of the State of Oregon, has no right, title or interest in any asset, property or right, tangible or intangible, used in the Business.

(b) Upon the consummation of the Sale at the Closing as contemplated by this Agreement, the Seller will deliver to the Buyer good title to the Purchased Assets free and clear of any Encumbrances; provided, that, Seller may obtain and furnish to the Buyer at Closing releases and satisfactions from any lienholders that are subject to the payment to such lienholders of Closing proceeds together with pay proceeds instructions of the Seller as contemplated by such lienholders.

(c) The Seller does not own any shares of capital stock or other ownership interests in any other Person or any options, warrants or other securities, or other rights of any kind, convertible into or evidencing the right to purchase any shares of capital stock or other ownership interests in any other Person.

2.5 Entire Business. The ownership of the Business and all assets, properties, agreements and rights associated therewith is evidenced solely by the Purchased Assets, and the intellectual property rights to be conveyed under the Rights Agreement and the sale, assignment, conveyance and delivery of the Purchased Assets to the Buyer pursuant to this Agreement and the patents described in the Rights Agreement will transfer all of the Seller Parties' and any Affiliates' ownership interests associated with or used or useful in the Business and the Purchased Assets constitute all that have been used in the past to conduct the Business.

#### 2.6 Financial Information.

(a) Seller has delivered to Buyer the reviewed balance sheets of the Seller as at July 31, 2005 and 2004 and the compiled balance sheet as at July 31, 2003, together with the reviewed statements of operations and cash flows for the years ended July 31, 2005 and 2004 and the compiled statement of operations for the year ended July 31, 2003, together with the notes thereto (the "Annual Financial Statements").

(b) Seller has furnished to the Buyer the balance sheet of the Seller as at December 31, 2005, together with the statements of operations of the Seller for the five months ended December 31, 2005, (the "Interim Financial Statements").

(c) Each of the balance sheets referred to above (including the related notes and schedules) fairly presents in all material respects the financial position of the Seller, as of its date and each of the statements of operations, and cash flows (including any related notes and schedules) fairly presents in all material respects the results of operations, net income and cash

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flows, as the case may be, of the Seller, for the periods set forth therein, in each case in accordance with GAAP consistently applied during the periods involved.

(d) The Seller has maintained a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions have been executed in accordance with management's general or specific authorizations, (ii) transactions have been recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

2.7 Title to Assets; Related Matters. (i) The Seller has good, valid and marketable title (as measured in the context of their current uses) to, or, in the case of leased or subleased assets or other possessory interests, valid and subsisting leasehold or other possessory interests (as measured in the context of their current uses) in order to conduct the Business, free and clear of all Encumbrances other than the Permitted Encumbrances, (ii) such assets constitute all the assets and rights necessary for the operation of the Business as currently conducted, (iii) the Real Property and Equipment are in good operating condition and repair and maintained in accordance with industry practices, (iv) Traeger Brothers has heretofore transferred and conveyed all of its assets, properties and rights related to the Business to the Seller, free and clear of all Encumbrances; and (v) there are no contractual or legal restrictions to which any Seller Party is a party or by which the Real Property and Equipment is otherwise bound that preclude or restrict the Seller's ability to use the Real Property or any Equipment for the purposes for which it is currently being used. The Seller enjoys peaceful and undisturbed possession of all Real Estate and Equipment. The Real Property and the improvements (including leasehold improvements), Equipment and other tangible assets owned or used by the Seller have no known material defects. None of the Real Property, Equipment and other assets is subject to any commitment or other arrangement for its sale or use by any Seller Party, their Affiliates or third parties, other than the Business. The assets reflected on the December 31, 2005 Balance Sheet or acquired thereafter are valued on the books of the Seller at or below the actual cost less an adequate and proper depreciation charge. The Seller has not depreciated any of its assets on an accelerated basis (or in any other manner) inconsistent with applicable requirements of the Code.

2.8 Absence of Certain Changes, Events and Conditions. Since July 31, 2005, except as otherwise provided in or contemplated by this Agreement, or set forth in Schedule 2.8, the Seller has not:

(a) other than in the ordinary course of business consistent with past practice, sold, transferred, leased, subleased, licensed, encumbered or otherwise disposed of any assets, other than the sale of obsolete Equipment and transfers of cash;

(b) borrowed any amount or incurred or become subject to any liabilities, that remain outstanding, except trade payables incurred in the ordinary course of business and liabilities under contracts entered into in the ordinary course of business (excluding any capital lease obligations);

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(c) discharged or satisfied any material Encumbrance or paid any material obligation or liability, in each case to any Affiliate other than in the ordinary course of business;

(d) declared or made any payment or distribution of cash or other property to its stockholders with respect to its capital stock or other equity securities or purchased or redeemed any shares of its capital stock or other equity securities (including, without limitation, any warrants, options or other rights to acquire its capital stock or other equity securities);

(e) sold, assigned or transferred any material Intellectual Property Rights or disclosed any proprietary confidential information to any Person;

(f) except as set forth in Schedule 2.8(f), granted any increase, or announced any increase, in the wages, salaries, compensation, bonuses, incentives, pension or other benefits payable to any Person other than the Seller Parties greater than \$7,000 per individual per annum to any of the officers, employees, independent contractors or agents, including, without limitation, any increase or change pursuant to any Employee Benefit Plan, or established, increased or accelerated the payment or vesting of any benefits under any Employee Benefit Plan with respect to officers or employees;

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(j) conducted the business of the Seller outside the ordinary and usual course consistent with past practice;

(k) compromised, settled, granted any waiver or release relating to, or otherwise adjusted any Action, Indebtedness or any other claims or rights other than in the ordinary and usual course of business consistent with past practice; or

(l) entered into any agreement, contract, commitment or arrangement to do any of the foregoing.

2.9 Litigation. As of the date hereof: (i) there are no Actions against any of the Seller Parties pending, or, to the knowledge of any of the Seller Parties, threatened to be brought by or before any Governmental Authority, in each case with respect to the Seller or the Business, (ii) no Seller Party is subject to any Governmental Order (nor, to the knowledge of any of the Seller Parties, are there any such Governmental Orders threatened to be imposed by any Governmental Authority), in each case with respect to the Seller or the Business; and (iii) there is no Action pending, or, to the knowledge of any of the Seller Parties, threatened to be brought before any

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Governmental Authority, that seeks to question, delay or prevent the consummation of the transactions contemplated hereby.

#### 2.10 Insurance.

(a) (i) All insurance policies to which the Seller is an insured or under which the Seller is covered as an additional named insured or otherwise (or replacement policies therefor) are in full force and effect, and the Seller have paid all premiums due and are not in default, (ii) no notice of cancellation or non-renewal with respect to, or disallowance of any claim under, any such policy has been received by the Seller, and (iii) the Seller has not been refused insurance, nor has coverage been previously canceled or materially limited, by an insurer to which the Seller has applied for such insurance, or with which either has held insurance, within the last three years.

(b) The Seller has maintained product liability insurance covering all of the products associated with the Business that it has sold since inception. Since inception no claims of product liability have been made by a purchaser of any products of the Seller and the Seller has made no claims under any such insurance. John Chaney has been the insurance agent of the Seller since 1990 and will prior to the Closing provide an affidavit to the Buyer in form and content satisfactory to the Buyer that it has no knowledge of any claim being made against or by the Seller at any time.

#### 2.11 Material Contracts.

(a) Schedule 2.11 sets forth all Material Contracts as of the date hereof.

(b) Each agreement, contract, policy, plan, mortgage, lease, license, understanding, arrangement or commitment of the Seller that is intended to be binding upon the parties thereto is legal, valid and binding on the parties thereto, enforceable in accordance with the terms thereof.

(c) The Seller has performed all of its obligations under each such agreement, contract, policy, plan, mortgage, lease, license, understanding, arrangement or commitment and the Seller is not in default under any such agreement, contract, policy, plan, mortgage, understanding, arrangement or commitment and no event has occurred which with the passage of time or the giving of notice or both would result in a material default, material breach or event of material noncompliance by the Seller under any such agreement, contract, policy, plan, mortgage, lease, license, understanding, arrangement or commitment.

(d) The Seller has no present expectation or intention of not fully performing all its material obligations under each such agreement, contract, policy, plan, mortgage, lease, license, understanding, arrangement or commitment.

(e) To the knowledge of each of the Seller Parties, no other party to any of its agreements, contracts, policies, plans, mortgages, leases, licenses, understandings, arrangements or commitments has breached or is in default thereunder.

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(f) The Seller has delivered true, correct and complete copies of each Material Contract and all amendments thereto and documentation or correspondence modifying the terms thereof to the Buyer.

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2.14 Permits and Licenses; Compliance with Law.

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nor any of its Predecessors has used, handled, processed, manufactured or sold any materials or products containing asbestos, polychlorinated biphenyls (PCB's), or chlorinated solvents.

2.16 Employee Benefit Matters.

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Employee Benefit Plan with respect to the design or operation of such Employee Benefit Plan, other than routine claims for benefits.

(e) All reports and information required to be filed with the U.S. Department of Labor, the Pension Benefit Guaranty Corporation or any other Governmental Authority or to be furnished to plan participants and their beneficiaries with respect to each Employee Benefit Plan have been so filed and/or furnished, all annual reports (including Form 5500 series) of each Employee Benefit Plan for which such reports were required to be filed were filed in a timely manner and no material change has occurred with respect to the matters covered by the most recent Form 5500 since the date thereof.

(f) Neither the Seller nor any "party in interest" (as defined in Section 3(14) of ERISA) or "disqualified person" (as defined in Section 4975(e)(2) of the Code) with respect to any Employee Benefit Plan has engaged in a "prohibited transaction" within the meaning of Part 4 of Subtitle B of Title I of ERISA or Section 4975 of the Code for which a statutory, administrative or regulatory exemption was not available.

(g) No payment made to any officer, director, employee or agent of the Seller pursuant to any employment contract, severance agreement or other arrangement as a consequence of the transaction described herein will be non-deductible to the Seller because of the applicability of the "golden parachute" provisions of sections 280G and 4999 of the Code, nor will the Seller be required to "gross up" or otherwise compensate any recipient because of the imposition of any excise tax (including any interest or penalties related thereto) on the recipient as a result of the applicability of such sections 280G and 4999.

(h) The Seller does not now have nor has at any time since inception of the Seller had any Union Employees.

(i) The Seller shall not grant any additional equity-based awards to any current or former directors, officers, independent contractors or agents of the Seller or otherwise increase the salary or benefits of any of the directors, officers, independent contractors or agents of the Seller prior to the Closing Date.

(j) The Seller has no actual or potential liability attributable to any employee benefit plan covering any employees of any ERISA Affiliate. For purposes of this subsection, "ERISA Affiliate" means (i) a member of any "controlled group" (as defined in Section 414(b) of the Code) of which the Seller is a member, (ii) a trade or business, whether or not incorporated, under common control (within the meaning of Section 414(c) of the Code) with the Seller, or (iii) a member of any affiliated service group (within the meaning of Section 414(m) of the Code) of which the Seller is a member

2.17 Labor Relations. There are no labor organizations recognized as representing any of the directors, officers, employees, independent contractors or agents of the Seller and (i) the Seller is not party to any collective bargaining agreement or other labor union contract, (ii) there are no strikes, slowdowns or work stoppages pending or threatened between the Seller and any of their employees, and the Seller has not experienced any such strike, slowdown, or work stoppage within the past ten years, (iii) there are no unfair labor practice complaints or employee disputes

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pending against the Seller before the National Labor Relations Board or any other Governmental Authority or any current union representation questions involving employees of the Seller, and (iv) the Seller is in compliance in all respects with its obligations under all Laws and Governmental Orders governing its employment practices, including, without limitation, provisions relating to wages, hours and equal opportunity, occupational safety or workers' compensation.

2.18 Employee Accruals. The Seller does not have accrued vacation time of any employees in excess of three weeks as of the date hereof. There were, at the date hereof and on the Closing Date there will be, no bonuses, profit sharing, incentives, commissions or other compensation of any kind with respect to work done prior to July 31, 2005 due to present or former employees of the Seller not fully paid prior to such applicable date, it being understood that Traeger Industries may provide bonuses out of the Excluded Assets.

2.19 Intellectual Property.

(a) All Intellectual Property held by any of the Seller Parties relating to the Business are valid and subsisting and provide the Seller with the right to exclude all others from the use thereof, except for the licenses set forth on Schedule 2.19A, and: (i) the Seller is not, nor as a result of the execution and delivery of this Agreement or the performance by Seller Parties of their obligations hereunder will be, in violation of any license, sublicense or other agreement applicable to the Business or required to make any payment in respect thereof; provided, however, that Buyer will be responsible for any customary license transfer fees for shrink wrap, off the shelf, software programs. The Seller Parties own all right, title and interest to, or have the right to use pursuant to a valid license, all Intellectual Property Rights used in the Business and this Agreement and the Rights Agreement are sufficient to vest in the Buyer all right, title and interest to or the right to use pursuant to a valid license from unrelated third parties, all Intellectual Property Rights used in the Business without any further cost therefore and (ii) there have been no claims made against any of the Seller Parties or the Seller or threatened or, to the knowledge of any of the Seller Parties, likely to be threatened by any Person, asserting the invalidity, misuse or unenforceability of any Intellectual Property Rights referred to in (i) above or challenging the ownership, validity or effectiveness of any of the Intellectual Property Rights. The Seller Parties have delivered to the Buyer true, correct and complete copies of each of the licenses set forth on Schedule 2.19A and all amendments thereto, and other than as set forth therein there is no restriction on the Seller to fully exploit the Intellectual Property Rights. Schedule 2.19B sets forth a list of the Intellectual Property owned by the Seller.

(b) The Seller has not received any notices of any material unauthorized use, infringement or misappropriation by, or conflict with, any present or former employee of the Seller, principal shareholders, strategic partners or any other third party with respect to the Intellectual Property Rights (including, without limitation, any demand or request that the Seller license any rights from a third party).

(c) The conduct of the Seller has not infringed, misappropriated or conflicted with and does not infringe, misappropriate or conflict with any intellectual property rights of other Persons to the best knowledge of the Seller Parties after reasonable diligence.

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(d) To the knowledge of each of the Seller Parties, the Intellectual Property Rights owned by or licensed to any of the Seller Parties have not been infringed, misappropriated or conflicted by other Persons except as set forth in Schedule 2.19(d).

(e) No Intellectual Property Right is subject to any Encumbrance, except the Permitted Encumbrances, and there is no fact that would render the Intellectual Property Rights invalid. No Intellectual Property Right is subject to any outstanding order, judgment, decree, stipulation or agreement restricting in any manner the licensing or exploitation thereof by the Seller. The Seller has not entered into any agreement to indemnify any other person against any charge of infringement relating to any Intellectual Property Right. No employee of the Seller is in violation of any term of any confidentiality or invention assignment agreement, employment contract (whether written or verbal), patent disclosure agreement or any other contract or agreement relating to the relationship of any such employee with the Seller or any other party (including prior employers) because of the nature of the business conducted or proposed to be conducted by the Seller.

(f) To the extent they exist, the engineering drawings for all major products being sold or manufactured by the Seller in the Business represent the most recent drawings used in the Business. For the products currently being developed by the Business, engineering drawings being transferred represent all drawings used by the Seller Parties for such development work.

#### 2.20 Taxes.

- (a) All Tax Returns required to be filed by the Seller have been timely filed;
- (b) All Taxes shown on such Tax Returns have been timely paid;
- (c) No audits with respect to the Seller is in process, pending or threatened, no deficiencies or adjustments to Tax Returns exist or have been asserted in writing with respect to Taxes of the Seller, no notice has been received in writing that any Tax Return or Taxes of the Seller required to be filed or paid has not been filed or have not been paid;
- (d) There are no Tax liens on any of the Purchased Assets;
- (e) All Taxes that the Seller is required to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper Tax authority;
- (f) The Seller (i) is not currently nor has ever been a member of an affiliated group filing a consolidated federal income tax return or (ii) does not have any liability for the Taxes of any person under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign law), or as transferee or successor, by contract or otherwise;
- (g) The Seller has never been a party to any Tax sharing or similar agreement;
- (h) No consent under Section 341(f) of the Code has been filed with respect to the Seller; and

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(i) The Seller is not a USRPI as that term is defined in Section 897 of the Internal Revenue Code and the Treasury Regulations thereunder.

2.21 Commissions. With the exception of any responsibility that the Buyer has to PAC – West Resources Group, whose fees will be paid by the Buyer, and with the exception of any responsibility that the Seller has to Equity Management Group LLC whose fees will be paid by the Seller, there is no broker or finder or other Person who has any valid claim against either of the Seller, the Buyer, any of their respective Affiliates or any of their respective assets for a commission, finders' fee, brokerage fee or other similar fee in connection with this Agreement, or the transactions contemplated hereby, by virtue of any actions taken by on or behalf of the Seller Parties, or any of their respective officers, employees, independent contractors or agents.

2.22 Affiliate Transactions. Except pursuant to the employment agreements referred to in Section 5.9 hereof or the Rights Agreement, none of the Seller Parties will as of the Closing be a party to any agreements or arrangements with the Seller, or will have any obligations due it from the Seller that will continue in effect after the Closing Date that are not terminable by the Seller at will without cost, penalty or premium.

2.23 Payments. The Seller has not, directly or indirectly, paid or delivered any fee, commission or other sum of money or item or property, however characterized, to any finder, agent, government official or other party, in the United States or any other country, which were illegal under any federal, state or local laws of the United States or any other country having jurisdiction; and neither the Seller nor any one acting on its behalf have paid or offered a bribe or other personal inducement to any employee of any customer of the Seller. The Seller has not participated, directly or indirectly, in any boycotts or other similar practices affecting any of its actual or potential customers.

2.24 Intentionally Omitted.

2.25 Health and Safety Conditions.

(a) To the best of the Seller Parties' knowledge, after reasonable diligence, the Seller is in compliance with all Laws designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private, designed to provide safe and healthful working conditions including without limitation the Occupational Safety and Health Act of 1970, as amended, as well as any similar state or local Law.

