

ASSET SALE AND PURCHASE AGREEMENT

THIS ASSET SALE AND PURCHASE AGREEMENT (this "Agreement") is made and entered into this _____ day of January, 2006, by and between **STEVE'S SHOES, INC.**, Debtor in Possession, a Missouri corporation (hereinafter referred to as "Seller"), _____ and, a _____ (hereinafter referred to as "Buyer").

WITNESSETH:

WHEREAS, Seller desires to sell, assign, transfer and convey to Buyer certain of its properties and assets, and Buyer desires to acquire such properties and assets, all upon the terms and conditions set forth herein;

WHEREAS, Seller is currently in possession of its assets as a Debtor in Possession pursuant to Title 11, U.S. Code, in the Chapter 11 case of Steve's Shoes, Inc. (hereinafter referred to as the "Bankruptcy Case"), presently pending in the United States Bankruptcy Court for the District of Kansas (Kansas City) (hereinafter referred to as the "Bankruptcy Court"), and Seller, upon proper approval and authorization from the Bankruptcy Court, may sell and assign assets outside of the ordinary course of business;

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

SECTION 1 **DEFINITIONS**

The following terms used in this Agreement shall have the following meanings unless some other meaning is clearly intended:

1.1. "Affiliate," as applied to any Person, means any other Person directly or indirectly controlling, controlled by or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through ownership of voting securities, by contract or otherwise. For purposes of this definition, a Person shall be deemed to be "controlled by" a Person if such Person possesses, directly or indirectly, the power to vote 10% or more of the securities having ordinary voting power for the election of directors of such Person.

1.2. "Assumed Liabilities" has the meaning assigned to that term in Section 2.2 of this Agreement.

1.3. "Auction and Bid Procedures" means the process described in Schedule 7.1 hereto (which process is subject to change by the Bankruptcy Court).

- 1.4. "Closing" means the closing of the transactions contemplated by this Agreement.
- 1.5. "Closing Date" means any date on or before January 31, 2006, or such other date as the parties, LaSalle Retail Finance and County Club Bank may mutually agree upon in writing.
- 1.6. "Deposit" means the deposit in an amount no less than 15% of the offer submitted by Buyer, which shall be payable in cash or cash equivalent on or prior to 4:00 p.m. on January 23, 2006.
- 1.7. "Disclosure Schedule" means the exhibit attached hereto and made a part hereof containing the various exceptions to the representations, warranties and covenants of Seller contemplated by the provisions of this Agreement.
- 1.8. "Environmental Laws" means any and all present and future federal, state and local laws (whether under common law, statute, rule, regulation or otherwise), requirements under permits issued with respect thereto, and other requirements of any appropriate governmental authorities relating to the environment, or to any Hazardous Substance or to any activity involving Hazardous Substances, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq. (CERCLA), the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., the Clean Water Act, 33 U.S.C. 1251 et seq., the Clean Air Act, 42 U.S.C. 7401 et seq., the Toxic Substance Control Act, 15 U.S.C. 2601 et seq., and the Safe Drinking Water Act, 42 U.S.C. 300f through 300j, as all of the foregoing may be amended from time to time.
- 1.9. "Hazardous Substances" means all chemicals, compounds, materials, mixtures, living organisms or substances that are now or hereafter defined or listed in, or otherwise classified pursuant to, any "Environmental Laws" as a "hazardous substance," "hazardous material," "hazardous waste," "extremely hazardous waste," "infectious waste," "toxic substance," "toxic pollutant" or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity or toxicity, including any petroleum, polychlorinated biphenyls, asbestos, radon, natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas).
- 1.10. "Knowledge" means with respect to any party, the actual knowledge (without any duty to investigate) of the executive officers of such party,
- 1.11. "Lender" means the DIP Lender as defined in Seller's Revolving Credit Loan and Security Agreement dated as of January 6, 2006.

1.12. "Liability" means any liability, obligation, debt or commitment of any kind (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for taxes.

1.13. "Person" means any natural person, corporation, association, partnership, limited liability company, trust, joint venture, unincorporated organization, business, governmental body or any other legal entity.

1.14. "Property" has the meaning assigned to that term in Section 2.1.

1.15. "Purchase Price" has the meaning assigned to that term in Section 3 of this Agreement.

1.16. "Released Parties" has the meaning assigned to that term in Section 10.1 of this Agreement.

