IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

RED OAK ACQUISITION FUND V, LLC, and RED OAK CAPITAL	§	
	§	
v.	§	**CIVIL ACTION NO. 3:09cv0873-M**
	§	
EQUIPMENT ACQUISITION RESOURCES, INC., DONNA L. MALONE, MARK ANSTETT, MYRON SIEGEL, AND SHELDON PLAYER	§	

PLAINTIFFS' FIRST AMENDED COMPLAINT

Red Oak Acquisition Fund V, LLC ("Red Oak Fund") and Red Oak Capital ("Red Oak Capital") file this their First Amended Complaint complaining of Equipment Acquisition Resources, Inc. ("EAR"), Donna L. Malone ("Malone"), Mark Anstett ("Anstett"), Myron Siegel ("Siegel") and Sheldon Player ("Player") (collectively "Defendants") and in support thereof show as follows:

I. THE PARTIES

1. Plaintiff Red Oak Acquisition Fund V, LLC is a Texas limited liability company, with its members all being Texas residents.

2. Plaintiff Red Oak Capital is a Texas sole proprietorship with its owner being a Texas resident.

3. Defendant Equipment Acquisition Resources, Inc. is an Illinois corporation.

4. Donna L. Malone is an individual and may be served with process at 555 South Vermont Street, Palatine, Illinois 60067. Malone is the CEO and primary shareholder of EAR.

5. Mark Anstett is an individual residing in Illinois. Anstett is the President and a shareholder of EAR.

6. Sheldon Player is an individual and may be served with process at 555 South Vermont Street, Palatine, Illinois 60067. Player is married to Malone and effectively runs EAR.

7. Myron Siegel is an individual and may be served with process at 2275 Half Day Road, Suite 350, PMB 1293, Bannockburn, Illinois 60015. Siegel is a financial adviser to EAR and its CFO.

II. JURISDICTION AND VENUE

8. The damages sought by Plaintiffs exceed the minimum jurisdictional limits of this Court. Jurisdiction over Defendants is appropriate because the alleged liability arises from or is related to an activity conducted within Texas. Many conference calls and negotiations took place in Dallas, Texas. Further, Defendants agreed that disputes related to the Stock Purchase Agreement would be litigated in Texas. Defendants also promised to close the transaction related to the Stock Purchase Agreement in Dallas, Texas. Therefore, the agreement was to be performed in whole or in part in Dallas, Texas. Furthermore, Defendants agreed in the Sale of Accounts Receivable Agreement that a Texas court could assert jurisdiction over the parties. Defendants have admitted in open court that the Sale of Accounts Receivable Agreement is a valid and binding agreement. Therefore, it is clear that the parties contemplated that a Texas court could exercise jurisdiction over the Defendants. Additionally, the individual defendants named in this lawsuit engaged in tortious acts in which the harm from the acts was felt in Texas. The individual defendants' tortious conduct was directed at Texas residents, some of which were misrepresentations that were actually made in Texas. These acts are in connection with both the Stock Purchase Agreement and the Sale of Accounts Receivable Agreement.

9. Venue is proper in the Northern District of Texas, Dallas Division because, as stated above, a substantial part of the events or omissions giving rise to the claim occurred in Dallas, Texas. Furthermore, the Sale of Accounts Receivable Agreement provides as follows: "This Agreement was made and entered into and is to be performed in whole or in part in Dallas County, Texas. For the purpose of any action which may be instituted under this Agreement, the jurisdiction and venue for any such action shall be in any District Court of the State of Texas or any Federal District Court located in Dallas County, Texas."

III. FACTS

10. EAR is one of the world's largest suppliers of lappers, polishers, slicers, grinders and dicing saws for crystalline materials. It is a company that delivers second-market equipment to manufacture semiconductors. EAR is estimated to be worth approximately $200 million.

11. In 2008, Red Oak Fund and Defendants began discussions involving the purchase of stock in EAR. EAR, Malone and Anstett sought to sell the majority of stock in EAR for approximately $200 million with $45 million due at closing. The parties worked for about a year negotiating the terms of the stock purchase.

12. In late March 2009, Player contacted Boris Gremont, the managing partner at Red Oak Fund, and stated that the cash flow for EAR had unexpectedly decreased. Player indicated that EAR wanted to close the transaction quickly and would be willing to decrease the amount due at closing to $18 million payable in two notes to Malone and Anstett. Red Oak Fund agreed to this acceleration and the $18 million in notes.

13. On March 31, 2009, as further evidence of the agreement of the parties and meeting of the minds, Anstett and Malone executed documents entitled Stock Power indicating that Anstett and Malone appointed Boris Gremont as attorney to transfer their stock certificates.

True and correct copies of the Stock Powers are attached hereto as **Exhibit 1**. On April 7, 2009, Red Oak Fund, Malone, Anstett and EAR entered into a Stock Purchase Agreement. Also, on April 7, 2009, Boris Gremont signed the Stock Purchase Agreement on behalf of Red Oak Fund. A true and correct copy of the Stock Purchase Agreement is attached hereto as **Exhibit 2**. Further, on April 9, 2009, EAR, Malone and Anstett lawfully and willingly entered into a Stock Transfer Agreement. The Stock Transfer Agreement transferred ownership control of EAR to Red Oak Fund. A true and correct copy of the Stock Transfer Agreement is attached hereto as **Exhibit 3**. All three of these agreements indicate and evidence that a valid and binding contract existed between Red Oak Fund, Malone, Anstett and EAR.

14. On April 17, 2009, Boris Gremont hand-delivered a fully executed copy of the Stock Purchase Agreement to EAR. The Stock Purchase Agreement hand-delivered by Boris Gremont to EAR was signed by all parties to the Agreement. Red Oak Fund ratified and accepted the Stock Powers, the Stock Purchase Agreement, and the Stock Transfer Agreement prior to any termination or withdrawals by Malone, Anstett or EAR. Thus, these agreements are valid and binding.

15. The Stock Purchase Agreement (the "Agreement") contains the following material terms and requires the parties to do the following:

a. The parties had to attend the closing of the transaction upon five days notice to Malone and Anstett. *See* Exhibit 2 at § 1.3.

b. Malone, Anstett and EAR jointly and severally agreed to provide Financial Statements to Red Oak Fund on or before April 15, 2009. *See* Exhibit 2 at § 2.11.

c. Malone, Anstett and EAR agreed to: (1) not engage in any transaction outside the ordinary course of business; (2) promptly notify Red Oak Fund of any material adverse change in the condition of the business; (3) not subject the assets of the business to any new liens; (4) not take any action (or fail to take any action if such failure would) result in a breach of the representations and warranties provided in the Agreement; (5) not

purchase inventory with a cost in excess of $100,000; (6) not pay any dividends or distributions; and (7) not enter into any employment, consulting or other compensatory agreements or plans with any Person. *See* Exhibit 2 at §§ 4.1 (b), (f), (k), (m), (p), (r), (s).

d. Malone, Anstett and EAR agreed to not take any action that would cause the conditions on the obligations of the parties to effect the transaction contemplated not to be fulfilled. Also, Malone, Anstett and EAR agreed to take all reasonable steps within their power to cause to be fulfilled the conditions precedent to their obligations to consummate the transaction. *See* Exhibit 2 at § 4.5.

e. Malone, Anstett and EAR agreed not to disclose Confidential Information. *See* Exhibit 2 at § 4.10.

16. In addition to these material terms, Malone, Anstett and EAR also agreed to a "No-Shop Provision." The No-Shop Provision provided that Malone, Anstett and EAR:

> [S]hall not (and shall not permit any of their Affiliates to), directly or indirectly (through agents or otherwise), initiate, encourage or solicit (including by way of furnishing information or assistance), or take any other action to facilitate, any inquiries or the making of any proposal relating to, or that may reasonably be expected to lead to, any Competing Transaction (as defined in the Agreement), or enter into or engage in any discussions or negotiations with any Person in furtherance of such inquiries or to obtain a Competing Transaction, or endorse or agree to endorse any Competing Transaction, or authorize or permit any of its managers, directors, officers or employees, or any investment banker, financial advisor, attorney, accountant or other representative retained by it or any of its Affiliates to take any such action.

See Exhibit 2 at § 4.9.

17. In reliance on Malone, Anstett and EAR's promises, Red Oak Fund entered into the Agreement, met all conditions precedent and even advanced money to EAR through a related company, Red Oak Capital. EAR, through Player, told Red Oak Fund that it had an unexpected decrease in cash flow that created problems for Malone, Anstett and EAR with various banks and/or lenders. Because Red Oak Fund believed that it had a fully executed and binding contract with EAR, Red Oak Capital (the related entity) agreed to advance $2 million that would be secured by certain of EAR's accounts receivables. A true and correct copy of this Agreement

(the Sale of Accounts Receivable Agreement) is attached hereto as Exhibit 4. Red Oak Fund also contacted various lenders to reassure them that EAR's cash flow problems would be short lived.

18. Almost immediately after securing Red Oak Fund's signature on the Agreement, receiving the $2 million advance and obtaining the relief from its lenders, Malone, Anstett and EAR sought to terminate the Agreement. The Agreement, however, contains a very specific termination provision that indicates that Malone, Anstett and EAR cannot terminate the Agreement unless there is mutual written consent. *See* Exhibit 2 at § 7.1. The Agreement also provides that Malone and Anstett may not terminate the Agreement if closing has not occurred and Malone and Anstett have willfully failed to perform or observe the covenants in the Agreement. *See* Exhibit 2 at § 7.1. There is no debate that a mutual written consent does not exist.

19. Further, the Agreement provides, as an additional measure of damages, that if Malone and Anstett elect not to close, the shareholders (Malone and Anstett), jointly and severally, must pay within two business days to Red Oak Fund $2 million. *See* Exhibit 2 § 7.2. Malone and Anstett failed to pay the $2 million within the two business day period of the purported termination. The obvious answer as to why it was not paid lies in the fact that Malone and Anstett have no grounds to terminate the contract.

20. Additionally, EAR, Malone and Anstett breached the Agreement in the following manner:

a. EAR, Malone and Anstett did not attend the closing of the transaction after Red Oak Fund provided five days notice to Malone and Anstett. *See* Exhibit 2 at § 1.3.

b. Malone, Anstett and EAR failed to provide Financial Statements to Red Oak Fund on or before April 15, 2009. *See* Exhibit 2 at § 2.11.

c. Malone, Anstett and EAR: (1) engaged in a transaction outside the ordinary course of business; (2) did not promptly notify Red Oak Fund of a material adverse change in the condition of the business; (3) subjected the assets of the business to new liens; (4) took actions (or fail to take actions) that resulted in a breach of the representations and warranties provided in the Agreement; (5) purchased inventory with a cost in excess of $100,000; (6) paid dividends or distributions; and (7) entered into employment, consulting or other compensatory agreements or plans. *See* Exhibit 2 at §§ 4.1 (b), (f), (k), (m), (p), (r), (s).

d. Malone, Anstett and EAR took actions that would cause the conditions on the obligations of the parties to effect the transaction contemplated not to be fulfilled. Malone, Anstett and EAR did not take all reasonable steps within their power to cause to be fulfilled the conditions precedent to their obligations to consummate the transaction. *See* Exhibit 2 at § 4.5.

e. Malone, Anstett and EAR disclosed Confidential Information. *See* Exhibit 2 at § 4.10.

f. Malone, Anstett and EAR hired Myron Siegel as CFO. *See* Exhibit 2 at § 4.1(s).

g. Malone, Anstett and EAR directly or indirectly (through agents or otherwise), initiated, encouraged or solicited (including by way of furnishing information or assistance), or took action to facilitate, inquired or made a proposal relating to a Competing Transaction (as defined in the Agreement), or entered into or engaged in discussions or negotiations with a Person in furtherance of such inquiries or to obtain a Competing Transaction, or endorsed or agreed to endorse a Competing Transaction, or authorized or permitted its managers, directors, officers or employees, or an investment banker, financial advisor, attorney, accountant or other representative retained by it or its Affiliates to take such action. Specifically, Red Oak Fund learned that shareholders and/or directors of EAR are currently in discussions with third parties regarding alternative transactions, including recapitalization of EAR.

21. The actions of EAR, Malone and Anstett set forth above were done at the direction of, and input from, Player and Siegel. Because of this, Player and Siegel also have caused damage to Red Oak Fund. As a result of Malone, Anstett, Player, Siegel and EAR's actions, Red Oak Fund has suffered and will continue to suffer irreparable harm as a direct and proximate result of the intentional acts of Defendants.

22. Furthermore, the parties agreed that the failure of any party to perform its promises under the Agreement, including its failure to take all required actions on its part necessary to consummate the transaction "would cause irreparable injury to the other parties for which damages, even if available, will not be an adequate remedy." Damages are inadequate because the value of this transaction after the wrongful acts of Defendants is largely unknown and difficult to calculate. The parties specifically agreed that "each party hereby consents to the issuance of injunctive relief by any court of competent jurisdiction to compel performance of such party's obligations and to the granting by any court of the remedy of specific performance of its obligations hereunder." *See* Exhibit 2 at § 7.11.

IV. CAUSES OF ACTION

BREACH OF CONTRACT
(Red Oak Fund vs. EAR, Malone and Anstett)

23. Plaintiffs incorporate and reallege in full the preceding paragraphs of this Complaint.

24. EAR, Malone and Anstett, as detailed above, entered into the Agreement with Red Oak Fund. Pursuant to the Agreement, EAR, Malone and Anstett made various promises, representations and warranties as detailed above.

25. EAR, Malone and Anstett breached the Agreement with Red Oak Fund by failing to perform its promises and obligations pursuant to the Agreement and by affirmatively engaging in acts that violate the Agreement.

26. As a direct and proximate result of EAR, Malone and Anstett's breach of contract, Red Oak Fund has suffered damages. The precise amount of damages suffered by Red Oak Fund as a result of EAR, Malone and Anstett's breach of the Agreement is extremely difficult to calculate, but far exceed the minimum jurisdictional limits of this Court.

27. All conditions precedent to Red Oak Fund's right to bring this action have been performed.

BREACH OF CONTRACT
(Red Oak Capital v. EAR)

28. Plaintiffs incorporate and reallege in full the preceding paragraphs of this Complaint.

29. Red Oak Capital and EAR had an agreement, the Sale of Accounts Receivable Agreement. The Sale of Accounts Receivable Agreement provided that EAR sold and assigned to Red Oak Capital the entire rights, title, interest, claim and consideration to invoices listed in an attached exhibit for $2,000,000.

30. Pursuant to the Sale of Accounts Receivable Agreement, EAR made various promises, representations and warranties, including a promise to wire monies received from the sold receivables within two business days of receipt.

31. EAR breached the Sale of Accounts Receivable Agreement with Red Oak Capital by failing to perform its promises and obligations pursuant to the agreement, including not wiring the monies received from the sold receivables within two business days of receipt.

32. As a direct and proximate result of EAR's breach of contract, Red Oak Capital has suffered damages.

33. All conditions precedent to Red Oak Capital's right to bring this action have been performed.

SPECIFIC PERFORMANCE
(Red Oak Fund vs. EAR, Malone and Anstett)

34. Plaintiffs incorporate and reallege in full the preceding paragraphs of this Complaint.

35. Red Oak Fund, EAR, Malone and Anstett entered into the Agreement under which Red Oak Fund agreed to buy and EAR, Malone and Anstett agreed to sell stock in EAR. Prior to the time of EAR's purported and wrongful attempted termination of the Agreement, Red Oak Fund had performed all of the obligations imposed in the Agreement. After the purported termination, Red Oak Fund's actions would have been futile in continuing to close the transaction as any tender would have been refused. Red Oak Fund, however, has always been and remains ready, willing, and able to pay EAR, Malone and Anstett the agreed purchase price and close the transaction outlined in the Agreement. EAR, Malone and Anstett have failed and refused, and continue to refuse to close the transaction despite Red Oak Fund's request that EAR, Malone and Anstett do so. Red Oak Fund respectfully requests specific performance as a remedy.

TORTIOUS INTERFERENCE WITH BUSINESS AND CONTRACTUAL RELATIONS
(Plaintiffs vs. Player and Siegel)

36. Plaintiffs incorporate and reallege in full the preceding paragraphs of this Complaint.

37. Red Oak Fund had an existing contractual relationship with EAR, Malone and Anstett. Red Oak Capital had an existing contractual relationship with EAR. Player and Siegel had knowledge of the existing contractual relationships by virtue of their relationship with Malone and interaction with EAR.

38. EAR made representations to Plaintiffs that EAR follows the advice and opinions of Player and Siegel in decisions related to these transactions. In inducing and continuing to induce EAR, Malone and Anstett to terminate their relationship with Red Oak Fund and advising EAR not to pay on the Sale of Accounts Receivable Agreement, Player and Siegel have willfully

and intentionally interfered, without privilege or justification, with the existing contractual and business relationships between EAR, Malone, Anstett, Red Oak Fund and Red Oak Capital.

39. Player and Siegel's tortious interference has directly and proximately caused injury to Red Oak Fund and Red Oak Capital. Unless enjoined, Player and Siegel will continue to cause Red Oak Fund and Red Oak Capital irreparable harm for which there exists no adequate remedy at law. Further, Player and Siegel's actions have caused Red Oak Fund to suffer damages, though extremely difficult to calculate, that far exceed the minimum jurisdictional limits of this Court.

FRAUD AND/OR NEGLIGENT MISREPRESENTATION
(All Plaintiffs v. All Defendants)

40. Plaintiffs incorporate and reallege in full the preceding paragraphs of this Complaint.

41. Defendants made material representations to Plaintiffs in the course of their business and in a transaction in which Defendants had an interest. These material representations were false.