(b) Schedule 2.25 lists the following items with respect to the Business:

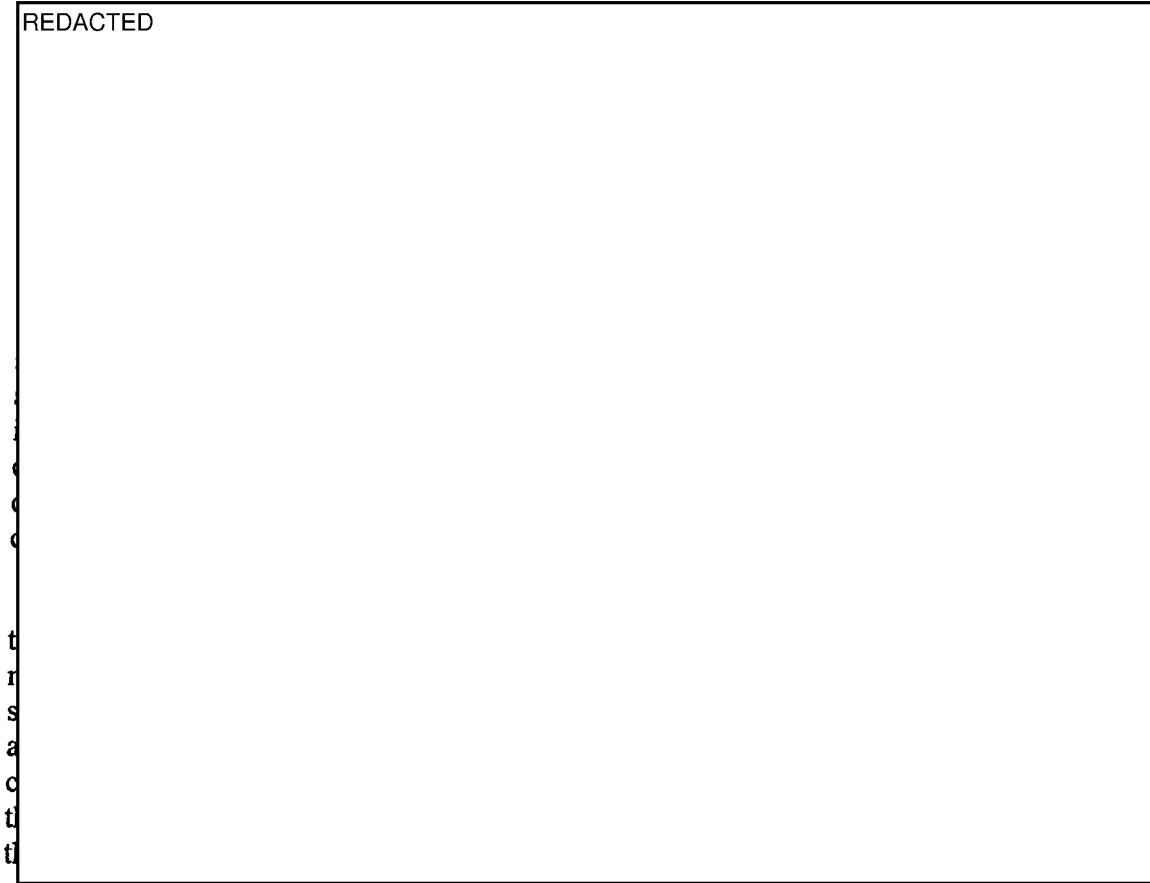
(i) personnel safety statistics and OSHA Form 200s related to the Business since January 1, 2002;

(ii) citations, notices of violations, orders, consent orders, administrative or judicial enforcement proceedings from state and federal OSHA agencies concerning the Business since January 1, 2002 or which are currently pending; and

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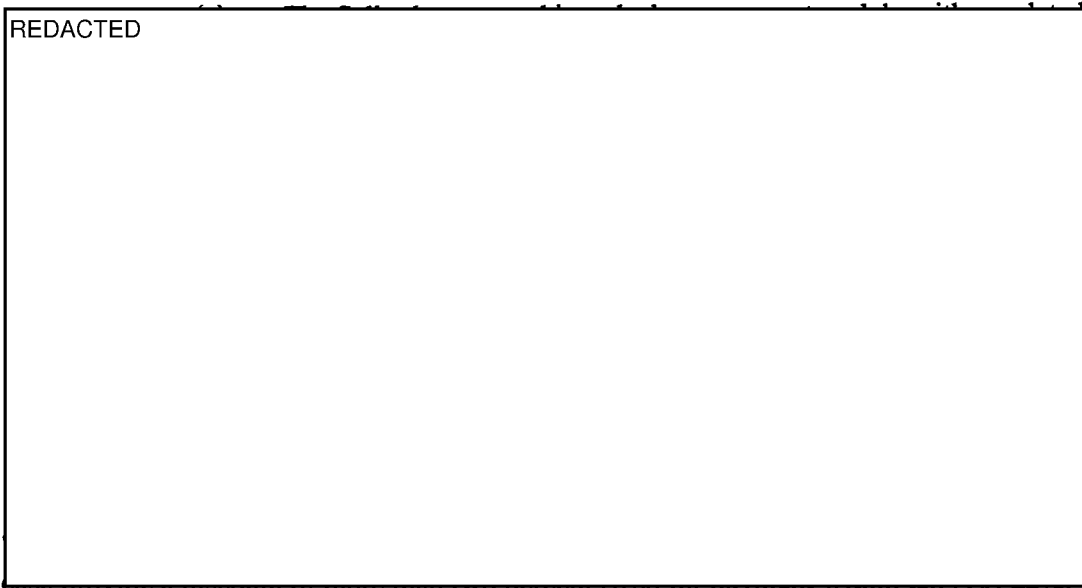
(iii) all current health and safety permits and licenses.

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2.27 Sales Channel.

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Seller has provided the Buyer with true, correct and complete copies of all distributorship agreements of the Seller. Schedule 2.27(b) sets forth those distributorship agreements with any terms that are materially different than those set forth in the standard form distributorship agreement, attaching copies thereof.

2.28 Product Warranties and Product Approvals.

(a) Set forth on Schedule 2.28 are representative forms of product warranties and guarantees granted or issued by the Seller in connection with the Business. None of the other product warranties or guarantees granted or issued by the Seller differ in any material respect from such representative forms. Since inception, the total annual net cost of satisfying product warranty or similar claims that have been made against the Seller or any of the Seller Parties in connection with the Business have not exceeded one percent (1%) of the net revenues of the Seller during such period. The Seller has committed no act, and there has been no omission, which would result in, and there has been no occurrence which would give rise to, any material product liability or liability for breach of warranty (whether covered by insurance or not) on the part of the Seller, with respect to products sold prior to the Closing by the Seller or any of its licensees or in the operation of the Business.

(b) To the best knowledge of the Seller Parties after reasonable diligence, all products manufactured, sold or licensed by the Seller and its Predecessors have in the past had, and currently have such governmental or third party approvals or certificates relating to design safety and industry standards as required by Applicable Law. All such products were and are designed, labeled and manufactured in conformance with applicable published industry standards relating to safety.

2.29 Compliance with WARN Act. The Seller has been exempt from, or has complied with, all applicable provisions of the WARN Act and the regulations thereunder in connection with all past reductions in work force relating to the Business.

2.30 Disclosure. No representation or warranty by the Seller Parties contained in this Agreement nor any statement or certificate furnished or to be furnished by or on behalf of the Seller Parties to the Buyer or its representatives in connection herewith or pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact required to make the statements contained herein or therein not misleading. There is no fact known to the Seller Parties that has not been disclosed by the Seller Parties to the Buyer that might reasonably be expected to have or result in a material adverse effect on the financial condition, financial position, properties, assets, rights, results of operations, or prospects of the Business.

Article 3. Representations and Warranties of the Buyer.

The Buyer represents and warrants to the Seller as follows:

3.1 Organization and Standing. The Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Florida and has

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all requisite corporate power and authority to own, lease and operate its properties and assets and to conduct its business as it is now being conducted.

3.2 Binding Agreement. The Buyer has all requisite corporate power and authority to enter into this Agreement, to execute and deliver this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by the Buyer and the consummation by the Buyer of its obligations hereunder have been duly and validly authorized by all necessary corporate and member action on the part of the Buyer. This Agreement has been duly executed and delivered on behalf of the Buyer and, assuming the due authorization, execution and delivery by the Seller Parties, constitutes a legal, valid and binding obligation of the Buyer enforceable in accordance with its terms.

3.3 Absence of Violations or Required Consents. The execution, delivery and performance by the Buyer of this Agreement does not and will not: (a) violate or result in the breach or default of any provision of the articles of organization or Limited Liability Company Agreement of the Buyer; (b) violate any Law or Governmental Order applicable to the Buyer or any of its properties or assets; (c) except for the Required Consents, require any consent, approval, authorization or other order of, action by, registration or filing with or declaration or notification to any Governmental Authority or any other Person; or (d) result in any violation or breach of, constitute a default (or event which with the giving of notice, or lapse of time or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any Encumbrance on any of the Buyer's assets pursuant to, any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license or permit, or franchise to which the Buyer is a party or by which its assets are bound.

3.4 Litigation. There are no Actions pending or threatened to be brought by or before any Governmental Authority, against the Buyer or any of its Affiliates that (i) seeks to question, delay or prevent the consummation of the transactions contemplated hereby, or (ii) would reasonably be expected to affect adversely the ability of the Buyer to fulfill its obligations hereunder, including without limitation, the Buyer's obligations under Article 1 hereof.

3.5 Commissions. With the exception of any responsibility that the Buyer has to PAC-West Resource Group, whose fees will be paid by the Buyer, and with the exception of any responsibility that the Seller has to Equity Management Group, LLC, whose fees will be paid by the Seller, there is no broker or finder or other Person who has any valid claim against the Seller, any of its Affiliates or any of its assets for a commission, finders' fee, brokerage fee or other similar fee in connection with this Agreement, or the transactions contemplated hereby, by virtue of any actions taken by on or behalf of the Buyer or its officers, employees or agents.

3.6 Disclosure. No representation or warranty by the Buyer contained in this Agreement nor any statement or certificate furnished or to be furnished by or on behalf of the Buyer to the Seller Parties or their representatives in connection herewith or pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact required to make the statements contained herein or therein not misleading. There is no fact known to the Buyer that has not been disclosed by the Buyer to the Seller Parties that might reasonably be expected to have or result in a material adverse effect on the financial

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condition, financial position, properties, assets, rights, results of operations, or prospects of the Buyer.

Article 4. Covenants and Agreements.

4.1 Conduct of the Business Prior to Closing; Access. The Seller Parties covenant as follows:

(c) Between the date hereof and the Closing Date, except as contemplated by

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(viii) any material Action, Indebtedness or any other claims or rights related to the Seller to be compromised, settled or otherwise adjusted, or any waiver or release relating thereto to be granted other than in the ordinary and usual course of business consistent with past practice;

(ix) any Indebtedness in excess of a net amount of \$25,000 to be created, incurred, assumed or guaranteed by the Seller that cannot be prepaid or terminated without payment of premium or penalty, except for borrowings under existing credit agreements (or replacements therefor on substantially the same terms) or the creation of trade payables;

(x) any new Material Contract or any amendments or modifications to any existing such Material Contract, to be entered into; or

(xi) any agreement, contract, commitment or arrangement to do any of the foregoing to be entered into.

(b) Pending the Closing Date, the Seller Parties shall:

(i) Ensure that the Buyer, potential lenders, financial advisors and their respective accountants, counsel, environmental consultants and its other representatives are given reasonable access during normal business hours to all of the facilities and employees (including appropriate experts and other knowledgeable personnel), attorneys, accountants, agents, independent contractors, properties, books and records of the Seller and the Business and that the Buyer and its representatives are furnished with such information concerning the Seller as the Buyer may reasonably require, including without limitation such access and cooperation as may be necessary to allow the Buyer and its representatives to:

A. identify those contracts and Permits that require third party consent to the transactions contemplated hereby, those that expire or may be terminated prior to or soon after the Closing and those that may require special documentation at the Closing;

B. arrange appropriate operational financing and insurance coverage by the Closing with respect to the Purchased Assets;

C. become familiar with the location and organization of the books and records;

D. make appropriate arrangements for the continuation of ongoing maintenance, construction and upgrade activities of the Business after the Closing;

E. plan advertising, promotion and marketing campaigns to be launched after the Closing;

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Closing; and F. plan new product launches to be made following the

G. perform environmental reviews and soil tests with respect to each parcel of Real Property at Buyer's expense;

provided that this right of access shall not be exercised in any way which would unreasonably interfere with the normal operations, business or activities of the Seller;

(ii) Make available promptly to the Buyer all routine management and statistical reports of the Seller;

(iii) Make available interviews requested with key distributors and dealers and key suppliers of the Seller which will be initiated, scheduled and coordinated by the Seller;

(iv) From time to time, furnish to the Buyer such additional information (financial or otherwise) concerning the Seller as the Buyer may reasonably request (which right to request information shall not be exercised in any way which would unreasonably interfere with the normal operations, business or activities of the Seller);

(v) Obtain the prior written consent of the Buyer with respect to taking, or permitting the Seller to take, any material action with respect to the Business other than in the ordinary course of business consistent with past business or other than as contemplated by this Agreement;

(vi) Notify the Buyer promptly after any of the Seller Parties have obtained knowledge of the occurrence of any circumstance, change in, or effect on the Business or the Purchased Assets that could have a Material Adverse Effect; and

(vii) Provide training, office facilities and integration support for any CEO, VP Operations and VP Finance hired by the Buyer (whose compensation shall be the obligation of the Buyer).

4.2 Non-Solicitation. Neither the Seller Parties nor their Affiliates shall, for the period from the date hereof through the date that is two years following the Closing Date, without the prior written consent of the Buyer, directly or indirectly, solicit to hire or hire (or cause or seek to cause to leave the employ of the Seller) any employee, independent contractor or agent of the Seller.

4.3 Cooperation. Following the execution of this Agreement, the Buyer and the Seller agree as follows:

(a) Subject to the terms and conditions of this Agreement, each party will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable, including under applicable Laws and regulations, to consummate the Sale and the other transactions contemplated by this Agreement on the Closing Date. In furtherance and not in limitation of the foregoing, each party hereto agrees to use its

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reasonable best effort to obtain as soon as practicable all other required consents from third parties.

(b) As used in this Section 4.3, "reasonable best efforts" shall not require the Buyer or any of its Affiliates to divest or hold separate or otherwise take or commit to take any action that limits their freedom of action with respect to, or their ability to retain, any of their assets or businesses or the Business or assets of the Seller or that limits their freedom of action with respect to their business or assets.

#### 4.4 Confidentiality.

(a) Prior to the Closing Date. The terms of the Confidentiality Agreement are herewith incorporated by reference and shall continue in full force and effect with respect to the Buyer until the Closing Date and shall remain in effect in accordance with its terms even if this Agreement is terminated.

(b) After the Closing Date, the Seller Parties shall maintain the confidentiality of all information of the Seller prior to the Closing under terms similar to those set forth in the Confidentiality Agreement with respect to "Information" as though such terms applied to the Sellers and continued after the Closing Date.

4.5 Public Announcements. Except as otherwise required by law or the rules of any stock exchange or automated quotation system, the parties shall not issue any report, statement or press release or otherwise make any public announcement with respect to this Agreement and the other transactions contemplated hereby without prior consultation with and approval of the other parties hereto (which approval shall not be unreasonably withheld); provided, that, the Buyer shall be entitled to disclose the acquisition and portfolio ownership of the Business after the Closing has occurred.

4.6 No Solicitation. Prior to the Closing or termination of this Agreement, the Seller Parties shall not and shall use their best efforts to cause its officers, directors, representatives, Affiliates or associates not to, (a) initiate contact with, solicit, encourage or respond to any inquiries or proposals by, or (b) enter into any discussions or negotiations with, or disclose, directly or indirectly, any information concerning the Seller to, or afford any access to the properties, books and records of the Seller to, any Person in connection with any possible proposal for the acquisition (directly or indirectly, whether by purchase, merger, consolidation or otherwise) of all or any of the assets, business or capital stock of the Seller, outside of the ordinary course of business.

4.7 Related Party Transactions. Prior to Closing, the Seller Parties and Traeger Brothers will contribute to the Seller all of the equipment or other assets used in the Business that they hold, including but not limited to any equipment used by the Seller and owned by Joe Traeger and any equipment used in the Business, except the Intellectual Property Rights to be assigned to the Buyer under the Rights Agreement.

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4.8 Non-Compete.

(a) The Seller Parties covenant and agree on their own behalf and on behalf of each of their Affiliates that from the date hereof and until the seventh anniversary of the Closing Date, neither the Seller Parties nor their Affiliates will directly or indirectly, engage in or have any interest in any sole proprietorship, partnership, corporation, limited liability company or business, whether as an employee, partner, agent, security holder, consultant or otherwise, that directly or indirectly is engaged in any business relating to the Business in any Restricted Area or to sell wood pellet grills, BBQ or cooking equipment or related accessories or supplies (including without limitation wood pellets for grills, BBQs and other cooking equipment) to any customer of the Seller as of the Closing Date or at any time during the preceding three (3) years. For the purposes of this Section 4.8, a "Restricted Area" means the area on the date hereof or on the Closing Date of one hundred miles from the facilities owned or leased by the Seller.

(b) Each of the Seller Parties acknowledges and agrees that the covenants provided for in this Section are reasonable and necessary in terms of time, area and line of business to protect the Buyer's legitimate business interests as a purchase of the Purchased Assets, which includes protecting valuable confidential business information, substantial relationships with customers and throughout the Restricted Area and customer goodwill associated with the Seller. The Seller Parties expressly authorize the enforcement of the covenants provided for in this Section by (i) the Buyer, (ii) the Seller, and (iii) any successors to the ownership of the Seller. To the extent that the covenant provided for in this Section may later be deemed by a court to be too broad to be enforced with respect to its duration or with respect to any particular activity or geographic area, the court making such determination shall have the power to reduce the duration or scope of the provision. The provision as modified shall then be enforced.

(c) Seller agrees and understands that Buyer may in the future expand the scope of the purchased Business and Seller will not assert or claim that any future activity of Buyer infringe or violate the Intellectual Property Rights of Seller unless and to the extent such activities infringe rights of Seller pursuant to valid issued patents that are unrelated to the Business.

(d) It is agreed by each of the Seller Parties on their own behalf and on behalf of their Affiliates that Buyer would be irreparably damaged by reason of any violation of this Section by any of the Seller Parties or their Affiliates, and that any remedy at law for breach of such provisions would be inadequate. Therefore, the Buyer shall be entitled to seek and obtain injunctive or other equitable relief (including, but not limited to, a temporary restraining order, a temporary injunction or a permanent injunction) against the Seller Parties and their Affiliates, for breach or threatened breach of such provisions and without the necessity of proving actual monetary loss. It is expressly understood by each of the Seller Parties that this injunctive or other equitable relief shall not be the Buyer's exclusive remedy for any breach of this covenant and the Buyer shall be entitled to seek any other relief or remedy that may be available by contract, statute, law or otherwise for any breach hereof. It is agreed that the Buyer shall also be entitled to recover any and all attorney's fees and expenses in the enforcement of the provisions hereof.

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(e) The Seller Parties hereby agree to execute and deliver covenants not to compete with the purchaser of the Business from the Buyer as and when requested by such purchaser; provided any such covenants not to compete do not materially expand the scope, terms or conditions of this Section 4.8.

4.9 Collections.

The Seller and the Seller Parties covenant and agree that Seller shall collect its receivables and payments in accordance with past business practices and not negotiate for or accept advance payments nor accelerate the collection of any such receivables or payments. On or prior to the Closing Date, the Seller shall deliver an executed letter of instruction to all of the Seller's distributors and dealers notifying such parties of the new name and remittance instructions for the Business. In the event the Seller receives payments from any customer with respect to any accounts receivable which are part of the Purchased Assets or any other amount due to the Buyer, the Seller shall hold such funds in trust for the benefit of the Buyer and immediately turnover such receipts to the Buyer.

4.10 Recruitment.

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Article 5. Conditions to Obligations of the Buyer.

The obligations of the Buyer to consummate the transactions contemplated by this Agreement are, at its option, in its sole discretion, subject to satisfaction of each of the following conditions:

5.1 Representations and Warranties.

(a) The representations and warranties of the Seller Parties contained herein shall be true and correct in all material respects (other than those representations and warranties that are qualified by Material Adverse Effect and those described in clause (b) below, which shall be true and correct in all respects) at and as of the Closing Date as though each such representation and warranty were made at and as of such time, other than such representations and warranties as are made as of a specific date.

(b) The representations and warranties of the Seller Parties contained in Sections 2.3, 2.4, 2.5, 2.6, 2.11, 2.13 and 2.14 shall be true and correct in all respects at and as of the Closing Date.

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5.2 Performance by the Seller Parties. All of the covenants and agreements to be complied with and performed by the Seller Parties on or before the Closing Date shall have been complied with or performed in all material respects.

5.3 Certificate. The Seller Parties shall have delivered to the Buyer a certificate, dated as of the Closing Date, executed on behalf of the Seller Parties by their duly authorized officers to the effect of Sections 5.1 and 5.2.

5.4 Consents; No Objections. All consents, waivers, approvals, orders and authorizations from third parties required to be made or obtained for the authorization, execution, delivery and performance of this Agreement, the consummation of the transactions contemplated hereby and the continuation in force of any rights, licenses, permits, authorizations, agreements, instruments or documents of the Seller, or that relate to the Business shall have been obtained and become final and non-appealable. Neither any statute, rule, regulation, order, stipulation, decree, judgment, or injunction shall be enacted, promulgated, entered, enforced, or deemed application to the purchase nor any other action shall have been taken by any Government Entity (i) which prohibits the consummation of the transactions contemplated by this Agreement; (ii) which prohibits Buyer's ownership or operation of all or any material portion of the business or assets of the Seller, or which compels the Buyer to dispose of or hold separately all or any portion of the business or assets of Buyer, any affiliate of Buyer, or the Seller as a result of the transaction contemplated herein; (iii) which makes the purchase of, or payment for, some or all of the Purchased Assets illegal; (iv) which imposes material limitations on the ability of the Buyer to acquire or hold or to exercise effectively all rights of ownership of the Purchased Assets; or (v) which imposes any limitations on the ability of the Buyer effectively to control in any material respect the business or operations of the Seller, of Buyer or of any Affiliate of the Buyer.