1.17. "Transferred Assets" has the meaning assigned to that term in Section 2.1 of this Agreement.

SECTION 2

PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES

2.1. **Transferred Assets.** Subject to the terms and conditions hereof, and subject to the representations and warranties made herein, on the Closing Date Seller will sell, assign, transfer and convey to Buyer all of Seller's right, title and interest in and to the assets set forth on Exhibit A hereto (the "Transferred Assets").

2.2. **"AS IS" TRANSACTION.** BUYER HEREBY ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE TRANSFERRED ASSETS OR ANY OTHER MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, INCOME TO BE DERIVED OR EXPENSES TO BE INCURRED IN CONNECTION WITH THE TRANSFERRED ASSETS, THE PHYSICAL CONDITION OF THE TRANSFERRED ASSETS, THE ENVIRONMENTAL CONDITION OR OTHER MATTER RELATING TO THE CONDITION OF THE TRANSFERRED ASSETS, INCLUDING THE REAL ESTATE WHICH IS PART OF THE TRANSFERRED ASSETS (THE "PROPERTY"), THE ZONING OF THE PROPERTY, THE VALUE OF THE TRANSFERRED ASSETS, THE TERMS, AMOUNT, VALIDITY OR ENFORCEABILITY OF ANY ASSUMED LIABILITIES, THE MERCHANTABILITY OR FITNESS OF THE TRANSFERRED ASSETS FOR ANY PARTICULAR PURPOSE, OR ANY OTHER MATTER OR THING RELATING TO THE TRANSFERRED ASSETS. WITHOUT IN ANY WAY LIMITING THE FOREGOING, SELLER HEREBY DISCLAIMS

ANY WARRANTY, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS OF THE TRANSFERRED ASSETS FOR ANY PARTICULAR PURPOSE. BUYER FURTHER ACKNOWLEDGES THAT BUYER HAS CONDUCTED AN INDEPENDENT INSPECTION AND INVESTIGATION OF THE PHYSICAL CONDITION OF THE TRANSFERRED ASSETS AND ALL SUCH OTHER MATTERS RELATING TO OR AFFECTING THE TRANSFERRED ASSETS AS BUYER DEEMED NECESSARY OR APPROPRIATE AND THAT IN PROCEEDING WITH ITS ACQUISITION OF THE TRANSFERRED ASSETS, EXCEPT FOR ANY REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH HEREIN, BUYER IS DOING SO BASED SOLELY UPON SUCH INDEPENDENT INSPECTIONS AND INVESTIGATIONS. ACCORDINGLY, BUYER WILL ACCEPT THE TRANSFERRED ASSETS AT THE CLOSING "AS IS," "WHERE IS," AND "WITH ALL FAULTS."

2.3. **Liabilities.** Subject to the terms and conditions of this Agreement, Buyer hereby agrees, as of the Closing Date, to assume and discharge the obligations and liabilities of Seller described on Exhibit B hereto (hereinafter collectively called the "Assumed Liabilities"), and Buyer agrees to indemnify, defend and hold harmless Seller from and against all loss, liability, damage and expense (including attorney's fees) arising out of, in connection with or related to the Assumed Liabilities and any actions, causes of action or proceedings related thereto.

Any and all other obligations and liabilities of Seller, whether accrued or contingent or due or not due, which are not specifically assumed herein, shall be and remain the obligations and liabilities of Seller to pay and discharge, and Buyer shall not be obligated therefor.

2.4. **Excluded Assets.** The Transferred Assets include only those assets specifically listed on Exhibit A hereto and shall not include any other assets of Seller.

SECTION 3 **PURCHASE PRICE**

3.1. The purchase price for the Transferred Assets (the "Purchase Price") shall be \$_____. The Purchase Price shall be allocated to the various Transferred Assets as set forth on Exhibit A hereto for all purposes and no party shall take any contrary position regarding such allocation in any tax filing or contest.

3.2. Upon execution of this Agreement but no later than January 23, 2006, Buyer shall pay the amount of the Deposit to Seller or its designee.

3.3. At the Closing on the Closing Date, Buyer shall pay the balance of the Purchase Price to Seller by wire transfer of immediately available federal funds to a bank account to be designated by Seller in writing not less than two business days prior to the Closing Date.

SECTION 4 **CLOSING**

4.1. **Closing Date.** The Closing shall take place at 10:00 a.m. on the Closing Date at the offices of Evans & Mullinix, P.A., Shawnee, Kansas.