42. Defendants either knew the representations were false, made the representations recklessly, or did not exercise reasonable care or competence in obtaining or communicating the information.

43. As a result, Plaintiffs justifiably relied on the representations and Defendants' actions proximately caused injury to Plaintiffs. Plaintiffs respectfully request its damages as a result of this wrongful conduct. Further, Plaintiffs request exemplary damages for Defendants wrongful conduct.

VIOLATION OF THE TEXAS THEFT LIABILITY ACT
(Red Oak Capital vs. Malone, Anstett and Siegel)

44. Plaintiffs incorporate and reallege in full the preceding paragraphs of this Complaint.

45. Red Oak Capital and EAR had an agreement, the Sale of Accounts Receivable Agreement. The Sale of Accounts Receivable Agreement provided that EAR sold and assigned to Red Oak Capital the entire rights, title, interest, claim and consideration to invoices listed in an attached exhibit for $2,000,000.

46. Pursuant to the Sale of Accounts Receivable Agreement, EAR agreed to wire monies to Red Oak Capital within two business days of receipt of monies from the sold receivables.

47. The parties also agreed as follows: "In the event that Equipment Acquisition Resources, Inc. receives monies from the sold receivables and does not forward or wire the monies to Buyer within two business days, all parties acknowledge that the officers and directors of Seller shall be subject to the Criminal Statues Theft."

48. Malone, Anstett and Siegel are officers and/or directors of EAR.

49. The Sale of Accounts Receivable Agreement makes clear that Red Oak Capital had a possessory right to the invoices listed in the agreement.

50. By not wiring the monies received from the sold receivables, Malone, Anstett and Siegel unlawfully appropriated the property by taking it without Red Oak Capital's effective consent.

51. Malone, Anstett and Siegel appropriated the property with the intent to deprive Red Oak Capital of the property and as a result, Red Oak Capital sustained damages.

CONSPIRACY
(All Plaintiffs vs. All Defendants)

52. Plaintiffs incorporate and reallege in full the preceding paragraphs of this Complaint.

53. Defendants conspired to formulate a plan of action to breach the Stock Purchase Agreement and the Sale of Accounts Receivable Agreement and to make false and misleading representations to Plaintiffs.

54. Anstett, Malone and EAR breached the Stock Purchase Agreement and EAR breached the Sale of Accounts Receivable Agreement. Further, all Defendants made false and misleading representations to Plaintiffs.

55. Therefore, all Defendants had a meeting of the minds to breach the Stock Purchase Agreement and the Sale of Accounts Receivable Agreement, and make false and misleading representations to Plaintiffs. Defendants accomplished that goal, which led to damages to Plaintiffs.

V.
APPLICATION FOR TEMPORARY RESTRAINING ORDER, PRELIMINARY INJUNCTION, AND PERMANENT INJUNCTION

56. A court has the discretion to grant a temporary restraining order and preliminary injunction. *Watchguard Technologies, Inc. v. Valentine*, 433 F. Supp. 2d 792, 794 (N.D. Tex. 2006) ("It is within the court's sound discretion as to granting or denying a preliminary injunction."). An examination of the following requirements for the granting of an injunction demonstrates that those requirements are satisfied in this case:

> There are four prerequisites for the extraordinary relief of a temporary restraining order or preliminary injunction. To prevail, a plaintiff must demonstrate: (i) a substantial likelihood of success on the merits; (ii) a substantial threat of immediate and irreparable harm for which it has no adequate remedy at law; (iii) that greater injury will result from denying the temporary restraining order

> than from its being granted; and (iv) that a temporary restraining order will not disserve the public interest.

Villas at Parkside Partners v. Farmers Branch, 496 F. Supp. 2d 757, 763 (N.D. Tex. 2007) (citing *Clark v. Prichard,* 812 F.2d 991, 993 (5th Cir.1987). Since the parties agreed to injunctive relief for a breach of the Stock Purchase Agreement, Red Oak Fund respectfully requests that the Court issue a temporary restraining order and a preliminary injunction.

57. All elements for a temporary restraining order and preliminary injunction are present in this case. By reason of Defendants' refusal to perform the promises made pursuant to the Agreement, Red Oak Fund has and will continue to suffer imminent and irreparable harm. Given that damages cannot adequately be measured by a specific standard, the actions by the Defendants constitute irreparable harm. Further, Red Oak Fund and Defendants agreed that a failure to perform the terms of the Agreement "will cause irreparable injury ... for which damages, even if available, will not be an adequate remedy." Exhibit 2 at § 7.11. Attached hereto in support of the Temporary Restraining Order, Preliminary Injunction and Permanent Injunction is a Declaration by Boris Gremont.

58. In addition, the harm is imminent because harm is likely to occur before the Court can issue a preliminary injunction due to the fact that Defendants are likely to enter into other transactions and/or agreements before the hearing on the preliminary injunction that violate the Agreement. A TRO and Preliminary Injunction will only require that Defendants do what was promised – perform the obligations and promises it made in the Agreement and not enter into any transactions that would otherwise deprive Red Oak Fund of the benefits of the Agreement.

59. Red Oak Fund respectfully prays that this Court immediately issue a Temporary Restraining Order prohibiting Player, Malone, Anstett, Player, Siegel and EAR, their agents,

officers, directors, employees and any other person or entity acting in concert with or on behalf of the Defendants from the following conduct:

a. directly or indirectly (through agents or otherwise), initiating, encouraging or soliciting (including by way of furnishing information or assistance), or taking any other action to facilitate any inquiries or the making of any proposal relating to, or that may reasonably be expected to lead to, any Competing Transaction, or entering into or engaging in any discussions or negotiations with any Person in furtherance of such inquiries or obtaining a Competing Transaction, or endorsing or agreeing to endorse any Competing Transaction, or authorizing or permitting any of its managers, directors, officers or employees, or any investment banker, financial advisor, attorney, accountant or other representative retained by it or any of its Affiliates to take any such action (as those terms are defined in the Agreement);

b. engaging in any transaction outside the ordinary course of business, including making any material expenditure, investment or commitment or entering into any material agreement or arrangement of any kind;

c. subjecting any of the Assets to any new Lien (as those terms are defined in the Agreement);

d. taking any action that would result in a breach of the representations and warranties set forth in the Agreement;

e. purchasing inventory with a cost, in the aggregate, in excess of $100,000 from the date of the Agreement;

f. paying any dividends and/or distributions;

g. interfering with the closing of the transaction that is the subject of the Agreement and not performing all obligations thereunder; and

h. entering into any employment, consulting or other compensatory arrangements or plans with any Person.

60. Red Oak Fund further requests that this Court issue a Temporary Restraining Order instructing Player, Malone, Anstett, Siegel and EAR, and their agents, officers, directors, employees and any other person or entity acting in concert with or on behalf of the Defendants to perform the obligations and promises provided in the Agreement and proceed to closing on the transaction that is the subject of the Agreement.

61. Further, Red Oak Capital respectfully requests that this Court immediately issue a Temporary Restraining Order prohibiting Player, Malone, Anstett, Player, Siegel and EAR, their agents, officers, directors, employees and any other person or entity acting in concert with or on behalf of the Defendants from keeping any proceeds from the sale of any receivables on the schedule attached to the Sale of Accounts Receivable Agreement. If these items are sold and the funds not transferred to Red Oak Capital, Red Oak Capital may never see such proceeds again.

62. Red Oak Fund and Red Oak Capital further request that this Court schedule a hearing at which time Defendants should be required to appear and show cause why a Preliminary Injunction should not be issued prohibiting Defendants' activities through the time of the trial, and that, upon such hearing, a Preliminary Injunction be issued prohibiting Defendants' activities as listed above to the time of the trial. At trial, Red Oak Fund and Red Oak Capital request a permanent injunction on the terms addressed above.

VI. ATTORNEYS' FEES

63. Plaintiffs retained the services of Patton Boggs LLP, licensed attorneys, to enforce its rights and protect its legal interests. Plaintiffs have agreed to pay Patton Boggs LLP its reasonable and necessary attorneys' fees. Plaintiffs are, therefore, entitled to its attorneys' fees pursuant to Sections 38.001 and 134.005 of the Texas Civil Practice and Remedies Code and the Agreement § 7.5.

VII. PRAYER FOR RELIEF

Accordingly, Plaintiffs respectfully pray that Defendants be cited to appear and answer herein, that this Court issue a Temporary Restraining Order and Preliminary Injunction to the time of trial as prayed herein, and, upon final trial hereof, that judgment be entered in favor of Plaintiffs for such permanent and injunctive relief, actual damages, pre-judgment interest, costs

of court, attorneys' fees, post-judgment interest, and such other and further relief, at law or in equity, general or specific, to which Plaintiffs may show themselves justly entitled.

Respectfully Submitted,

/s/ *Joseph M. Cox*
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ATTORNEYS FOR PLAINTIFFS

CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system per Federal Rule of Civil Procedure 5(b)(2)(E) on June 12, 2009.

/s/ *Joseph M. Cox*
Joseph M. Cox

DECLARATION OF BORIS GREMONT

1. My name is Boris Gremont. I am over the age of twenty-one (21) years, of sound mind, capable of making this declaration and fully competent to testify to the matters and the facts as stated herein. I would testify to the facts set forth herein if called upon to do so. I have personal knowledge of the facts stated in this declaration, and they are true and correct.

2. I am the Managing Partner at Red Oak Acquisition Fund V, LLC ("Red Oak"). I am authorized on behalf of Red Oak to make this declaration. I have knowledge of the Stock Powers, the Stock Purchase Agreement, the Stock Transfer Agreement, and the Sale of Accounts Receivable Agreement.

3. I have read Plaintiffs' First Amended Complaint and the factual recitations contained in Section III are true and correct and are within my personal knowledge.

4. EAR is one of the world's largest suppliers of lappers, polishers, slicers, grinders and dicing saws for crystalline materials. It is a company that delivers second-market equipment to manufacture semiconductors. EAR is estimated to be worth approximately $200 million. In 2008, Red Oak Fund and Defendants began discussions involving the purchase of stock in EAR. EAR, Malone and Anstett sought to sell the majority of stock in EAR for approximately $200 million with $45 million due at closing. The parties worked for about a year negotiating the terms of the stock purchase.

5. In late March 2009, Player contacted me and stated that the cash flow for EAR had unexpectedly decreased. Player indicated that EAR wanted to close the transaction quickly and would be willing to decrease the amount due at closing to $18 million payable in two notes to Malone and Anstett. Red Oak Fund agreed to this acceleration and the $18 million in notes.

6. On March 31, 2009, Anstett and Malone executed documents entitled Stock Power indicating that Anstett and Malone appointed me as attorney to transfer their stock certificates. True and correct copies of the Stock Powers are attached hereto as **Exhibit 1**. On April 7, 2009, Red Oak Fund, Malone, Anstett and EAR entered into a Stock Purchase Agreement. Also, on April 7, 2009, I signed the Stock Purchase Agreement on behalf of Red Oak Fund and Dona Malone, Mark Anstett signed individually and on behalf of EAR. A true and correct copy of the

Stock Purchase Agreement is attached hereto as **Exhibit 2**. Further, on April 9, 2009, EAR, Malone and Anstett entered into a Stock Transfer Agreement. The Stock Transfer Agreement transferred ownership control of EAR to Red Oak Fund. A true and correct copy of the Stock Transfer Agreement is attached hereto as **Exhibit 3**. On April 16, 2009, Donna Malone, Mark Anstett and Alan Moore signed the Sale of Accounts Receivable Agreement. A true and correct copy of the Sale of Accounts Receivable Agreement is attached hereto as **Exhibit 4.**

7. On April 17, 2009, I hand-delivered a fully executed copy of the Stock Purchase Agreement to EAR. The Stock Purchase Agreement hand-delivered by me to EAR was signed by all parties to the Agreement. Red Oak Fund ratified and accepted the Stock Powers, the Stock Purchase Agreement, and the Stock Transfer Agreement prior to any purported termination or withdrawals by Malone, Anstett or EAR.

8. The Stock Purchase Agreement (the "Agreement") contains the following material terms and requires the parties to do the following:

   a. The parties had to attend the closing of the transaction upon five days notice to Malone and Anstett. *See* Exhibit 2 at § 1.3.

   b. Malone, Anstett and EAR jointly and severally agreed to provide Financial Statements to Red Oak Fund on or before April 15, 2009. *See* Exhibit 2 at § 2.11.

   c. Malone, Anstett and EAR agreed to: (1) not engage in any transaction outside the ordinary course of business; (2) promptly notify Red Oak Fund of any material adverse change in the condition of the business; (3) not subject the assets of the business to any new liens; (4) not take any action (or fail to take any action if such failure would) result in a breach of the representations and warranties provided in the Agreement; (5) not purchase inventory with a cost in excess of $100,000; (6) not pay any dividends or distributions; and (7) not enter into any employment, consulting or other compensatory agreements or plans with any Person. *See* Exhibit 2 at §§ 4.1 (b), (f), (k), (m), (p), (r), (s).

   d. Malone, Anstett and EAR agreed to not take any action that would cause the conditions on the obligations of the parties to effect the transaction contemplated not to be fulfilled. Also, Malone, Anstett and EAR agreed to take all reasonable steps within their power to cause to be fulfilled the conditions precedent to their obligations to consummate the transaction. *See* Exhibit 2 at § 4.5.

   e. Malone, Anstett and EAR agreed not to disclose Confidential Information. *See* Exhibit 2 at § 4.10.

9. In addition to these material terms, Malone, Anstett and EAR also agreed to a "No-Shop Provision." The No-Shop Provision provided that Malone, Anstett and EAR:

> [S]hall not (and shall not permit any of their Affiliates to), directly or indirectly (through agents or otherwise), initiate, encourage or solicit (including by way of furnishing information or assistance), or take any other action to facilitate, any inquiries or the making of any proposal relating to, or that may reasonably be expected to lead to, any Competing Transaction (as defined in the Agreement), or enter into or engage in any discussions or negotiations with any Person in furtherance of such inquiries or to obtain a Competing Transaction, or endorse or agree to endorse any Competing Transaction, or authorize or permit any of its managers, directors, officers or employees, or any investment banker, financial advisor, attorney, accountant or other representative retained by it or any of its Affiliates to take any such action.

See Exhibit 2 at § 4.9.

10. In reliance on Malone, Anstett and EAR's promises, Red Oak Fund entered into the Agreement, met all conditions precedent and even advanced money to EAR through a related company, Red Oak Capital. EAR, through Player, told Red Oak Fund that it had an unexpected decrease in cash flow that created problems for Malone, Anstett and EAR with various banks and/or lenders. Because Red Oak Fund believed that it had a fully executed and binding contract with EAR, Red Oak Capital (the related entity) agreed to advance $2 million that would be secured by certain of EAR's accounts receivables. Red Oak Fund also contacted various lenders to reassure them that EAR's cash flow problems would be short lived.

11. Almost immediately after securing Red Oak Fund's signature on the Agreement, receiving the $2 million advance and obtaining the relief from its lenders, Malone, Anstett and EAR sought to terminate the Agreement. The Agreement, however, contains a very specific termination provision that indicates that Malone, Anstett and EAR cannot terminate the Agreement unless there is mutual written consent. *See* Exhibit 2 at § 7.1. The Agreement also provides that Malone and Anstett may not terminate the Agreement if closing has not occurred and Malone and Anstett have willfully failed to perform or observe the covenants in the Agreement. *See* Exhibit 2 at § 7.1. There is no debate that a mutual written consent does not exist.

12. Further, the Agreement provides, as an additional measure of damages, that if Malone and Anstett elect not to close, the shareholders (Malone and Anstett), jointly and severally, must pay within two business days to Red Oak Fund $2 million. *See* Exhibit 2 § 7.2. Malone and Anstett failed to pay the $2 million within the two business day period of the purported termination. The obvious

answer as to why it was not paid lies in the fact that Malone and Anstett have no grounds to terminate the contract.

13. Additionally, EAR, Malone and Anstett breached the Agreement in the following manner:

a. EAR, Malone and Anstett did not attend the closing of the transaction after Red Oak Fund provided five days notice to Malone and Anstett. *See* Exhibit 2 at § 1.3.

b. Malone, Anstett and EAR failed to provide Financial Statements to Red Oak Fund on or before April 15, 2009. *See* Exhibit 2 at § 2.11.

c. Malone, Anstett and EAR: (1) engaged in a transaction outside the ordinary course of business; (2) did not promptly notify Red Oak Fund of a material adverse change in the condition of the business; (3) subjected the assets of the business to new liens; (4) took actions (or fail to take actions) that resulted in a breach of the representations and warranties provided in the Agreement; (5) purchased inventory with a cost in excess of $100,000; (6) paid dividends or distributions; and (7) entered into employment, consulting or other compensatory agreements or plans. *See* Exhibit 2 at §§ 4.1 (b), (f), (k), (m), (p), (r), (s).

d. Malone, Anstett and EAR took actions that would cause the conditions on the obligations of the parties to effect the transaction contemplated not to be fulfilled. Malone, Anstett and EAR did not take all reasonable steps within their power to cause to be fulfilled the conditions precedent to their obligations to consummate the transaction. *See* Exhibit 2 at § 4.5.

e. Malone, Anstett and EAR disclosed Confidential Information. *See* Exhibit 2 at § 4.10.

f. Malone, Anstett and EAR hired Myron Siegel as CFO. *See* Exhibit 2 at § 4.1(s).

g. Malone, Anstett and EAR directly or indirectly (through agents or otherwise), initiated, encouraged or solicited (including by way of furnishing information or assistance), or took action to facilitate, inquired or made a proposal relating to a Competing Transaction (as defined in the Agreement), or entered into or engaged in discussions or negotiations with a Person in furtherance of such inquiries or to obtain a Competing Transaction, or endorsed or agreed to endorse a Competing Transaction, or authorized or permitted its managers, directors, officers or employees, or an investment banker, financial advisor, attorney, accountant or other representative retained by it or its Affiliates to take such action. Specifically, Red Oak Fund learned that shareholders and/or directors of

EAR are currently in discussions with third parties regarding alternative transactions, including recapitalization of EAR.