5.5 No Proceedings or Litigation. There shall not have been instituted, pending or threatened any action or proceeding (or any investigation or other inquiry that might result in such an action or proceeding) by or before any Government Entity (i) which prohibits the consummation of the transactions contemplated by this Agreement; (ii) which prohibits Buyer's ownership or operation of all or any of the Business or the Purchased Assets, or which compels the Buyer to dispose of or hold separately all or any portion of the Business or the Purchased Assets of the Seller, the Buyer or any Affiliate of the Buyer as a result of the transaction contemplated herein; (iii) which makes the purchase of, or payment for, some or all of the Purchased Assets illegal; (iv) which imposes limitations on the ability of the Buyer to acquire or hold or to exercise effectively all rights of ownership of the Purchased Assets; or (v) which imposes any limitations on the ability of the Buyer to effectively control in any material respect the Business or the business or operations of the Buyer or any Affiliate of the Buyer. No preliminary or permanent injunction or other order issued by any United States federal or state Governmental Authority, nor any Law promulgated or enacted by any United States federal or state Governmental Authority, that restrains, enjoins or otherwise prohibits the transactions contemplated hereby or limits the ability in any respect of the rights of the Seller to hold its assets and conduct its present, planned or prospective business, or imposes civil or criminal penalties on any member, manager, stockholder, director or officer of the Buyer if such transactions are consummated, shall be proposed or be in effect.

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5.6 No Material Events. Since the date hereof, there have not been any circumstances, changes in or effects on the Seller or its assets, financial or other condition or prospects, or the patents to be conveyed pursuant to the Rights Agreement that, individually or in the aggregate, had or could have a Material Adverse Effect.

5.7 Rights Agreement Closing. The closing of the Rights Agreement shall have occurred.

5.8 Employment Agreements. Each of Brian Traeger, Joe Traeger, Randy Traeger and Mark Traeger shall have entered into employment agreements with the Buyer in form and content previously approved by the Buyer.

5.9 Estoppel Letters. The Seller shall have delivered to Buyer estoppel letters from all lessors and lenders to the Seller in form and content acceptable to the Buyer.

5.10 Name Change Amendment. At or prior to the Closing, the Seller shall file with the Secretary of State of Oregon articles of amendment to the articles of incorporation of the Company effectuating a change in the Seller's name from Traeger Industries, Inc. to a name which is substantially dissimilar.

5.11 Opinion of Counsel. Hooper, Englund & Weil, LLP, counsel to the Seller, shall have delivered to the Buyer an opinion letter, dated the date of the Closing in form and content acceptable to the Buyer, addressed to the Buyer and its lenders.

5.12 Miscellaneous. The Seller shall deliver to the Buyer addressed to the Buyer and its lenders, dated the Closing Date, such additional certificates and opinions as the Buyer shall reasonably request.

#### Article 6. Conditions to Obligations of the Seller.

The obligations of the Seller to consummate the transactions contemplated by this Agreement are, at its option, in its sole discretion, subject to satisfaction of each of the following conditions:

6.1 Representations and Warranties. The representations and warranties of the Buyer contained herein shall be true and correct in all material respects (other than those representations and warranties that are qualified by Material Adverse Effect, which shall be true and correct in all respects) at and as of the Closing Date as though each such representation and warranty were made at and as of such time, other than such representations and warranties as are made as of a specific date, in each case except for changes that are expressly contemplated by this Agreement, and except for such failures to be true and correct that (without regard to materiality concepts therein once such failure is established) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the business, results of operations or financial condition of the Buyer.

6.2 Performance by the Buyer. All of the covenants and agreements to be complied with and performed by the Buyer on or prior to the Closing Date shall have been complied with or performed in all material respects.

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6.3 Certificate. The Buyer shall have delivered to the Seller a certificate, dated as of the Closing Date, executed on behalf of the Buyer by its duly authorized officers to the effect of Sections 6.1 and 6.2.

6.4 No Proceedings or Litigation. No preliminary or permanent injunction or other order issued by any United States federal or state Governmental Authority, nor any Law promulgated or enacted by any United States federal or state Governmental Authority, that restrains, enjoins or otherwise prohibits the transactions contemplated hereby.

#### Article 7. Indemnification.

7.1 Indemnification by the Seller Parties. Subject in all respects to the provisions of this Article 7, the Seller Parties hereby agree jointly and severally to indemnify and hold harmless the Buyer and its Affiliates, officers, directors, employees, agents, representatives, successors and assigns after the Closing Date from and against any Claims and Damages incurred by them arising out of or resulting from:

(a) any breach on the part of any of the Seller Parties of (i) any representation or warranty made herein or in any certificate delivered by the Seller Parties pursuant to this Agreement or any employment agreement or (ii) any covenant or agreement made by the Seller Parties in this Agreement or any employment agreement; or

(b) any third party claim existing as of the Closing Date, including those in which the Seller is a plaintiff, or any dispute initiated by the Seller prior to the Closing, and any third party claim initiated following the Closing arising out of any event that occurred at or prior to the Closing (a "Liability Claim").

7.2 Indemnification by the Buyer. Subject in all respects to the provisions of this Article 7, the Buyer hereby agrees to indemnify and hold harmless the Seller and its officers, directors, employees, agents and representatives after the Closing Date from and against any Claims and Damages incurred by them arising out of or resulting from any breach on the part of the Buyer of (i) any representation or warranty made by the Buyer in Article 3 hereof or in any certificate delivered pursuant to this Agreement or (ii) any covenant or agreement made by the Buyer in this Agreement, (iii) any claims against the Seller arising out of the conduct of the business of the Buyer following the Closing.

#### 7.3 Limitations on Indemnification Claims and Liability.

(a) The respective representations and warranties of the Seller Parties and the Buyer set forth in this Agreement or in any certificate delivered pursuant to this Agreement, and the opportunity to make a claim for indemnification, or otherwise be indemnified or held harmless, under this Article 7 with respect thereto or with respect to (i) any covenant or agreement relating to any action required by this Agreement to be taken prior to or at the Closing or (ii) any Liability Claim shall survive until a final, unappealable order is entered with respect to such Liability Claim and indemnification is made by the Seller as provided herein; provided, however, that any claim based on a breached representation or warranty is made prior to the third anniversary of the Closing. Any and all covenants and agreements relating to any action required by this Agreement to be taken after the Closing shall survive the Closing for the

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applicable period of the statutes of limitations and shall not expire with, and be terminated and extinguished upon, the Closing.

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the making of the claim for indemnification. If any indemnified Party receives any Reimbursement or Net Proceeds after an indemnification payment is made which relates thereto, the Indemnified Party shall promptly repay to the Indemnifying Party such amount of the indemnification payment as would not have been paid had the Reimbursement or Net Proceeds reduced the original payment (and any such repayment shall be a credit against any applicable

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indemnification threshold or limitation set forth in Section 7.3(b) hereof) at such time or times as and to the extent that such Reimbursement or Net Proceeds is actually received. The Indemnified Party shall make available to the Indemnifying Party and its agents and representatives all pertinent records, materials and information, and provide reasonable access during normal business hours to the Indemnified Party's employees, properties, books and records, and shall otherwise cooperate with and assist the Indemnifying Party and its agents and representatives in reviewing the propriety and the amount of any Claims or Damages, including, without limitation, the availability and/or amounts of Reimbursements and Net Proceeds.

7.5 Notice of Claims. Upon obtaining actual knowledge of any Claim or Damage which has given rise to, or could reasonably give rise to, a claim for indemnification hereunder, the party seeking indemnification (the "Indemnified Party") shall, as promptly as reasonably practicable (but in no event later than 30 days) following the date the Indemnified Party has obtained such knowledge, give written notice (a "Notice of Claim") of such claim to the party or parties from which indemnification is or will be sought under this Article 7 (the "Indemnifying Party"). The Indemnified Party shall furnish to the Indemnifying Party in good faith and in reasonable detail such information as the Indemnified Party may have with respect to such indemnification claim (including copies of any summons, complaint or other pleading which may have been served on it and any written claim, demand, invoice, billing or other document evidencing or asserting the same). No failure or delay by the Indemnified Party in the performance of the foregoing shall reduce or otherwise affect the obligation of the Indemnifying Party to indemnify and hold the Indemnified Party harmless, except to the extent that such failure or delay shall have materially adversely affected the Indemnifying Party's ability to defend against, settle or satisfy any liability, damage, loss, claim or demand for which such Indemnified Party is entitled to indemnification hereunder.

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7.7 Liability for Taxes.

(a) The Seller shall be liable for and shall indemnify the Buyer, for (i) all Taxes (as defined below) imposed on the Seller, or for which the Seller may otherwise be liable, for any taxable year or period that ends on or before the Closing Date ("Pre-Closing Tax Periods") and, with respect to any portion of a taxable year or period beginning before and ending after the Closing Date ("Straddle Period"), the portion of such Straddle Period ending on and including the Closing Date, and (ii) all liabilities imposed on the Seller on or before the Closing Date under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign law) for Taxes of the Seller or any other corporation which is affiliated with the Seller (other than the Seller).

(b) For purposes of this Section 7.7, whenever it is necessary to determine the liability for Taxes of the Seller for a portion of a Straddle Period:

(i) real, personal and intangible property Taxes ("Property Taxes") for the Pre-Closing Tax Period shall be equal to the amount of such Property Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of

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days during the Straddle Period that are in the Pre-Closing Tax Period and the denominator of which is the number of days in the Straddle Period; and

(ii) all other Taxes for the Pre-Closing Tax Period shall be determined by assuming that the Sellers had a taxable year or period that ended at the close of the Closing Date.

7.8 Adjustment to Purchase Price. The Buyer and the Seller agree to report any indemnification payment made by the Seller under Section 7.7 as an adjustment to the Purchase Price, or other non-taxable amount to the extent that there is substantial authority for such reporting position under applicable law.

7.9 Transfer and Conveyance Taxes. The Seller shall be liable for and shall pay all applicable sales, transfer, recording, deed, stamp and other similar taxes resulting from the consummation of the transactions contemplated by this Agreement.

7.10 Survival. Claims for indemnification under this Agreement based on breached representations or warranties shall survive until the third anniversary of the Closing and other claims for indemnification under this Agreement shall survive until the expiration of the applicable statute of the limitations (including any extensions or waivers of such statutes).

#### Article 8. Definitions.

Unless otherwise stated in this Agreement, the following capitalized terms have the following meanings:

“Action” means any action, suit, claim, arbitration, or proceeding or investigation commenced by or pending before any Governmental Authority.

“Adjustment” has the meaning set forth in Section 1.4 hereof.

“Affiliate” means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such specified Person.

“Agreement” or “this Agreement” means this Purchase Agreement dated as of the date first above written (including the Annexes, Schedules and Exhibits hereto) and all amendments hereto made in accordance with the provisions of Section 9.17 hereof.

“Annual Financial Statements” has the meaning set forth in Section 2.6(a) hereof.

“Assumed Liabilities” has the meaning set forth in Section 1.3 hereof.

“Business” has the meaning set forth in the Recitals hereto.

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in the City of Tampa, Florida.

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"Buyer" has the meaning specified in the introductory paragraph to this Agreement.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

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former employee of the Seller, other than any de minimis, fringe or unwritten benefit plans, programs, policies or arrangements, the costs of which, to the Seller, are not material.

“Encumbrance” means any security interest, pledge, mortgage, lien (including, without limitation, tax liens), charge, encumbrance, easement, adverse claim, preferential arrangement, restriction or defect in title.

“Environmental Claims” means any and all actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigations, proceedings, consent orders or consent agreements relating in any way to any Environmental Law, any Environmental Permit, Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation (a) by Governmental Authorities for investigation, closure, enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any Person for damages, contributions, indemnification, cost recovery, compensation or injunctive relief.

“Environmental Law” means any Law relating to the environment, health, safety or Hazardous Materials, in force and effect on the date hereof or, in the case of the Seller Parties’ certificate to be delivered in accordance with the provisions of Section 5.3 hereof, on the Closing Date (exclusive of any amendments or changes to such Law or any regulations promulgated thereunder or orders, decrees or judgments issued pursuant thereto which are enacted, promulgated or issued after the date hereof, or in the case of such certificate, on or after the Closing Date), including but not limited to, CERCLA; the Resource Conservation and Recovery Act of 1986 and Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. (S)(S)6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. (S)(S)6901 et seq.; the Clean Water Act, 33 U.S.C. (S)(S)1251 et seq.; the Toxic Substances Control Act of 1976, 15 U.S.C. (S)(S)2601 et seq.; the Clean Air Act of 1966, as amended, 42 U.S.C. (S)(S)7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. (S)(S)300f et seq.; the Atomic Energy Act, 42 U.S.C. (S)(S)2011 et seq.; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. (S)(S)136 et seq.; and the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. (S)(S)1101 et seq.

“Environmental Permits” means all permits, approvals, identification numbers, licenses and other authorizations required under any applicable Environmental Law.

“Equipment” means all of the tangible personal property, machinery, equipment, vehicles, rolling stock, furniture, and fixtures in which the Seller has an interest, by ownership or lease, together with any replacements thereof, or additions thereto made in the ordinary course of business between the date hereof and the Closing Date.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Escrow Agent” has the meaning set forth in Section 1.3 hereof.

“Escrow Agreement” has the meaning set forth in Section 1.3 hereof.

“Estimated Adjustment” has the meaning set forth in Section 1.3 hereof.

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“GAAP” means United States generally accepted accounting principles and practices as in effect from time to time.

“Governmental Authority” means any United States federal, state or local government or any foreign government, any governmental, regulatory, legislative, executive or administrative authority, agency or commission or any court, tribunal, or judicial body.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority. Governmental Orders shall not include Permits.

“Hazardous Materials” means petroleum and petroleum products, byproducts or breakdown products, asbestos or asbestos containing material, polychlorinated biphenyls (“pcbs”), chlorinated solvents, radioactive materials, and any other chemicals, materials, or substances designated, classified or regulated as being “hazardous” or “toxic”, or words of similar import, under any Environmental Law, without taking into account any minimum or threshold amounts specified in such Laws.

“Indebtedness” means obligations with regard to borrowed money and leases classified or accounted for as capital or financing leases on financial statements, but shall expressly not include either accounts payable or accrued liabilities that are incurred in the ordinary course of business or obligations under operating leases classified or accounted for as such on financial statements.

“Indemnified Party” has the meaning set forth in Section 7.5 hereof.

“Indemnifying Party” has the meaning set forth in Section 7.5 hereof.

“Interim Financial Statements” has the meaning set forth in Section 2.6(b) hereof.

“Intellectual Property Rights” include but are not limited to the items listed on Exhibit A to the Rights Agreement and all of the patents, applications, trademarks, copyrights, know-how, droit moral, show-how, mask work, proprietary innovations and inventions, methods or techniques, likenesses or other intellectual property held by the Sellers or any of their Affiliates and used or useful, directly or indirectly, in the Business and any other matters within the scope of business of the Company whether or not reduced to writing.

“Knowledge” with respect to a party means such information as any of its officers or key employees actually knew or should with the exercise of due diligence have known.

“Law” means any federal, state, local or foreign constitution, statute, law, ordinance, regulation, rule, code, injunction, judgment, order, decree or other requirement, restriction or rule of law.

“Liability Claim” has the meaning set forth in Section 7.1 hereof.

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~~"Material Adverse Effect" means any circumstance, change in, or effect on the Seller that~~

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"Person" means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

"Pre-Closing Tax Period" has the meaning set forth in Section 7.7(a) hereof

"Proposed Adjustment" has the meaning set forth in Section 1.4 hereof.

"Purchased Assets" has the meaning set forth in Section 1.1 hereof.

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"Purchase Price" has the meaning set forth in Section 1.3 hereof.

"Real Property" means the real property and related mineral rights owned by, and all easements, rights-of-way and other possessory interests in real estate of the Seller, together with all buildings and other structures, facilities or improvements currently or hereafter located thereon, all fixtures, systems, equipment and items of personal property of the Seller attached or appurtenant thereto, and all easements, licenses, rights and appurtenances relating to the foregoing.

"Regulatory Law" has the meaning set forth in Section 4.4(b).

"Release" means disposing, discharging, injecting, spilling, leaking, leaching, dumping, emitting, escaping, emptying, seeping, placing and the like into or upon any land or water or air or otherwise entering into the environment.

"Required Consents" means the consents, approvals, orders, authorizations, registrations, declarations and filings required under or in relation to applicable law or any Material Contracts that are set forth on Schedule 2.3.

"Rights Agreement" has the meaning set forth in the Recitals hereto.

"Seller" has the meaning set forth in the Recitals hereof.

"Seller Parties" has the meaning set forth in the introductory paragraph of this Agreement.

"Sale" has the meaning set forth in the recitals hereto.

"SEC" means the Securities and Exchange Commission.

"Sellers" has the meaning set forth in the introductory paragraph to this Agreement.

"Straddle Period" has the meaning set forth in Section 7.7(a) hereof.

"Subsidiary" of any Person means (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation is owned by such Person directly or indirectly through Subsidiaries and (ii) any partnership, limited partnership, limited liability company, associates, joint venture or other entity in which such Person directly or indirectly through Subsidiaries has more than a 50% equity interest.

"Tax" or "Taxes" means any and all taxes, fees, withholdings, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto), fees, surcharges, contributions, or other payments and administrative or regulatory fees, imposed by any local, state, federal or foreign government or governmental agency or taxing authority, including, without limitation, taxes or other charges on or with respect to income, franchises, windfall or other profits, gross receipts, property, sales, use, capital stock, payroll, employment, social security, workers'

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*BT*  
*RT*  
*BT*  
*RT*



compensation, unemployment compensation, or net worth, taxes or other charges in the nature of excise, withholding, ad valorem, stamp, transfer, value added or gains taxes, license, registration and documentation fees, and customs duties, tariffs and similar charges.

"Tax Return" means any report, return, document, declaration or other information or filing required to be supplied to any Tax authority or jurisdiction (foreign or domestic) with respect to Taxes, including, without limitation, information returns, any documents with respect to or accompanying payments of estimated Taxes, or with respect to or accompanying requests for the extension of time in which to file any such report, return, document, declaration or other information.

"Union Employee" means an employee of the Seller whose terms and conditions of employment are governed by the terms of any collective bargaining agreement.

Article 9. Miscellaneous Provisions.

9.1 Termination Rights.

(a) Grounds for Termination. This Agreement may be terminated:

(i) by mutual consent of the parties;

(ii) by the Seller if the Seller is ready, willing and able to close the transactions contemplated hereby and by the Rights Agreement on the Closing Date, the Seller Parties and Traeger Industries, Inc. have not violated their representations, warranties or covenants herein or in the Rights Agreement and have satisfied the Closing conditions herein and in the Rights Agreement, and Buyer is not prepared to close on the Closing Date;

(iii) by the Buyer if the Seller is not ready, willing and able to close the transactions contemplated hereby and by the Rights Agreement on the Closing Date, or any of the Seller Parties or Traeger Industries, Inc. have violated their representations, warranties or covenants herein or in the Rights Agreement or have not satisfied the conditions to the Closing herein or in the Rights Agreement and the Buyer is prepared to close on the Closing Date;

(iv) by either the Seller or the Buyer, upon written notice to the other party or parties, if any Governmental Authority shall have issued a statute, rule, regulation, order, decree or injunction or taken any other action permanently restraining, enjoining or otherwise prohibiting the purchase and sale contemplated by this Agreement and such statute, rule, regulation, order, decree or injunction or other action shall have become final and nonappealable;

(v) by the Buyer, if there has been a breach of any representation or warranty of any of the Seller Parties set forth in this Agreement or if there has been a material breach by any of the Seller Parties of their covenants and agreements set forth in this Agreement; or

*Handwritten initials:* BT, RT, JV, AM, AA

(vi) by the Seller Parties, if there has been a breach of any representation or warranty of the Buyer set forth in this Agreement or if there has been a material breach by the Buyer of its covenants and agreements set forth in this Agreement.

(b) Post-Termination Liability. If this Agreement is terminated pursuant to Subsection 9.1(a) hereof, this Agreement shall thereupon become void and of no further effect whatsoever, and the parties shall be released and discharged of all obligations under this Agreement, except (i) to the extent of a Seller Party's liability for willful material breaches of this Agreement prior to the time of such termination, (ii) to the extent of the Deposit as provided in Section 1.4 of the Rights Agreement; (iii) as set forth in Section 4.5 hereof and (iv) the obligations of each party for its own expenses incurred in connection with the transactions contemplated by this Agreement as provided herein.

9.2 Expenses. Except as otherwise specifically provided in this Agreement, all out-of-pocket costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Seller Parties other than the Seller on behalf of the Seller with respect to this Agreement and the Patent Assignment Agreement, on the one hand, and the Buyer on the other, whichever is the Party incurring such costs and expenses, whether or not the Closing shall have occurred.

9.3 Notices. Any notice, demand, claim, notice of claim, request or communication required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed to have been duly given (i) upon delivery if delivered in person, (ii) on the date of mailing if mailed by registered or certified mail, postage prepaid and return receipt requested, (iii) on the date of delivery to a national overnight courier service, or (iv) upon transmission by facsimile (if such transmission is confirmed by the addressee) if delivered through such services to the following addresses, or to such other address as any party may request by notifying in writing all of the other parties to this Agreement in accordance with this Section 9.3.

