

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	NUNC PRO TUNC ASSIGNMENT
EFFECTIVE DATE:	06/09/2005

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
JSJ Corporation		06/09/2005	CORPORATION: MICHIGAN

RECEIVING PARTY DATA

Name:	Holjeron Corporation
Street Address:	9524 SW Tualatin-Sherwood Road
City:	Tualatin
State/Country:	OREGON
Postal Code:	97062
Entity Type:	CORPORATION: OREGON

PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
Registration Number:	2456652	MICROROLLER

CORRESPONDENCE DATA

Fax Number: (503)582-9166
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 5035820820
 Email: pshumway@holjeron.com
 Correspondent Name: Peter E. Shumway
 Address Line 1: 9524 SW Tualatin-Sherwood Road
 Address Line 4: Tualatin, OREGON 97062

NAME OF SUBMITTER:	Peter E. Shumway
Signature:	/Peter E. Shumway/
Date:	04/20/2007

OP \$40.00 2456652

Total Attachments: 15

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "**Agreement**") dated as of June 7, 2005, by and between MATTHEWS INTERNATIONAL CORPORATION, a Pennsylvania corporation ("**Buyer**"), and JSJ CORPORATION d/b/a SPARKS BELTING COMPANY, a Michigan corporation ("**Seller**").

WHEREAS, Seller desires to sell to Buyer and Buyer desires to acquire from Seller, upon the terms and subject to the conditions herein set forth, the assets related to Seller's Microroller motorized roller business and the goodwill associated therewith (the "**Business**"), as more specifically described herein;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and conditions herein contained, and intending to be legally bound hereby, Seller and Buyer hereby agree as follows:

ARTICLE I

PURCHASE AND SALE

1.01 Purchase and Sale of the Assets. Upon the terms and subject to the conditions of this Agreement, Seller agrees to sell, convey, assign, transfer, and deliver to Buyer, and Buyer agrees to acquire, purchase, and accept the following assets of Seller relating to the Business and the goodwill associated therewith:

(a) The equipment, machine tools, drawings, fixtures, testing equipment, and fixed Assets listed on Schedule 1.01(a);

(b) The patents, licenses, trademarks, trade names, Internet domain names, and related intellectual property listed on Schedule 2.05 (the "**Intellectual Property**");

(c) The books and records relating to the Business;

(d) Information concerning customers and prospective customers, identity of customers and prospective customers, customer lists, the Seller's sources of supply, and Seller's manuals;

(e) All inventory of the Business identified on Schedule 1.01(e) (the "**Initial Inventory**");

(f) All inventory of the Business in the possession of Seller, or in transit to Seller, at the time of Closing (as hereinafter defined) and not listed on Schedule 1.01(e) (the "**Subsequent Inventory**"; together with the Initial Inventory, the "**Inventory**"); provided, however, Buyer has specifically authorized, in writing, Seller's purchase of Subsequent Inventory outside of the ordinary course of business;

(g) All outstanding purchase orders submitted by Seller prior to the Closing (the "**Purchase Orders**"); provided, however, Seller has obtained express consent directly from Buyer for all Purchase Orders placed between the date this Agreement is signed by the parties and the Closing;

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(h) All outstanding customer orders accepted by Seller prior to the Closing in the ordinary and usual course of its business (the “**Customer Orders**”); and

(i) Any other assets, materials, or equipment used solely in the operation of the Business by the Buyer.

All of the aforesaid assets, rights, and interests to be sold and purchased hereunder are hereinafter collectively referred to as the “**Assets**.” Assets shall exclude all assets (tangible and intangible) not directly associated with the Business, cash, accounts receivable, and any amounts recoverable in respect to taxation and any other events attributable to periods prior to the Closing (as defined below).

1.02 Purchase Price; Payment.

(a) Upon the terms and subject to the conditions of this Agreement and in consideration of the sale, conveyance, assignment, transfer, and delivery of the Assets, Buyer agrees to pay to Seller an aggregate of One Million One Hundred Twenty One Thousand Two Hundred Ninety Four Dollars and 72/100 (\$1,121,294.72) (the “**Asset Cash Price**”), subject to adjustment as provided in Section 1.02(b) below. As additional consideration for the Assets and the undertakings provided in this Agreement, Buyer agrees that it will assume and agree to pay, satisfy and discharge, when due, the Assumed Liabilities (as defined below). The Asset Cash Price, as adjusted, plus the book value of the Assumed Liabilities, is referred to in this Agreement as the “**Purchase Price**.”