14. The actions of EAR, Malone and Anstett set forth above were done at the direction of, and input from, Player and Siegel. Because of this, Player and Siegel also have caused damage to Red Oak Fund. As a result of Malone, Anstett, Player, Siegel and EAR's actions, Red Oak Fund has suffered and will continue to suffer irreparable harm as a direct result of the intentional acts of Defendants.

15. Furthermore, the parties agreed that the failure of any party to perform its promises under the Agreement, including its failure to take all required actions on its part necessary to consummate the transaction "would cause irreparable injury to the other parties for which damages, even if available, will not be an adequate remedy." Damages are inadequate because the value of this transaction after the wrongful acts of Defendants is largely unknown and difficult to calculate. The parties specifically agreed that "each party hereby consents to the issuance of injunctive relief by any court of competent jurisdiction to compel performance of such party's obligations and to the granting by any court of the remedy of specific performance of its obligations hereunder." *See* Exhibit 2 at § 7.11.

16. Many conference calls and negotiations regarding the Stock Powers, the Stock Purchase Agreement, the Stock Transfer Agreement, and the Sale of Accounts Receivable Agreement took place in Dallas, Texas. Further, Defendants agreed that disputes related to the Stock Purchase Agreement would be litigated in Texas. Defendants also promised to close the transaction related to the Stock Purchase Agreement in Dallas, Texas. Furthermore, Defendants agreed in the Sale of Accounts Receivable Agreement that Texas could assert jurisdiction over the parties and that disputes would be litigated in Dallas, Texas.

17. Red Oak Capital and EAR had an agreement, the Sale of Accounts Receivable Agreement. The Sale of Accounts Receivable Agreement provided that EAR sold and assigned to Red Oak Capital the entire rights, title, interest, claim and consideration to invoices listed in an attached exhibit for $2,000,000. The Sale of Accounts Receivable Agreement provided: "In the event that Equipment Acquisition Resources, Inc. receives monies from the sold receivables and does not forward or wire the monies to Buyer within two business days, all parties acknowledge that the officers and directors of Seller shall be subject to the Criminal Statues Theft." EAR has not wired or forward any money to Red Oak Capital as a result of sold receivables. Red Oak Capital believes that if the court does not enter an order prohibiting Player, Malone, Anstett, Player, Siegel and EAR from keeping any proceeds from the sale of any receivables on the schedule attached to the Sale of Accounts Receivable Agreement that Red Oak Capital will never be able to recoup the money in damages from EAR.

I hereby declare under penalty of perjury as prescribed in 28 U.S.C. § 1746 that my foregoing Declaration is true and correct. Executed on June 12 2009.

Boris Gremont

STOCK POWER

(ASSIGNMENT SEPARATE FROM CERTIFICATE)

FOR VALUE RECEIVED, Mark Anstett hereby sells, assigns and transfers unto RED OAK CAPITAL FUND V LLC Ten (10) shares of Common Stock of Equipment Acquisition Resources Inc, an Illinois corporation, evidenced by Certificate No. 4 (the "Certificate"), and does hereby irrevocably constitute and appoint Boris Gremont attorney to transfer the Certificate with full power of substitution.

Dated March 31, 2009

Mark Anstett

456769.01

000006

PLAINTIFF'S EXHIBIT 1

PENGAD 800-631-6989

STOCK POWER

(ASSIGNMENT SEPARATE FROM CERTIFICATE)

FOR VALUE RECEIVED, Donna L. Malone hereby sells, assigns and transfers unto RED OAK CAPITAL FUND V LLC Forty (40) shares of Common Stock of Equipment Acquisition Resources Inc, an Illinois corporation, evidenced by Certificate No. 3 (the "Certificate"), and does hereby irrevocably constitute and appoint Boris Gremont attorney to transfer the Certificate with full power of substitution.

Dated March 31, 2009

Donna L Malone

Donna L. Malone

456769.01

STOCK POWER

(ASSIGNMENT SEPARATE FROM CERTIFICATE)

FOR VALUE RECEIVED, Donna L. Malone hereby sells, assigns and transfers unto RED OAK CAPITAL FUND V, LLC Fifty (50) shares of Common Stock of Equipment Acquisition Resources Inc, an Illinois corporation, evidenced by Certificate No. 2 (the "Certificate"), and does hereby irrevocably constitute and appoint Boris Gremont attorney to transfer the Certificate with full power of substitution.

Dated March 31, 2009

Donna L Malone

Donna L. Malone

456769.01

April 7, 2009

STOCK PURCHASE AGREEMENT

among

Red Oak Acquisition Fund V, LLC, as Buyer,

Donna L. Malone and Mark Anstett, as Shareholders,

and

Equipment Acquisition Resources, Inc., as the Company

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STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (the "Agreement") is dated as of April __7_, 2009 among Red Oak Acquisition Fund V, LLC, a Texas limited liability company ("Buyer"), Donna L. Malone and Mark Anstett, residents of Palatine, Illinois ("Shareholders"), and Equipment Acquisition Resources, Inc., an Illinois corporation (the "Company").

WHEREAS, the Company is engaged in the equipment refurbishing business (the "Business");

WHEREAS, the Shareholders own all of the outstanding common stock of the Company;

WHEREAS, the Buyer desires to acquire 80% of the outstanding common stock of the Company (the "Shares"), of the Company, on the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE I
The Purchase

1.1 Stock Purchase. Subject to the terms and conditions set forth herein, Buyer shall purchase from the Shareholders, and the Shareholders shall sell to the Buyer, at the closing of the transactions evidenced hereby (the "Closing"), the Shares, free and clear of all liens, adverse claims, encumbrances and security interests ("Adverse Claims").

1.2 Purchase Price. As consideration in full for the sale and purchase of the Shares, the Buyer shall pay to the Shareholders the sum of $18,000,000, as adjusted pursuant to Section 1.2(a) and (b). (The "Purchase Price"). The Purchase Price will be payable as follows:

(a) an amount equal to $5,000,000 shall be paid to the Shareholders through the delivery of a sixty (60) day subordinated unsecured note ("Sixty-Day Note"), payable at maturity, after the receipt by Buyer of the Company's audited financial statements for the year ended December 31, 2008, together with the unqualified report of Von Lehman Co. thereon, which shall report EBITDA for such year, recast to take into consideration mutually agreed upon nonrecurring expenses and excess compensation and benefits to officers and employees and less capital expenditures ("Adjusted EBITDA"), of not less than $50,000,000. If Adjusted EBITDA is more than $50,000,000, then the Sixty-Day Note shall be increased by one half of the amount of the difference, if it is less than $50,000,000, but more than $45,000,000, then the Sixty-Day Note shall be reduced by one half of the amount of the difference. If Adjusted EBITDA is less than $45,000,000, then the Sixty-Day Note shall be reduced by the amount of the difference, up to the amount of the Sixty-Day Note.

(b) An amount equal to $13,000,000 shall be paid to the Shareholders through the delivery of a five (5) year subordinated unsecured note ("Five-Year Note") payable in five (5) equal annual installments of $2,600,000 each (the "Installment Amount"), with the first such installment due and payable ten (10) business days after delivery to the

Buyer of the Company's audited financial statements for the year ended December 31, 2009, together with the unqualified report of the Company's auditors thereon, reporting Adjusted EBITDA for such year of not less than $50,000,000, subject to the following:

(i) If Adjusted EBITDA for the first installment of the Five-Year Note is less than $50,000,000, then, after application of the amount of the difference to the Sixty-Day Note, the adjusted Installment Amount for that installment shall be reduced by one half of the difference, but not more than $1.5 million.

(ii) If Adjusted EBITDA for the first installment of the Five-Year Note is more than $50,000,000, then the adjusted Installment Amount for that installment shall be increased by one half of the difference, but not more than $1.5 million.

(iii) If Adjusted EBITDA for any subsequent installment of the Five-Year Note is less than $50,000,000, then the adjusted Installment Amount for that installment shall be reduced by the amount of the difference, but not more than $1.5 million.

(iv) If Adjusted EBITDA for any subsequent installment of the Five-Year Note is more than $50,000,000, then the adjusted Installment Amount for that installment shall be increased by the amount of the difference, but not more than $1.5 million in that year.

(v) At maturity, Buyer and Shareholder shall calculate the Adjusted EBITDA for the five-year period (the "Five-Year Adjusted EBITDA"). If the Five-Year Adjusted EBITDA exceeds $250,000,000, then the Shareholder shall be paid the difference between the total payments he has received to date on the Five-Year Note and $13,000,000, if any.

1.3 Closing. The closing (the "Closing") of the sale and purchase of the Shares shall take place at the offices of the Patton Boggs LLP, 2001 Ross Avenue, Suite 3000, Dallas, Texas, at 10:00 a.m. Central Daylight Time on May 29, 2009, or at such other date, time and place as the Buyer may specify, upon five (5) days notice to the Shareholders. The following deliveries shall occur on or prior to Closing:

(a) At Closing, the Buyer shall deliver to the Shareholders the Five-Year Note and the Sixty-Day Note;

(b) The Shareholders shall deliver to the Buyer certificates representing the Shares, duly endorsed for transfer or accompanied by stock powers duly executed in blank, and any other documents that are necessary to transfer to the Buyer good title to all such Shares, free and clear of any Adverse Claims and subject to no legal or equitable restrictions of any kind;

(c) At Closing, the Shareholders shall transfer and assign to the Buyer 2,500,000 Class A Units of preferred membership interest in SYNC1 LLC, a Delaware limited liability company, representing 50% of all of the outstanding Class A Units of

preferred membership interest, and any other documents that are necessary to transfer to the Buyer good title to all such interests, free and clear of any Adverse Claims and subject to no legal or equitable restrictions of any kind;

(d) Upon execution of this Agreement, the Company shall deliver the valid, written and executed resignations of its officers and directors;

(e) Upon execution of this Agreement, the Company shall deliver the documents necessary to appoint persons designated by Buyer as signatories on the Company's bank accounts.

(f) Upon execution of this Agreement, the Company shall have entered into a Management Services Agreement with Red Oak Acquisition Fund V, LLC and shall have appointed a Person designated by the Buyer as Chief Restructuring Officer of the Company.

(g) The Buyer, the Shareholders and the Company shall execute and deliver the documents required to be delivered by each of them pursuant to Article V.

(h) The Shareholders, the Company and the Buyer shall execute and deliver a Shareholders Agreement, which shall be in form acceptable to the Buyer.

(i) The Company shall deliver to the Buyer the originals or copies of all of the books, records, ledgers, disks, proprietary information and other data and all other written or electronic depositories of information of and relating to the Company and its wholly-owned subsidiaries;

(j) Sheldon Player, Donna L. Malone, Dale Player and Dana Malone shall have executed and filed of record deeds of trusts or mortgages on the Real Property listed on Schedule 7.3 in favor of the Buyer for the payment of the obligations of the Shareholders to the Buyer under Articles VI and VII of this Agreement.

(k) At Closing, the Company shall deliver the valid, written and executed resignations of the managers of its wholly-owned subsidiaries and the documents necessary to appoint persons designated by Buyer as signatories on its wholly-owned subsidiaries' bank accounts.

1.4 Further Assurances.. At or after the Closing, and without further consideration, the Shareholders and the Company, as applicable, shall execute and deliver to the Buyer such further instruments of conveyance and transfer as the Buyer may reasonably request in order to convey and transfer the Shares to the Buyer and to place the Buyer in operational control of the Company, its business and properties.

ARTICLE II
Representations and Warranties of the Shareholders

The Shareholders and the Company, jointly and severally, hereby make the following representations and warranties to Buyer:

2.1 Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of its state of formation and has full power to own its properties and to conduct its business as presently conducted. The Company is duly authorized, qualified or licensed to do business and is in good standing in each state or other jurisdiction in which its assets are located or in which the Business as presently conducted makes such qualification necessary. The Company is required as a result of the Business to be qualified to do business as a foreign entity in the jurisdictions set forth in Schedule 2.1, and the Company is so qualified in such jurisdictions. Set forth in Schedule 2.1 is a list of all assumed names under which the Company operates the Business and all jurisdictions in which any of such assumed names is registered.

2.2 Authority.

(a) The Company has all requisite power, authority and capacity to execute, deliver and perform under this Agreement and the other agreements, certificates and instruments to be executed by the Company as applicable, in connection with or pursuant to this Agreement (collectively, the "Company Documents"). The execution, delivery and performance by the Company of this Agreement has been and is (and the execution, delivery and performance by the Company of each applicable Company Document has been and at Closing will be) duly authorized by all necessary corporate action, as applicable, on the part of the Company. This Agreement has been, and at the Closing the other Company Documents will be, duly executed and delivered by the Company. This Agreement is, and, upon execution and delivery by the Company at the Closing, each of the other Company Documents will be, a legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance or similar laws affecting the enforcement of creditors' rights generally and subject to general principles of equity (regardless of whether enforcement is sought in a proceeding of law or in equity).

(b) The Shareholders have all requisite power, authority and capacity to execute, deliver and perform under this Agreement and the other agreements, certificates and instruments to be executed by the Shareholders as applicable, in connection with or pursuant to this Agreement (collectively, the "Shareholders Documents"). The execution, delivery and performance by the Shareholders of this Agreement has been and is (and the execution, delivery and performance by the Shareholders of each applicable Shareholders Document has been and at Closing will be) duly authorized by all necessary corporate action, as applicable, on the part of the Shareholders. This Agreement has been, and at the Closing the other Shareholders Documents will be, duly executed and delivered by the Shareholders. This Agreement is, and, upon execution and delivery by the Shareholders at the Closing, each of the other Shareholders Documents will be, a legal, valid and binding agreement of the Shareholders, enforceable against the Shareholders in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance or similar laws affecting the enforcement of creditors' rights generally and subject to general principles

of equity (regardless of whether enforcement is sought in a proceeding of law or in equity).

2.3 Organizational Documents. Except as set forth on Schedule 2.3, the Company has delivered to Buyer true, correct and complete copies of the Company's certificate of incorporation, bylaws, equity record books, stock ledger and minute books. Such records include minutes or consents reflecting all actions taken by the directors (including any committees) and stockholders of the Company.

2.4 Capitalization of the Company. The authorized capital stock of the Company consists of 100,000 shares of common stock, no par value per share, of which one hundred shares (the "Shares") of common stock are issued and outstanding. The Shares constitute all of the issued outstanding capital stock of the Company. The Shares have been duly authorized and validly issued in compliance with all applicable laws, and are fully paid and nonassessable and free of preemptive rights. The Company does not hold any shares of its capital stock as treasury shares (not including authorized but never issued shares), and has no shares of capital stock reserved for issuance. Except as listed on Schedule 2.4, there are no outstanding options, warrants, convertible or exchangeable securities or other rights, agreements, arrangements or commitments obligating the Company, directly or indirectly, to issue, sell, purchase, acquire or otherwise transfer or deliver any shares of capital stock of or other equity interest in, or any agreement, document, instrument or obligation convertible or exchangeable therefore, the Company. There are no agreements, arrangements or commitments of any character (contingent or otherwise) pursuant to which any individual, corporation, partnership, Governmental Body (as defined below) or other entity (collectively, a "Person") is or may be entitled to receive any payment based on the revenues or earnings, or calculated in accordance therewith, of the Company. Except as set forth in Schedule 2.4, there are no voting trusts, proxies or other agreements or understandings to which the Company or the Shareholders is a party or by which the Company or the Shareholders is bound with respect to the voting of any equity capital of the Company.

2.5 Title to Shares. The Shareholders owns of record and beneficially the Shares, free and clear of any Adverse Claims. Upon sale of the Shares and delivery of certificates therefor to the Buyer hereunder, the Buyer will acquire the entire legal and beneficial interest in the Shares, free and clear of any Adverse Claims and subject to no legal or equitable restrictions of any kind.

2.6 Subsidiaries and Other Interests. Except as set forth in Schedule 2.6, the Company has no subsidiaries or investments and does not own any equity or debt interest or any form of proprietary interest in any Person, or any obligation, right or option to acquire any such interest.

2.7 Title to Assets

(a) Set forth in Schedule 2.7(a) is a complete list of the assets of the Company (the "Assets") including (i) the street address of all real property owned by the Company (the "Owned Real Property"); (ii) the street address of all real property leased by the Company or otherwise used in connection with the Business (the "Leased Real Property" and together with the Owned Real Property, the "Real

Property") and (iii) each tangible and intangible asset. The Company has all assets necessary to carry on the Business as currently conducted. Except as set forth on Schedule 2.7(a), no tangible or intangible asset used in connection with or associated with the Business is owned or leased by the Company or any Affiliate (as defined in Section 7.15) of the Company. The Company has made available to Buyer copies of the instruments by which the Company acquired ownership or leasehold interests in such assets.