4.2. **Transfer of Assets.** At the Closing on the Closing Date:

a. Seller shall sell, assign, transfer and convey to Buyer (or its designee) all of Seller's right, title and interest in and to the Transferred Assets. Such sale, assignment, transfer and conveyance shall be effected or evidenced by delivery by Seller to Buyer of appropriate bills of sale, assignments and other documents reasonably acceptable in form and substance to Buyer and Seller. Buyer shall pay any applicable transfer, sales and use taxes on the transfer. All utility charges, rents and other amounts payable under leases, licenses and other contracts assumed by Buyer will be prorated as of Closing based on the most recent information available.

b. Buyer shall assume the Assumed Liabilities as provided in Section 2.2.

SECTION 5 **SELLER'S REPRESENTATIONS AND WARRANTIES**

Seller hereby represents and warrants to Buyer as follows (except as set forth on Exhibit C hereto, the "Disclosure Schedule"):

5.1. **Authorization for Agreement.** The execution, delivery and performance of this Agreement by Seller and the consummation of the transactions contemplated hereby will have been duly authorized by all necessary actions of Seller prior to the Closing, and this Agreement is, and any documents or instruments to be executed and delivered by Seller pursuant hereto will be, legal, valid and binding obligations of Seller enforceable in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, moratorium or similar laws from time to time in effect which affect creditors' rights generally and by legal and equitable limitations on the availability of equitable remedies.

5.2. **Organization.** Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Missouri. Subject to Bankruptcy Court approval, Seller has all requisite corporate power and authority to enter into this Agreement and to sell, assign, transfer and convey the Transferred Assets to Buyer under this Agreement. Except as set forth on the Disclosure Schedule, neither the execution and delivery of this Agreement nor the sale of the Transferred Assets by Seller requires the consent or approval of, the giving of notice to, registration, filing or recording with or the taking of any other action by Seller in respect of any federal, state or local governmental authority.

5.3. **Title to Properties.** Seller has, and at the Closing will transfer to Buyer, title to all of the Transferred Assets.

5.4. **No Litigation.** No suit, action or legal, administrative, arbitration or other proceeding or, to Seller's Knowledge, no investigation by any governmental agency, pertaining to the Transferred Assets, is pending or, to Seller's Knowledge, has been threatened by or against Seller which would be likely to have a material adverse effect on the material Transferred Assets.

5.5. **No Finder's Fee.** Seller has retained Alliance Management, Inc. (AMI) to manage the going concern sale of its assets. Any fees due AMI shall be in accordance with Section 2 of the Consulting Agreement between AMI and Seller and consistent with the disclosures contained in the Offering Memorandum.

SECTION 6 **REPRESENTATION AND WARRANTIES OF BUYER**

Buyer represents and warrants to Seller as follows:

6.1. **Authorization for Agreement.** The execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby will have been duly authorized by all necessary actions of Buyer prior to the Closing, and this Agreement is, and any documents or instruments to be executed and delivered by Buyer pursuant hereto will be, legal, valid and binding obligations of Buyer enforceable in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, moratorium or similar laws from time to time in effect which affect creditors' rights generally and by legal and equitable limitations on the availability of equitable remedies.

6.2. **Organization.** Buyer is a _____duly organized, validly existing and in good standing under the laws of the State of _____. Buyer has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby by Buyer requires the consent or approval of, the giving of notice to, registration, filing or recording with or the taking of any other action by Buyer in respect of any federal, state or local governmental authority.

6.3. **No Violation.** The execution and delivery of this Agreement by Buyer, and the performance by Buyer of its obligations hereunder, will not conflict with, violate or constitute a breach or default under the organizational documents of Buyer or any provision of any mortgage, trust indenture, lien, lease, agreement, instrument, court order, judgment or decree by which Buyer is bound.

6.4. **Finder's Fees.** Buyer has not employed or retained any broker, agent, finder or other party, or incurred any obligation for brokerage fees, finder's fees or commissions with respect to the transactions contemplated by this Agreement, or otherwise dealt with anyone purporting to act in the capacity of a finder or broker with respect thereto whereby Buyer or Seller maybe obligated to pay such a fee or a commission.