(b) The Asset Cash Price will be (i) increased on a dollar-for-dollar basis to the extent that the value of the Inventory as of the Closing Date is greater than \$496,294.72 and (ii) decreased on a dollar-for-dollar basis to the extent that the value of the Inventory as of the Closing Date is less than \$496,294.72. The Asset Cash Price as adjusted shall be called the “**Final Asset Cash Price**.” The Inventory shall be valued at Landed Cost. The term “**Landed Cost**” shall mean the purchase price of the product as identified on the supplier’s invoice, plus all commercially reasonable expenses associated with freight and delivery, including, but not limited to, any import tariffs. For purposes of this Section 1.02(b), the Inventory value shall not include the value of the AC and DC brushed Microrollers (the “**Slow Moving Products**”).

(c) The Final Asset Cash Price and payment for inventory in transit as of Closing will be paid as follows:

(i) At the Closing, Buyer shall promptly pay to Seller the Final Asset Cash Price, less \$50,000 in immediately available funds, by certified check or wire transfer.

(ii) Following Closing, Seller shall forward an invoice to Buyer for all inventory in transit. Seller shall forward all such inventory to Buyer FOB Grand Rapids, Michigan and payment shall be due upon Buyer’s receipt of invoice.

(iii) Buyer reserves the right to deduct from its payment of the invoices referenced in Section 1.02(c)(ii) above any of Seller’s liabilities relating to the transactions contemplated by this Agreement that Buyer did not assume but that it incurs prior to its receipt of an invoice.

(iv) A holdback of \$50,000 (the “**Holdback**”) shall be maintained by Buyer in Seller’s name in a non-specified liability account for a period not to exceed one year. Specifically, for a time not to exceed one year from the Closing,

Buyer shall document any warranty-related liabilities incurred by Buyer (including those associated with product warranty not covered by Kyowa Manufacturing Co., Ltd. (“**Kyowa**”)) after the Closing Date and relating to activities conducted by Seller in connection with the Business on or before the Closing Date that are not included in the Assumed Liabilities. All such liabilities documented by Buyer shall be disclosed to Seller in writing and shall be applied as a reduction from the \$50,000 non-specified liability account. Any funds remaining in the non-specified liability account at the end of the one-year warranty period shall, within two business days, be disbursed by Buyer to Seller by wire transfer in immediately available funds together with accrued interest at the rate of 1.5 percent.

(d) All Slow Moving Products, shall, at Seller’s discretion, either be returned to Kyowa for credit or consigned to Buyer for sale at Closing. The purchase price for any consigned product sold prior to October 1, 2005, by Buyer shall be the Landed Cost. For any consigned product not sold by October 1, 2005, the purchase price shall be 50 percent of the Landed Cost.

1.03 Closing. The closing (the “**Closing**”) of the transactions contemplated by this Agreement (including the execution and delivery of the certificates and other documents contemplated by this Agreement to satisfy, or to confirm the satisfaction of, the conditions precedent to the obligations of the parties hereto) shall take place on June 9, 2005. The date of the Closing is herein called the “**Closing Date**.” The Closing shall occur at a location mutually agreeable to the parties.

1.04 Closing Deliveries. Seller will, in exchange for the payment of the balance of the Purchase Price by Buyer pursuant to Section 1.02, duly execute and deliver to Buyer at the Closing such bills of sale, assignments, endorsements, and other good and sufficient instruments of conveyance and transfer reasonably satisfactory to Buyer (collectively, the “**Transfer Documents**”) as shall be effective to vest in Buyer all of Seller’s right, title and interest in and to the Assets. At the Closing (i) Buyer shall pay the Final Asset Cash Price, less the Holdback, and assume and agree to pay, satisfy and discharge, when due, the Assumed Liabilities and (ii) Seller will deliver to Buyer good and marketable title to the Assets, free and clear of all liens, claims and encumbrances. Title to all of the Assets and risk of loss shall pass to Buyer as of 11:59 p.m. on the Closing Date.

1.05 Further Assurances. After the Closing, Seller shall from time to time at the request of Buyer and without further cost or expense to Buyer execute and deliver such other instruments of conveyance and take such other action as Buyer may reasonably request in order to consummate the transactions contemplated hereby and to vest in Buyer title to the Assets being transferred hereunder.