(b) The Company has good and marketable title to all of the Assets it owns, or purports to own, and a valid leasehold interest in all leased Assets, free and clear of any Liens (as defined in Section 7.15), other than Permitted Liens (as defined in Section 7.15).

(c) To the Knowledge of the Company, the Leased Real Property is zoned for a classification that permits the continued use of such property in the manner currently used by the Company. To the Knowledge of the Company, improvements included in the Assets were constructed in full compliance with, and remain in compliance with, all applicable Laws (as defined in Section 2.15), covenants, conditions and restrictions affecting the Real Property. There are no actions pending or, to the Knowledge of the Company, threatened that would alter the current zoning classification of the Real Property or alter any applicable Laws, covenants, conditions or restrictions that would adversely affect the use of the Real Property in the Business. The Company has not received notice from any insurance company or Governmental Body (as defined in Section 2.10) of any defects or inadequacies in the Real Property or the improvements thereon that would adversely affect the insurability or usability of the Real Property or such improvements or prevent the issuance of new insurance policies thereon at rates not materially higher than present rates. To the Knowledge of the Company, no fact or condition exists or is threatened that would result in the discontinuation of necessary utilities or services to the Real Property or the termination of current access to and from the Real Property. The Company is not a "foreign person" as that term is defined in Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations. Neither the Owned Real Property nor the Leased Real Property is subject to assessment or collection of additional Taxes for prior years based on a change in land usage or ownership. No portion of any Real Property has been condemned, requisitioned or otherwise taken by any public authority and there is no pending, or, to the Knowledge of the Company, threatened or contemplated condemnation actions or special assessments with respect to the Real Property. The Company has not received any request or notice (written or otherwise) from any Governmental Body with regard to the dedication of the Real Property or any portion thereof. The Company has all easements and rights necessary to conduct the Business, including easements for all utilities, services, roadway, railway (if any) and other means of ingress and egress.

(d) Except as set forth on Schedule 2.7(d), the Real Property is not situated in a special flood hazard area according to any of the applicable city maps or the flood insurance rate maps, or the flood hazard boundary maps issued by the Department of

Housing and Urban Development, the Federal Insurance Administration, or the Federal Emergency Management Agency.

(e) Except as set forth on Schedule 2.7(e), the Company has not granted any lease, sublease, license, or occupancy agreement (written or oral), rights, options, rights of first refusal, or any other agreement of any kind to purchase, use, or to otherwise acquire any interest in the Real Property, or any part thereof. Except for the Company and as set forth on Schedule 2.7(e), there are no parties using, occupying or in possession of, or that have the right to use, occupy or possess, any portion of the Real Property as lessees, tenants at sufferance or trespassers. There are no concessions of any nature to any landlord under the leases underlying the Leased Real Property.

2.8 Condition and Sufficiency of Assets. All of the Assets are in good condition and repair, are in good working order (ordinary wear and tear excepted) and have been properly and regularly maintained. The Company has not received notice that any building located at the Owned Real Property or Leased Real Property is not structurally sound, not in good operating condition and repair, or is inadequate for the uses to which it is being put, nor received notice that any such building is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost.

2.9 No Violation. Neither the execution or delivery of the Company Documents nor the consummation of the transactions contemplated thereby, including the sale of the Shares to Buyer, will conflict with or result in the breach of any term or provision of, require consent or violate or constitute a default under (or an event that with notice or lapse of time or both would constitute a breach or default), or result in the creation of any Lien on the Shares or the Assets pursuant to, or relieve any Person of any obligation to the Company or give any Person the right to terminate or accelerate any obligation under, any charter provision, bylaw, contract, agreement, Permit (as defined in Section 2.16) or Law to which the Company is a party or by which the Company or any of the Assets or the Business is in any way bound or obligated.

2.10 Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any governmental or quasi-governmental agency, authority, commission board or other body (each, a "Governmental Body") is required on the part of the Shareholders or the Company in connection with the sale and purchase of the Shares or any of the other transactions contemplated by this Agreement other than consents that if they were not obtained would not be reasonably likely to have a Material Adverse Change or prohibit the consummation of the transaction contemplated by this Agreement.

2.11 Financial Statements.

(a) The audited balance sheet of the Company as of December 31, 2008 (the "Audited Balance Sheet Date") and the related statement of operations of the Company for the year then ended, together with the unqualified report of Von Lehman Co. (collectively, the "Financial Statements"), shall be delivered to Buyer on or before April 15, 2009 The Financial Statements present fairly the financial

condition of the Business at the dates specified and the results of its operations for the periods specified and have been prepared in accordance with generally accepted accounting principles, consistently applied ("GAAP"). The Financial Statements do not contain any items of a special or nonrecurring nature, except as expressly stated therein. The Financial Statements have been prepared from the books and records of the Company, which accurately and fairly reflect the transactions of, acquisitions and dispositions of Assets by and incurrence of Liabilities by the Company.

(b) The Company has no direct or indirect debts, obligations or liabilities of any nature, whether absolute, accrued, contingent, liquidated or otherwise, and whether due or to become due, asserted or unasserted (collectively "Liabilities") except for: (i) Liabilities reflected on the December 31, 2008 balance sheet of the Company; (ii) current liabilities incurred in the Ordinary Course of Business and consistent with past practice after the Audited Balance Sheet Date; and (iii) ordinary course performance obligations under agreements entered into by the Company in the ordinary course of business and consistent with past practice, which Liabilities in each case are not required by GAAP to be reflected in the Audited Balance Sheet.

(c) Except as set forth in Schedule 2.11(c), all inventories reflected in the Audited Balance Sheet are of good and merchantable quality and are salable in the ordinary course of business. To the Knowledge of the Company, all inventories reflected in the Audited Balance Sheet are in compliance with all applicable laws and regulations. The values of the inventories reflected in the Audited Balance Sheet are stated in accordance with GAAP.

(d) All accounts receivable reflected in the Audited Balance Sheet arose in the ordinary course of business and are fully collectible in the ordinary course of business, have fully supporting documentation to support any claims for payment, without resort to litigation, at the face amount thereof less any reserve reflected in the Audited Balance Sheet, and, to the Knowledge of the Company, will not be subject to valid counterclaim, set-off or other reduction.

2.12 Absence of Material Adverse Change. Except as set forth on Schedule 2.12, since the Audited Balance Sheet Date, except as specifically contemplated by this Agreement, there has not been: (a) any material adverse change in the condition (financial or otherwise), results of operations, business, prospects, assets or Liabilities of the Company or with respect to the manner in which the Company conducts its business or operations ("Material Adverse Change"); (b) any declaration, setting aside or payment of any dividends or distributions in respect of any equity capital of the Company or any redemption, purchase or other acquisition by the Company of any of its equity capital; (c) any payment or transfer of assets (including without limitation any distribution or any repayment of indebtedness) to or for the benefit of any stockholder of the Company, other than compensation and expense reimbursements paid in the ordinary course of business, consistent with past practice; (d) any revaluation by the Company of any of its assets, including the writing down or off of notes or accounts receivable and the writing down of the value of inventory, other than in the ordinary course of business and consistent with past practices; (e) any entry by the Company into any commitment or transaction material to the Company including, without limitation, incurring or agreeing to incur capital expenditures in

excess of $5,000, individually or $50,000 in the aggregate; (f) any increase in indebtedness for borrowed money; (g) any breach or default (or event that with notice or lapse of time would constitute a breach or default), termination or threatened termination under any Company Agreement; (h) any change by the Company in its accounting methods, principles or practices; (i) any increase in the benefits under, or the establishment or amendment of, any bonus, insurance, severance, deferred compensation, pension, retirement, profit sharing or other employee benefit plan, or any increase in the compensation payable or to become payable to directors, officers or employees of the Company, except for annual merit increases in salaries or wages in the ordinary course of business and consistent with past practice; (j) the termination of employment (whether voluntary or involuntary) of any officer or key employee of the Company or the termination of employment (whether voluntary of involuntary) of employees of the Company in excess of historical attrition in personnel; (k) any theft, condemnation or eminent domain proceeding or any material damage, destruction or casualty loss affecting any asset used in the business of the Company, whether or not covered by insurance; (l) any sale, assignment or transfer of any asset used in the business of the Company, except sales of inventory in the ordinary course of business and consistent with past practices; (m) any waiver by the Company or the Shareholders of any material rights related to the Company's business, operations or assets; (n) any increase in the average turn of accounts payable based on the Company's past practices; (o) any other transaction, agreement or commitment entered into or affecting the Company's business, operations or assets, except in the ordinary course of business and consistent with past practices; or (p) any agreement or understanding to do or resulting in any of the foregoing.

2.13 Taxes.

(a) All federal, state, local and other Tax returns, notices and reports (including income, property, sales, use, franchise, withholding, social security and unemployment Tax returns) required to be filed by the Company have been accurately prepared and duly and timely filed, and all Taxes required to be paid with respect to the periods covered by any such returns have been timely paid. No Tax deficiency has been proposed or assessed against the Company, and the Company has not executed any waiver of any statute of limitations on the assessment or collection of any Tax. No Tax audit, action, suit, proceeding, investigation or claim is now pending or, to the Knowledge of the Company, threatened against the Company, and no issue or question has been raised (and is currently pending) by any taxing authority in connection with the Company's Tax returns or reports. The Company has withheld or collected from each payment made to its employees and other payees the full amount of any and all Taxes required to be withheld or collected therefrom and has paid the same to the proper Tax receiving officers or authorized depositaries. The Company has assembled and maintained all necessary evidence relating to any tax exemptions claimed by the Company; including without limitation, any required resale certificates. Except for sales taxes incurred in the ordinary course of business and consistent with past practices as described in Schedule 2.13(a), Buyer will not be responsible for any income, sales, use, excise or other Tax that arises out of or results from the sale of the Shares hereunder, the operation of the Company prior to the Closing or any other transaction or activity of the Company or the Shareholders,

excluding (in each case) Taxes attributable to the income of Buyer after the Closing and to the ownership and operation of the Company after the Closing.

(b) The Company does not own, and has never owned, the stock of any corporation that is a "qualified subchapter S subsidiary," within the meaning of Section 1361(b)(3)(B) of the Code, with respect to the Company.

(c) Except as set forth in Schedule 2.13(c), the Company has not, in the past 10 years, (A) acquired assets from another corporation in a transaction in which the Company's Tax basis for the acquired assets was determined, in whole or in part, by reference to the Tax basis of the acquired assets (or any other property) in the hands of the transferor or (B) acquired the stock of any corporation which is a qualified subchapter S subsidiary.

(d) "Tax" or "Taxes" means any and all taxes, charges, fees, levies, assessments, duties or other amounts payable to any federal, state, local or foreign taxing authority or agency, including: (i) income, franchise, profits, gross receipts, minimum, alternative minimum, estimated, ad valorem, value added, sales, use, service, real or personal property, capital stock, license, payroll, withholding, disability, employment, social security, workers compensation, unemployment compensation, utility, severance, excise, stamp, windfall profits, transfer and gains taxes; (ii) customs, duties, imposts, charges, levies or other similar assessments of any kind; and (iii) interest, penalties and additions to tax imposed with respect thereto.

(e) "Tax return" or "Tax returns" means all returns, declarations, reports, statements, claims for refunds, estimated returns or reports, and other documents required to be filed in respect of Taxes, including any amendments or supplements to any of the foregoing.

2.14 Litigation. Except as described in Schedule 2.14, there are currently no pending or, to the Knowledge of the Company, threatened lawsuits, administrative proceedings or reviews, or formal or informal complaints or investigations or inquiries (including, without limitation, grand jury subpoenas) (collectively, "Litigation") by any individual, corporation, partnership, Governmental Body or other entity (collectively, a "Person") against the Company or any of its directors, employees or agents (in their capacities as such) or to which any of the Assets may be subject. The Company is not subject to or bound by any currently existing judgment, order, writ, injunction or decree. No product liability lawsuit or administrative proceeding has been commenced or threatened to be commenced against the Company.

2.15 Compliance with Laws. Except as set forth on Schedule 2.15, the Company is currently complying with and has at all times complied with each applicable statute, law (including common law), ordinance, decree, order, rule or regulation of any Governmental Body, including all federal, state, local and foreign laws relating to zoning and land use, occupational health and safety, product quality, product labeling, safety, employment and labor matters (collectively, "Laws") in all material respects. The Company has performed regular tests in accordance with industry practice to determine whether the products of the Business comply with applicable Laws. The Company has not effected any recall of, and the Business has not

been subject to a recall of, any of its products, and no facts have existed that, if known by the applicable Governmental Body, would have resulted in or required such a recall.

2.16 Permits. The Company owns or possesses from each appropriate Governmental Body all right, title and interest in and to all permits, licenses, authorizations, approvals, quality certifications, franchises or rights (collectively, "Permits") issued by any Governmental Body necessary to conduct the Business. Each Permit is described in Schedule 2.16 and is included within the Assets. No loss or expiration of any such Permit is pending or, to the Knowledge of the Company, threatened or reasonably foreseeable, other than expiration in accordance with the terms thereof of such Permits that may be renewed in the ordinary course of business without lapsing.

2.17 Employee Matters. Set forth in Schedule 2.17 is a complete list of all current employees of the Company, including date of employment, current title and compensation, date and amount of last increase in compensation. The Company has no collective bargaining, union or labor agreements, contracts or other arrangements with any group of employees, labor union or employee representative and, to the Knowledge of the Company, there is no organizational effort currently being made or threatened by or on behalf of any labor union with respect to employees of the Company. The Company has not experienced, and, to the Knowledge of the Company, there is no basis for, any strike, material labor trouble, work stoppage, slow down or other interference with or impairment of the Business. Except as set forth on Schedule 2.17, the Company has not entered into any employment agreements, consulting agreements or non-competition agreements.

2.18 Employee Benefit Plans.

(a) Set forth in Schedule 2.18(a) is a complete and correct list of all "Employee Benefit Plans." The term "Employee Benefit Plans" means (i) any "employee benefit plan" or "plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and (ii) all plans or policies providing for "fringe benefits" (including but not limited to vacation, paid holidays, personal leave, employee discounts, educational benefits or similar programs), and each other bonus, incentive compensation, deferred compensation, profit sharing, stock, severance, retirement, health, life, disability, group insurance, employment, stock option, stock purchase, stock appreciation right, performance share, supplemental unemployment, layoff, consulting, or any other similar plan, agreement, policy or understanding (whether written or oral, qualified or nonqualified, currently effective or terminated), and any trust, escrow or other agreement related thereto, which (x) is, or has been since January 1, 2007 established, maintained or contributed to by the Company or any other corporation or trade or business under common control with the Company (an "ERISA Affiliate") as determined under Section 414(b), (c), (m) or (o) of the Code, or (y) provides benefits, or describes policies or procedures of the Company or any of its Affiliates applicable, to any director, officer, employee, former director, officer, employee or dependent thereof of the Company or any ERISA Affiliate, regardless of whether funded.

(b) The Company has provided to Buyer a true and complete copy of each Employee Benefit Plan (and, if applicable, related trust agreements) and all amendments thereto and written interpretations thereof, together with (i) the most recent favorable Internal Revenue Service determination, opinion, or notification letter, if any, with respect to each Employee Benefit Plan, (ii) the most recently disseminated summary plan description and an explanation of any plan modifications made after the date thereof, and (iii) all material and substantive employee disclosures or other written communications by the Company or any ERISA Affiliate to Employee Benefit Plan participants, including all employee handbooks.

(c) Neither the Company nor any ERISA Affiliates are, or ever have been, parties to any plan subject to Part 3 of Title I of ERISA, Title IV of ERISA, or Section 412 of the Code, a multiple employer welfare arrangement as described in Section 3(40)(A) of ERISA, or any "multiple employer plan" or "multi-employer plan" (as described or defined in ERISA or the Code). Neither the Company nor any ERISA Affiliate has any formal plan or commitment, whether legally binding or not, to create any additional Employee Benefit Plan or modify or change any existing Employee Benefit Plan that would affect any present or former director, officer or employee of the Company or any ERISA Affiliate, or such present or former director's, officer's or employee's dependents or beneficiaries.

(d) Any "nonqualified deferred compensation plan" (within the meaning of Code Section 409A) has been operated in good faith compliance with the provisions of Code Section 409A and Internal Revenue Service Notice 2005-1 since January 1, 2005, and the Company will amend each such plan to confirm to the provisions of Code Section 409A with respect to amounts subject to Code Section 409A by the deadline established by the United States Treasury Department.

(e) Each agreement, contract or other commitment, obligation or arrangement relating to an Employee Benefit Plan or the assets of an Employee Benefit Plan (or its related trust) including, but not limited to, each administrative services agreement, insurance policy or annuity contract, may be amended or terminated at any time upon reasonable notice without any Liability to the Employee Benefit Plan, the Company, any ERISA Affiliate or the Buyer.

(f) To the Knowledge of the Company, each Employee Benefit Plan which is intended to be qualified under Section 401(a) of the Code is and always has been so qualified and there has been no event, condition or circumstance that has adversely affected or is likely to affect such qualified status. Each Employee Benefit Plan is now and always has been operated in all material respects in accordance with its terms and the requirements of any applicable Laws, including, without limitation, ERISA and the Code.

(g) The Company and any ERISA Affiliates do not provide, and are not obligated to provide, benefits, including without limitation death, health, medical, or hospitalization and other welfare benefits (whether or not insured), with respect to current or former directors, officers or employees of the Company or any ERISA

Affiliate, their dependents or beneficiaries beyond their retirement or other termination of employment other than coverage mandated by 4980B of the Code.