6.5. **No Litigation.** No suit, action or legal, administrative, arbitration or other proceeding or, to Buyer's Knowledge, no investigation by any governmental agency, is pending or, to Buyer's Knowledge, has been threatened by or against Buyer which would materially and adversely affect the ability of Buyer to consummate the transaction provided for in this Agreement.

6.6. **No Financing Contingency.** Buyer's obligations hereunder are not contingent upon procuring financing for the transaction contemplated hereunder.

6.7. **No Rights or Options to Purchase.** Buyer does not have, nor does any Affiliate of Buyer have, any interest in, right or option to purchase any of the Transferred Assets which arises or exists outside of the terms of this Agreement, and to the extent any such interest, right or option is possessed by Buyer or any Affiliate of Buyer, such interest, right and option is hereby waived by Buyer for itself and all Affiliates of Buyer.

SECTION 7 **COVENANTS OF SELLER**

7.1. **Seller's Chapter 11 Bankruptcy Case.** This Agreement and the transactions contemplated hereby are contingent upon the approval and authorization of the Bankruptcy Court, which approval and authorization shall be obtained prior to January 31, 2006.

7.2. **Access.** From and after the date of this Agreement until the Closing Date, Seller shall, upon reasonable advance notice, afford to Buyer's officers, independent public accountants, counsel, lenders, consultants and other representatives, reasonable access during normal business hours to the Transferred Assets and all records pertaining to the Transferred Assets. Buyer expressly acknowledges that nothing in this Section is intended to give rise to any contingency to Buyer's obligations to proceed with the transactions contemplated herein.

SECTION 8 **CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS.**

The obligations of Buyer at the Closing hereunder are subject, at Buyer's election, to the satisfaction on or prior to the Closing Date of the conditions set forth below. Notwithstanding the failure of any one or more of such conditions (other than the approval of the

Bankruptcy Court), Buyer may nevertheless proceed with Closing without satisfaction, in whole or in part, of any one or more of such conditions and without written waiver. To the extent that as of the Closing Date Buyer has Knowledge of the failure of any of such conditions or the breach by Seller of any of the representations or warranties contained in this Agreement and nevertheless proceeds with Closing, Buyer shall be deemed to have waived for all purposes any rights or remedies it may have against Seller by reason of the failure of any such condition or the breach of any such representation or warranty, provided that by proceeding with Closing Buyer shall not be deemed to have waived any rights or remedies it may have against Seller by reason of failure of any condition or for breach of any representation or warranty as to which Buyer does not have Knowledge as of the Closing Date.

8.1. **Representations and Warranties True.** The representations and warranties made by Seller in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as though such representations and warranties had been made or given on and as of the Closing Date.

8.2. **Compliance with Agreement.** Seller shall have performed and complied in all material respects with all of its obligations under this Agreement which are to be performed or complied with by it prior to or on the Closing Date.

8.3. **Condition of Transferred Assets.** The Transferred Assets shall be in substantially the same condition as the condition they are in on the date of this Agreement, ordinary wear and tear excepted.

8.4. **Bankruptcy Court Approval.** This Agreement and the transactions contemplated thereby shall have been approved by the Bankruptcy Court, as provided in Section 7.1, and the Bankruptcy Court shall have entered an order authorizing the sale of the Transferred Assets to Buyer free and clear of all liens, claims, encumbrances and interests.

SECTION 9 **CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS**

The obligations of Seller at the Closing hereunder are subject, at Seller's election, to the satisfaction on or prior to the Closing Date of the conditions set forth below. Notwithstanding the failure of any one or more of such conditions, Seller may nevertheless proceed with Closing without satisfaction, in whole or in part, of any one or more of such conditions and without written waiver. To the extent that as of the Closing Date Seller has Knowledge of the failure of any of such conditions or the breach by Buyer of any of the representations or warranties contained in this Agreement and nevertheless proceeds with Closing, Seller shall be deemed to have waived for all purposes any rights or remedies it may have against Buyer by reason of failure of any condition or the breach of any such representation or warranty, provided that by proceeding with Closing Seller shall not be deemed to have waived

any rights or remedies it may have against Buyer by reason of failure of any condition or for breach of any representation or warranty as to which Seller does not have Knowledge as of the Closing Date.

9.1. **Representations and Warranties True.** The representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as though such representations and warranties had been made or given on and as of the Closing Date.

9.2. **Compliance with Agreement.** Buyer shall have performed and complied in all material respects with all of its obligations under this Agreement which are to be performed or complied with by it prior to or on the Closing Date.