1.06 Enumeration of Assumed Liabilities. At and after the Closing, Buyer shall assume and agree to pay or perform only the liabilities and obligations of Seller that arise out of the Business or the Assets and are expressly identified in this Section 1.06 (the “**Assumed Liabilities**”) or are represented by any other covenant, agreement, or indemnity of Buyer in this Agreement or the other agreements and instruments to be executed and delivered by Buyer in connection with this Agreement. Subject to the express exclusions set forth in Section 1.07 below, the Assumed Liabilities shall consist only of the following:

(a) All repair and replacement obligations arising out of or relating to the standard product warranty on products sold within one year prior to the Closing Date.

(b) All obligations relating to the New Kyowa Agreement (as defined in Section 1.09 below) and any obligations arising after Closing with respect to Seller's October 21, 1998 License & Distribution Agreement with Kyowa (as amended) (the "**Current Kyowa Agreement**") if and only to the extent that Buyer, Seller, and Kyowa consent to an assignment of such agreement.

(c) All obligations relating to the Purchase Orders and the Customer Orders.

1.07 Liabilities Not Assumed. Without in any way expanding the specificity and limitation of Section 1.06, Buyer shall not assume or be responsible for any of the following liabilities or obligations identified in this Section 1.07 (the "**Excluded Liabilities**"):

(a) Any liability or obligation of Seller of any kind, known or unknown, contingent or otherwise, not either enumerated as an Assumed Liability in Section 1.06 or resulting from any other covenant, agreement, or indemnity of Buyer in this Agreement or the other agreements and instruments to be executed and delivered by Buyer in connection with Agreement.

(b) Any liability or obligation of Seller for federal, state, or local income, franchise, property, sales, or use (to the extent arising from pre-Closing transactions), or recapture taxes, assessments, and penalties, whether arising out of the transactions contemplated by this Agreement or otherwise.

(c) Any liability or obligation resulting from violations of any applicable laws or regulations by Seller prior to the Closing Date or infringement of third-party rights or interests.

(d) Any liability relating to present and past employees of the Business with respect to plans, programs, policies, commitments, or other benefit entitlement established or existing on or prior to Closing (whether or not such liabilities are accrued or payable at Closing, and whether or not such liabilities are contingent in nature).

(e) Any liability or obligation for product liability, personal injury, or property damage claims arising out of defects in or failures of any product, program, or material of Seller or the Business manufactured, provided, distributed, licensed, sold, or delivered prior to the Closing Date, to the extent not fully covered by the applicable warranty provisions.

(f) Any liability or obligation associated with any assets other than the Assets.

(g) Any litigation pending or threatened against Seller or the Assets, or relating to the Business as of the Closing Date or arising out of events or transactions that occurred prior to the Closing Date.

1.08 Termination. If the Closing has not occurred on June 9, 2005, unless the parties otherwise agree in writing, this Agreement shall terminate and Buyer shall not be compelled to offer employment to Chris Taylor ("**Mr. Taylor**"). Upon termination of this Agreement, all confidential or proprietary information previously supplied to Buyer by Seller shall be returned to Seller, Seller shall retain no copies (electronic or otherwise) of such information, and this Agreement shall be null and void.

1.09 Agreements. At or prior to Closing, Buyer shall enter into (i) a signed employment contract with Mr. Taylor to be effective as of the Closing; and (ii) a signed agreement with Kyowa for the supply of product from Kyowa to Buyer effective as of the

Closing (the “**New Kyowa Agreement**”); provided, however, Buyer retains the right to waive either of the two (2) foregoing requirements set forth in this Section 1.09.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as follows as of the Closing:

2.01 Organization and Authority. Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of Michigan and has full corporate power and authority to own the Assets and to carry on the Business as and where such Assets are now owned and such Business is now conducted.

2.02 Absence of Conflicts. Neither the execution and delivery by Seller of this Agreement, the compliance by Seller with the terms and conditions hereof, nor the consummation by Seller of the transactions contemplated hereby will:

(a) Conflict with any of the terms, conditions or provisions of the constituent instruments of Seller;

(b) Violate any provision of, or require any consent, authorization, or approval under, any law or administrative regulation or any judicial, administrative, or arbitration order, award, judgment, writ, injunction, or decree applicable to, or any governmental permit or license issued to, Seller;

(c) Conflict with, result in a breach of, constitute a default under (whether with notice or the lapse of time or both), or accelerate or permit the acceleration of the performance required by, or require any consent, authorization or approval under, any indenture, mortgage, lien, lease, agreement, or instrument to which Seller is a party or by which it is bound or to which the Assets are subject, other than the consents and approvals required by this Agreement;

(d) Result in the creation of any lien, charge, or encumbrance upon any of the Assets, or

(e) Give to others any rights or interests (including rights of purchase, termination, cancellation, or acceleration), under any such indenture, mortgage, lien, lease, agreement, or instrument, which, with respect to the matters specified in clauses (b) through (e) of this Section 2.02 could reasonably be expected to delay, prevent, or hinder in any material respect the transactions contemplated hereby.