If to the Buyer:

Traeger Pellet Grills LLC  
601 North Ashley Drive, Suite 1200  
Tampa, Florida 33602  
Attn: Albert E. Strausser  
Telephone: 813-226-3900  
Facsimile: 813-226-3995

With a copy to:

Adorno & Yoss LLP  
2525 Ponce de Leon Blvd.  
Suite 400  
Coral Gables, FL 33134  
Attention: Seth P. Joseph, Esq.

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Telephone: (305) 460-1469  
Facsimile: (305) 328-4024

If to the Seller Parties:

Traeger Industries, Inc.  
P.O. Box 1070  
530 Alder Street  
Mt. Angel, Oregon 97362  
Attn: Joe Traeger  
Telephone: (503) 845-6495  
Facsimile: (503) 845-6366

With a copy to:

Hooper, Englund & Weil LLP  
1100 SW 6<sup>th</sup> Avenue, Suite 1507  
Portland, Oregon 97204  
Attn: Gregory J. Englund  
Telephone: (503) 226-0500  
Facsimile: (503) 226-7192

Any such notice shall be deemed to have been received on the date of personal delivery, the date set forth on the Postal Service return receipt, or the date of delivery shown on the records of the overnight courier, as applicable.

9.4 **Benefit and Assignment.** This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. There shall be no assignment of any interest under this Agreement by any party except that the Buyer may assign its rights hereunder to any wholly owned subsidiary of the Buyer or any purchaser of the Business, in whole or in part; provided, however, that no such assignment shall relieve the assignor of its obligations under this Agreement. Nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement; provided that all of the obligations of Seller Parties hereunder shall be assignable by Buyer to any third party purchaser of the Business and such person is an intended beneficiary hereof.

9.5 **Waiver.** Any party to this Agreement may (a) extend the time for the performance of any of the obligations or other acts of any other party, (b) waive any inaccuracies in the representations and warranties of any other party contained herein or in any document delivered by any other party pursuant hereto or (c) waive compliance with any of the agreements or conditions of any other party contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition, of this Agreement. The failure of any party to assert any of its rights hereunder shall not constitute a waiver of any such rights.

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BT  
RT  
[Handwritten signatures]

9.6 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this 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. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

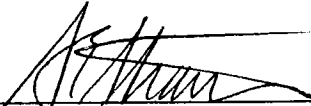
9.7 Amendment. This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, the Seller Parties and the Buyer or (b) by a waiver in accordance with Section 9.5 hereof.

9.8 Effect and Construction of this Agreement. This Agreement embodies the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior agreements, arrangements and understandings, whether written or oral, relating to matters provided for herein; provided, however, that the Confidentiality Agreement shall remain in effect until the Closing. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual agreement, and this Agreement shall not be deemed to have been prepared by any single party hereto. The headings of the sections and subsections of this Agreement are inserted as a matter of convenience and for reference purposes only and in no respect define, limit or describe the scope of this Agreement or the intent of any section or subsection. This Agreement may be executed in one or more counterparts and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida, applicable to contracts executed in and to be performed entirely within that State. The parties agree that the exclusive venue for any dispute concerning the entitlement to the Deposit shall be the courts of competent jurisdiction situated in Portland, Oregon and that the exclusive venue for any other dispute between the parties (except those arising from a third party claim) shall be Hillsborough County, Florida.

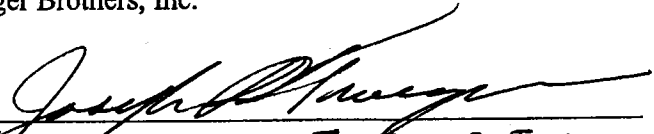
9.9 Specific Performance. Each of the Seller Parties acknowledge and agree that in the event of any breach of this Agreement, the Buyer would be irreparably and immediately harmed and could not be made whole by monetary damages. It is accordingly agreed that the parties hereto (i) waive, in any action for specific performance, the defense of adequacy of a remedy at law and (ii) shall be entitled, in addition to any other remedy to which they may be entitled at law or in equity, to compel specific performance of this Agreement.

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

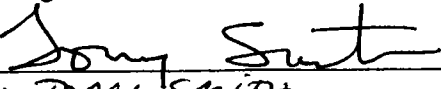
Traeger Pellet Grills LLC

By:   
Name: Albert Strausser  
Title: Managing Director of The Barish Fund LLC, as  
Managing Member of Traeger Pellet Grills LLC


Traeger Brothers, Inc.

By:   
Name: JOSEPH P. TRAEGER  
Title: President.


The Joe Traeger Charitable Trust

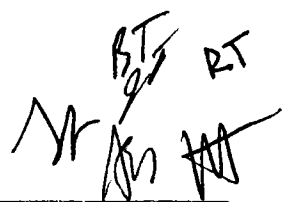
By:   
Name: TONY SMITH  
Title: SPECIAL INDEPENDENT TRUSTEE


The Randy Traeger Charitable Trust

By:   
Name: TONY SMITH  
Title: SPECIAL INDEPENDENT TRUSTEE

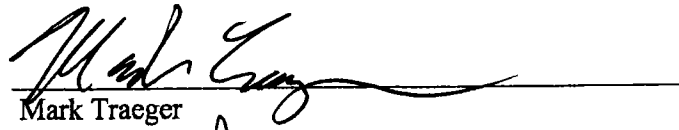
The Mark Traeger Charitable Trust

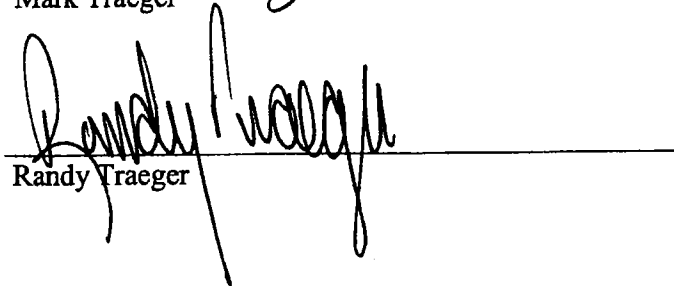
By:   
Name: TONY SMITH  
Title: SPECIAL INDEPENDENT TRUSTEE

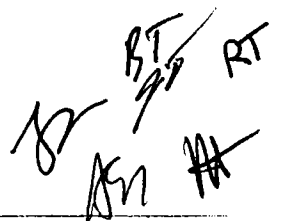


  
Joe Traeger

  
Brian Traeger

  
Mark Traeger

  
Randy Traeger



## Schedule 2.19(B)

### Intellectual Property Owned by Seller and Used or Useful in the Business

#### Trademarks, service marks etc. of Seller relating to the Business:

- Traeger name and tree logo (which Seller is assigning including any rights to register, in connection with the Business only)
- Smokeman (registered)
- Smith & Wesson license agreement
- Any other marks, logos, copyrights or other intellectual property used in connection with the Business, including without limitation likenesses of people and images used in advertising (who shall sign documentation allowing the Buyer to continue to use the likenesses without cost and deliver said documentation to Seller at Closing), packaging and labeling, artwork used on Business products, product names, including without limitation BBQ070, 075, LHS, PIG, 100, 124, 125, and SW, Traeger Professional, Traeger Executive, Commercial Models, "Lil Pig", "Longhorn Steer", formulations for shakes, sauces, rubs, samplers, pellets, designs, tooling, masters, stats, dies, photos, TV programs including names, formats, rights, videotapes or films, design, masters, layout, of instruction manuals, training aids and material, video and film productions, cookbooks, recipes.

Domain names including [www.traegerindustries.com](http://www.traegerindustries.com) and any other domain name used or registered by the Business, whether or not currently registered using the name "Traeger".

NY BT  
WA RT

PATENT

REEL: 033170 FRAME: 0848

**Schedule 2.19(d)**

**Intellectual Property License Violations, Infringements, Claims, or Challenges to Validity or Ownership**

Graybeal Jackson Haley LLP, on behalf of the Danson's Group Inc. sent a letter (known by Seller and Buyer as the "Dansons letter") dated December 15, 2004 alleging "false marking" of Traeger's product under patent 4,823,684. This letter has been provided to the Buyer during due diligence.

*Handwritten initials:* NJ, BT, RT, and a signature.



## ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this "Assignment"), made and entered into this 4<sup>th</sup> day of April, 2006, by and among Traeger Industries Inc., an Oregon corporation ("Assignor"); and Traeger Pellet Grills LLC, a Florida limited liability company ("Assignee").

### RECITALS:

A. The Assignor is a party to those certain agreements listed on Schedule A attached hereto (the "Agreements").

B. The Assignor desires to transfer and assign all of its right, title and interest in each of the Agreements to the Assignee.

C. The Assignee desires to assume and become obligated to perform all of the duties, obligations, responsibilities and liabilities of the Assignor arising under or out of each of the Agreements, with respect only to obligations arising after the Closing Date.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained and other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the parties hereto acknowledge and agree to the following:

1. Recitals. The foregoing recitals are incorporated herein by reference and made a part hereof.

2. Assignment. Assignor hereby assigns to Assignee any and all right, title and interest in and to each of the Agreements, including any and all security deposits, if any.

3. Acceptance and Assumption. The Assignee hereby accepts and assumes the duties, obligations, responsibilities and liabilities of the Assignor arising under or out of each of the Agreements after the Closing Date, and agrees to be bound by the terms, conditions and covenants therein. Notwithstanding the foregoing, nothing herein shall not relieve, release or discharge the Assignor from any liability, including but not limited to liability for the payment of any sums of money provided for in the Agreement, or from any obligations or responsibilities whatsoever that arose, occurred to relate to prior to the date of the closing pursuant to which Assignee acquires the assets of Assignor.

4. Consent. Assignor represents and warrants that none of the Agreements require consent for assignment.

5. Ratification. All terms, covenants, conditions and restrictions under each of the Agreements are hereby ratified and confirmed.

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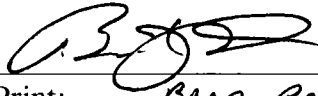
**[SIGNATURES ON FOLLOWING PAGE]**

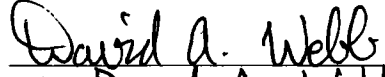
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2

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

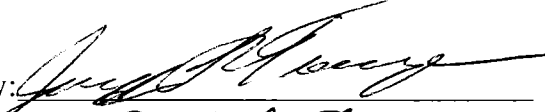
WITNESSES:

  
Print: BRAD PARROTT

  
Print: David A. Webb

ASSIGNOR:

Traeger Industries, Inc.,  
An Oregon corporation

By:   
Name: JOSEPH P. TRAEGER  
Title: PRES.

ASSIGNEE:

Traeger Pellet Grills LLC,  
a Florida limited liability company

Print: \_\_\_\_\_

Print: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

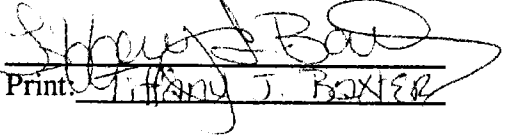
**WITNESSES:**

Print: \_\_\_\_\_

Print: \_\_\_\_\_



Print: Kenneth Grider



Print: Tiffany J. Baxter

**ASSIGNOR:**

Traeger Industries, Inc.,  
An Oregon corporation

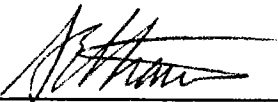
By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ASSIGNEE:**

Traeger Pellet Grills LLC,  
a Florida limited liability company

By: 

Name: Albert Strausser

Title: Secretary

## BILL OF SALE

THIS BILL OF SALE ("Bill of Sale"), dated as of April <sup>4<sup>th</sup></sup>, 2006 is made by Traeger Industries, Inc., an Oregon corporation ("Seller"), in favor of Traeger Pellet Grills LLC, a Florida limited liability company ("Purchaser," and together with Seller, the "Parties").

### RECITALS:

A. Seller and Purchaser, among others, have entered into an Asset Purchase Agreement, dated as of February 21, 2006 (the "Asset Purchase Agreement"), whereby Purchaser has agreed to purchase, and Seller has agreed to sell, the Purchased Assets (as defined below).

B. Seller and Purchaser wish to execute and deliver this Bill of Sale for the purposes of transferring to and vesting in Purchaser all of Seller's right, title and interest in and to the Purchased Assets.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Unless otherwise defined herein, capitalized terms used in this Bill of Sale shall have the meanings ascribed to them in the Asset Purchase Agreement.

2. Pursuant to the terms of the Asset Purchase Agreement, Seller hereby conveys, transfers, assigns, sets over to and vests in Purchaser, its successors and assigns, forever all of Seller's right, title and interest, legal or equitable, in and to all of the all of the assets, properties, rights, goodwill, contracts and claims of the Business, wherever located, whether tangible or intangible, real or personal, known or unknown, actual or contingent, as the same shall exist as of the Closing, including but not limited to the assets listed on Exhibit A attached hereto. Notwithstanding the previous sentence, the Excluded Assets (as such term is defined in the Asset Purchase Agreement), are excluded from the definition of Purchased Assets and will be retained by Seller.

3. Seller represents and warrants to the Purchaser that it is the lawful owner of the Purchased Assets, that it has the legal right to sell and transfer the Purchased Assets and that the Purchased Assets are free and clear of all liens, security interests, encumbrances or restrictions of any kind, except as set forth in the Asset Purchase Agreement.

4. Seller hereby warrants, covenants and agrees that, from time to time after the delivery of this instrument, at Purchaser's request and without further consideration, it will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, conveyances, transfers, assignments, powers of attorney and assurances as reasonably may be required more effectively to convey, transfer to and vest in Purchaser, and to put Purchaser in possession of, any of the Purchased Assets.

5. Nothing in this Bill of Sale, express or implied, is intended or will be construed to expand or defeat, impair or limit in any way the rights, obligations, claims or remedies of the

Parties as set forth in the Asset Purchase Agreement. To the extent that any term or provision of this Bill of Sale is deemed to be inconsistent with the terms of the Asset Purchase Agreement, the terms of the Asset Purchase Agreement shall control.

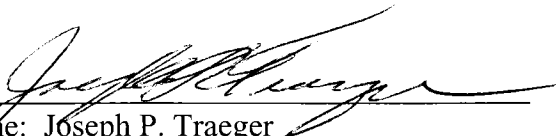
6. Nothing in this Bill of Sale, express or implied, is intended or will be construed to confer upon, or give to, any Person, other than the Parties, any rights, remedies, obligations or liabilities.

7. This Bill of Sale may be executed in more than one counterpart, each of which will for all purposes be deemed to be an original and all of which will constitute one and the same agreement. A signature to this Bill of Sale delivered by telecopy or other artificial means will be deemed valid.

8. This Bill of Sale will inure to the benefit of and be binding upon Purchaser and Seller and their respective successors and assigns.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be duly executed and delivered by its duly authorized representative as of the date first written above.

TRAEGER INDUSTRIES, INC.

By:   
Name: Joseph P. Traeger  
Title: President

## ASSIGNMENT AND ASSUMPTION AND CONSENT TO ASSIGNMENT

This Assignment and Assumption and Consent to Assignment, made and entered into this 13th day of April, 2006, by and among Traeger Industries Inc., an Oregon corporation ("Assignor"); Traeger Pellet Grills LLC, a Florida limited liability company ("Assignee"); and Smith & Wesson Holding Corporation, a Nevada corporation ("Licensor").

### RECITALS:

- A. The Assignor is the licensee under that certain Trademark License Agreement dated August 1, 2004 (the "License Agreement"), pursuant to which certain trademarks are licensed to Assignor on terms more specifically described in the License Agreement.
- B. The Assignor desires to transfer and assign all of its right, title and interest in the License Agreement to the Assignee.
- C. The Assignee desires to assume and become obligated to perform all of the duties, obligations, responsibilities and liabilities of the Assignor-licensee arising under or out of the License Agreement.
- D. Section 18 of the License Agreement provides, among other things, that the Assignor as Licensee, shall not, in whole or in part, voluntarily or by operation of law, assign otherwise transfer the License Agreement or any rights or obligations thereunder or any interest of the Licensee therein, without the prior express written consent of Licensor.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained and other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the parties hereto acknowledge and agree to the following:

1. Recitals. The foregoing recitals are incorporated herein by reference and made a part hereof.
2. Assignment. Assignor hereby assigns to Assignee any and all right, title and interest in and to the License Agreement, including any and all pre-paid royalties, if any. However, this Assignment and the Licensor's consent thereto shall not relieve, release or discharge the Assignor from liability for the payment of royalties or any other sums provided in the License Agreement or from any obligations or responsibilities whatsoever to keep and be bound by the terms, conditions and covenants of the License Agreement. Assignor commits that for the foreseeable future, all existing management and operational control will remain unchanged.
3. Acceptance and Assumption. The Assignee hereby accepts and assumes the duties, obligations, responsibilities and liabilities of the Assignor/Licensee arising under or out of the License Agreement and agrees to be bound by the terms, conditions and covenants therein.

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4. Consent of Licensor. The Licensor hereby consents to the subject Assignment of the License Agreement from Assignor to Assignee under the terms and conditions herein set forth. Licensor acknowledges that to Licensor's knowledge, Assignor - Licensee has duly and timely performed all of its obligations under the License Agreement to date, the License Agreement is in good standing and the Licensor has performed in accordance with the terms of the License Agreement.

5. Ratification. All terms, covenants, conditions and restrictions under the License Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the date first written above.

WITNESSES:

David Webb  
Print: David Webb  
Print: \_\_\_\_\_

ASSIGNOR:

Traeger Industries, Inc.,  
an Oregon corporation

By: Randy Traeger  
Name: Randy Traeger  
Title: VP

ASSIGNEE:

Traeger Pellet Grills LLC,  
a Florida limited liability company

By: Jeff J. Fox  
Name: Jeff J. Fox  
Title: V.P. Finance

WITNESSES:

Christine A. Boras  
Print: Christine A. Boras  
Barbara B. Hanneman  
Print: BARBARA B. HANNEMAN

LICENSOR:

Smith & Wesson Holding Corporation,  
A Nevada corporation

By: Deland N. Nichols  
Name: Deland N. Nichols  
Title: CEO

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TRAEGER INDUSTRIES, INC.

CERTIFICATE PURSUANT TO SECTION 5.3  
OF ASSET PURCHASE AGREEMENT

Each of the undersigned, being the selling parties with respect to the purchase and sale of the assets of Traeger Industries, Inc., an Oregon corporation (the "Company"), pursuant to that certain Asset Purchase Agreement, dated as of February 21, 2006 (the "Agreement"), between Traeger Pellet Grills LLC (the "Buyer"), the Company and Brian Traeger, Joe Traeger, Randy Traeger and Mark Traeger, The Joe Traeger Charitable Trust, The Randy Traeger Charitable Trust, The Mark Traeger Charitable Trust (the Company, Brian Traeger, Joe Traeger, Randy Traeger and Mark Traeger, The Joe Traeger Charitable Trust, The Randy Traeger Charitable Trust, The Mark Traeger Charitable Trust are collectively referred to as the "Seller Parties"), do hereby certify as follows:

1. The representations and warranties of the Seller Parties contained in the Agreement are true and correct in all material respects (other than those representations and warranties that are qualified by Material Adverse Effect and those described in Section 2 below, which shall be true and correct in all respects) on the date hereof with the same effect as though such representations and warranties had been made on and as of the date hereof, other than such representations and warranties that are made as of a specific date .

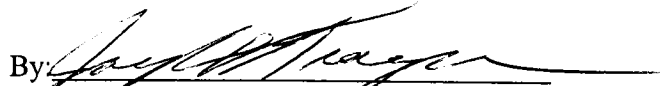
2. The representations and warranties of the Seller Parties contained in Sections 2.3, 2.4, 2.5, 2.6, 2.11, 2.13 and 2.14 of the Agreement are true and correct in all respects on the date hereof with the same effect as though such representations and warranties had been made on and as of the date hereof.

3. The Seller Parties have performed and complied, in all material respects, with all of the covenants and agreements contained in the Agreement required to be performed or compiled with by it prior to or on the date hereof.

Any terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.


IN WITNESS WHEREOF, the undersigned have executed this Certificate as of the 4th day of April, 2006.


TRAEGER INDUSTRIES, INC.


By:   
Name: JOSEPH P. TRAEGER  
Title: PRES.