(h) Except as set forth in Schedule 2.18(h), neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) result in any payment becoming due to any director or any employee of the Company or any ERISA Affiliate; (ii) increase any benefits otherwise payable under any Employee Benefit Plan; or (iii) result in any acceleration of the time of payment or vesting of any benefits under any Employee Benefit Plan.

(i) To the Knowledge of the Company, no fiduciary (within the meaning of ERISA Section 3(21)(A)) has any Liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of any Employee Benefit Plan. No condition exists that would subject the Buyer, any ERISA Affiliate or the Company to any excise tax, penalty tax or fine related to any Employee Benefit Plan, including, but not limited to a violation of Section 406(a) or (b) of ERISA or any "prohibited transaction" (as defined in Code Section 4975(c)(1)).

(j) No action, suit, proceeding, hearing, or investigation or investment of the assets of any Employee Benefit Plan (other than routine claims for benefits) is pending or threatened. To the Knowledge of the Company, or any ERISA Affiliate (including any employees of the Company or any ERISA Affiliate), there is no basis for any such action, suit, proceeding, hearing, or investigation.

(k) All contributions and payments with respect to each Employee Benefit Plan required pursuant to the terms of each Employee Benefit Plan, the Code, ERISA or other applicable law have been made on a timely basis.

(l) No mandatory or voluntary contributions or designated Roth contributions, as defined in Section 402A(c)(1) of the Code, that were taxable at the time of contribution as after-tax employee contributions (including, without limitation, qualified voluntary employee contributions, accumulated deductible employee contributions, or voluntary deductible employee contributions) have ever been made to any Employee Benefit Plan.

2.19 Company Agreements.

(a) Schedule 2.19(a) lists each of the following types of agreement (whether written or oral and including all amendments, supplements, and modifications thereto) to which the Company is a party or a beneficiary or by which the Company or any of its assets is bound: (i) agreements which involve performance of services or delivery, sale, or distribution of any products, goods, or materials; (ii) real estate leases; (iii) agreements evidencing, securing or otherwise relating to any indebtedness for borrowed money for which the Company is liable; (iv) capital or operating leases or conditional sales agreements relating to vehicles, equipment or any other assets; (v) agreements pursuant to which the Company is entitled or obligated to acquire any

assets from a third party, to the extent they require or could require any party thereto to convey services or property; (vi) employment, consulting, separation, collective bargaining, union or labor agreements or arrangements; (vii) noncompetition, exclusivity or most favored nation agreements; (viii) each joint venture, partnership or other agreement involving a sharing of profits, losses, costs or liabilities by the Company with any other Person; (ix) any agreement containing covenants that in any way purport to restrict the business activity of the Company or any Affiliate of the Company or limit the freedom of the Company or any Affiliate of the Company to engage in any line of business or to compete with any person; (x) each power of attorney; (xi) agreements for capital expenditures; (xii) all outstanding guarantees, letters of credit, performance bonds, assurance bonds, surety agreements, indemnity agreements and any other legally binding forms of assurance or guaranty in connection with the business of the Company, whether or not issued by the Company; (xiii) arrangements, agreements, instruments or documents between the Company and any shareholder, director, officer or employee of the Company or any Affiliate or immediate family member thereof; and (xiv) any other agreement pursuant to which the Company could be required to make or entitled to receive aggregate payments or other value in excess of $25,000 (collectively, the "Company Agreements").

(b) The Company has delivered to Buyer a copy of each written Company Agreement and a written summary of each material oral Company Agreement. Each Company Agreement is valid and binding on the Company and, to the Knowledge of the Company, on the third party to such Company Agreement, and assuming the enforceability thereof against the counter-party thereto, in full force and effect and enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance or similar laws affecting the enforcement of creditors' rights generally and subject to general principles of equity (regardless of whether enforcement is sought in a proceeding of law or in equity). The Company has performed all of its material obligations under every Company Agreement to which it is a party, and there exists no material breach or material default (or event that with notice or lapse of time would constitute a breach or default) on the part of the Company or on the part of any other Person under any Company Agreement. Except as set forth in Schedule 2.19(b), the Company has not received a termination or notice of default or any threatened termination or notice of default under any Company Agreement. To the Knowledge of the Company, no party to a Company Agreement intends to alter its relationship with the Company as a result of or in connection with the acquisition contemplated by this Agreement. There are no renegotiations of, attempts to renegotiate, or outstanding rights to renegotiate any material amounts paid or payable to the Company under any Company Agreement with any Person, and no Person has made demand for such renegotiation. Except as set forth in Schedule 2.19(a), the Company is not a guarantor or indemnitor or otherwise liable for or in respect of any indebtedness of any third Person or entity except as an endorser of checks received by it and deposited in the ordinary course of business.

2.20 Customers.

(a) Set forth on Schedule 2.20(a) is a complete list of each customer of the Company that has accounted for more than $50,000 of revenues per annum for the year ended December 31, 2008 and for the current 2009 fiscal year to date (the "Material Customers"), which list indicates the approximate amount of revenues attributable to each such Material Customer during each such period. To the knowledge of the Company, none of the Material Customers who are currently customers of the Company has threatened, or notified the Company of any intention, to terminate or materially adversely alter its relationship with the Company. There has been no material change in pricing or pricing structure (other than ordinary course changes made as a result of changes in commodity prices) with any Material Customer, there has been no material reduction in the level of purchase with any Material Customer and there has been no material dispute with a Material Customer, in each case since December 31, 2008

(b) Set forth on Schedule 2.20(b) is a schedule of sales revenue by product for the year ended December 31, 2008 and for interim period ending on the month end prior to Closing.

2.21 Intellectual Property Rights. Set forth on Schedule 2.21 is a complete list of all registered and unregistered patents, trademarks, service marks and trade names, and registered copyrights, and applications for and licenses (to or from the Company) with respect to any of the foregoing, and all databases, websites, domain names, computer software and software licenses (other than commercial "shrink-wrap" software and "shrink-wrap" software licenses), proprietary information, trade secrets, material and manufacturing specifications, drawings and designs owned by the Company or with respect to which the Company has any license or use rights (collectively, "Intellectual Property"). Except as set forth on Schedule 2.21, the Company owns all of the Intellectual Property. The Company has the right to use all its Intellectual Property without infringing on or otherwise acting adversely to the rights or claimed rights of any Person, and the Company is not obligated to pay any royalty or other consideration to any Person in connection with the use of any such Intellectual Property. To the Knowledge of the Company, no other Person is infringing the rights of the Company in any of its Intellectual Property.

2.22 Inventory. All inventory ("Inventory") owned by Company is listed on Schedule 2.22 and is valued on the books and records of Company at the lower of cost or fair market value. Inventory includes equipment held for resale under capital or operating leases. None of Company's inventory is obsolete, slow-moving, has been consigned to others or is on consignment from others. The quantities of each item of inventory are not excessive, but are reasonable in the present circumstances of Company. The Company's entire inventory is located at 555 South Vermont Street, Palatine, Illinois 60067.

2.23 Receivables. Schedule 2.23 identifies all accounts receivable of Company ("**Receivable**") outstanding as of December 31, 2008 on an aged basis by account debtor. All Receivables arose from bona fide sale transactions and Company has valid documentation to prove all of its claims for collection. No portion of any Receivable is subject to any valid counterclaim, defense or set-off, or is otherwise in dispute. All of the Receivables are collectible in the Ordinary Course of Business and will be fully collected without set-off using

commercially reasonable efforts (excluding litigation and assignment to a collection agency). Company shall cooperate with and assist Buyer in collecting all accounts receivable acquired hereunder as an Asset and shall do such things, execute such documents, and perform such acts as necessary to effectuate the conveyance to Buyer post-Closing of the proceeds of all accounts receivable acquired by Buyer.

2.24 Environmental Matters.

(a) Except as described on Schedule 2.22 and in any "Environmental Study" (defined as a Phase I or Phase II environmental site assessment study) delivered to Buyer or otherwise in Buyer's possession: (i) the properties, operations and activities of the Company are, and have at all times been, in compliance with all applicable Environmental Laws (as defined below), including without limitation by having all Permits required to be obtained or filed by the Company under any Environmental Law, and the Company is in compliance with the terms and conditions of all such Permits; (ii) none of the Owned Real Property or Leased Real Property contains any Hazardous Material in amounts exceeding the levels permitted by applicable Environmental Laws; (iii) the Company has not received any notices, demand letters or requests for information from any Governmental Body or other Person indicating that the Company may be in violation of, or liable under, any Environmental Law, or relating to any of its current or former assets; (iv) no reports have been filed, or are required to be filed, by or relating to the Company concerning the release of any Hazardous Material or the threatened or actual violation of any Environmental Law; (v) no Person or property has been exposed to Hazardous Material, and no Hazardous Material has been disposed of, released or transported in violation of any applicable Environmental Law on, to or from any Owned Real Property or Leased Real Property or as a result of any activity of the Company; (vi) there have been no environmental investigations, studies, audits, tests, reviews or other analyses regarding compliance or noncompliance with any Environmental Law conducted by or on behalf of, or which are in the possession of, the Company relating to the Business or the activities of the Company or any of the Owned Real Property or Leased Real Property that have not been delivered to the Buyer prior to the date hereof; (vii) there are no underground storage tanks on, in or under any of the Owned Real Property or Leased Real Property, and no underground storage tanks have been closed or removed from any of the Owned Real Property or Leased Real Property; (viii) there is no asbestos present in any of the Owned Real Property or Leased Real Property, and no asbestos has been removed from any of the Owned Real Property or Leased Real Property; (ix) neither the Company nor any of its assets is subject to any Liabilities or expenditures relating to any suit, settlement, Law, judgment or claim asserted or arising under any Environmental Law; (x) the Company has satisfied and is currently in compliance with all financial responsibility requirements applicable to its operations and imposed by any Governmental Body under any Environmental Laws; and (xi) there are no environmental conditions either existing on the Company's property or resulting from the Company's operations or activities, whether past or present, that would give rise to any on-site or off-site remediation obligations under any Environmental Laws or that would negatively affect soil, groundwater, surface water, natural resources or human health.

(b) As used herein, "Environmental Law" means any federal, state, local or foreign Law, Permit or agreement with any Governmental Body relating to health, safety or the environment in effect in any and all jurisdictions in which the Company owns property or conducts the Business, including the following: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 1801, et seq.; the Superfund Amendments and Reauthorization Act of 1986, the Clean Water Act, the Federal Water Pollution Control Act, the Federal Environmental Pesticides Act, and the Solid Waste Disposal Act, all as amended, and all rules and regulations applicable to each.

(c) As used herein, "Hazardous Material" means any substance whether solid, liquid or gaseous that: (i) is listed, defined or regulated as "Hazardous Material," "hazardous material," "hazardous waste," "extremely hazardous waste," "toxic substance," "sludge," "solid waste," "pollutant" or "contaminant," or otherwise classified as hazardous or toxic, in or pursuant to any Environmental Law; (ii) is or contains asbestos, radon, any polychlorinated biphenyl, urea formaldehyde foam insulation, explosive or radioactive material, crude oil or any fraction thereof, or motor fuel or other refined or processed petroleum hydrocarbons; or (iii) causes or poses a threat to cause a contamination or nuisance to the Real Property or any adjacent property or a hazard to the environment or the health or safety of persons on or about the Real Property or any adjacent property.

2.25 Competing Interests. Neither the Company nor any director, manager, officer or management level employee of the Company, or any Affiliate thereof (each, a "Related Party"): (a) owns, directly or indirectly, an interest in any Person that is a competitor, customer or supplier of the Company or that otherwise has material business dealings with the Company; or (b) is a party to, or otherwise has any direct or indirect interest opposed to the Company.

2.26 No Misrepresentations. The representations, warranties and statements made by the Shareholders or the Company in or pursuant to this Agreement are true, complete and correct in all material respects and do not contain any untrue statement of a material fact or omit to state any material fact necessary to make any such representation, warranty or statement, under the circumstances in which it is made, not misleading. To the Knowledge of the Company, the Company have disclosed to Buyer all material facts and information relating to the Company, the Business and the Shares.

2.27 Brokers. Except as set forth in Schedule 2.25, no liability for broker's or finder's fees or agent's commission have been, or will be incurred in connection with this Agreement or the transactions contemplated hereby.

2.28 Activity. Sheldon Player has not been involved in any criminal activity subsequent to 1978.

2.29 Real Estate Information. All of the information set forth on Schedules 5.1 and 7.3 to this Agreement is true and correct.

ARTICLE III
Representations and Warranties of Buyer

Buyer hereby represents and warrants to the Shareholders as follows:

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

3.2 Authority. Buyer has all requisite power and authority as a limited liability company to execute, deliver and perform under this Agreement and the other agreements, certificates and instruments to be executed by Buyer in connection with or pursuant to this Agreement (collectively, the "Buyer Documents"). The execution, delivery and performance by Buyer of each Buyer Document has been duly authorized by all necessary action on the part of Buyer. This Agreement has been, and at the Closing the other Buyer Documents will be, duly executed and delivered by Buyer. This Agreement is, and, upon execution and delivery by Buyer at the Closing, each of the other Buyer Documents will be, a legal, valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance or similar laws affecting the enforcement of creditors' rights generally and subject to general principles of equity (regardless of whether enforcement is sought in a proceeding of law or in equity).

3.3 No Violation. The execution, delivery and performance of the Buyer Documents by Buyer will not conflict with or result in the breach of any term of, or violate or constitute a default under any charter provision or bylaw or under any material agreement, order or Law to which Buyer is a party or by which Buyer is in any way bound or obligated that will prevent Buyer from consummating the transactions contemplated by this Agreement.

3.4 Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Body is required on the part of Buyer in connection with the sale and purchase of the Assets or any of the other transactions contemplated by this Agreement.

ARTICLE IV
Covenants and Agreements

4.1 Conduct of Business. Prior to the Closing, unless Buyer otherwise consents in writing, Shareholders and the Company hereby agree that the Company shall:

(a) operate the Business in the ordinary course of business and consistent with past practices and use commercially reasonable efforts to preserve the goodwill of the Business and of its employees, customers, Governmental Bodies and others having business dealings with the Business;

(b) not engage in any transaction outside the ordinary course of business, including by making any material expenditure, investment or commitment or entering into any material agreement or arrangement of any kind;

(c) other than in the ordinary course of business, not increase the compensation of any employee of the Company or enter into a collective bargaining agreement covering the employees of the Company;

(d) maintain all insurance policies, all Permits and all other material rights or interests that are required under all Laws applicable to the Company;

(e) maintain books of account and records concerning the Company, the Business and the Assets in the usual, regular and ordinary manner and consistent with past practices;

(f) promptly notify Buyer of any material adverse change in the condition (financial or otherwise), results of operations, business, prospects, assets or Liabilities of the Company;

(g) promptly notify Buyer of the occurrence of any event described in Section 2.12;

(h) not enter into any new exclusive arrangements with suppliers;

(i) not enter into any new arrangements with suppliers, unless such arrangements are terminable by the Company on thirty (30) days' notice;

(j) not enter into any new arrangements with any customer, unless such arrangements are terminable by the Company on thirty (30) days' notice;

(k) not subject to any of the Assets to any new Lien;

(l) not eng age in any transaction with any Related Party;

(m) not take any action that would (or fail to take any action if such failure would) result in a breach of the representations and warranties set forth in this Agreement;

(n) not make any changes to the normal terms of accounts receivables from the date of this Agreement until Closing;

(o) not make any material changes to the average turn of payables from the date of this Agreement until Closing;

(p) not purchase any inventory with a cost, in the aggregate, in excess of $100,000 from the date of this Agreement until Closing; and

(q) not change its revenue recognition or bad debt policies, pricing, franchise arrangements, billing, terms and reserve policies, all of which shall reflect normal historical patters.

(r) not pay any dividends or distributions.

(s) not enter into any employment, consulting or other compensatory arrangements or plans with any Person.

4.2 Access and Information. The Company shall permit Buyer and its representatives to have full access to the Company's directors, managers, officers, employees, agents, assets and properties and all books, records and documents of the Company during normal business hours and will furnish to Buyer copies of such information, financial records and other documents as Buyer may reasonably request. The Company shall permit the Buyer and its representatives reasonable access to the Company's accountants and auditors, and, upon advance approval by the Company (such approval not to be unreasonably withheld or delayed), the Company's customers and suppliers for consultation or verification of any information obtained by Buyer, and will use all commercially reasonable efforts to cause such persons to cooperate with Buyer and its representatives in such consultations and in verifying such information. The Company shall have the right to participate in any contact with such persons.

4.3 Schedules; Supplemental Disclosure. The Schedules shall be delivered to the Buyer on or prior to April 20, 2009 and shall be satisfactory in all respects to the Buyer. The Schedules shall contain satisfactory disclosure relating to all matters previously disclosed to the Buyer. The Shareholders shall promptly supplement or amend each of the Schedules identified in Article II hereto with respect to any matter that arises or is discovered after the date hereof that, if existing or known at the date hereof, would have been required to be set forth or listed in such Schedules hereto; provided, that for purposes of determining whether a breach exists with respect to any of the representations and warranties hereunder, any such supplemental or amended disclosure will not be deemed to have been disclosed to Buyer unless Buyer otherwise expressly consents in writing.

4.4 Assistance with Permits and Filings. The Company and the Shareholders shall furnish Buyer with all information concerning the Company that is required for inclusion in any application or filing made by Buyer to any Governmental Body in connection with the transactions contemplated by this Agreement. The Shareholders and the Company shall use commercially reasonable efforts to assist Buyer in obtaining any Permits, or any consents to assignment related thereto, that Buyer will require in connection with the continued operation of the Company after the Closing. Prior to the Closing, Shareholders and the Company shall cooperate in obtaining government compliance letters from the applicable Governmental Body with respect to the Owned Real Property.