9.3. **Bankruptcy Court Approval.** This Agreement and the transactions contemplated hereby shall have been approved by the Bankruptcy Court as provided in Section 7.1.

SECTION 10 **POST CLOSING**

10.1. **Release.** Effective from the date of Closing and except as specifically provided for herein, Buyer hereby releases Seller and its Affiliates, direct and indirect, shareholders, directors, officers, employees and agents (collectively, the "Released Parties") from any and all liabilities, actions, rights of action, contracts, indebtedness, obligations, claims, causes of action, suits, damages, demands, costs, expenses and attorneys' fees whatsoever, of every kind and nature, known or unknown, disclosed or undisclosed, accrued or unaccrued, existing at any time, that Buyer, its successors or assigns, have or may have against any of the Released Parties, including, but not limited to, those arising directly or indirectly out of or as a consequence of the actual or suspected use, storage, handling, generation, transportation, manufacture, production, release, discharge, disposal or presence of "Hazardous Substances" on, in, under or about the Property or the air, soil or groundwater thereof by the Released Parties or any other person or entity, including, without limitation, any and all costs incurred due to any investigation of the Property or any cleanup, remediation, removal or restoration mandated by or pursuant to any Environmental Laws, and those arising from or related to, or in any way connected with, the Transferred Assets. Such release shall not include any fraudulent misrepresentation by Seller or Seller's failure to disclose a material fact that Seller was obligated to disclose to Buyer under the terms of this Agreement.

SECTION 11
SURVIVAL OF COVENANTS, AGREEMENTS,
REPRESENTATIONS AND WARRANTIES

The representations and warranties contained in this Agreement shall not survive the Closing; provided, however, that the provisions of Section 10 and all of Buyer's covenants, agreements and obligations contained in Sections 2.2 and 10 shall survive the Closing indefinitely.

SECTION 12
MISCELLANEOUS

12.1. **Expenses.** Each of the parties hereto agrees to be responsible for its own, without right of reimbursement from the other, costs incurred by it incident to the performance of its obligations hereunder, whether or not the transactions contemplated by this Agreement shall be consummated, including, without limitation, those costs incident to the preparation of this Agreement, and the fees and disbursements of legal counsel, accountants and consultants employed by the respective parties in connection with the transactions contemplated by this Agreement.

12.2. **Termination and Abandonment.** This Agreement may be terminated and abandoned as follows: (a) by mutual written consent of the parties hereto, (b) by Seller if the conditions precedent contained in Section 9 hereof have not been fulfilled on or prior to the Closing, (c) by Buyer if the conditions precedent contained in Section 8 hereof have not been fulfilled on or prior to the Closing Date, or (d) by either party if the approval of the Closing by the Bankruptcy Court is not obtained. In the event of termination by any party as provided above, written notice shall promptly be given to the other party and each party shall pay its own expenses incident to the preparation for the consummation of this Agreement and the transactions contemplated hereby. If the Closing does not occur due to a breach of this Agreement by Buyer, Seller may retain the Deposit, in addition to any other remedies available at law or in equity. If the Closing does not occur for any reason other than breach of this Agreement by Buyer, the Deposit shall be returned to Buyer. Buyer acknowledges and agrees that the only remedy for a breach of any representation or warranty made by Seller or any covenant required to be performed by Seller prior to the Closing, shall be Buyer's option to terminate this Agreement pursuant to and to the extent permitted by this Section 12.2.

12.3. **Inform of Litigation.** During the period from the date of this Agreement to the Closing Date, each party will promptly inform the other party in writing of any litigation commenced against such party in respect of the transactions contemplated by this Agreement.

12.4. **Assignment**. This Agreement shall not be assigned by either party without the prior written consent of the other party and any attempted assignment without such written consent shall be null and void and without legal effect.

12.5. **Governing Law**. This Agreement shall be governed by, construed and interpreted in accordance with the laws of the State of Kansas applicable to agreements made and to be performed entirely within such state, including all matters of construction, validity and performance.

12.6. **Amendment and Modification**. Buyer and Seller may amend, modify and supplement this Agreement in such manner as may be mutually agreed by them in writing.