2.03 Title to Properties; Liens; Condition. All of the Assets are owned by Seller and, on the Closing Date, will be free and clear of any and all liens, mortgages, pledges, options, or other encumbrances (“**Encumbrances**”), excluding Encumbrances that would not result in a material adverse effect. No other person or entity has any right (including without limitation a right to use) to any of the Assets. Immediately prior to the Closing Date, the equipment included in the Assets will be operational and functional as set up in Seller’s facilities.

2.04 Binding Obligations. Seller has the corporate power and authority to execute and deliver and to perform its obligations under this Agreement. The execution and delivery by Seller of this Agreement, the performance by Seller of all the terms and conditions hereof to be performed by it and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Seller. This Agreement has been duly

executed and delivered by Seller and constitutes, assuming the due and valid execution hereof by Buyer, the legal, valid, and binding obligation of Seller enforceable against Seller in accordance with its terms, subject to bankruptcy, insolvency, or other similar laws of general application affecting creditors' rights and general principles of equity.

2.05 Intellectual Property.

(a) To the best of Seller's knowledge, Seller owns, free and clear of any claims of others, the Intellectual Property set forth on Schedule 2.05, excluding claims that would not result in a material adverse effect.

(b) To the best of Seller's knowledge, neither Seller nor any of its Affiliates (defined below) infringes or otherwise violates any patent, trademark, copyright, or other intellectual property right of any third party relating to any of the Assets or their use in connection with any process currently used or product currently made in the Business. As used in this Agreement, an "Affiliate" of any person shall mean any person in control over, under the control of, or under common control with such person.

(c) To the best of Seller's knowledge, no present or former employee of Seller has any claim against Seller with respect to any of the Intellectual Property.

(d) To the best of Seller's knowledge, and except to the extent licensed by Kyowa, the Intellectual Property set forth on Schedule 2.05 represents all such intellectual property necessary for the continued use of the Assets and operation of the Business as contemplated by the parties.

2.06 Compliance with Laws. To the best of Seller's knowledge, the Business is currently in material compliance with all applicable laws and regulations.

2.07 Equipment. Schedules 1.01(a) and 1.01(e) set forth a complete and accurate list of all material items of the equipment currently used in connection of the Business. The equipment is operational and functional and, to Seller's knowledge, there are no operational defects in the equipment. Buyer has had an opportunity to inspect the equipment. SELLER MAKES NO, AND EXPRESSLY DISCLAIMS ANY, WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE PHYSICAL CONDITION OR USE OF THE ASSETS, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

2.08 Warranty and Repair Expense. In the two (2) years preceding this Agreement, there have been no material product liability claims asserted against Seller with respect to the Business.

2.09 Financial Statements. Seller has delivered to Buyer true and complete copies of its financial records for sales within the Business for the year ended December 31, 2004, and through March 31, 2005. These statements present fairly and accurately the revenues of Seller with respect to the Business.

2.10 Contracts. Except to the extent listed on other Schedules, Schedule 2.10 is a list of all material contracts, licenses, or other agreements (including employment agreements, service agreements, sales representative, distributor or dealer agreements, insurance agreements, credit agreements, security agreements, and shareholder agreements) related to the operation of the Business. Seller has delivered to Buyer accurate copies of all such agreements that are in writing. Seller has also delivered to Buyer information about shipments within the year 2004. To Seller's knowledge, Seller is not in breach of any such agreement and no such agreement is in default or the subject of any notice of termination given, nor does Seller have reason to anticipate

any such default as notice or that the transaction herein contemplated will result in termination or default of any agreement, except for breaches, defaults, or notices that would not result in a material adverse effect.