4.5 Fulfillment of Conditions by the Shareholders and the Company. Each of the Company and the Shareholders agree not to take any action that would cause the conditions on the obligations of the parties to effect the transactions contemplated hereby not to be fulfilled, including by taking or causing to be taken any action that would cause the representations and warranties made by the Shareholders or the Company herein not to be true and correct as of the Closing. The Company and the Shareholders shall take all reasonable steps within their power to cause to be fulfilled the conditions precedent to Buyer's obligations to consummate the transactions contemplated hereby that are dependent on the actions of the Company or the Shareholders.

4.6 Fulfillment of Conditions by Buyer. Buyer agrees not to take any action that would cause the conditions on the obligations of the parties to effect the transactions contemplated hereby not to be fulfilled, including by taking or causing to be taken any action that would cause the representations and warranties made by Buyer herein not to be true and correct as of the Closing. Buyer shall take all reasonable steps within its power to cause to be fulfilled the conditions precedent to the obligations of the Shareholders to consummate the transactions contemplated hereby that are dependent on the actions of Buyer.

4.7 Publicity.

(a) None of the Company, the Shareholders nor any Affiliate thereof shall issue or make, or allow to have issued or made, any press release or public announcement concerning the transactions contemplated by this Agreement without the prior written consent of the Buyer.

(b) Except as and to the extent required by Law or pursuant to applicable stock market requirements or practices, Buyer shall not issue or make, or allow to have issued or made, any press release or public announcement concerning the transactions contemplated by this Agreement without the prior notification of and reasonable approval of the Shareholders.

4.8 Transaction Costs. The Buyer and the Shareholders shall be reimbursed for their reasonable and customary fees and expenses in connection with this purchase, and the Company shall bear all such fees and expenses in connection with this purchase, assuming the Closing occurs. Notwithstanding the foregoing or anything herein to the contrary, the Shareholders shall pay all stamp, intangible or other taxes due in accordance with applicable Laws in connection with the filing of record of deeds of trusts or mortgages on the Real Property listed on Schedule 7.3 in favor of the Buyer for the payment of the obligations of the Shareholders to the Buyer under Articles VI and VII of this Agreement.

4.9 No-Shop Provisions.

(a) The Shareholders and the Company hereby covenant and agree that they shall not (and shall not permit any of their Affiliates to), directly or indirectly (through agents or otherwise), initiate, encourage or solicit (including by way of furnishing information or assistance), or take any other action to facilitate, any inquiries or the making of any proposal relating to, or that may reasonably be expected to lead to, any Competing Transaction (as defined below), or enter into or engage in any discussions or negotiations with any Person in furtherance of such inquiries or to obtain a Competing Transaction, or endorse or agree to endorse any Competing Transaction, or authorize or permit any of its managers, directors, officers or employees, or any investment banker, financial advisor, attorney, accountant or other representative retained by it or any of its Affiliates to take any such action.

(b) Each of Shareholders and the Company hereby covenants and agrees that the Shareholders or the Company, as applicable shall (and shall cause their Affiliates to), promptly notify Buyer of all relevant terms of any such inquiries and proposals

received by the Company or the Shareholders, as applicable, relating to any matters referred to in Section 4.9(a), and if such inquiry or proposal is in writing, such party shall promptly deliver or cause to be delivered to Buyer a copy of such inquiry or proposal.

(c) For purposes of this Agreement, "Competing Transaction" means any of the following (other than the transactions contemplated by this Agreement) involving the Company: (i) any merger, consolidation, share exchange, business combination or similar transaction; (ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of the assets of the Company (other than sales of inventory in the ordinary course of business and consistent with past practice); or (iii) any offer, sale or other transfer of any equity interests in the Company.

(d) This covenant shall terminate upon the Closing or upon the termination of this Agreement in accordance with its terms.

4.10 Nondisclosure. Each of the Shareholders and the Company acknowledges and agrees that all customer, prospect and marketing lists, sales data, formulas and processes, and other confidential information of the Company (collectively, "Confidential Information") are valuable assets of the Company, and, following the Closing, will be owned exclusively by the Company. Each of the Shareholders and the Company agrees to, and agrees to use reasonable efforts to cause its representatives to, treat the Confidential Information, together with any other confidential information furnished to it by Buyer, as confidential and not to make use of such information for its own purposes or for the benefit of any other Person (other than the Business prior to the Closing or Buyer after the Closing).

4.11 Releases of Personal Guaranties». The Buyer shall obtain the releases of any personal guaranties of the Shareholders in connection with the refinancing, from time to time as they occur, of any equipment leases set forth on Schedule 2.19.

ARTICLE V
Closing Conditions

5.1 Conditions to Obligations of Buyer. The obligations of Buyer under this Agreement are subject to the satisfaction at or prior to the Closing of the following conditions, but compliance with any such conditions may be waived by Buyer in writing:

(a) All representations and warranties of the Shareholders and the Company contained in this Agreement are true and correct in all material respects (if not qualified by materiality) or in all respects (if qualified by materiality) at and as of the Closing with the same effect as though such representations and warranties were made at and as of the Closing.

(b) The Shareholders and the Company shall have performed and complied with all the covenants and agreements required by this Agreement to be performed or

complied with by them at or prior to the Closing, including the delivery of all items required to be delivered by the Shareholders or the Company pursuant to Section 1.2.

(c) The Shareholders and the Company shall have obtained all necessary contractual, governmental, and third party consents, approvals, orders or authorizations and have given all necessary contractual or governmental notices.

(d) As of the Closing Date, there will be no pending or threatened litigation by any Person seeking to enjoin any aspect of the operation of the Business or the consummation of the transactions contemplated by this Agreement, or otherwise affecting the Company or the Business.

(e) As of the Closing Date, there will not have occurred, in the opinion of Buyer, in its sole discretion, any material adverse change in the business, operations, properties, prospects, financial condition, Assets or Liabilities (contingent or otherwise) of the Company since the Audited Balance Sheet Date.

(f) All of the Company's debt to the Shareholders and affiliates shall have been released or cancelled.

(g) The Shareholders and the Company shall have entered into the Shareholders Agreement, which shall be in form acceptable to the Buyer.

(h) The Shareholders and the Company shall have delivered to Buyer an officer's certificate.

(i) The Buyer shall have satisfactorily completed its due diligence of the Company, its business, operations, properties and prospects.

(j) The Company shall have entered into a Management Services Agreement with Red Oak Acquisition Fund V, LLC, which shall be in form acceptable to the Buyer and the Company.

(k) The audited Financial Statements shall have been delivered to the Buyer on or prior to April 15, 2009 and shall report Adjusted EBITDA of not less than $50,000,000.

(l) The Schedules shall have been delivered to the Buyer on or prior to April 20, 2009, which shall be in form acceptable to the Buyer.

(m) Sheldon Player, Donna L. Malone, Dale Player and Dana Malone shall have executed and filed of record deeds of trusts or mortgages on the Real Property listed on Schedule 7.3 in favor of the Buyer for the payment of the obligations of the Shareholders to the Buyer under Articles VI and VII of this Agreement.

(n) Gerald Vermont Street, LLC and Gerald Illinois 1, LLC, both Wyoming limited liability companies, shall have become wholly-owned subsidiaries of the

Company, and the Company shall have acquired indirect ownership, free and clear of all Liens other than the stated liens, of the Real Property described on Schedule 5.1.

5.2 Conditions to Obligations of the Shareholders. The obligations of the Shareholders under this Agreement are subject to the satisfaction at or prior to the Closing of the following conditions, but compliance with any such conditions may be waived by the Shareholders in writing:

(a) All representations and warranties of Buyer contained in this Agreement are true and correct in all material respects (if not qualified by materiality) or in all respects (if qualified by materiality) at and as of the Closing with the same effect as though such representations and warranties were made at and as of the Closing.

(b) Buyer shall have performed and complied with the covenants and agreements required by this Agreement to be performed or complied with by it at or prior to the Closing, including the delivery of all items required to be delivered by Buyer pursuant to Section 1.2.

(c) The Buyer shall have delivered to Shareholders an officer's certificate.

(d) All necessary governmental consents, approvals, orders or authorizations shall have been obtained and all necessary governmental notices have been given.

(e) The Buyer and the Company shall have entered into the Shareholders Agreement.

ARTICLE VI
Indemnification

6.1 Indemnification of Buyer. Notwithstanding any investigation by Buyer or its representatives, the Company and the Shareholders, jointly and severally, will indemnify, defend and hold Buyer, its Affiliates and its respective members, managers, officers, employees and agents (collectively, the "Buyer Parties") harmless from any and all Liabilities, obligations, claims, contingencies, damages, costs and expenses, including all court costs, litigation expenses and reasonable attorneys' fees (collectively, "Losses") that any Buyer Party may suffer or incur as a result of or relating to:

(a) the breach of any representation or warranty made by the Shareholders or the Company in this Agreement or pursuant hereto or any allegation by a third party that, if true, would constitute such a breach;

(b) the breach of any covenant or agreement made by the Shareholders or the Company in this Agreement or pursuant hereto or any allegation by a third party that, if true, would constitute such a breach; or

(c) any undisclosed Liability of the Company; or

(d) any lawsuit, claim or proceeding of any nature existing at or prior to the Closing, or arising out of any act or transaction of the Company occurring prior to the Closing, or arising out of facts or circumstances that existed at or prior to the Closing that is related to the Company, the assets of the Company or the operation of the Business.

provided, the Buyer Parties will not be entitled to indemnification under paragraph (a) of this Section 6.1 unless the aggregate amount of all Losses for which indemnification is sought by the Buyer Parties pursuant to such paragraph exceeds $25,000 in which case the Buyer Parties will be entitled to indemnification for the full amount of such Losses, and the Buyer Parties shall not be entitled to indemnification under paragraph (a) of this Section 6.1 for any Losses in excess of $50 million. For purposes of indemnification pursuant to this Section 6.1, all materiality qualifiers will be excluded from and given no effect in each representation and warranty and each covenant and agreement.

6.2 Indemnification of the Shareholders. Buyer will indemnify, defend and hold the Shareholders harmless from any and all Losses that the Shareholders may suffer or incur as a result of or relating to:

(a) the breach of any representation or warranty made by Buyer in this Agreement or pursuant hereto or any allegation by a third party that, if true, would constitute such a breach;

(b) the breach of any covenant or agreement made by Buyer in this Agreement or pursuant hereto or any allegation by a third party that, if true, would constitute such a breach; or

(c) any lawsuit, claim or proceeding of any nature arising out of any act or transaction of the Company following the Closing, that is related to the Company, the assets of the Company or the operation of the Business.

provided, the Shareholders will not be entitled to indemnification for any Losses for which the Buyer Parties are entitled to indemnification under Section 6.1; and provided further, the Shareholders will not be entitled to indemnification under paragraph (a) of this Section 6.2 unless the aggregate amount of all Losses for which indemnification is sought by the Shareholders pursuant to such paragraph exceeds $25,000 in which case the Shareholders will be entitled to indemnification for the full amount of such Losses;

6.3 Survival. The representations and warranties of the Shareholders set forth in Sections 2.1 through 2.5 and 2.7 shall survive indefinitely. The representations and warranties of the Shareholders set forth in Section 2.13, 2.15 and 2.24 shall survive until the expiration of the applicable statutes of limitations. The other representations and warranties of the Shareholders and the representations and warranties of the Buyer made in or pursuant to this Agreement and the closing certificates attached hereto will survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby for twenty-four (24) months following the Closing; provided that any representation or warranty the violation of which is

made the basis of a Claim (as defined in Section 6.4) for indemnification pursuant to Section 6.1(a) or Section 6.2(a) will survive until such Claim is finally resolved if Buyer notifies the Shareholders, or if the Shareholders notifies Buyer, as applicable, of such Claim in reasonable detail prior to the date on which such representation or warranty would otherwise expire hereunder. Without limiting the foregoing, no claim for indemnification pursuant to Section 6.1(a) or Section 6.2(a) based on the breach or alleged breach of a representation or warranty may be asserted after the date on which such representation or warranty expires hereunder. The covenants and agreements of the Shareholders and Buyer made in or pursuant to this Agreement will survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby indefinitely.

6.4 Notice. Any party entitled to receive indemnification under this Article VI (the "Indemnified Party") agrees to give prompt written notice to the party required to provide such indemnification (the "Indemnifying Party") promptly after becoming aware of the occurrence of any indemnifiable Loss or the assertion of any claim, the discovery of any facts or the commencement of any action or proceeding in respect of which such a Loss may reasonably be expected to occur (a "Claim"), but the Indemnified Party's failure to give such notice will not affect the obligations of the Indemnifying Party under this Article VI except to the extent that the Indemnifying Party is materially prejudiced thereby. Such written notice will include a reference to the event or events forming the basis of such Loss or Claim and the amount involved, unless such amount is uncertain or contingent, in which event the Indemnified Party will give a later written notice when the amount becomes fixed.

6.5 Defense of Claims. The Indemnifying Party may elect to assume and control the defense of any Claim, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of expenses related thereto, if: (i) the Indemnifying Party acknowledges its obligation to indemnify the Indemnified Party for any Losses resulting from such Claim; (ii) the Claim does not seek to impose any Liability on the Indemnified Party other than money damages; and (iii) the Claim does not relate to the Indemnified Party's relationship with any customer, supplier or employee.

(a) If the conditions of Section 6.5 are satisfied and the Indemnifying Party elects to assume and control the defense of a Claim, then: (i) the Indemnifying Party will not be liable for any settlement of such Claim effected without its consent, which consent will not be unreasonably withheld; (ii) the Indemnifying Party may settle such Claim without the consent of the Indemnified Party only if (A) all monetary damages payable in respect of the Claim are paid by the Indemnifying Party, (B) the Indemnified Party receives a full, complete and unconditional release in respect of the Claim without any admission or finding of obligation, liability, fault or guilt (criminal or otherwise) with respect to the Claim, and (C) no injunctive, extraordinary, equitable or other relief of any kind is imposed on the Indemnified Party or any of its Affiliates; (iii) the Indemnifying Party may otherwise settle such Claim only with the consent of the Indemnified Party, which consent will not unreasonably be withheld or delayed; and (iv) the Indemnified Party may employ separate counsel and participate in the defense thereof, but the Indemnified Party will be responsible for the fees and expenses of such counsel unless: (1) the Indemnifying Party has failed to adequately assume and actively conduct the defense of such Claim or to employ counsel with

respect thereto; or (2) in the reasonable opinion of the Indemnified Party, a conflict of interest exists between the interests of the Indemnified Party and the Indemnifying Party that requires representation by separate counsel, in which case the fees and expenses of such separate counsel will be paid by the Indemnifying Party.

(b) If the conditions of Section 6.5(a) are not satisfied, the Indemnified Party may assume the exclusive right to defend, compromise or settle such Claim, but the Indemnifying Party will not be bound by any determination of a Claim so defended or any compromise or settlement effected without its consent (which may not be unreasonably withheld); provided, that the Indemnified Party will not be required to obtain any consent of the Indemnifying Party to the determination of such Claim (and will not prejudice its right to be indemnified with respect to such Claim by settling such Claim) if the Indemnifying Party is asserting that it has no obligation to indemnify the Indemnified Party in respect of such claim.

6.6 Right of Setoff. The Shareholders hereby agrees that with respect to any Claim for indemnification under Article VI or for a break-up fee under Article VII or any other breach of contract claim under this Agreement or any other Shareholders Document or Company Document, Buyer is hereby authorized to setoff and apply any and all indemnifiable Claims owing by the Shareholders to Buyer against the obligations, if any, owing to the Shareholders in respect of the payment of the Notes. Such setoff is not the sole and exclusive remedy of Buyer.

ARTICLE VII
Miscellaneous

7.1 Termination. This Agreement and the transactions contemplated hereby may be terminated and abandoned: (a) at any time prior to the Closing Date by mutual written consent of Buyer and the Shareholders; (b) by either Buyer, on the one hand, or the Shareholders, on the other hand, if a condition to performance by the terminating party hereunder has not been satisfied or waived prior to The Closing Date; or (c) by Buyer, at any time, if there is pending or threatened litigation in any court or any proceeding before or by any Governmental Body to restrain or prohibit or obtain damages or other relief with respect to this Agreement or the consummation of the transactions contemplated hereby or as a result of which Buyer could be required to dispose of any assets or operations of Buyer (including any assets or operations acquired or to be acquired from Shareholders) or its Affiliates or to comply with any restriction on the manner in which Buyer or its Affiliates conduct their operations (including any operations acquired or to be acquired from the Shareholders); provided, that: (i) Buyer may not terminate this Agreement if the Closing has not occurred because of Buyer's willful failure to perform or observe any of its covenants or agreements set forth herein or if Buyer is, at such time, in breach of this Agreement; and (ii) the Shareholders may not terminate this Agreement if the Closing has not occurred because of Shareholders's willful failure to perform or observe any of the covenants or agreements set forth herein or if the Shareholders is, at such time, in breach of this Agreement. If this Agreement is terminated pursuant to this Section 7.1, all further obligations of the parties under this Agreement will terminate and no party will have any liability or obligation (for reimbursement of expenses or otherwise) to any other party, except that Buyer, on the one hand, and the Shareholders, on the other hand, will remain liable to the other for any breach of this

Agreement by such party occurring prior to such termination and all legal remedies of the other parties in respect of any such breach will survive such termination unimpaired.