  
Brian Traeger

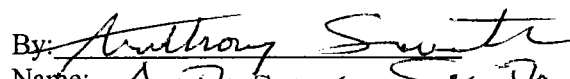
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\_\_\_\_\_  
Joe Traeger

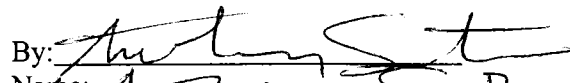
  
\_\_\_\_\_  
Randy Traeger

  
\_\_\_\_\_  
Mark Traeger

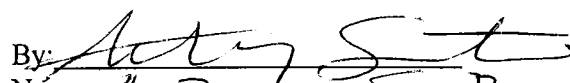
THE JOE TRAEGER CHARITABLE  
TRUST

By:   
Name: Anthony Smith  
Title: SIT

THE RANDY TRAEGER CHARITABLE  
TRUST

By:   
Name: Anthony Smith  
Title: SIT

THE MARK TRAEGER CHARITABLE  
TRUST

By:   
Name: Anthony Smith  
Title: SIT

**TRAEGER PELLETT GRILLS LLC**

**CERTIFICATE PURSUANT TO SECTION 6.3  
OF ASSET PURCHASE AGREEMENT**

Each of the undersigned, being the purchaser with respect to the purchase and sale of the assets of Traeger Industries, Inc., an Oregon corporation (the "Company"), pursuant to that certain Asset Purchase Agreement, dated as of February 21, 2006 (the "Agreement"), between Traeger Pellet Grills LLC (the "Buyer"), the Company and Brian Traeger, Joe Traeger, Randy Traeger and Mark Traeger, The Joe Traeger Charitable Trust, The Randy Traeger Charitable Trust, The Mark Traeger Charitable Trust (the Company, Brian Traeger, Joe Traeger, Randy Traeger and Mark Traeger, The Joe Traeger Charitable Trust, The Randy Traeger Charitable Trust, The Mark Traeger Charitable Trust are collectively referred to as the "Seller Parties"), do hereby certify as follows:

1. The representations and warranties of the Buyer contained in the Agreement are true and correct in all material respects (other than those representations and warranties that are qualified by Material Adverse Effect, which shall be true and correct in all respects) on the date hereof with the same effect as though such representations and warranties had been made on and as of the date hereof, other than such representations and warranties as are made as of a specific date, in each case except for changes that are expressly contemplated by the Agreement, and except for such failures to be true and correct that (without regard to materiality concepts therein once such failure is established) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the business, results of operations or financial condition of the Buyer.

2. The Buyer has have performed and complied, in all material respects, with all of the covenants and agreements contained in the Agreement required to be performed or compiled with by it prior to or on the date hereof.

Any terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the 4th day of April, 2006.

TRAEGER PELLETT GRILLS LLC

By: 

Name: Albert Strausser

Title: Managing Director of The Barish Fund  
LLC, as Managing Member of Traeger  
Pellet Grills LLC

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JOINT INSTRUCTION LETTER

April 21, 2006

Powers, McCulloch & Bennett, LLP
1300 SW Fifth Avenue, Suite 3000
Portland, Oregon 97201
Attention: Steven R. Bennett, Esquire

RE: Escrow Agreement dated February 21, 2006, between Traeger Pellet Grills, LLC ("Buyer"); Joe Traeger, Brian Traeger, Mark Traeger and Randy Traeger (collectively, the "Sellers") and Powers, McCulloch & Bennett, LLP (the "Escrow Agreement")

Dear Mr. Bennett:

This letter will serve as our joint written instructions to Powers, McCulloch & Bennett, LLP (the "Escrow Agent") pursuant to Section 3.1.1. of the Escrow Agreement. In connection with the transactions contemplated by the Agreement, this letter will (i) certify that the closing of the Rights Agreement (as defined in the Escrow Agreement) has occurred and (ii) instruct you, as Escrow Agent, to wire transfer the sum of Two Million Three Thousand Dollars (\$2,003,000.00) to Joseph Traeger pursuant to the wire instructions previously provided to you. You may withhold One Thousand Five Hundred Dollars (\$1,500.00) as your fee for services rendered as escrow agent. You are instructed to pay the remaining balance by delivery of a check payable to Traeger Pellet Grills LLC, and mailed to Traeger Pellet Grills LLC, 601 North Ashley Drive, Suite 1200, Tampa, Florida 33602.

BUYER:

TRAEGER PELLETT GRILLS LLC

By: [Signature]
Name: ALBERT STRAUSSER
Title: Secretary

SELLERS:

[Signature]
Joe Traeger
[Signature]
Brian Traeger
[Signature]
Mark Traeger
[Signature]
Randy Traeger

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**EXECUTION COPY**

**INTELLECTUAL PROPERTY RIGHTS  
ASSIGNMENT AGREEMENT**

This INTELLECTUAL PROPERTY RIGHTS ASSIGNMENT AGREEMENT (this "Agreement") made as of February 21<sup>st</sup>, 2006, by and among Traeger Pellet Grills LLC, a limited liability company under the laws of the State of Florida ("Buyer"), Joe Traeger, an individual residing at P.O. Box 1070, 255 Alder Street, Mt. Angel, Oregon 97362 ("Joe Traeger") Brian Traeger, an individual residing at 405 Cindy Lane, Mt. Angel, Oregon 97362 ("Brian Traeger"), Mark Traeger an individual residing at P.O. Box 308, 260 S. Oak Street, Mt. Angel, Oregon 97362 ("Mark Traeger"), Randy Traeger, an individual residing at 530 Alder Street, Mt. Angel, Oregon 97362 ("Randy Traeger") (Joe Traeger, Brian Traeger, Mark Traeger, and Randy Traeger are referred to collectively as the "Sellers").

**WITNESSETH:**

WHEREAS, the Sellers are the record and beneficial owners of all of the Intellectual Property Rights, as hereinafter defined;

WHEREAS, the Intellectual Property Rights are used or useful in the conduct of the business of design, assembly, warehousing, manufacture, marketing, sale and distribution of wood pellet grills and smokers, wood pellet BBQs, camp stoves, other cooking devices using wood pellets, and flavored and/or BBQ wood pellets and related products and accessories for the foregoing (the "Business"); and

WHEREAS, the Buyer has simultaneously with the execution hereof, entered into an Asset Purchase Agreement, dated of even date herewith, with Traeger Industries, Inc., a corporation organized and existing under the laws of the State of Oregon (the "Company"), the Sellers and their Affiliates (the "Asset Purchase Agreement") to purchase the assets of the Company; and

WHEREAS, the Sellers desire to sell and assign to the Buyer all of the Intellectual Property Rights and the Buyer desires to purchase from the Sellers at the Closing all of the then Intellectual Property Rights, in each case upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties, intending legally to be bound, agree as follows:

[A list of defined terms is provided in Article 8 hereof]

**Article 1. Purchase and Sale**

1.1 General. At the Closing (as defined in Section 1.5 hereof), and subject to the terms and conditions of this Agreement, the Sellers agree to sell, assign, convey and deliver to

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the Buyer, and the Buyer agrees to purchase, acquire and accept from the Sellers, all of Seller's right, title, and interest in and to the Intellectual Property Rights.

1.2 Assignment of Rights.

(a) For good and valuable consideration, the sufficiency of which is hereby acknowledged, Sellers hereby agree to assign and transfer to Buyer all of their right, title and interest in and to the Intellectual Property Rights, and Buyer hereby agrees to accept such assignment (the "Assignment").

(b) On and after the Closing Date, Sellers shall, from time to time and promptly upon request by Buyer, in order to effect and perfect the Assignment contained herein or to enable Buyer to obtain the full benefits of this Agreement and the transactions contemplated hereby, (i) deliver to Buyer records, data or other documents relating to the Intellectual Property Rights that are in the possession of Sellers and its Affiliates or will be in the possession of Sellers and its Affiliates, (ii) execute and deliver assignments, licenses, consents, documents or further instruments of transfer, and (iii) take other actions, render other assistance and execute other documents as requested by Buyer. Sellers will also assist Buyer in filing and prosecuting United States and foreign patent, copyright and trademark applications claiming the Intellectual Property Rights.

(c) Buyer, in the exercise of its sole discretion, may add to, subtract from, arrange, rearrange, revise, abandon, adapt and translate all or any part of the Intellectual Property Rights, and/or combine the Intellectual Property Rights with any other work by any other person(s); and/or change or substitute the title of the Intellectual Property Rights. Sellers hereby waives any so-called "droit moral" or "moral rights of authors" or any similar rights in and/or to the Intellectual Property Rights. Sellers shall not institute, support, maintain or permit any action or lawsuit on the ground that any version of the Intellectual Property Rights, or any part thereof, as produced, used, exhibited, abandoned, enforced or not enforced or exploited by or on behalf of Buyer in any manner whatsoever (i) constitutes a violation of any of Sellers' "moral rights" or other rights in any country of the world, (ii) defames or mutilates the Intellectual Property Rights or any part thereof, (iii) contains unauthorized variations, alterations, modifications, changes or translations or (iv) defames or injures any of the Sellers in any manner.

1.3 Delivery of Assignments. At the Closing, and subject to the terms and conditions of this Agreement, the Sellers shall deliver to the Buyer in form and substance satisfactory to the Buyer assignments of the Intellectual Property Rights to be filed as applicable, with the domestic and foreign patent and trademark offices, and such other instruments as shall reasonably be required to transfer to the Buyer all right, title and interest in and to the Intellectual Property Rights, free and clear of any Encumbrances.

1.4 Purchase Price; Payment.

(a) The consideration for the sale of the Intellectual Property Rights shall be the aggregate of :

(i) No later than 5:00 p.m., Tampa, Florida time on the first Business Day following the execution and delivery hereof by all parties hereto, the Buyer shall

REDACTED

earned during 2006 in excess of \$3,433,334.00 (Three Million

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*Handwritten initials:* AT, ST, RT, PF

REDACTED

and of 2008, as applicable, up to the amount of the remaining  
shortfall from prior years to the extent the EBITDA exceeds

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all such actions and deliver, or cause to be delivered, all such documents, instruments, certificates and other items as may be required under this Agreement or otherwise, in order to perform or fulfill all covenants and agreements on its part to be performed at or prior to the Closing Date.

1.6 Taking of Necessary Action; Further Action. Each of the parties shall use its respective reasonable best efforts to take all such action as may be necessary or appropriate in order to duly and timely effectuate the Closing. If, on or at any time after the Closing Date, any further reasonable action is necessary or desirable to carry out the purposes of this Agreement and to vest the Buyer with full right, title and possession to all of the Intellectual Property Rights, the Sellers shall take, and shall ensure that the officers of the Sellers are fully authorized, in the name of the Sellers or otherwise, to take, and shall take, all such lawful and necessary action.

Article 2. Representations and Warranties of the Sellers.

The Sellers jointly and severally represent and warrant to the Buyer as follows:

2.1 Standing. Each of the Sellers have all requisite power and authority to enter into this Agreement, to execute and deliver this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The Sellers are of the age of majority, and are sui juris.

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*Handwritten signatures and initials: AA, BT, AM, RT*

PATENT

2.2 **Binding Agreement.** This Agreement has been duly executed and delivered on behalf of the Sellers and, assuming the due authorization, execution and delivery by the Buyer, constitutes a legal, valid and binding obligation of each of the Sellers enforceable in accordance with its terms. None of the spouses of the Sellers have community property, dower or similar rights that in any way restrict the Sellers from delivery and performance of the transactions contemplated hereby free and clear of any such rights.

2.3 **Absence of Violations or Required Consents.** The execution, delivery and performance by the Sellers of this Agreement do not and will not (a) violate any Law or Governmental Order applicable to any of the Company or the Sellers or any of their respective properties or assets, (b) require any consent, approval, authorization or other order of, action by, registration or filing with or declaration or notification to any Governmental Authority or any other Person or (c) result in any violation or breach of, constitute a default (or event which with the giving of notice, or lapse of time or both, would become a default) under, require any consent under, or give to others any rights of notice, termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any Encumbrance on any of the Company's or the Sellers respective assets, or result in the imposition or acceleration of any payment, time of payment, vesting or increase in the amount of compensation or benefit payable, pursuant to, any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license or permit, or franchise to which any of the Company or the Sellers is a party or by which their respective assets are bound. None of the Company nor the Sellers needs to give any notice to, make any filing with or obtain any authorization, consent or approval of any Government Entity in order for the parties to consummate the transactions contemplated by this Agreement.

2.4 **Ownership of Intellectual Property Rights.**

(a) The Sellers are the record and/or beneficial owner of all of the Intellectual Property Rights, free and clear of any Encumbrances other than the Permitted Encumbrances and subject to no licenses or restriction on use other than as set forth on Schedule 2.4(a) hereto.

(b) The Intellectual Property Rights include but are not limited to the items listed on Exhibit A hereto, and all of the patents, trademarks, copyrights, know-how, droit moral, show-how, mask work, proprietary innovations and inventions, methods or techniques or other intellectual property held by the Sellers or any of their Affiliates and used or useful, directly or indirectly, in the Business and any other matters within the scope of business of the Company whether or not reduced to writing. There are no US or unpublished foreign filings owned or controlled by any of the Sellers or their Affiliates filed as of the date hereof or as of the Closing Date other than those listed on Exhibit A nor do any of the Sellers or their Affiliates have any present intentions to make any such filings. If any of the Sellers or their Affiliates (including the Company) become aware of any Intellectual Property Rights prior to the Closing that are not set forth in writing they shall promptly notify the Buyer and cause such Exhibit A to be modified to include such additional Intellectual Property Rights.

(c) This Agreement and the assignments made pursuant hereto (i) effectively convey all of the rights of the Sellers with respect to the Intellectual Property Rights, including but not limited to any claims by any of the Sellers or their affiliates against the Company and (ii)

BT  
RT  
[Handwritten signatures and initials]

includes all Intellectual Property Rights necessary to conduct the Business so currently conducted.

2.5 Title to Assets; Related Matters. (i) The Sellers have good, valid and marketable title to, the Intellectual Property Rights free and clear of all Encumbrances, and (ii) there are no contractual or legal restrictions to which any of the Sellers is a party or by which any Intellectual Property Rights is otherwise bound that preclude or restrict the Company's ability or subsequent to the Closing would restrict in any manner the Buyer's ability, to use the Intellectual Property Rights, other than as specified on Schedule 2.4(a) hereto. The Company enjoys peaceful and undisturbed possession of all Intellectual Property Rights. None of the Intellectual Property Rights are subject to any commitment or other arrangement for their sale or use by any Seller, their Affiliates or third parties.

## 2.6 Intellectual Property.

(a) All of the Intellectual Property Rights are valid and subsisting and will provide the Buyer right to exclude all others from the use thereof and the Sellers are not, nor as a result of the execution and delivery of this Agreement or the performance by Sellers of their obligations hereunder will be to the best of Sellers' knowledge with reasonable diligence, in violation of the rights of any other parties. The Sellers own all right, title and interest to the Intellectual Property Rights and this Agreement, sufficient to vest in the Buyer all right, title and interest to the Intellectual Property Rights used in the Business without any further cost therefor as it exists as of the date hereof. Except as disclosed in Schedule 2.6(a), there have been no claims made against any of the Sellers or threatened or, to the knowledge of the Sellers, likely to be threatened by any Person, asserting the invalidity, misuse or unenforceability of any Intellectual Property Rights, or challenging the ownership, validity or effectiveness of any of the Intellectual Property Rights, or claiming that the Intellectual Property Rights or Sellers conduct of the Business infringes on any rights of any other Persons.

(b) No Intellectual Property Right is subject to any Encumbrance and there is no fact that would render the Intellectual Property Rights invalid. No Intellectual Property Right is subject to any outstanding order, judgment, decree, stipulation or agreement restricting in any manner the licensing or exploitation thereof by the Sellers. The Sellers have not entered into any agreement to indemnify any other person against any charge of infringement, invalidity or any other claim relating to any Intellectual Property Right.

2.7 Commissions. With the exception of any responsibility that the Buyer has to PAC West Resources Group, whose fees will be paid by the Buyer, and any responsibility that the Sellers may have to Equity Management Group LLC, which will be paid by the Sellers, there is no broker or finder or other Person who has any valid claim against either of the Company, the Buyer, any of their respective Affiliates or any of their respective assets for a commission, finders' fee, brokerage fee or other similar fee in connection with this Agreement, or the transactions contemplated hereby, by virtue of any actions taken by on or behalf of the Sellers, or any of their respective Affiliates, officers, employees, independent contractors or agents.

2.8 Disclosure. No representation or warranty by the Sellers contained in this Agreement nor any statement or certificate furnished or to be furnished by or on behalf of the

Sellers or its representatives in connection herewith or pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact required to make the statements contained herein or therein not misleading. There is no fact known to the Sellers that has not been disclosed by the Sellers or the Company to the Buyer that might reasonably be expected to have or result in a material adverse effect on the ownership or the exploitation of the Intellectual Property Rights.

**Article 3. Representations and Warranties of the Buyer.**

The Buyer represents and warrants to the Sellers as follows:

**3.1 Organization and Standing.** The Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Florida and has all requisite corporate power and authority to own, lease and operate its properties and assets and to conduct its business as it is now being conducted.

**3.2 Binding Agreement.** The Buyer has all requisite corporate power and authority to enter into this Agreement, to execute and deliver this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by the Buyer and the consummation by the Buyer of its obligations hereunder have been duly and validly authorized by all necessary corporate and member action on the part of the Buyer. This Agreement has been duly executed and delivered on behalf of the Buyer and, assuming the due authorization, execution and delivery by the Sellers, constitutes a legal, valid and binding obligation of the Buyer enforceable in accordance with its terms.

**3.3 Absence of Violations or Required Consents.** The execution, delivery and performance by the Buyer of this Agreement does not and will not: (a) violate or result in the breach or default of any provision of the articles of organization or Limited Liability Company Agreement of the Buyer; (b) violate any Law or Governmental Order applicable to the Buyer or any of its properties or assets; (c) except for the Required Consents, require any consent, approval, authorization or other order of, action by, registration or filing with or declaration or notification to any Governmental Authority or any other Person; or (d) result in any violation or breach of, constitute a default (or event which with the giving of notice, or lapse of time or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any Encumbrance on any of the Buyer's assets pursuant to, any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license or permit, or franchise to which the Buyer is a party or by which its assets are bound.

**3.4 Litigation.** There are no Actions pending or threatened to be brought by or before any Governmental Authority, against the Buyer or any of its Affiliates that (i) seeks to question, delay or prevent the consummation of the transactions contemplated hereby, or (ii) would reasonably be expected to affect adversely the ability of the Buyer to fulfill its obligations hereunder, including without limitation, the Buyer's obligations under Article 1 hereof.

**3.5 Commissions.** With the exception of any responsibility that the Buyer has to PAC West Resources Group, whose fees will be paid by the Buyer, and any responsibility that the

Sellers may have to Equity Management Group LLC, which will be paid by the Sellers. There is no broker or finder or other Person who has any valid claim against the Sellers, any of their respective Affiliates or any of their respective assets for a commission, finders' fee, brokerage fee or other similar fee in connection with this Agreement, or the transactions contemplated hereby, by virtue of any actions taken by on or behalf of the Buyer or its officers, employees or agents.

3.6 Disclosure. No representation or warranty by the Buyer contained in this Agreement nor any statement or certificate furnished or to be furnished by or on behalf of the Buyer or its representatives in connection herewith or pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact required to make the statements contained herein or therein not misleading. There is no fact known to the Buyer that has not been disclosed by the Buyer to the Sellers that might reasonably be expected to have or result in a material adverse effect on the ownership or the exploitation of the Intellectual Property Rights.

Article 4. Covenants and Agreements.

4.1 Conduct of the Sellers Prior to Closing; Access. The Sellers covenant as follows:

(a) Between the date hereof and the Closing Date, except as contemplated by this Agreement, or except with the prior written consent of the Buyer, the Sellers:

(i) will not permit any of the Intellectual Property Rights to be licensed or otherwise to be subjected to any Encumbrance;

(ii) will not permit any of the Intellectual Property Rights to be sold, transferred, leased, subleased, licensed, encumbered or otherwise disposed of (including, without limitation, sales, transfers, leases, subleases, licenses or dispositions to any Affiliates of the Sellers;

(iii) will immediately notify the Buyer of any publications, office actions, objections or interferences with respect to any filings; and

(iv) will cooperate in the filing and execution of any and all documents necessary to effectuate the assignment to the Buyer of the Intellectual Property Rights, including the filing of assignments or other transfer of the title covenants with the U.S. Patent and Trademark Office and foreign patent offices as applicable to the Intellectual Property Rights. Prior to the Closing, Sellers will notify all attorneys handling the prosecution of the Intellectual Property Rights to continue such efforts for the benefit of the Buyer following the Closing and prior to the Closing to provide a status update on the Intellectual Property Rights and to prepare the documents necessary to transfer the Intellectual Property Rights to the Buyer. The cost of recording assignments of the Intellectual Property Rights will be borne by the Buyer. Not later than five business days to the Closing Date, the Sellers and their Affiliates will transfer all files and supporting documents relating to the Intellectual Property Rights to the Buyer, including but not limited to, all initial invention disclosure documents, all documents sent to the U.S. Patent and Trademark Office regarding inventions and claims, all draft patent applications, all filing or prosecution documents submitted to the patent offices, and all

Handwritten initials and marks: "ST" with a checkmark, "RT", and a signature.

file wrappers. Conception notebooks and all other documents in the possession or under the control of Sellers or their counsel relating to conception and/or reduction to practice, such as notebooks shall be obtained and made available to Buyer.