2.11 Taxes. To Seller's knowledge, all taxes payable by Seller, including employee payroll withholdings, have been properly calculated and paid in full and on time. All tax returns required of Seller have been duly and timely filed, except for failures to file that would not result in a material adverse effect.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

3.01 Organization and Authority. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the Commonwealth of Pennsylvania and has full corporate power and authority to purchase and own the Assets and to enter into and carry out the terms and provisions of this Agreement.

3.02 Absence of Conflicts. Neither the execution and delivery by Buyer of this Agreement, the compliance by Buyer with the terms and conditions hereof, nor the consummation by Buyer of the transactions contemplated hereby will:

(a) Conflict with any of the terms, conditions, or provisions of the certificate of incorporation or bylaws of Buyer;

(b) Violate any provision of, or require any consent, authorization, or approval under, any law or administrative regulation or any judicial, administrative or arbitration order, award, judgment, writ, injunction, or decree applicable to, or any governmental permit or license issued to, Buyer; or

(c) Conflict with, result in a breach of, constitute a default under (whether with notice or the lapse of time or both), or accelerate or permit the acceleration of the performance required by, or require any consent, authorization, or approval under, any indenture, mortgage, lien, lease, agreement, or instrument to which Buyer is a party or by which it is bound or to which any of its property is subject, which, with respect to the matters specified in clauses (b) and (c) of this Section 3.02 could reasonably be expected to delay, prevent, or hinder in any material respect the transactions contemplated hereby.

3.03 Binding Obligations. Buyer has the corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery by Buyer of this Agreement, the performance by it of all the terms and conditions hereof to be performed by it and the consummation of the transactions contemplated hereby have been duly authorized and approved by all necessary corporate proceedings on the part of Buyer. This Agreement constitutes, assuming the due and valid execution hereof by Seller, the legal, valid, and binding obligation of Buyer enforceable against Buyer in accordance with its terms, subject to bankruptcy, insolvency or other similar laws of general application affecting creditors' rights and general principles of equity.

ARTICLE IV

COVENANTS

4.01 Restrictions on Competition. As an inducement for the parties to enter into this Agreement, the parties agree that, for a period of two years after the Closing: Buyer shall not, directly or indirectly, compete in whole or in part with the industrial belting and/or motorized pulley business of Seller. Seller shall not, directly or indirectly, engage in the manufacture or sale of Microroller motorized roller products unless such products are acquired from Buyer or an Affiliate of Buyer. Nothing herein, however, shall prohibit Buyer from engaging in any activities relative to power roller conveyors. The parties agree that this covenant is reasonable with respect to its duration, geographical area, and scope. If any court of record should finally adjudicate that the restraints provided for herein are too broad as to the area, activities, or time covered, said area, activities, or time covered may be reduced to whatever extent the court deems reasonable. In such event, the parties expressly agree that the covenants provided for herein shall be fully enforceable as to such reduced area, activities, or time, and such reduced numbers of parties.

4.02 Confidentiality. Seller hereby covenants and agrees that for a period of three (3) years after the Closing Date neither it nor any of its officers, directors, or employees will disclose or permit the disclosure to any person or use by any person of any confidential or proprietary information concerning the Business (other than pursuant to a court order or subpoena or as otherwise required by law), except to authorized representatives of Buyer. This obligation shall not apply to information which becomes generally available to the public other than as a result of a disclosure by Seller, its officers, directors, or employees.

4.03 Post-Closing Assistance - Seller.

(a) After the Closing, Seller will make its employees available to consult with Buyer, at reasonable times and to a reasonable extent, on technical, engineering, and marketing issues with respect to the Business.

(b) The timely relocation of the Business product line to Buyer shall require specific assistance from Seller and Seller shall within five business days of Closing:

(i) Disassemble and crate the purchased equipment and inventory for shipment to Buyer FREIGHT ON BOARD (F.O.B.) Grand Rapids, Michigan, during the week of June 13, 2005;

(ii) Disclose written re-assembly instructions for equipment; and

(c) Provide thirty-six (36) hours of professional instruction regarding the manufacturing process at Buyer's facility within ten (10) days of the Closing.

4.04 Post-Closing Assistance - Buyer. After the Closing, Buyer will assist Seller in the collection of all of Seller's accounts receivable relating to the Business. Specifically, Buyer shall ensure that all payments received from Seller's customers shall be applied first to Seller's accounts before being applied to Buyer's accounts, regardless of whether the customer has provided contrary instructions. In addition, Buyer shall not engage in any activity that could (i) impair the likelihood that Seller will be able to collect on an account or (ii) increase the likelihood that the collection will be delayed.