7.2 Break-Up Fee. In the event that the Shareholders elect not to close this Agreement for any reason or if the Buyer becomes aware that Sheldon Player has been involved in any criminal activity subsequent to 1978 and the Buyer elects not to close this Agreement, the Shareholders, jointly and severally, shall pay within (2) two business days to the Buyer by wire transfer in immediately available funds a break-up fee of $2 million, provided that when Sheldon Player, Donna L. Malone, Dale Player and Dana Malone shall have executed and filed of record deeds of trusts or mortgages on the Real Property listed on Schedule 7.3 in favor of the Buyer for the payment of the obligations of the Shareholders to the Buyer under Articles VI and VII of this Agreement, the break-up fee shall be reduced to $500,000.

7.3 Payment of Shareholders' Obligations. The Real Property described on Schedule 7.3 shall be for the payment of the obligations of the Shareholders to Buyer under Articles VI and VII of this Agreement, and Sheldon Player, Donna L. Malone, Dale Player and Dana Malone shall have executed and filed of record deeds of trusts or mortgages on the Real Property in favor of the Buyer, and they hereby waive any demand, notice or notice of protest relating to the payment of such obligations.

7.4 Notices. All notices and other communications under this Agreement must be in writing and will be deemed given (a) when delivered personally, (b) on the fifth business day after being mailed by certified mail, return receipt requested, (c) the next business day after delivery to a recognized overnight courier or (d) upon transmission and confirmation of receipt by a facsimile operator if sent by facsimile, to the parties at the following addresses or facsimile numbers (or to such other address or facsimile number as such party may have specified by notice given to the other party pursuant to this provision):

if to Buyer:

Red Oak Acquisition Fund V, LLC
5057 Keller Springs Road, Suite 100
Addison, Texas 75001
Attention: Boris Gremont and Ron Miller
Facsimile: (214) 545-3469

with copies to:

Patton Boggs, LLP
2001 Ross Avenue, Suite 3000
Dallas, Texas 75201
Attention: Norman R. Miller
Facsimile: (214) 758-6630

if to Shareholders:

Donna L. Malone and Mark Anstett
555 South Vermont St.
Palatine, Illinois 60067
Facsimile: (____) _____

with copies to:

Peck Bloom & Koenig, LLC
105 West Adams Street, 31st Floor,
Chicago, IL 60603
Attention: Kenneth M. Bloom
Facsimile: (312) 201-0803

if to the Company:

with copies to:

Equipment Acquisition Resources, Inc.
555 South Vermont St.
Palatine, Illinois 60067
Facsimile: (___) _____

Peck Bloom & Koenig, LLC
105 West Adams Street, 31st Floor,
Chicago, IL 60603
Attention: Kenneth M. Bloom
Facsimile: (312) 201-0803

if to Dale Player or Dana Malone

555 South Vermont St.
Palatine, Illinois 60067
Facsimile: (___) _____

Peck Bloom & Koenig, LLC
105 West Adams Street, 31st Floor,
Chicago, IL 60603
Attention: Kenneth M. Bloom
Facsimile: (312) 201-0803

7.5 Attorneys' Fees and Costs. If attorneys' fees or other costs are incurred to secure performance of any obligations hereunder, or to establish damages for the breach thereof or to obtain any other appropriate relief, whether by way of prosecution or defense, the Prevailing Party (as defined below) will be entitled to recover reasonable attorneys' fees and costs incurred in connection therewith. A party will be considered the "Prevailing Party" if: (a) it initiated the litigation and substantially obtained the relief it sought, either through a judgment or the losing party's voluntary action before trial or judgment; (b) the other party withdraws its action without substantially obtaining the relief it sought; or (c) it did not initiate the litigation and judgment is entered into for any party, but without substantially granting the relief sought by the initiating party or granting more substantial relief to the non-initiating party with respect to any counterclaim asserted by the non-initiating party in connection with such litigation.

7.6 Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile or portable document format (pdf)) for the convenience of the parties hereto, each of which will be deemed an original, but all of which together will constitute one and the same instrument. No signature page to this Agreement evidencing a party's execution hereof will be deemed to be delivered by such party to any other party hereto until such delivering party has received signature pages from all parties signatory to this Agreement.

7.7 Interpretation. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and will not in any way affect the meaning or interpretation of this Agreement.

7.8 Severability. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, each of which will remain in full force and effect, so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in a manner materially adverse to any party.

7.9 Binding Effect; Assignment; No Third Party Beneficiaries. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated by the Shareholders, the Company or Buyer without the prior written consent of the other parties and any purported assignment or delegation in violation thereof will be null and void; except that

Buyer may assign its rights and obligations under this Agreement to any of its Affiliates; provided that no such assignment or delegation will relieve Buyer from it obligations hereunder. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon, and inure to the benefit of the respective successors and permitted assigns of the parties. Notwithstanding anything herein to the contrary, Buyer may collaterally assign, pledge, or otherwise hypothecate, without the Company's or the Shareholders's prior written consent, its interest in this Agreement or any part thereof, including, but not limited to any rights of indemnification, to any financing or investment entity, or agent on behalf of any financing or investment entity to whom Buyer: (a) has obligations for borrowed money or in respect of guaranties thereof, (b) has obligations evidenced by bonds, debentures, notes or similar instruments, or (c) has obligations under or with respect to letters of credit, bankers acceptances and similar facilities or in respect of guaranties thereof. Notwithstanding the foregoing, Buyer's right to assign, pledge or otherwise hypothecate this Agreement shall not release Buyer from its obligations under this Agreement or in any way affect Shareholders's or the Company's claims or defenses under this Agreement. This Agreement is not intended to confer any rights or benefits on any Person other than the parties hereto, and to the extent provided in Article VI, the Buyer Parties and the Shareholders Parties.

7.10 Entire Agreement, Amendment. This Agreement and the related documents contained as Exhibits and Schedules (as the same may be supplemented as provided herein) hereto or expressly contemplated hereby contain the entire understanding of the parties relating to the subject matter hereof and supersede all prior written or oral and all contemporaneous oral agreements and understandings relating to the subject matter hereof. All statements of the Shareholders or the Company contained in any schedule (as the same may be supplemented as provided herein), certificate or other writing required under this Agreement to be delivered in connection with the transactions contemplated hereby will constitute representations and warranties of the Shareholders or the Company, as applicable, under this Agreement. The Exhibits, Schedules (as the same may be supplemented as provided herein) and recitals to this Agreement are hereby incorporated by reference into and made a part of this Agreement for all purposes. This Agreement may be amended, supplemented or modified, and any provision hereof may be waived, only by written instrument making specific reference to this Agreement signed by the party against whom enforcement is sought.

7.11 Specific Performance, Remedies Not Exclusive. The parties hereby acknowledge and agree that the failure of any party to perform its agreements and covenants hereunder, including its failure to take all required actions on its part necessary to consummate the transactions contemplated hereby, will cause irreparable injury to the other parties for which damages, even if available, will not be an adequate remedy. Accordingly, each party hereby consents to the issuance of injunctive relief by any court of competent jurisdiction to compel performance of such party's obligations and to the granting by any court of the remedy of specific performance of its obligations hereunder. Unless otherwise expressly stated in this Agreement, no right or remedy described or provided in this Agreement is intended to be exclusive or to preclude a party from pursuing other rights and remedies to the extent available under this Agreement, at law or in equity.

7.12 GOVERNING LAW. THIS AGREEMENT WILL BE GOVERNED BY, INTERPRETED UNDER, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH

THE SUBSTANTIVE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CONFLICTS OF LAW RULE OR PRINCIPLE THAT MIGHT RESULT IN THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. EACH OF THE PARTIES HERETO ACKNOWLEDGE AND AGREE THAT THE LAWS OF THE STATE OF TEXAS WAS FREELY CHOSEN BY BUYER, THE SHAREHOLDERS, THE COMPANY AND THE OTHER PARTIES TO THIS AGREEMENT.

7.13 Arbitration. In the event of any disputes, claim or controversy between the parties arising out of or relating to this Agreement (a "Dispute"), the Dispute shall be submitted to final and binding arbitration to be conducted in accordance with the commercial arbitration rules of the American Arbitration Association ("AAA") in Dallas, Texas utilizing a single arbitrator selected through the standard procedures of the AAA. Both the foregoing agreement of the parties to arbitrate any and all Disputes and the results, findings, judgments and/or awards rendered through any such arbitration may be specifically enforced by legal proceedings which, should they occur will be held in Dallas County, Texas. The prevailing party in any Dispute resolved under the commercial arbitration rules of the American Arbitration Association shall be entitled to recover the administrative costs of the arbitration proceeding, the fee for the arbitrator, and attorney's fees and expenses.

7.14 Drafting. Neither this Agreement nor any provision contained in this Agreement will be interpreted in favor of or against any party hereto because such party or its legal counsel drafted this Agreement or such provision.

7.15 Usage. Whenever the plural form of a word is used in this Agreement, that word will include the singular form of that word. Whenever the singular form of a word is used in this Agreement, that word will include the plural form of that word. The term "or" will not be interpreted as excluding any of the items described. The term "include" or any derivative of such term does not mean that the items following such term are the only types of such items.

7.16 Certain Definitions. For purposes of this Agreement:

(a) the term "Affiliate" means, with respect to a specified Person, any other Person or member of a group of Persons acting together that, directly or indirectly, through one or more intermediaries, controls, or is controlled by or is under common control with, the specified Person.

(b) the terms "Knowledge" and "known" and words of similar import mean:

(i) with respect to the Company, the Company will be deemed to have "Knowledge" of a particular matter, and the particular matter will be deemed to be "known" by the Company, if Mark Anstett, Donna L. Malone or Sheldon Player has actual knowledge of such matter or would reasonably be expected to have knowledge of such matter following reasonable inquiry; and

(ii) with respect to Buyer, Buyer will be deemed to have "Knowledge" of a particular matter, and the particular matter will be deemed to be "known" by Buyer, if Boris Gremont or Ron Miller has actual knowledge of such matter or

would reasonably be expected to have knowledge of such matter following reasonable inquiry.

(c) the terms "Ordinary Course Obligations" and obligations incurred in the "Ordinary Course of Business" mean recurring Liabilities incurred in the normal course of operation of the Business, consistent with past practice, but do not include any Liabilities resulting from a violation of Law or any Liabilities under an agreement that result from any breach or default (or event that with notice or lapse of time would constitute a breach or default) under such agreement.

(d) the term "Lien" means any obligation, lien, adverse claim, pledge, security interest, liability, charge, spousal interest (community or otherwise), contingency or other encumbrance or claim of any nature.

(e) the term "Permitted Lien" means (i) liens for current Taxes (as defined in Section 2.8(b)) not yet due and liens for Taxes being contested in good faith, as to which appropriate reserves have been established by such Person in its books and records and (ii) minor imperfections of title and encumbrances on real property that do not interfere with the present use or value or insurability of such real property.

(f) In addition, the following terms are defined in the indicated section of this Agreement:

Defined Term	Section
Adverse Claims	1.1
Affiliate	7.13(b)
Agreement	preamble
Assets	2.7(a)
Business	preamble
Buyer	preamble
Buyer Documents	3.2
Buyer Parties	6.1
Claim	6.4
Closing	1.2
Closing Date	1.2
Code	2.7(c)
Company	preamble
Company Agreements	2.19(a)
Company Documents	2.2
Competing Transaction	4.9(c)
Confidential Information	4.10
Employee Benefit Plans	2.18(a)
Environmental Law	2.22(b)
Environmental Study	2.22(a)
ERISA	2.18(a)
ERISA Affiliate	2.18(a)

Defined Term	Section
ESOP	4.11
Financial Statements	2.11(a)
GAAP	2.11(a)
Governmental Body	2.10
Hazardous Material	2.22(c)
Indemnified Party	6.4
Indemnifying Party	6.4
Intellectual Property	2.21
Knowledge	7.13(c)
Known	7.13(c)
Audited Balance Sheet Date	2.11(a)
Laws	2.15
Leased Real Property	2.7(a)
Liabilities	2.11(b)
Lien	7.13(e)
Litigation	2.14
Losses	6.1
Material Adverse Change	2.12
Material Customers	2.20(a)
Multi-employer plan	2.18(c)
Ordinary Course Obligations	7.13(d)
Ordinary Course of Business	7.13(d)
Owned Real Property	2.7(a)
Permits	2.16
Permitted Lien	7.13(f)
Person	2.4; 2.14
Prevailing Party	7.3
Purchase Price	1.2
Real Property	2.7(a)
Related Party	2.23
Shareholders	preamble
Shareholders Documents	2.2(b)
Shares	preamble
Tax or Taxes	2.13(e)
Tax return or Tax returns	2.13(f)

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

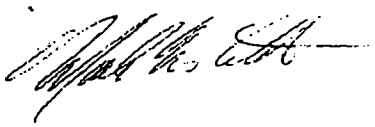
BUYER:

Red Oak Acquisition Fund V, LLC

By: _____
Name _____
Title: _____

SHAREHOLDERS:

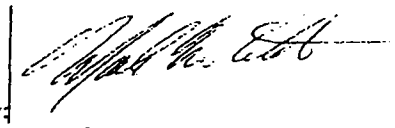
_____
Donna L. Malone



Mark Anstett

COMPANY:

Equipment Acquisition Resources, Inc.



By:
Name: Mark Anstett
Title: President

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

BUYER:

Red Oak Acquisition Fund V, LLC

By: _____
Name _____
Title: _____

SHAREHOLDERS:

Donna L. Malone

Donna L. Malone

_____
Mark Anstett

COMPANY:

Equipment Acquisition Resources, Inc.

By: _____
Name: Mark Anstett
Title: President

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SCHEDULE 5.1
REAL PROPERTY OWNED BY LIMITED LIABILITY COMPANIES

Item No.	OWNER	PROPERTY DESCRIPTION	STATED VALUE	STATED LIEN	STATED EQUITY
1	Gerald Vermont Street, LLC	555 S. Vermont Street Palatine, Illinois 60067	$3,450,000	$1,900,000	$1,550,000
2	Gerald Illinois I, LLC	3280 N. California Street Chicago, Illinois	$2,700,000	$1,300,000	$1,400,000
3	Equipment Acquisition Resources, Inc., Sheldon Player and Donna Malone	Unit 1503, Trump International Hotel and Tower – 401 N. Wabash Avenue, Chicago, Cook County, Illinois	$1,050,000 to $1,150,000	No Information	$1,050,000 to $1,150,000

SCHEDULE 7.3
REAL PROPERTY FOR PAYMENT OF SHAREHOLDERS' OBLIGATIONS

Item No.	OWNER	PROPERTY DESCRIPTION	STATED VALUE	STATED LIEN	STATED EQUITY
1	Sheldon Player, a married man	Unit 5506, Bayfront Condominium, Naples, Collier County, FL WD 4/25/05, Bk. 3800, Pg. 3436	$1,050,000	$500,000 Regions Bank	$550,000
2	Sheldon Player and Donna Malone, husband and wife	3512 Cherry Blossom Court Bldg. 22, Unit 202, Meadows of Estero Condo, Estero, Lee County, FL SWD 5/12/06, Inst. #2006000203808	$640,000	$365,000 Regions Bank	$275,000
3	Sheldon Player and Donna Malone, husband and wife	Unit 31-102, Villagio Condominium, Naples, Lee County, FL SWD 5/23/06 [no recording data]	$1,050,000	$360,000 Regions Bank	$690,000
4	Sheldon Player and Donna Malone, husband and wife	Unit 31-103, Villagio Condominium, Naples, Lee County, FL SWD 5/23/06, Inst. #2006000216664	**Value included in No. 3 above**	**Value included in No. 3 above**	**Value included in No. 3 above**
5	Sheldon Player and Donna Malone, husband and wife	Unit 31-201, Villagio Condominium, Naples, Lee County, FL SWD 5/23/06 [no recording data]	**Value included in No. 3 above**	**Value included in No. 3 above**	**Value included in No. 3 above**
6	Sheldon Player and Donna Malone, husband and wife	Condo Parcel No. 102, Bldg. 12, Turtle Lakes Golf Colony Condominium Apartments, Naples, Collier County, FL WD 4/15/05, Bk. 3783, Pg. 3850	$300,000	$100,000 Orion Bank	$200,000
7	Sheldon Player and Donna Malone, husband and wife	Rental unit, Positano Condominium, Naples, FL	$400,000	$100,000 Orion Bank	$300,000

8	Sheldon Player and Donna Malone, husband and wife	Part of HES No. 149 in unsurveyed Section 13, T39N, R116W, Teton County, Wyoming WD 1/10/06, Doc. #0668127, Bk. 614, Pg. 776. ***[See subdivision parcels described in Nos. 15 and 16 below.]***	$10,000,000	N/A	$10,000,000
9	Sheldon Player and Donna Malone, husband and wife	Parcel within Tract B of HES No. 193, Section 14, T39N, R116W, 6th Principal Meridian, Teton County, Wyoming. WD from Karen Wheeldon dated 12/12/07, Doc. #0718965, Bk. 685, Pg. 753. **Approx. 4 acres**	$1,000,000	N/A	$1,000,000
10	Sheldon Player and Donna Malone, husband and wife	Parcel within HES No. 193, Section 14, T39N, R116W, 6th Principal Meridian, Teton County, Wyoming. WD from Clark Wheeldon dated 10/18/06, Doc. #0718965, Bk. 685, Pg. 753. **Approx. 20 acres.**	$4,000,000	N/A	$4,000,000
11	Sheldon Player and Donna Malone, husband and wife	Lot 3 of Aspen Springs Ranch Subdivision according to Plat recorded in the Office of the Teton County Clerk as Plat No. 1089. WD 12/28/07, Doc. #0720261, Bk. 687, Pg. 463 **Approx. 21.3 acres.**	$4,000,000	N/A	$4,000,000

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12	Sheldon Player and Donna Malone, husband and wife	NW ¼ of the NE ¼, Section 29, T35N, R81W of the 6th Principal Meridian, Natrona County, WY WD 9/24/06, Doc. #803093 **Approx. 40 acres.**	$500,000	None	$500,000
13	Sheldon Player and Donna Malone, husband and wife	NE ¼ of the NE ¼ in Section 9, T22N, R92W, Sweetwater County, Wyoming. WD of Rocky Mountain Stockman, Inc., 9/26/05 [no recording data] "Deed recites property is 40 acres more or less."	$500,000	None	$500,000
14	Sheldon Player and Donna Malone, husband and wife	NE ¼ of the SE ¼ of Section 17, T21N, R96W of the 6th Principal Meridian, Sweetwater County, Wyoming. WD of FISERV ISS & FUND TRUSTEE FBO Finance All, LLC, dated 9/19/06 [copy provided is unsigned, no recording data] **Approx. 40 acres**	$500,000	None	$500,000
15	Dana Malone	Part of HES No. 149 in unsurveyed Section 13, T39N, R116W, Teton County, Wyoming WD 10/26/06, Doc. #0690584, Bk. 646, Pg. 147. **Deed description recites 13.35 acres.** ***[Subdivided out of No. 8 above]***	**Value included in No. 8 above**		

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16	Dale Player	Part of HES No. 149 in unsurveyed Section 13, T39N, R116W, Teton County, Wyoming WD 10/26/06, Doc. #0690587, Bk. 646, Pg. 149. **Deed description recites 10.55 acres.** ***[Subdivided out of No. 8 above]***	**Value included in No. 8 above**		
17	Gerald Illinois I, LLC, a Wyoming limited liability company	8N768 Brimfield Drive Elgin, Illinois	$750,000	$495,000	$255,000
18	Sheldon Player and Donna Malone, Husband and Wife, as joint tenants with rights of survivorship	Lot 1 of the Fairways Estates at Jackson Hole, Teton County, Wyoming (3.2) acres in Jackson Hole	$5,000,000	?	