4.2 Cooperation. Following the execution of this Agreement, the Buyer and the Sellers agree as follows:

(a) Subject to the terms and conditions of this Agreement, each party will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable, including under applicable Laws and regulations, to consummate the Assignment and the other transactions contemplated by this Agreement on the Closing Date. In furtherance and not in limitation of the foregoing, each party hereto agrees to use its reasonable best effort to obtain as soon as practicable all other required consents from third parties.

(b) As used in this Section 4.2, "reasonable best efforts" shall not require the Buyer or any of its Affiliates to divest or hold separate or otherwise take or commit to take any action that limits their freedom of action with respect to, or their ability to retain, any of their assets or businesses or the Business or assets or that limits their freedom of action with respect to their business or assets.

4.3 Confidentiality.

(a) Prior to the Closing Date. The terms of the Confidentiality Agreement are herewith incorporated by reference and shall continue in full force and effect with respect to the Buyer until the Closing Date and shall remain in effect in accordance with its terms even if this Agreement is terminated.

(b) After the Closing Date, the Sellers shall maintain the confidentiality of all information associated with the Intellectual Property Rights similar to those set forth in the Confidentiality Agreement with respect to "Information" as though such terms applied to the Sellers and continued after the Closing Date.

4.4 Public Announcements. Except as otherwise required by law or the rules of any stock exchange or automated quotation system, the parties shall not issue any report, statement or press release or otherwise make any public announcement with respect to this Agreement and the other transactions contemplated hereby without prior consultation with and approval of the other parties hereto (which approval shall not be unreasonably withheld); provided, that, the Buyer shall be entitled to disclose the acquisition of the Intellectual Property Rights after the Closing.

4.5 No Solicitation. The Sellers shall not (a) initiate contact with, solicit, encourage or respond to any inquiries or proposals by, or (b) enter into any discussions or negotiations with, or disclose, directly or indirectly, any information concerning the Intellectual Property Rights to, or afford any access to the Intellectual Property Rights, or to the books and records relating thereto, any Person in connection with any possible proposal for the acquisition (directly or indirectly), of all or any of the Intellectual Property Rights.

**Article 5. Conditions to Obligations of the Buyer.**

The obligations of the Buyer to consummate the transactions contemplated by this Agreement are, at its option, in its sole discretion, subject to satisfaction of each of the following conditions:

**5.1 Representations and Warranties.**

(a) The representations and warranties of the Sellers contained herein shall be true and correct in all material respects (other than those representations and warranties that are qualified by Material Adverse Effect and those described in clause (b) below, which shall be true and correct in all respects) at and as of the Closing Date as though each such representation and warranty were made at and as of such time, other than such representations and warranties as are made as of a specific date.

(b) The representations and warranties of the Seller Parties contained in Sections 2.3, 2.4, 2.5, and 2.6, shall be true and correct in all respects at and as of the Closing Date.

**5.2 Performance by the Sellers.** All of the covenants and agreements to be complied with and performed by the Sellers on or before the Closing Date shall have been complied with or performed in all material respects.

**5.3 Certificate.** The Sellers shall have delivered to the Buyer a certificate, dated as of the Closing Date, executed on behalf of the Sellers to the effect of Sections 5.1 and 5.2.

**5.4 Consents; No Objections.** All consents, waivers, approvals, orders and authorizations from third parties required to be made or obtained for the authorization, execution, delivery and performance of this Agreement, the consummation of the transactions contemplated hereby and the continuation in force of any rights, of the Intellectual Property Rights shall have been obtained and become final and non-appealable. Neither any statute, rule, regulation, order, stipulation, decree, judgment, or injunction shall be enacted, promulgated, entered, enforced, or deemed application to the purchase nor any other action shall have been taken by any Government Entity (i) which prohibits the consummation of the transactions contemplated by this Agreement; (ii) which prohibits Buyer's ownership or operation of all or any portion of the Intellectual Property Rights, or which compels the Buyer to dispose of or hold separately all or any portion of the Buyer's business or assets as a result of the transaction contemplated herein; (iii) which makes the purchase of, or payment for, some or all of the Intellectual Property Rights illegal; or (iv) which imposes material limitations on the ability of the Buyer to acquire or hold or to exercise effectively all rights of ownership of the Intellectual Property Rights.

**5.5 No Proceedings or Litigation.** There shall not have been instituted, pending or threatened any action or proceeding (or any investigation or other inquiry that might result in such an action or proceeding) by or before any Government Entity (i) which prohibits the consummation of the transactions contemplated by this Agreement; (ii) which prohibits Buyer's ownership or operation of any of the Intellectual Property Rights, or which compels the Buyer to dispose of or hold separately all or any portion of the Buyer's business or assets as a result of the transaction contemplated herein; (iii) which makes the purchase of, or payment for, any of the

Intellectual Property Rights illegal; (iv) which imposes limitations on the ability of the Buyer to acquire or hold or to exercise effectively all rights of ownership of any of the Intellectual Property Rights; or (v) which imposes any limitations on the ability of the Buyer effectively to control in any material respect the business or operations of the Company. No preliminary or permanent injunction or other order issued by any United States federal or state Governmental Authority, nor any Law promulgated or enacted by any United States federal or state Governmental Authority, that restrains, enjoins or otherwise prohibits the transactions contemplated hereby or limits the ability in any respect of the rights of the Buyers to hold its assets and conduct its present, planned or prospective business, or imposes civil or criminal penalties on any stockholder, director or officer of the Buyer if such transactions are consummated, shall be in effect.

5.6 No Events. Since the date hereof, there have not been any adverse circumstances, changes in or effects on the Intellectual Property Rights.

5.7 Asset Purchase Closing. All conditions to the Closing of the Asset Purchase Agreement shall have been satisfied.

5.8 Opinion of Counsel. Hooper, Englund & Weil LLP, counsel to the Sellers, shall have delivered to the Buyer an opinion letter, dated the date of the Closing in form and content acceptable to the Buyer, addressed to the Buyer and its lenders.

5.9 Miscellaneous. The Sellers shall deliver to the Buyer addressed to the Buyer and its lenders, dated the Closing Date, such additional certificates and opinions as the Buyer shall reasonably request.

#### Article 6. Conditions to Obligations of the Sellers.

The obligations of the Sellers to consummate the transactions contemplated by this Agreement are, at its option, in its sole discretion, subject to satisfaction of each of the following conditions:

6.1 Representations and Warranties. The representations and warranties of the Buyer contained herein shall be true and correct in all material respects (other than those representations and warranties that are qualified by Material Adverse Effect, which shall be true and correct in all respects) at and as of the Closing Date as though each such representation and warranty were made at and as of such time, other than such representations and warranties as are made as of a specific date, in each case except for changes that are expressly contemplated by this Agreement, and except for such failures to be true and correct that (without regard to materiality concepts therein once such failure is established) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the business, results of operations or financial condition of the Buyer.

6.2 Performance by the Buyer. All of the covenants and agreements to be complied with and performed by the Buyer on or prior to the Closing Date shall have been complied with or performed in all material respects.



6.3 Certificate. The Buyer shall have delivered to the Sellers a certificate, dated as of the Closing Date, executed on behalf of the Buyer by its duly authorized officers to the effect of Sections 6.1 and 6.2.

6.4 No Proceedings or Litigation. No preliminary or permanent injunction or other order issued by any United States federal or state Governmental Authority, nor any Law promulgated or enacted by any United States federal or state Governmental Authority, that restrains, enjoins or otherwise prohibits the transactions contemplated hereby.

Article 7. Indemnification.

7.1 Indemnification by the Sellers. Subject in all respects to the provisions of this Article 7, the Sellers hereby agree jointly and severally to indemnify and hold harmless the Buyer and its Affiliates, officers, directors, employees, agents, representatives, successors and assigns, after the Closing Date from and against any Claims and Damages incurred by them arising out of or resulting from:

(a) any breach on the part of any of the Sellers, or the Company or any Seller Parties (as defined in the Asset Purchase Agreement) of (i) any representation or warranty made herein or in the Asset Purchase Agreement or in any certificate delivered by the Sellers or the Company or any Seller Parties (as defined in the Asset Purchase Agreement) pursuant to this Agreement or the Asset Purchase Agreement or (ii) any covenant or agreement made by any of the Sellers or the Company or any Seller Parties (as defined in the Asset Purchase Agreement) in this Agreement or in the Asset Purchase Agreement; or

(b) any third party claim existing as of the Closing Date, or any dispute initiated by the Company prior to the Closing, and any third party claim initiated following the Closing arising out of any event that occurred at or prior to the Closing, in each case including those in which the Company is a plaintiff.

(c) any claim made by any Person at any time arising out of acts or omissions of, or products sold by, any licensees of the Sellers or any of their Affiliates other than the product lines conveyed herein or in the Asset Purchase Agreement for full exploitation by the Buyer.

(d) any claim made by any Person at any time alleging or based on an allegation that at any time prior to Closing any of the Intellectual Property Rights were invalid, infringed the rights of other parties, or at anytime prior to Closing were procured, utilized or enforced in an improper or illegal manner (claims within the scope of (b) – (d) are “Liability Claims”).

7.2 Indemnification by the Buyer. Subject in all respects to the provisions of this Article 7, the Buyer hereby agrees to indemnify and hold harmless the Sellers and their respective Affiliates, officers, directors, employees, agents and representatives after the Closing Date from and against any Claims and Damages incurred by them arising out of or resulting from any breach on the part of the Buyer of (i) any representation or warranty made by the Buyer in Article 3 hereof or in any certificate delivered pursuant to this Agreement or (ii) any covenant or

agreement made by the Buyer in this Agreement; and (iii) any claims against the Sellers arising out of the conduct of the business of the Buyer following the Closing.

7.3 Limitations on Indemnification Claims and Liability.

(a) The respective representations and warranties of the Sellers and the Buyer set forth in this Agreement or in any certificate delivered pursuant to this Agreement, and the opportunity to make a claim for indemnification, or otherwise be indemnified or held harmless, under this Article 7 with respect thereto or with respect to (i) any covenant or agreement relating to any action required by this Agreement to be taken prior to or at the Closing or (ii) any Liability Claim shall survive until a final, unappealable order is entered with respect to such Liability Claim and indemnification is made by the Sellers as provided herein; provided, however, that any claim based on a breached representation or warranty is made prior to the third anniversary of the Closing. Any and all covenants and agreements relating to any action required by this Agreement to be taken after the Closing shall survive the Closing for the applicable period of the statutes of limitations and shall not expire with, and be terminated and extinguished upon, the Closing.

(b) The Sellers shall not be obligated to indemnify or hold harmless any Indemnified Party under Section 7.1 (i) for any Claims or Damages incurred by such Indemnified Party in connection with any individual occurrence or related series of occurrences unless and until Claims or Damages in respect of the indemnification obligations of the Seller Parties under Section 7.1 exceed in the aggregate \$10,000, together with the indemnification obligations of the Sellers under Section 7.1 of the Asset Purchase Agreement, following which the Sellers shall be obligated to indemnify or hold harmless an Indemnified Party for all Claims or Damages arising hereunder and under the Asset Purchase Agreement.

(c) Notwithstanding anything to the contrary in this Agreement, the indemnifications in Sections 7.1 and 7.2 hereof will be the sole and exclusive remedies available to the Buyer or the Sellers, or any of their respective Affiliates, officers, directors, employees, agents or representatives, after the Closing for breaches of any representations or warranties in this Agreement, or any certificate delivered pursuant to this Agreement. Any claim for indemnification must be made as provided in Sections 7.5 and 7.6 hereof.

(d) Once a claim for indemnification has been made under this Article 7, each Indemnified Party may, as one of its remedies to effect indemnification under this Article 7, withhold or cause to be withheld and setoff any amounts payable (under this Agreement or otherwise) following the Closing to the Indemnifying Party. The right to setoff will be exercisable whether the claim for indemnification is liquidated or unliquidated, whether or not the claim for indemnification has been reduced to judgment, and regardless of any difficulty or uncertainty in determining or computing the ultimate amount of the indemnification claim. The exercise of a right of setoff in good faith, whether or not ultimately deemed to be justified, will not constitute a default of any obligation against which such setoff is made. Any amount withheld by an Indemnified Party in setoff and which is ultimately determined not to be payable by the Indemnifying Party will be promptly paid to the Indemnifying Party.

7.4 Computation of Claims and Damages. Whenever an Indemnifying Party is required to indemnify and hold harmless an Indemnified Party from and against and hold the Indemnified Party harmless from, or to reimburse the Indemnified Party for, any item of Claim or Damage under this Agreement, the Indemnifying Party will, subject to the provisions of this Article 7, pay the Indemnified Party the amount of the Claim or Damage reduced by (i) any amounts to which the Indemnified Party actually recovers from third parties in connection with such Claim or Damage ("Reimbursements"), and reduced by (ii) the Net Proceeds of any insurance policy payable to the Indemnified Party with respect to such Claim or Damage. For purposes of this Section 7.4, "Net Proceeds" shall mean the insurance proceeds actually paid, less any deductibles, co-payments, premium increases, retroactive premiums or other payment obligations (including attorneys' fees and other costs of collection) that relates to or arises from the making of the claim for indemnification. If any Indemnified Party receives any Reimbursement or Net Proceeds after an indemnification payment is made which relates thereto, the Indemnified Party shall promptly repay to the Indemnifying Party such amount of the indemnification payment as would not have been paid had the Reimbursement or Net Proceeds reduced the original payment (and any such repayment shall be a credit against any applicable indemnification threshold or limitation set forth in Section 7.3(b) hereof) at such time or times as and to the extent that such Reimbursement or Net Proceeds is actually received. The Indemnified Party shall make available to the Indemnifying Party and its agents and representatives all pertinent records, materials and information, and provide reasonable access during normal business hours to the Indemnified Party's employees, properties, books and records, and shall otherwise cooperate with and assist the Indemnifying Party and its agents and representatives in reviewing the propriety and the amount of any Claims or Damages, including, without limitation, the availability and/or amounts of Reimbursements and Net Proceeds.

7.5 Notice of Claims. Upon obtaining actual knowledge of any Claim or Damage which has given rise to, or could reasonably give rise to, a claim for indemnification hereunder, the party seeking indemnification (the "Indemnified Party") shall, as promptly as reasonably practicable (but in no event later than 30 days) following the date the Indemnified Party has obtained such knowledge, give written notice (a "Notice of Claim") of such claim to the party or parties from which indemnification is or will be sought under this Article 7 (the "Indemnifying Party"). The Indemnified Party shall furnish to the Indemnifying Party in good faith and in reasonable detail such information as the Indemnified Party may have with respect to such indemnification claim (including copies of any summons, complaint or other pleading which may have been served on it and any written claim, demand, invoice, billing or other document evidencing or asserting the same). No failure or delay by the Indemnified Party in the performance of the foregoing shall reduce or otherwise affect the obligation of the Indemnifying Party to indemnify and hold the Indemnified Party harmless, except to the extent that such failure or delay shall have materially adversely affected the Indemnifying Party's ability to defend against, settle or satisfy any liability, damage, loss, claim or demand for which such Indemnified Party is entitled to indemnification hereunder.

7.6 Survival. Claims for indemnification under this Agreement based on breached representations or warranties shall survive until the third anniversary of the Closing and other claims for indemnification under this Agreement shall survive until the expiration of the applicable statute of the limitations (including any extensions or waivers of such statutes).

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Article 8. Definitions.

Unless otherwise stated in this Agreement, the following capitalized terms have the following meanings:

“Action” means any action, suit, claim, arbitration, or proceeding or investigation commenced by or pending before any Governmental Authority.

“Affiliate” means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such specified Person.

“Agreement” or “this Agreement” means this Intellectual Property Rights Assignment Agreement dated as of the date first above written (including the Annexes, Schedules and Exhibits hereto) and all amendments hereto made in accordance with the provisions of Section 9.17 hereof.

“Business” has the meaning set forth in the Recitals hereto.

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in the City of Tampa, Florida.

“Buyer” has the meaning specified in the introductory paragraph to this Agreement.

“Cash Payment” has the meaning set forth in Section 1.3 hereof.

“Change in Control” means and occurs upon (i) the closing date relative to a plan of liquidation of Buyer or a plan or agreement for the direct or indirect sale or other disposition of more than 50% of the assets of the Buyer; or (ii) the effective date of a merger, reorganization, consolidation, or similar transaction (a “Merger”) as a result of which the Members of Buyer immediately before the Merger are not expected to own, immediately after the Merger, directly or indirectly more than 50% of the membership interests in the Buyer.

“Claims and Damages” means, except as otherwise expressly provided in this Agreement, any and all losses, claims, demands, liabilities, obligations, actions, suits, orders, statutory or regulatory compliance requirements, or proceedings asserted by any Person (including, without limitation, Governmental Authorities), and all damages, costs, expenses, assessments, judgments, recoveries and deficiencies, including, to the extent required pursuant to Article 8, reasonable attorneys', experts' and paralegals' fees and costs, whether prior to the filing of proceedings, during proceedings and through all appellate levels, incurred by or awarded against a party to the extent indemnified in accordance with Article 7 hereof, but shall not include any consequential, special, multiple, punitive or exemplary damages, except to the extent such damages have been recovered by a third party and are the subject of a third party claim for which indemnification is available under the express terms of Article 7 hereof.

“Closing” has the meaning set forth in Section 1.5 hereof.

“Closing Date” has the meaning set forth in Section 1.5 hereof.

“Code” means the Internal Revenue Code of 1986, as amended.

“Company” has the meaning set forth in the Recitals hereof.

“Confidentiality Agreement” means that certain Standard Buyer’s Confidentiality and Warranty Agreement dated August 22, 2005 signed by Equitable Capital Management LLP.

“Control” (including the terms “controlled by” and “under common control with”), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or to cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, by contract or otherwise, including, without limitation, the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

“Deposit” has the meaning set forth in Section 1.4 hereof.

“EBITDA” means the net income of the Buyer determined in accordance with GAAP, plus a sum equal to:

- (i) interest;
- (ii) income taxes;
- (iii) depreciation and amortization;
- (iv) management fees payable to the Managers or Members of the Buyer as defined in the Limited Liability Company Agreement;
- (v) amounts prior to the Closing paid by Traeger Industries, Inc. for:
  - (A) license fees paid to the Sellers in accordance with past practices;
  - (B) rental of equipment in the amount not to exceed \$3,000.00 (Three Thousand Dollars) per month payable to Joe Traeger;
  - (C) legal and accounting fees directly related to the negotiation and preparation of this Agreement and the other agreements contemplated hereby;
  - (D) perquisites of the shareholders of Traeger Industries, Inc. not to exceed \$47,000.00 (Forty Seven Thousand Dollars) on an annualized basis;

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per annum;

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(vii) any selling, general and administrative expense in excess of 16.6% of net sales of the Buyer after reducing selling, general and administrative expense by an amount equal to the excess over \$430,000.00 per annum of the compensation of the new CEO, VP Operations and VP Finance as provided for in clause (vi) above;

(viii) any penalty under Section 4.10 of the Asset Purchase Agreement;  
and

(ix) any non-recurring items of income, gain, expense or loss.

“Encumbrance” means any security interest, pledge, mortgage, lien (including, without limitation, tax liens), charge, encumbrance, easement, adverse claim, preferential arrangement, restriction or defect in title.

“Escrow Agent” means Powers, McCulloch & Bennett LLP.

“Escrow Agreement” means that certain Escrow Agreement, dated of even date herewith, among the Buyer, the Sellers and the Escrow Agent.

“GAAP” means United States generally accepted accounting principles and practices as in effect from time to time.

“Governmental Authority” means any United States federal, state or local government or any foreign government, any governmental, regulatory, legislative, executive or administrative authority, agency or commission or any court, tribunal, or judicial body.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority. Governmental Orders shall not include Permits.

“Indemnified Party” has the meaning set forth in Section 7.5 hereof.