4.05 Access to Information. Seller shall give to Buyer and its counsel, accountants, consultants, and other representatives, at their sole expense and risk, reasonable access, during

normal business hours, to such properties, books, accounts, contracts, and records of Seller as are relevant to the Assets and the Business, and furnish or otherwise make available to Buyer all such information concerning the Assets and the Business or Buyer may reasonably request; provided, however, that Buyer's inspection of Seller's properties shall not include any destructive environmental sampling of any kind without Seller's prior written consent, and provided further that the confidentiality of any data or information so acquired shall be maintained as confidential by Buyer and its representatives.

4.06 Conduct of Business. Seller shall operate the Business only in the usual, regular, and ordinary manner as such Business was conducted prior to the date hereof and, to the extent consistent with such operation, use its commercially reasonable efforts until the Closing Date to: (i) preserve and keep intact the Business; (ii) keep available the services of Mr. Taylor; (iii) preserve its relationship with customers, suppliers, and others having material business dealings with Seller in connection with the Business; and (iv) not accelerate the payment of accounts receivable or liquidate inventory other than in the normal and ordinary course of business.

4.07 Warranty. The expense incurred by Buyer to satisfy any warranty and repair claims which precede this Agreement, excluding claims covered by Kyowa or other suppliers, shall be applied as a reduction from the \$50,000 non-specified liability account referenced in Section 1.02(c)(ii) of this Agreement; provided, however, that expenses included within the Assumed Liabilities shall not be so applied.

4.08 Pre-payment of Orders. Seller shall not receive any advance payments and/or collect any pre-payments from customers for any special orders, regardless whether the receipt of advance payment and/or the collection of pre-payments occur in the usual, regular, and ordinary course of business.

4.09 Shipments. At all times prior to Closing, Seller shall make shipments consistent with its standard delivery schedule and within the normal, ordinary, and customary course of business. Further, Seller shall assume responsibility for all costs, including expenses related to the payment of sales commissions, associated with orders it has invoiced prior to Closing.

4.10 Solicitation. Effective as of the Closing and for a period of twelve (12) months thereafter, neither party shall (nor shall either party cause its Affiliates to) solicit for employment or offer to hire any persons employed by the other party, excluding Mr. Taylor.

4.11 Consents. The parties shall use reasonable efforts to obtain the consents necessary to consummate the transactions contemplated by this Agreement all as identified on Schedule 4.11 (the "**Consents**").

4.12 Future Sales. Following the Closing, Seller may engage in sales of Micoroller motorized roller products as permitted by Section 4.01. When engaging in sales of such products with one another, Buyer shall sell such products to Seller at prices and on terms that are no worse than those prices and terms offered to its distributors who purchase similar volumes of similar products.

ARTICLE V
CONDITIONS

The obligations of the parties to close the transaction contemplated by this Agreement are subject to the fulfillment at the Closing of each of the following conditions:

5.01 Conditions to Buyer's Obligation to Close. The obligation of Buyer to close is subject to the fulfillment (either by satisfaction or by written waiver by Buyer), on or before the Closing Date, of the following conditions:

(a) *Representations and Warranties*. The representations and warranties of Seller set forth in this Agreement shall be true and correct both individually and in the aggregate in all material respects as of the Closing Date, except (i) for any such representations and warranties made as of a specified date, which shall be true and correct in all material respects as of such date; (ii) as expressly contemplated or permitted by this Agreement; and (iii) inaccuracies that have been waived in writing by Buyer.

(b) *Performance of Agreements and Covenants*. Each and all of the agreements and covenants of Seller to be performed and complied with pursuant to this Agreement on or before the Closing Date and the other agreements contemplated hereby shall have been duly performed and complied with by it in all material respects, and this Agreement shall have been duly executed and delivered.

(c) *Consents and Approvals*. Seller shall have obtained, and provided Buyer with executed copies of, the Consents identified on Schedule 4.11.

(d) *Intellectual Property*. Seller shall have executed and delivered, and shall have caused such other parties as Buyer reasonably requires to execute and deliver, appropriate documentation necessary to assign to Buyer the Intellectual Property set forth on Schedule 2.05.

(e) *Transfer Documents*. Seller shall have executed and delivered the Transfer Documents.

(f) *Release of Liens*. Seller shall have received a release of all liens in a form reasonably satisfactory to Buyer.