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Irrevocable Bond or Stock Power: For shares of stock, bonds, debentures or notes.

FOR VALUE RECEIVED I, Donna L. Malone, hereby sell, assign, and transfer unto **RED OAK CAPITAL FUND V, LLC Forty** shares of the **No par value** per share common stock of **Equipment Acquisition Resources, Inc., an Illinois corporation,** evidenced by stock certificate _____ (collectively, the "Certificate") registered in my name on the books of said company as represented by certificate number_____ and do hereby irrevocably constitute and appoint the Secretary of **Equipment Acquisition Resources, Inc.** to transfer the foregoing on the books of said company, with full power of substitution in the premises, hereby ratifying and confirming all that the Secretary shall lawfully do by virtue hereof.

Dated **April 9, 2009**

Donna L. Malone

Donna L. Malone, Assignor

In Presence of:

Cody Dorsey
Witness Full Name

Dana Malone
Witness Full Name

Witness Signature

Dana Malone
Witness Signature

Subscribed and sworn to before me this 9 day of **April, 2009.**

_____ Notary Public

Cook County

Illinois State

OFFICIAL SEAL
JENNIFER M. PODRAZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISION EXPIRES OCTOBER 2, 2011

My Commission Expires: 10-2-2011

000053

PLAINTIFF'S EXHIBIT 3

PENGAD 800-631-6989

Irrevocable Bond or Stock Power: For shares of stock, bonds, debentures or notes.

FOR VALUE RECEIVED I, Mark Anstett, hereby sell, assign, and transfer unto **RED OAK CAPITAL FUND V, LLC Ten shares of the No par value** per share common stock of **Equipment Acquisition Resources, Inc., an Illinois corporation,** evidenced by stock certificate __ (the "Certificate") registered in my name on the books of said company as represented by certificate number __ and do hereby irrevocably constitute and appoint the Secretary of **Equipment Acquisition Resources, Inc.** to transfer the foregoing on the books of said company, with full power of substitution in the premises, hereby ratifying and confirming all that the Secretary shall lawfully do by virtue hereof.

Dated April 9, 2009

Mark Anstett, Assignor

In Presence of:

Cody Doran
Witness Full Name

Dana Malone
Witness Full Name

Witness Signature

Dana Malone
Witness Signature

Subscribed and sworn to before me this 9 day of **April, 2009.**

Notary Public

COOK County

ILLINOIS State

OFFICIAL SEAL
JENNIFER M. PODRAZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISION EXPIRES OCTOBER 2, 2011

My Commission Expires: 10-2-2011

SALE OF ACCOUNTS RECEIVABLE AGREEMENT

Sale made April 16, 2009, by Equipment Acquisition Resources, Inc. with its principle place of business at 555 South Vermont Street, Palatine, Illinois referred to hereafter as "Seller", to Red Oak Capital care of Alan Moore, a sole proprietorship with its principle place of business at 15303 Dallas Parkway Suite 350, Addison, Texas 75001, referred to hereafter as "Buyer".

Recitals

Seller has generated various unencumbered and valid invoices listed in Appendix A.

Assignment

For value by Seller of which is hereby acknowledged, Seller sells, assigns to Buyer the entire rights, title, interest, claim, and consideration to invoices listed in Exhibit A for $2,000,000 (Two Million Dollars).

Seller agrees to cooperate with Buyer such that the Buyer may enjoy the fullest extent of the rights conveyed under this agreement. Such duty includes prompt execution of all papers, to be prepared at the expense of Buyer, that are deemed necessary or desirable by Buyer to perfect the conveyed rights.

The covenants and provisions of this assignment shall insure to the benefit of the Buyer, its successors, assigns and/or legal representatives, and shall be binding on the Seller, its heirs, assigns and other legal representatives.

Seller warrants and represents that he has not entered into any assignment, contract, or understanding in conflict with this agreement.

SELLER'S WARRANTIES AND REPRESENTATIONS

Seller warrants and represents to Buyer that:

(a) It is the owner of the invoices listed on Exhibit A.,
(b) The invoices listed on Exhibit A are not subject to any liens, loans, financing agreements, or pledged to any party.

Repurchase Option

Seller may purchase invoices listed in Exhibit A for $2,035,000 on or before June 20, 2009. All payments received from the invoices by Buyer shall be applied to the $2,035,000 repurchase amount. Payment may be consummated only by receipt by Buyer in the form of cleared funds from collection of invoices, cash, cashier's check, wire transfer or Company check.

MISCELLANEOUS PROVISIONS

Entire Agreement and Modification. This Agreement constitutes the full and complete understanding and agreement of Buyer and the Seller and supersedes all prior negotiations, understandings and agreements. This Agreement expressly supersedes any prior oral or written agreements, memoranda, notes, letters and the like, if any, between Buyer and the Seller pertaining to the subject matter of this Agreement. Subject to the specific exceptions set out in this Agreement, any waiver, modification or amendment of any provision of this Agreement shall be effective only if in written form signed by the party or parties affected by such modification or agreement.

Validity. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be in conflict with any rule of law, statutory provision or policy, or otherwise unenforceable under the laws or regulations of any applicable jurisdiction within the United States of America, or any governmental subdivision or agency thereof, such provisions shall be deemed stricken from this Agreement, but such invalidity or unenforceability shall not invalidate any of the other provisions of this Agreement, and this Agreement shall continue in force and effect. To the extent possible, a provision which will likely be valid and which meets the objective of the invalid provision shall be substituted for any invalid provision hereof upon written amendment agreed upon by both parties.

Binding Effect. This Agreement shall be binding upon Buyer and the Seller as well as their respective heirs, administrators, executors, successors and assigns.

Headings and References. The headings of articles and sections in this Agreement are for convenience only and shall not be deemed to affect in any way the scope, intent or meaning of the provisions to which they refer. The references made in this Agreement to articles and sections refer to articles and sections of this Agreement.

Gender. Reference hereunder to the male gender shall be deemed to include the female and neuter genders, unless otherwise stated or unless the circumstances eliminate such inclusion.

Governing Law. This Agreement, including its interpretation, performance and enforcement, shall be governed by and construed in accordance with the laws of the State of Texas.

Jurisdiction and Venue. This Agreement was made and entered into and is to be performed in whole or in part in Dallas County, Texas. For the purposes of any action which may be instituted under this Agreement, the jurisdiction and venue for any such action shall be in any District Court of the State of Texas or any Federal District Court located in Dallas County, Texas.

Corporate Authority. The officer executing this Agreement on behalf of Buyer personally represents and warrants he has been duly authorized to execute this Agreement.

Counterparts. This Agreement may be executed in two counterparts, and each such counterpart shall be deemed an original hereof.

Survival. The representation and warranties contained herein shall survive the execution of this Agreement.

In the event that Equipment Acquisition Resources, Inc. receives monies from the sold receivables and does not forward or wire the monies to Buyer within two business days, all parties acknowledge that the officers and directors of Seller shall be subject to the Criminal Statues Theft.

Equipment Acquisition Resources, Inc.

_____ _____
Mr. Mark Anstett, President Date

Subscribed and sworn to before me this _____ day of **April, 2009**.

_____ Notary Public

_____ County

_____ State

My Commission Expires:_____

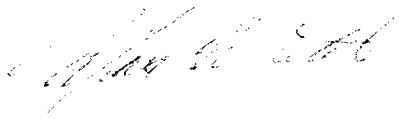
Red Oak Capital

Alan Moore 4-16-09
Alan Moore, President Date

SHAREHOLDERS OF Equipment Acquisition Resources, Inc.:

_____ _____
Mr. Mark Anstett Date

Equipment Acquisition Resources, Inc.



_____ 4/16/09
Mr. Mark Anstett, President Date

Subscribed and sworn to before me this _____ day of **April, 2009**.

_____ Notary Public

_____ County

_____ State

My Commission Expires:_____

Red Oak Capital

_____ _____
Alan Moore, President Date

Subscribed and sworn to before me this ____ day of **April, 2009**.

_____ Notary Public

_____ County

_____ State

My Commission Expires:_____

Donna L Malone 4-16-09
Mr. Donna L. Malone Date

Subscribed and sworn to before me this 16 day of April, 2009.

_____ Notary Public

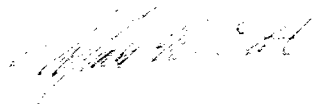
COOK County

ILLINOIS State

OFFICIAL SEAL
JENNIFER M. PODRAZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISION EXPIRES OCTOBER 2, 2011

My Commission Expires:_____

SHAREHOLDERS OF Equipment Acquisition Resources, Inc.:



_____ 4/16/09
Mr. Mark Anstett Date

_____ _____
Mr. Donna L. Malone Date

Subscribed and sworn to before me this ____ day of **April, 2009**.

_____ Notary Public

_____ County

_____ State

My Commission Expires:_____

Customer Number	Customer Name	Document Number	Original Trx Amount	Current Trx Amount
AFFYMETRIXPTE	AFFYMETRIX, PTE. LTD	16064	$448.50	$448.50
CONTINENTALAUTO	CONTINENTAL AUTOMOTIVE	SALES000000000007	$1,100.00	$1,100.00
COORSTEK	CoorsTek	16089	$1,541.80	$1,541.80
CTS	CTS WIRELESS COMPONENTS, I	15942	$1,723.83	$1,723.83
EARBID	EARBid Auction Services	15886	$900.00	$900.00
EDO CERAMICS	EDO CORPORATION	16055	$4,660.00	$4,660.00
ENCISION	ENCISION INC.	16068	$18,500.00	$10,000.00
GRINDAL	GRINDAL COMPANY	15879	$30,500.00	$16,500.00
HYTEL	HYTEL GROUP	16061	$1,320.00	$1,200.00
HYTEL	HYTEL GROUP	SALES000000000011	$591 38	$591.38
HYTEL	HYTEL GROUP	SALES000000000012	$3,716.38	$3,716.38
IBMI	ION BEAM MILLING INC.	SALES000000000019	$888.88	$888.88
IMS	INTERNATIONAL MANUFACTURIN	15999	$3,100.00	$3,100.00
IMS	INTERNATIONAL MANUFACTURIN	SALES000000000021	$2,900.00	$2,900.00
INNOVATIVEFAB	INNOVATIVE FABRICATION	SALES000000000022	$24,850.00	$23,850.00
LASERCOMPONENTS	LASER COMPONENTS, CANADA I	SALES000000000025	$977.50	$977.50
LINEARTECH	LINEAR TECHNOLOGY CORP.	SALES000000000026	$1,284.89	$1,284.89
MACHINETOOL	Machine Tools Direct, Inc.	SALES000000000028	$27,000.00	$27,000.00
MACHINETOOL	Machine Tools Direct, Inc.	16103	$2,970,000.00	$2,970,000.00
MACHINETOOL	Machine Tools Direct, Inc.	16105	$3,465,000.00	$3,465,000.00
ORANGE	ORANGE COURIER	SALES000000000032	$915.00	$500.00
POLARSEMI	POLAR SEMICONDUCTOR, INC.	16065	$500.00	$500.00
POLARSEMI	POLAR SEMICONDUCTOR, INC.	16066	$2,759.57	$2,759.57
POLARSEMI	POLAR SEMICONDUCTOR, INC.	16069	$1,984.00	$1,984.00
POLARSEMI	POLAR SEMICONDUCTOR, INC.	16072	$6,000.00	$6,000.00
POLARSEMI	POLAR SEMICONDUCTOR, INC.	16075	$119.98	$119.98
POLARSEMI	POLAR SEMICONDUCTOR, INC.	16076	$225.00	$225.00
POLARSEMI	POLAR SEMICONDUCTOR, INC.	16081	$170.00	$170.00
POLARSEMI	POLAR SEMICONDUCTOR, INC.	16084	$6,541.80	$6,541.80
POLARSEMI	POLAR SEMICONDUCTOR, INC.	16085	$4,143.50	$4,143.50
REDLENTECH	REDLEN TECHNOLOGIES INC.	16082	$1,054.08	$1,054.08
SAUNDERS	SAUNDERS MACHINERY	16083	$35,000.00	$25,000.00
SEAGATE GB	SEAGATE TECHNOLOGY, INC	SALES000000000036	$1,732.92	$1,732.92
STERLING	STERLING PRECISION OPTICS	16090	$25,000.00	$23,000.00
THAT CORP	THAT Corporation	16074	$900.00	$900.00
			$6,648,049.01	**$6,612,014.01**

Equipment Acquisition Resources, Inc.

_____ 4/16/09
Mr. Mark Anstett, President Date

Subscribed and sworn to before me this _____ day of **April, 2009**.

_____ Notary Public

_____ County

_____ State

My Commission Expires:_____

Red Oak Capital

_____ _____
Alan Moore, President Date

Subscribed and sworn to before me this ____ day of **April, 2009**.

_____ Notary Public

_____ County

_____ State

My Commission Expires:_____

Machine Tools Direct, Inc.
1521 Commerce Avenue
Carlisle, PA 17013 USA
Ph: 717-240-0557 Fax: 717-240-0558
Email: sales@mtdinc.com

Purchase Order

Vendor Name:
Equipment Acquisition Resources Inc

P.O. Date	MTD PO #
04-04-2009	1945

Vendor Contact: Mark Anstett
Vendor Address: 555 So Vermont St, Palatine, IL 60067
Requisitioned By: George

SHIP TO NAME: Machine Tools Direct Inc
SHIP TO ADDRESS: 1521 Commerce Ave, Carlisle, PA 17015
Attention Shipping:

Ship Via: Air Ride Truck
Shipping Contact Ph:
Phone Ext:

Product Name	Description	Qty	Price	Total
(7) Novellus Auriga Planarizers	(7) Novellus Auriga Model CMP Planarizers	7	495,000.00	3,465,000.00

Net Total:	3,465,000.00
Freight Charges:	0.00
Tax: (0%)	0.00
Deposit:	0.00
Total Due: ($)	**3,465,000.00**

Terms & Conditions
Net 30 Days From Delivery

Authorized by:
George Ferguson

Machine Tools Direct, Inc.
1521 Commerce Avenue
Carlisle, PA 17013 USA
Ph: 717-240-0557 Fax: 717-240-0558
Email: sales@mtdinc.com

Purchase Order

Vendor Name:
Equipment Acquisition Resources Inc

P.O. Date	MTD PO #
04-01-2009	1939

Vendor Contact:
Mark Anstett

Vendor Address:
555 So Vermont St
Palatine, IL 60067

Requisitioned By:
George

SHIP TO NAME:
Machine Tools direct Inc

SHIP TO ADDRESS:
1521 Commerce Ave
Carlisle, PA 17015

Attention Shipping:

Ship Via:
Air Ride Truck

Shipping Contact Ph:

Phone Ext:

Product Name	Description	Qty	Price	Total
(6) Novellus Auriga Planarizers	(6) Novellus Auriga CMP Planarizers	6	495,000.00	2,970,000.00

Net Total:	2,970,000.00
Freight Charges:	0.00
Tax: (0%)	0.00
Deposit:	0.00
Total Due ($)	**2,970,000.00**

Terms & Conditions
Net 30 Days from Delivery

Authorized by:

George Ferguson