12.7. **Notices**. All notices, requests, demands and other communications hereunder shall be deemed to be duly given if delivered by hand, if mailed by certified or registered mail with postage prepaid, if delivered by fax (with confirmation confirmed) or if sent by nationally-recognized overnight courier as follows:

If to Seller:

Steve's Shoes, Inc.
11333 Strang Line Road
Lenexa, KS 66215
Attention: Michael G. Yeager, President

With a copy to:

Evans & Mullinix, P.A.
7225 Renner Road, Ste. 200,
Shawnee, KS 66217
Attention: Thomas M. Mullinix and Joanne B. Stutz, Esqs

If to Buyer:

Attention:

With a copy to:

Attention:.

or to such other addresses as either party may provide to the other in writing.

12.8. **Entire Agreement**. Except for any confidentiality agreements between the parties (which shall survive the execution and delivery of this Agreement), this Agreement

cancel, merge and supersede all prior and contemporaneous understandings and agreements relating to the subject matter of this Agreement, written or oral, between the parties hereto and contains the entire agreement of the parties hereto, and the parties hereto have no agreements, representations or warranties relating to the subject matter of this Agreement which are not set forth herein.

12.9. **Successors.** This Agreement shall be binding upon and shall inure to the benefit of each of the parties hereto and to their respective successors and permitted assigns. In the event that a Chapter 11 trustee should be appointed for Seller, or in the event that Seller's Chapter 11 case should be converted to a case under Chapter 7, the obligations of Seller hereunder shall be binding upon such trustee or successor Chapter 7 estate.

12.10. **Counterparts.** This Agreement may be executed in one or more counterparts each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

12.11. **Headings.** The headings used in this Agreement are for convenience only and shall not constitute a part of this Agreement.

12.12. **Schedules.** All of the exhibits and schedules attached hereto are incorporated herein and made a part of this Agreement by reference.

12.13. **Jurisdiction.** During Seller's Bankruptcy Case, any suit, action or proceeding between the parties hereto relating to this Agreement or to any agreement, document or instrument delivered pursuant hereto or in connection with the transactions contemplated hereby, or in any other manner arising out of or relating to the transactions contemplated by or referenced in this Agreement, shall be commenced and maintained exclusively in the Bankruptcy Court. The parties hereto submit themselves unconditionally and irrevocably to the personal jurisdiction of such court. Subsequent to Seller's Bankruptcy Case, any suit, action or proceeding between the parties hereto relating to this Agreement or to any agreement, document or instrument delivered pursuant hereto or in connection with the transactions contemplated hereby, or in any other manner arising out of or relating to the transactions contemplated by or referenced in this Agreement, shall be commenced and maintained exclusively in the United States District Court for the District of Kansas, Kansas City, or if that court lacks jurisdiction over the subject matter, in a state court of competent subject matter jurisdiction sitting in Johnson County, Kansas. The parties hereto submit themselves unconditionally and irrevocably to the personal jurisdiction of such courts, as applicable. The parties further agree that venue shall be in the District of Kansas, Kansas City. The parties hereto irrevocably waive any objection to such personal jurisdiction or venue, including, but not limited to, the objection that any suit, action or proceeding brought in the District of Kansas, Kansas City, has been brought in an inconvenient forum.

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

**STEVE'S SHOES, INC.
Debtor in Possession**

By: _____
Michael G. Yeager, President

Seller

By: _____
Name:
Title:

Exhibits

- A Transferred Assets and Allocation of Purchase Price
- B Assumed Liabilities
- C Disclosure Schedule

Schedules

- 7.1 Auction and Bid Procedures

Exhibit A

Transferred Assets and Allocation of Purchase Price

[to be added]

Exhibit B

Assumed Liabilities

1. All claims asserted after the Closing regarding liabilities and obligations under or pursuant to any contracts included in the Transferred Assets (e.g., the store leases).
2. All claims arising from events, acts or the failure to act of Buyer occurring after the Closing regarding liabilities, obligations and responsibilities of the owner and/or operator of the Transferred Assets and business conducted thereon to own and/or operate the Transferred Assets and conduct the business conducted thereon in accordance with the requirements of all laws (federal, state and local), including, without limitation, those governing land use, zoning, worker safety and Environmental Laws.

Exhibit C

Disclosure Schedule

The assignment of certain leases may be subject to the consent or approval of the lessors. Buyer shall be responsible for negotiating with each landlord for each lease assigned to Buyer.

The sale of the Transferred Assets is subject to approval of the Bankruptcy Court.

Schedule 7.1

Auction and Bid Procedures