“Indemnifying Party” has the meaning set forth in Section 7.5 hereof.

“Intellectual Property Rights” include but are not limited to the items listed on Exhibit A hereto and all of the patents, applications, trademarks, copyrights, know-how, droit moral, show-how, mask work, proprietary innovations and inventions, methods or techniques, likenesses or other intellectual property held by the Sellers or any of their Affiliates and used or useful, directly or indirectly, in the Business and any other matters within the scope of business of the Company whether or not reduced to writing.

“Knowledge” with respect to a party means such information as any of its officers or key employees actually knew or should with the exercise of due diligence have known.

“Law” means any federal, state, local or foreign constitution, statute, law, ordinance, regulation, rule, code, injunction, judgment, order, decree or other requirement, restriction or rule of law.

“Liability Claim” means claims within the scope of Section 7.1 (b) – (d) hereof.

“Material Adverse Effect” means any circumstance, change in, or effect on the Company that has a material adverse effect on the business, results of operations, condition (financial or otherwise), or prospects of the Company.

“Notice of Claim” has the meaning set forth in Section 7.5 hereof.

“Person” means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

“Purchase Price” has the meaning set forth in Section 1.3 hereof.

“Regulatory Law” has the meaning set forth in Section 4.4(b).

“Required Consents” means the consents, approvals, orders, authorizations, registrations, declarations and filings required.

“Seller Parties” has the meaning set forth in the introductory paragraph of this Agreement.

“Sellers” has the meaning set forth in the introductory paragraph to this Agreement.

#### Article 9. Miscellaneous Provisions.

##### 9.1 Termination Rights.

(a) Grounds for Termination. This Agreement may be terminated:

(i) by mutual consent of the parties;

(ii) by the Sellers if the Sellers are ready, willing and able to close the transactions contemplated hereby and by the Asset Purchase Agreement on the Closing Date, the Sellers and Traeger Industries, Inc. have not violated their representations, warranties or covenants herein or in the Asset Purchase Agreement and have satisfied the Closing conditions herein and in the Asset Purchase Agreement, and Buyer is not prepared to close on the Closing Date;

(iii) by the Buyer if the Sellers are not ready, willing and able to close the transactions contemplated hereby and by the Asset Purchase Agreement on the Closing Date, or any of the Sellers or Traeger Industries, Inc. have violated their representations, warranties or covenants herein or in the Asset Purchase Agreement or have not satisfied the conditions to the Closing herein or in the Asset Purchase Agreement and the Buyer is prepared to close on the Closing Date;

(iv) by either the Sellers or the Buyer, upon written notice to the other party or parties, if any Governmental Authority shall have issued a statute, rule, regulation, order, decree or injunction or taken any other action permanently restraining, enjoining or otherwise prohibiting the purchase and sale contemplated by this Agreement and such statute, rule, regulation, order, decree or injunction or other action shall have become final and nonappealable;

(v) by the Buyer, if there has been a breach of any representation or warranty of the Sellers set forth in this Agreement or if there has been a material breach by any of the Sellers of their covenants and agreements set forth in this Agreement; or

(vi) by the Sellers, if there has been a breach of any representation or warranty of the Buyer set forth in this Agreement or if there has been a material breach by the Buyer of its covenants and agreements set forth in this Agreement.

(b) **Post-Termination Liability.** If this Agreement is terminated pursuant to Subsection 9.1(a) hereof, this Agreement shall thereupon become void and of no further effect whatsoever, and the parties shall be released and discharged of all obligations under this Agreement, except (i) to the extent of the Deposit under the circumstances described in Section 1.4, which shall be the sole and exclusive remedy of the Sellers under such circumstances, (ii) to the extent of a Parties' liability for willful material breaches of this Agreement prior to the time of such termination, (iii) as set forth in Section 4.3 hereof, and (iv) the obligations of each party for its own expenses incurred in connection with the transactions contemplated by this Agreement as provided herein.

9.2 **Expenses.** Except as otherwise specifically provided in this Agreement, all out-of-pocket costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by whichever is the Party incurring such costs and expenses, whether or not the Closing shall have occurred.

9.3 **Notices.** Any notice, demand, claim, notice of claim, request or communication required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed to have been duly given (i) upon delivery if delivered in person, (ii) on the date of mailing if mailed by registered or certified mail, postage prepaid and return receipt requested, (iii) on the date of delivery to a national overnight courier service, or (iv) upon transmission by facsimile (if such transmission is confirmed by the addressee) if delivered through such services to the following addresses, or to such other address as any party may request by notifying in writing all of the other parties to this Agreement in accordance with this Section 9.3.



**If to the Buyer:**

Traeger Pellet Grills LLC  
601 North Ashley Drive  
Suite 1200  
Tampa, Florida 33602  
Attn: Albert E. Strausser  
Telephone: 813-226-3900  
Facsimile: 813-226-3995

**With a copy to:**

Adorno & Yoss  
2525 Ponce de Leon Blvd.  
Suite 400  
Miami, FL 33134  
Attention: Seth P. Joseph, Esq.  
Telephone: (305) 460-1469  
Facsimile: (305) 328-4024

**If to the Sellers:**

Traeger Industries, Inc.  
P.O. Box 1070  
530 Alder Street  
Mt. Angel, Oregon 97362  
Attn: Joe Traeger  
Telephone: (503) 845-6495  
Facsimile: (503) 845-6366

**With a copy to:**

Hooper, Englund & Weil LLP  
1100 SW 6<sup>th</sup> Avenue, Suite 1507  
Portland, Oregon 97204  
Attn: Gregory J. Englund  
Telephone: (503) 226-0500  
Facsimile: (503) 226-7192

Any such notice shall be deemed to have been received on the date of personal delivery, the date set forth on the Postal Service return receipt, or the date of delivery shown on the records of the overnight courier, as applicable.

9.4 **Benefit and Assignment.** This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. There shall be no assignment of any interest under this Agreement by any party except that the Buyer may assign its rights hereunder to any wholly owned subsidiary of the Buyer or any purchaser of the

Business, in whole or in part; provided, however, that no such assignment shall relieve the assignor of its obligations under this Agreement. Nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

9.5 Waiver. Any party to this Agreement may (a) extend the time for the performance of any of the obligations or other acts of any other party, (b) waive any inaccuracies in the representations and warranties of any other party contained herein or in any document delivered by any other party pursuant hereto or (c) waive compliance with any of the agreements or conditions of any other party contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition, of this Agreement. The failure of any party to assert any of its rights hereunder shall not constitute a waiver of any such rights.

9.6 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this 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. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

9.7 Amendment. This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, the Sellers and the Buyer or (b) by a waiver in accordance with Section 9.5 hereof.

9.8 Effect and Construction of this Agreement. This Agreement embodies the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior agreements, arrangements and understandings, whether written or oral, relating to matters provided for herein; provided, however, that the Confidentiality Agreement shall remain in effect until the Closing. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual agreement, and this Agreement shall not be deemed to have been prepared by any single party hereto. The headings of the sections and subsections of this Agreement are inserted as a matter of convenience and for reference purposes only and in no respect define, limit or describe the scope of this Agreement or the intent of any section or subsection. This Agreement may be executed in one or more counterparts and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida, applicable to contracts executed in and to be performed entirely within that State. The parties agree that the exclusive venue for any dispute concerning the entitlement to the Deposit shall be the courts of competent jurisdiction situated in


Portland, Oregon and that the exclusive venue for any other dispute between the parties (except those arising from a third party claim) shall be Hillsborough County, Florida.

9.9 Specific Performance. Each of the Sellers acknowledges and agrees that in the event of any breach of this Agreement, the Buyer would be irreparably and immediately harmed and could not be made whole by monetary damages. It is accordingly agreed that the parties hereto (i) waive, in any action for specific performance, the defense of adequacy of a remedy at law and (ii) shall be entitled, in addition to any other remedy to which they may be entitled at law or in equity, to compel specific performance of this Agreement.

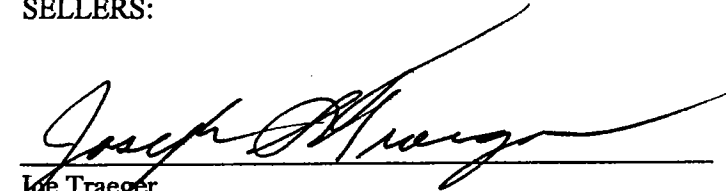
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BUYER:

Traeger Pellet Grills LLC

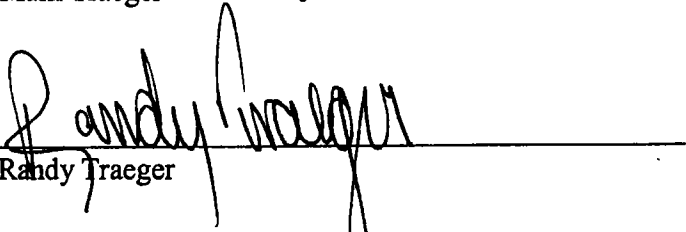
By:   
Name: Albert Strausser  
Title: Managing Director of The Barish Fund LLC, as  
Managing Member of Traeger Pellet Grills LLC

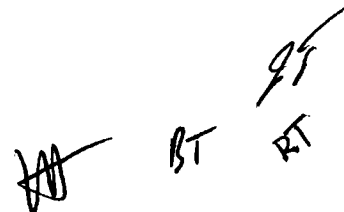
SELLERS:

  
Joe Traeger

  
Brian Traeger

  
Mark Traeger

  
Randy Traeger

 BT RT

## Exhibit A

### IP Descriptions

All the patents, patent rights, proprietary info and projects, trade secrets, personal goodwill and IP assets and properties used or usable in the business, including but not limited to the following:

**[Seller's IP counsel to update schedule prior to closing, including status of patent applications, office actions, objections etc (if any)]**

- Traeger name and tree logo (which Seller is assigning including any rights to register, in connection with the Business only)
- Smokeman-TII 2,987,301
- Design Patent 370,823 (pig design)
- Patent 4,823,684 (Pellet-Fired Barbecue grill)
- Patent 4,989,521 (Gravity Fed Pellet Burner)
- Patent Applications:
  - US—10/924,430—flavored wood pellet with wood oil
  - Canada 2,521,734—flavored wood pellet with wood oil
  - US THH314—smoke generator
  - US THH315—pellet fired BBQ
  - US THH316—burner design
- Any other marks, logos, copyrights or other intellectual property used in connection with the Business, including without limitation likenesses of people and images used in advertising (who shall sign documentation allowing the Buyer to continue to use the likenesses without cost and deliver said documentation to Seller at Closing), packaging and labeling, artwork used on Business products, product names, including without limitation BBQ070, 075, LHS, PIG, 100, 124, 125, and SW, Traeger Professional, Traeger Executive, Commercial Models, “Lil Pig”, “Longhorn Steer”, formulations for shakes, sauces, rubs, samplers, pellets, designs, tooling, masters, stats, dies, photos, TV programs including names, formats, rights, videotapes or films, design, masters, layout, of instruction manuals, training aids and material, video and film productions, cookbooks, recipes

*[Handwritten signatures and initials: a large signature, BT, RT, and another signature]*

Domain names including traegerindustries.com or any other domain name used or registered by the Business, whether or not currently registered using the name "Traeger"

~~BT~~ BT RT  
JW

**Schedule 2.6(a)**

**IP Claims**

Graybeal Jackson Haley LLP, on behalf of the Danson's Group Inc. sent a letter (known by Seller and Buyer as the "Dansons letter") dated December 15, 2004 alleging "false marking" of Traeger's product under patent 4,823,684. This letter has been provided to the Buyer during due diligence.

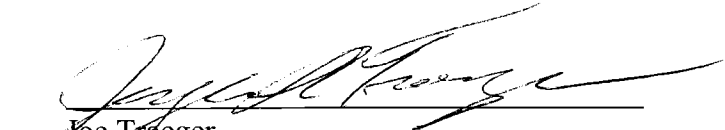
~~WA~~ BT RT  
ASD

**SELLERS' CERTIFICATE  
WITH RESPECT TO  
INTELLECTUAL PROPERTY RIGHTS ASSIGNMENT AGREEMENT**

Each of the undersigned, being the sellers with respect to the purchase and sale of certain intellectual property pursuant to that certain Intellectual Property Rights Assignment Agreement, dated as of February 21, 2006 (the "Agreement"), between Traeger Pellet Grills LLC (the "Buyer"), and Joe Traeger, Brian Traeger, Mark Traeger and Randy Traeger (collectively referred to as the "Sellers"), does hereby certify that no consents, waivers, approvals, orders or authorizations from third parties are required to be made or obtained for the authorization, execution, delivery and performance of the Agreement, the consummation of the transactions contemplated by the Agreement and the continuation in force of any rights, and the assignment of the Intellectual Property Rights.

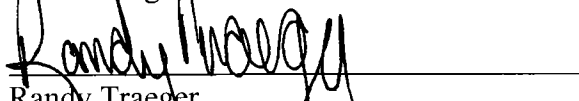
Any terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Certificate as of the 4<sup>th</sup> day of April, 2006.

  
\_\_\_\_\_  
Joe Traeger

  
\_\_\_\_\_  
Brian Traeger

  
\_\_\_\_\_  
Mark Traeger

  
\_\_\_\_\_  
Randy Traeger

TRAEGER INDUSTRIES, INC.

CERTIFICATE PURSUANT TO SECTION 5.3  
OF  
INTELLECTUAL PROPERTY RIGHTS ASSIGNMENT AGREEMENT

Each of the undersigned, being the sellers with respect to the purchase and sale of certain intellectual property pursuant to that certain Intellectual Property Rights Assignment Agreement, dated as of February 21, 2006 (the "Agreement"), between Traeger Pellet Grills LLC (the "Buyer"), and Joe Traeger, Brian Traeger, Mark Traeger and Randy Traeger (collectively referred to as the "Sellers"), do hereby certify as follows:

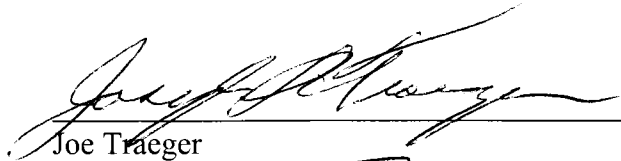
1. The representations and warranties of the Sellers contained in the Agreement are true and correct in all material respects (other than those representations and warranties that are qualified by Material Adverse Effect and those described in Section 2 below, which shall be true and correct in all respects) on the date hereof with the same effect as though such representations and warranties had been made on and as of the date hereof, other than such representations and warranties that are made as of a specific date .

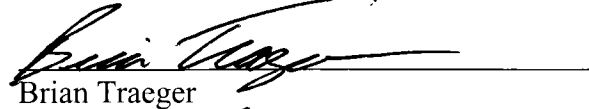
2. The representations and warranties of the Sellers contained in Sections 2.3, 2.4, 2.5 and 2.6 of the Agreement are true and correct in all respects on the date hereof with the same effect as though such representations and warranties had been made on and as of the date hereof.

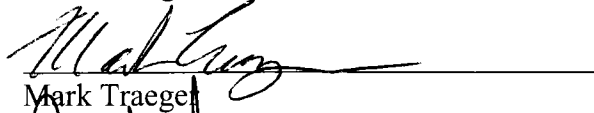
3. The Sellers have performed and complied, in all material respects, with all of the covenants and agreements contained in the Agreement required to be performed or compiled with by it prior to or on the date hereof.

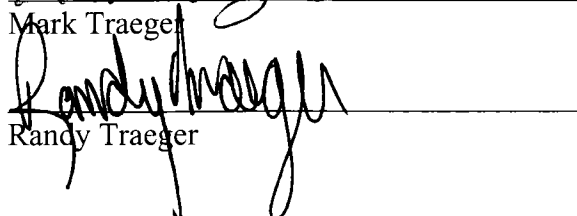
Any terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Certificate as of the 4<sup>th</sup> day of April, 2006.

  
\_\_\_\_\_  
Joe Traeger

  
\_\_\_\_\_  
Brian Traeger

  
\_\_\_\_\_  
Mark Traeger

  
\_\_\_\_\_  
Randy Traeger



**TRAEGER PELLET GRILLS LLC**  
**CERTIFICATE PURSUANT TO SECTION 6.3**  
**OF**  
**INTELLECTUAL PROPERTY RIGHTS ASSIGNMENT AGREEMENT**

Each of the undersigned, being the purchaser with respect to the purchase and sale of certain intellectual property pursuant to that certain Intellectual Property Rights Assignment Agreement, dated as of February 21, 2006 (the "Agreement"), between Traeger Pellet Grills LLC (the "Buyer"), and Joe Traeger, Brian Traeger, Mark Traeger and Randy Traeger (collectively referred to as the "Sellers"), do hereby certify as follows:

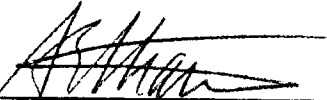
1. The representations and warranties of the Buyer contained in the Agreement are true and correct in all material respects (other than those representations and warranties that are qualified by Material Adverse Effect, which shall be true and correct in all respects) on the date hereof with the same effect as though such representations and warranties had been made on and as of the date hereof, other than such representations and warranties that are made as of a specific date, in each case except for changes that are expressly contemplated by the Agreement, and except for such failures to be true and correct that (without regard to materiality concepts therein once such failure is established) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the business, results of operations or financial condition of the Buyer.

2. The Buyer has performed and complied, in all material respects, with all of the covenants and agreements contained in the Agreement required to be performed or complied with by it prior to or on the date hereof.

Any terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the 4<sup>th</sup> day of April, 2006.

TRAEGER PELLET GRILLS LLC

By:   
Name: Albert Strausser  
Title: Managing Director of The Barish Fund  
LLC, as Managing Member of Traeger  
Pellet Grills LLC

{M1482167\_1}

## TRADEMARK ASSIGNMENT

**THIS TRADEMARK ASSIGNMENT** is made as of the 27th day of April, 2006, by and between Traeger Industries, Inc., an Oregon corporation ("Assignor"), and Traeger Pellet Grills, LLC, a Florida limited liability company ("Assignee").

**WHEREAS**, Assignor is the owner of all right, title and interest in the trademark "Smokeman," Registration No. 2,987,301, registered August 23, 2005 (the "Trademark");

**WHEREAS**, Assignor entered into an Intellectual Property Rights Assignment (the "Assignment Agreement"), dated as of the date hereof, providing for the purchase by Assignee from Assignor of substantially all of the assets of Assignor;

**WHEREAS**, pursuant to the Assignment Agreement, Assignee has acquired all rights, title and interest in and to the Trademark throughout the world; and

**WHEREAS**, Assignor is willing to assign to Assignee all rights, title and interest as Assignor may possess in and to the Trademark throughout the world.

**NOW, THEREFORE**, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor makes the following assignment and agrees as follows:

1. Assignment.

a. Assignor hereby assigns and sells to Assignee all of Assignor's rights, title and interest in and to the Trademark throughout the world, for all of the goods and/or services included in the relevant registrations or applications or in conjunction with which the trademarks are used, together with the goodwill of the business symbolized by the Trademark; said rights, title and interest include, without limitation, any and all causes of action heretofore accrued in Assignor's favor for infringement or other violation of the aforesaid rights, to have and to hold the same unto Assignee absolutely.

b. At any time, and from time to time hereafter, Assignor shall forthwith, upon Assignee's written request and sole expense, take any and all reasonably necessary steps to execute, acknowledge and deliver to Assignee any and all further instruments and assurances necessary or expedient in order to vest the aforesaid rights in Assignee or to record this assignment, and to facilitate Assignee's enjoyment and enforcement of said rights and causes of action.

2. Miscellaneous. If any provision of this Assignment shall be adjudged by any court of competent jurisdiction to be unenforceable or invalid, that provision shall be limited or eliminated to the minimum extent necessary so that this Assignment shall otherwise remain in full force and effect and enforceable. This Assignment shall be deemed to have been made in, and shall be construed pursuant to the laws of the State of Florida and the United States America without regard to conflicts of laws provisions thereof.

{M1487020\_1}





## TRADEMARK ASSIGNMENT

**THIS TRADEMARK ASSIGNMENT** is made as of the 4<sup>th</sup> day of April, 2006, by and between Traeger Industries, Inc., an Oregon corporation ("Assignor"), and Traeger Pellet Grills, LLC, a Florida limited liability company ("Assignee").

**WHEREAS**, Assignor is the owner of all right, title and interest in the trademark "Traeger," Registration No. 1,425,662, registered January 20, 1987 (the "Trademark");

**WHEREAS**, Assignor entered into an Intellectual Property Rights Assignment (the "Assignment Agreement"), dated as of the date hereof, providing for the purchase by Assignee from Assignor of substantially all of the assets of Assignor;

**WHEREAS**, pursuant to the Assignment Agreement, Assignee has acquired all rights, title and interest in and to the Trademark throughout the world; and

**WHEREAS**, Assignor is willing to assign to Assignee all rights, title and interest as Assignor may possess in and to the Trademark throughout the world.

**NOW, THEREFORE**, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor makes the following assignment and agrees as follows:

1. Assignment.

a. Assignor hereby assigns and sells to Assignee all of Assignor's rights, title and interest in and to the Trademark throughout the world, for all of the goods and/or services included in the relevant registrations or applications or in conjunction with which the trademarks are used, together with the goodwill of the business symbolized by the Trademark; said rights, title and interest include, without limitation, any and all causes of action heretofore accrued in Assignor's favor for infringement or other violation of the aforesaid rights, to have and to hold the same unto Assignee absolutely.

b. At any time, and from time to time hereafter, Assignor shall forthwith, upon Assignee's written request and sole expense, take any and all reasonably necessary steps to execute, acknowledge and deliver to Assignee any and all further instruments and assurances necessary or expedient in order to vest the aforesaid rights in Assignee or to record this assignment, and to facilitate Assignee's enjoyment and enforcement of said rights and causes of action.

2. Miscellaneous. If any provision of this Assignment shall be adjudged by any court of competent jurisdiction to be unenforceable or invalid, that provision shall be limited or eliminated to the minimum extent necessary so that this Assignment shall otherwise remain in full force and effect and enforceable. This Assignment shall be deemed to have been made in, and shall be construed pursuant to the laws of the State of Florida and the United States America without regard to conflicts of laws provisions thereof.

{M1486635\_1}





**ASSIGNMENT OF PATENT**

**THIS ASSIGNMENT OF PATENT** is made as of the 4<sup>th</sup> day of April, 2006, by and between Traeger Pellet Grills, LLC, a Florida limited liability company (“Assignee”), whose mailing address is 601 North Ashley Drive, Suite 1200, Tampa, Florida 33602; and Joseph P. Traeger, Mark A. Traeger, Randolph J. Traeger and Brian E. Traeger, all of Mt. Angel, Oregon (collectively, the “Patentees”).

**RECITALS:**

**WHEREAS**, the Patentees did file an Utility Patent Application for flavored wood pellet with wood oil, Application No. ~~20060037236~~, dated February 23, 2006 (the “Patent Application”);  
↳ 10924430

**WHEREAS**, the Patent Application is currently pending and has not yet been issued; and

**WHEREAS**, Assignee is desirous of acquiring the entire right, title and interest in the same.

**NOW, THEREFORE**, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agree as follows:

1. We, the Patentees, by these presents do sell, assign and transfer unto said Assignee the entire right, title and interest in the Patent Application; the same to be prosecuted and ultimately, held and enjoyed by the Assignee for its own use and behalf, and for its legal representatives and assigns, as fully and entirely as the same would have been held by me had this assignment and sale not been made.

2. At any time, and from time to time hereafter, Patentees shall forthwith, upon Assignee’s written request and sole expense, take any and all reasonably necessary steps to execute, acknowledge and deliver to Assignee any and all further instruments and assurances necessary or expedient in order to vest the aforesaid rights in Assignee or to record this assignment, and to facilitate Assignee’s enjoyment and enforcement of said rights and causes of action.

**[SIGNATURES ON FOLLOWING PAGE]**



IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the \_\_\_ day of April, 2006.

TRAEGER INDUSTRIES, INC.

By: [Signature]  
Name: JOSEPH P. TRAEGER  
Title: PRESIDENT

[Signature]  
Mark P. Traeger

[Signature]  
Joseph P. Traeger

[Signature]  
Randolph J. Traeger

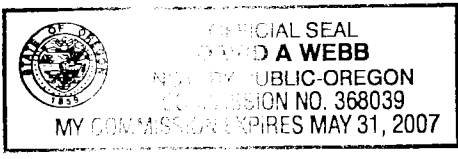
[Signature]  
BRIAN E. TRAEGER

State of Oregon )  
County of Marion )

SS: 41. BRIAN E. TRAEGER

The foregoing instrument was acknowledged before me this 4th day of April, 2006, by Joseph P. Traeger, as President on behalf Traeger ~~Pellet~~ Industries Grills, LLC, a ~~Florida limited liability company~~ OREGON Corporation. He is personally known to me or who has produced [Signature] as identification.

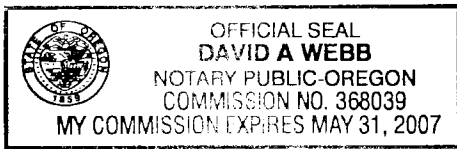
DVC.  
f.t.



David A. Webb  
Notary Public  
Name: David A. Webb  
Commission Number: 368039  
My Commission Expires: May 31, 2007

State of Oregon )  
 ) SS:  
County of Marion )

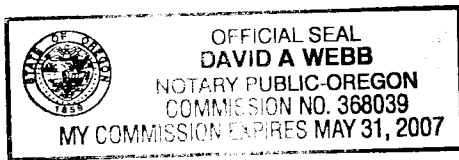
The foregoing instrument was acknowledged before me this 4th day of April, 2006, by Mark P. Traeger. He is personally known to me or has produced \_\_\_\_\_ as identification.



David A. Webb  
Notary Public  
Name: David A. Webb  
Commission Number: 368039  
My Commission Expires: May 31, 2007

State of Oregon )  
 ) SS:  
County of Marion )

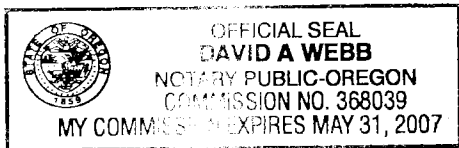
The foregoing instrument was acknowledged before me this 4th day of April, 2006, by Joseph P. Traeger. He is personally known to me or has produced \_\_\_\_\_ as identification.



David A. Webb  
Notary Public  
Name: David A. Webb  
Commission Number: 368039  
My Commission Expires: May 31, 2007

State of Oregon )  
 ) SS:  
County of Marion )

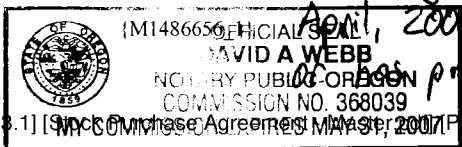
The foregoing instrument was acknowledged before me this 4th day of April, 2006, by Randolph J. Traeger. He is personally known to me or has produced \_\_\_\_\_ as identification.



David A. Webb  
Notary Public  
Name: David A. Webb  
Commission Number: 368039  
My Commission Expires: May 31, 2007

State of Oregon )  
 ) SS:  
County of Marion )

The foregoing instrument was acknowledged before me this 4th day of April, 2006, by Brian E. Traeger. He is personally known to me or has produced \_\_\_\_\_ as identification.



David A. Webb  
Notary Public

Name: David A. Webb Commission Number: 368039  
My Commission Expires: May 31, 2007

**ASSIGNMENT OF PATENT**

**THIS ASSIGNMENT OF PATENT** is made as of the 4th day of April, 2006, by and between Traeger Pellet Grills, LLC, a Florida limited liability company (“Assignee”), whose mailing address is 601 North Ashley Drive, Suite 1200, Tampa, Florida 33602; and Joseph P. Traeger, Mark A. Traeger, and Randolph J. Traeger, all of Mt. Angel, Oregon (collectively, the “Patentees”).

**RECITALS:**

**WHEREAS**, the Patentees did obtain a United States Patent for the ornamental design for a barbecue, No. Des ~~D~~370,823, dated June 18, 1996 (the “Patent”);

↳ D370,823

**WHEREAS**, the Patentees are currently the sole owners of said patent; and

**WHEREAS**, Assignee is desirous of acquiring the entire right, title and interest in the same.

**NOW, THEREFORE**, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agree as follows:

1. We, the Patentees, by these presents do sell, assign and transfer unto said Assignee the entire right, title and interest in the Patent; the same to be held and enjoyed by the Assignee for its own use and behalf, and for its legal representatives and assigns, to the full end of the term for which the Patent is granted, as fully and entirely as the same would have been held by me had this assignment and sale not been made.

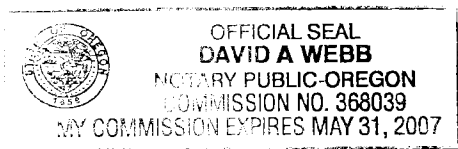
2. At any time, and from time to time hereafter, Patentees shall forthwith, upon Assignee’s written request and sole expense, take any and all reasonably necessary steps to execute, acknowledge and deliver to Assignee any and all further instruments and assurances necessary or expedient in order to vest the aforesaid rights in Assignee or to record this assignment, and to facilitate Assignee’s enjoyment and enforcement of said rights and causes of action.

**[SIGNATURES ON FOLLOWING PAGE]**



State of Oregon )  
 ) SS:  
County of Marion )

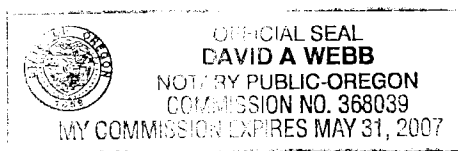
The foregoing instrument was acknowledged before me this 4th day of April, 2006, by Mark P. Traeger. He is personally known to me or has produced \_\_\_\_\_ as identification.



David A. Webb  
Notary Public  
Name: David A. Webb  
Commission Number: 368039  
My Commission Expires: May 31, 2007

State of Oregon )  
 ) SS:  
County of Marion )

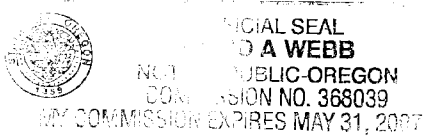
The foregoing instrument was acknowledged before me this 4th day of April, 2006, by Joseph P. Traeger. He is personally known to me or has produced \_\_\_\_\_ as identification.



David A. Webb  
Notary Public  
Name: David A. Webb  
Commission Number: 368039  
My Commission Expires: May 31, 2007

State of Oregon )  
 ) SS:  
County of Marion )

The foregoing instrument was acknowledged before me this 4th day of April, 2006, by Randolph J. Traeger. He is personally known to me or has produced \_\_\_\_\_ as identification.



David A. Webb  
Notary Public  
Name: David A. Webb  
Commission Number: 368039  
My Commission Expires: May 31, 2007

## ASSIGNMENT OF PATENT

**THIS ASSIGNMENT OF PATENT** is made as of the 4<sup>th</sup> day of April, 2006, by and between Traeger Pellet Grills, LLC, a Florida limited liability company (“Assignee”), whose mailing address is 601 North Ashley Drive, Suite 1200, Tampa, Florida 33602; and Joseph P. Traeger, Mark A. Traeger, and Randolph J. Traeger, all of Mt. Angel, Oregon (collectively, the “Patentees”).

### **RECITALS:**

**WHEREAS**, the Patentees did obtain a United States Patent for a gravity-fed pellet burner, No. 4,989,521, dated April 16, 1990 (the “Patent”);

**WHEREAS**, the Patentees are currently the sole owners of said patent; and

**WHEREAS**, Assignee is desirous of acquiring the entire right, title and interest in the same.

**NOW, THEREFORE**, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agree as follows:

1. We, the Patentees, by these presents do sell, assign and transfer unto said Assignee the entire right, title and interest in the Patent; the same to be held and enjoyed by the Assignee for its own use and behalf, and for its legal representatives and assigns, to the full end of the term for which the Patent is granted, as fully and entirely as the same would have been held by me had this assignment and sale not been made.

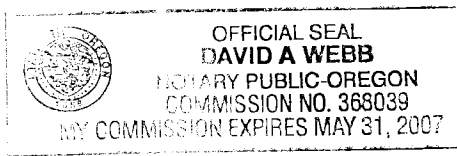
2. At any time, and from time to time hereafter, Patentees shall forthwith, upon Assignee’s written request and sole expense, take any and all reasonably necessary steps to execute, acknowledge and deliver to Assignee any and all further instruments and assurances necessary or expedient in order to vest the aforesaid rights in Assignee or to record this assignment, and to facilitate Assignee’s enjoyment and enforcement of said rights and causes of action.

**[SIGNATURES ON FOLLOWING PAGE]**



State of Oregon )  
 ) SS:  
County of Marion )

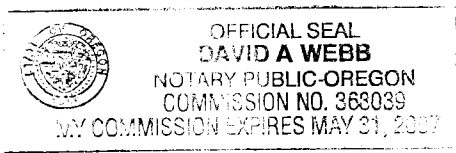
The foregoing instrument was acknowledged before me this 4th day of April, 2006, by Mark P. Traeger. He is personally known to me or has produced \_\_\_\_\_ as identification.



David A. Webb  
Notary Public  
Name: David A. Webb  
Commission Number: 368039  
My Commission Expires: May 31, 2007

State of Oregon )  
 ) SS:  
County of Marion )

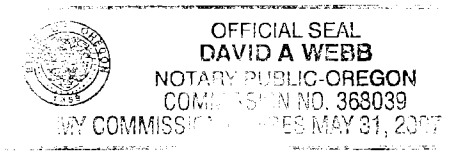
The foregoing instrument was acknowledged before me this 4th day of April, 2006, by Joseph P. Traeger. He is personally known to me or has produced \_\_\_\_\_ as identification.



David A. Webb  
Notary Public  
Name: David A. Webb  
Commission Number: 368039  
My Commission Expires: May 31, 2007

State of Oregon )  
 ) SS:  
County of Marion )

The foregoing instrument was acknowledged before me this 4th day of April, 2006, by Randolph J. Traeger. He is personally known to me or has produced \_\_\_\_\_ as identification.



David A. Webb  
Notary Public  
Name: David A. Webb  
Commission Number: 368039  
My Commission Expires: May 31, 2007



## ASSIGNMENT OF PATENT

**THIS ASSIGNMENT OF PATENT** is made as of the 7<sup>th</sup> day of April, 2006, by and between Traeger Pellet Grills, LLC, a Florida limited liability company (“Assignee”), whose mailing address is 601 North Ashley Drive, Suite 1200, Tampa, Florida 33602; and Joseph P. Traeger, Mark A. Traeger, and Randolph J. Traeger, all of Mt. Angel, Oregon (collectively, the “Patentees”).

### **RECITALS:**

**WHEREAS**, the Patentees did obtain a United States Patent for a pellet-fired cooking grill which includes an elevated barbecue pan, No. 4,823,684, dated April 25, 1989 (the “Patent”);

**WHEREAS**, the Patentees are currently the sole owners of said patent; and

**WHEREAS**, Assignee is desirous of acquiring the entire right, title and interest in the same.

**NOW, THEREFORE**, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agree as follows:

1. We, the Patentees, by these presents do sell, assign and transfer unto said Assignee the entire right, title and interest in the Patent; the same to be held and enjoyed by the Assignee for its own use and behalf, and for its legal representatives and assigns, to the full end of the term for which the Patent is granted, as fully and entirely as the same would have been held by me had this assignment and sale not been made.

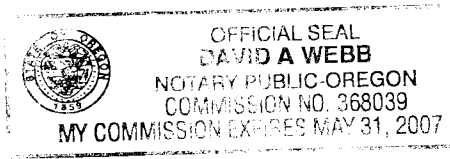
2. At any time, and from time to time hereafter, Patentees shall forthwith, upon Assignee’s written request and sole expense, take any and all reasonably necessary steps to execute, acknowledge and deliver to Assignee any and all further instruments and assurances necessary or expedient in order to vest the aforesaid rights in Assignee or to record this assignment, and to facilitate Assignee’s enjoyment and enforcement of said rights and causes of action.

**[SIGNATURES ON FOLLOWING PAGE]**



State of Oregon )  
 ) SS:  
County of Marion )

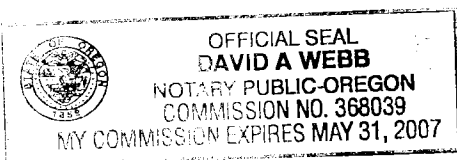
The foregoing instrument was acknowledged before me this 4th day of April, 2006, by Mark P. Traeger. He is personally known to me or has produced \_\_\_\_\_ as identification.



David A. Webb  
Notary Public  
Name: David A. Webb  
Commission Number: 368039  
My Commission Expires: May 31, 2007

State of Oregon )  
 ) SS:  
County of Marion )

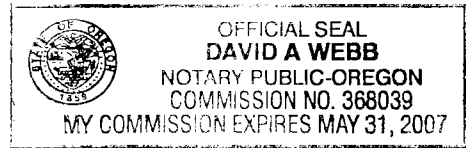
The foregoing instrument was acknowledged before me this 4th day of April, 2006, by Joseph P. Traeger. He is personally known to me or has produced \_\_\_\_\_ as identification.



David A. Webb  
Notary Public  
Name: David A. Webb  
Commission Number: 368039  
My Commission Expires: May 31, 2007

State of Oregon )  
 ) SS:  
County of Marion )

The foregoing instrument was acknowledged before me this 4th day of April, 2006, by Randolph J. Traeger. He is personally known to me or has produced \_\_\_\_\_ as identification.



David A. Webb  
Notary Public  
Name: David A. Webb  
Commission Number: 368039  
My Commission Expires: May 31, 2007

## DOMAIN NAMES ASSIGNMENT

**THIS ASSIGNMENT** is made as of April 4<sup>th</sup>, 2006 by Traeger Industries, Inc., an Oregon corporation (the "ASSIGNOR"), in favor of Traeger Pellet Grills LLC, a Florida limited liability company (the "Assignee").

**WHEREAS**, the Assignor has registered, owns and currently operates the domain names traegerindustries.com; smokeman.com; pelletgrills.com; barbecuepellets.com; bbqpellets.com; traegerbbq.com; smokemanpellets.com; traegergrill.com; traegerpelletbbq.com; traegerpelletgrill.com; pelletbarbecues.com; traegersmokehouse.com; smithwessongrills.com; smithwessonsmokers.com. (the "Domain Names")

**WHEREAS**, the Assignor and the Assignee have entered into an Intellectual Property Rights Assignment dated as of February 21, 2006 (the "Assignment Agreement"), pursuant to which the Assignor has agreed to sell and the Assignee has agreed to purchase certain intellectual property of the Assignor, including the Domain Names.

**NOW, THEREFORE**, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignee makes the following assignment and agrees as follows:

1. Assignment of Domain Names. The Assignor hereby sells, transfers, conveys and assigns to the Assignee the entire right, title, and interest in and to the internet Domain Names and any other rights appurtenant to the Domain Names and registrations thereof, the same to be held and enjoyed by the Assignee, its successors, assigns, and other legal representatives as fully as though such Domain Names were originally created and obtained by and issued and registered to the Assignee.

2. Transfer Authorization. The Assignor authorizes and requests Network Solutions, Inc., or any other registration authority, to transfer the Domain Names and the registrations thereof from the Assignor to the Assignee.

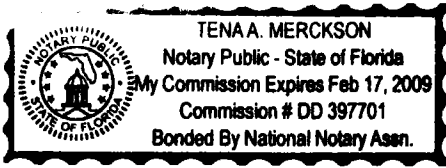
3. Further Assurances. The Assignor agrees to execute and deliver such additional or other documents and instruments, including but not limited to Network Solutions, Inc.'s "Registrant Name Change Agreement - Version 3.0 - Transfers" (a copy of which is attached hereto as Annex A), and to do such additional or other acts and things, as may be required or reasonably requested by the Assignee in order to give effect to the provisions of this Assignment.

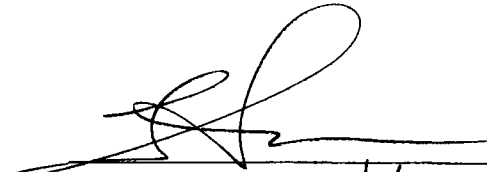
4. Registration Fees. The Assignee shall pay any and all registration fees payable to Network Solutions, Inc. and any other registration authority in respect of such transfer.

5. Miscellaneous. If any provision of this Assignment shall be adjudged by any court of competent jurisdiction to be unenforceable or invalid, that provision shall be limited or eliminated to the minimum extent necessary so that this Assignment shall otherwise remain in full force and effect and enforceable. This Assignment shall be deemed to have been made in, and shall be construed pursuant to the laws of the State of Florida and the United States America without regard to conflicts of laws provisions thereof.

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Notary Public  
Name: TENA MERCKSON  
Commission Number: DD 397701  
My Commission Expires: February 17<sup>th</sup>, 2009