(g) *Act of God; Material Adverse Change*. There shall have occurred no act of God or destruction, which resulted in the loss or material adverse change to the Assets.

(h) *Arrangements with Employee*. Buyer shall have entered into employment arrangements with Mr. Taylor, including execution of an employment contract, satisfactory to Buyer in its sole discretion and in the form attached as Schedule 5.01(h).

(i) *Arrangements with Kyowa*. Buyer shall have entered into the New Kyowa Agreement.

(j) *Pre-authorized Orders*. All Purchase Orders for which consent is not required or for which consent has been obtained shall be transferred by Seller to Buyer at Closing.

5.02 Conditions to Seller's Obligation to Close. The obligation of Seller to close is subject to the fulfillment (either by satisfaction or by written waiver by Seller), on or before the Closing Date, of the following conditions:

(a) *Representations and Warranties.* The representations and warranties of Buyer set forth or referred to in this Agreement shall be true and correct both individually and in the aggregate in all material respects as of the Closing Date, except (i) for any such representations and warranties made as of a specified date, which shall be true and correct in all material respects as of such date; or (ii) as expressly contemplated or permitted by this Agreement.

(b) *Performance of Agreements and Covenants.* Each and all of the agreements and covenants of Buyer to be performed and complied with pursuant to this Agreement on or before the Closing Date and the other agreements contemplated hereby prior to the Closing Date shall have been duly negotiated, performed and complied with by it in all material respects, and this Agreement shall have been duly executed and delivered.

(c) *Certification.* On or immediately before Closing, Seller shall have received a certification from Mr. Taylor, in a form reasonably acceptable to Seller, in which Mr. Taylor certifies in his personal capacity that he is not aware of any misstatement, misleading statement, or other error or omission in Seller's representations and warranties contained in this Agreement.

(d) *Kyowa Consent.* Seller shall have received Kyowa's and Buyer's consent and agreement to assign the Current Kyowa Agreement to Buyer, in a form and manner reasonably acceptable to Seller and Buyer.

ARTICLE VI

SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

6.01 Survival of Representations and Warranties. All representations and warranties of the Parties shall survive for one year after the Closing Date; provided that there shall be no termination of any such representation or warranty as to which a claim has been asserted prior to the termination of such survival period and provided further that the representations and warranties regarding tax shall survive indefinitely. No investigation made by any Parties hereto (whether prior to, on, or after the Closing date) shall in any way limit the representations and warranties of the other Parties.

6.02 Indemnification by Seller. Seller hereby indemnifies and holds Buyer, and each of Buyer's affiliates, officers, directors, and employees (the "**Buyer Group**"), harmless from and against any and all claims, losses, expenses, damages, or liabilities ("**Damages**") arising out of or relating to any of the following: (a) the representations and warranties set forth in Article II of this Agreement not being true and correct on the Closing Date, or, with respect to any such representations and warranties made as at a specified date, as of such date; (b) any breach, violation, or nonperformance of a covenant to be performed hereunder on the part of Seller; (c) all obligations or liabilities relating to the Assets or the Business (including without limitation environmental and occupational safety and health matters) which arise out of circumstances occurring prior to delivery of the Assets (excluding the Assumed Liabilities); (d) any liability with respect to any federal, state, local, or foreign sales, use, income, or profits tax (or penalties or interest thereon) (collectively, "**Taxes**") payable with respect to the Business or the Assets for

periods prior to the Closing Date; (e) any claims for injuries to persons or property arising out of the use of any of the products of the Business manufactured or sold by Seller prior to the Closing Date; and (f) any other liabilities of Seller not expressly assumed herein.

6.03 Indemnification by Buyer. Buyer hereby indemnifies and holds Seller, and each of Seller's affiliates, officers, directors, and employees (collectively, the "Seller Group"), harmless from and against any and all Damages arising out of or relating to any of the following: (a) the representations and warranties set forth in Article III of this Agreement not being true and correct in all material respects on the Closing Date; (b) any breach, violation, or nonperformance of a covenant to be performed hereunder on the part of Buyer; (c) all obligations or liabilities which arise out of circumstances involving or relating to Buyer's ownership or use of the Assets or operation of the Business after the Closing; (d) any liability with respect to Taxes payable with respect to the Business or the Assets related to periods on and after the Closing Date and relating to the transactions contemplated by this Agreement; and (e) any claims for injuries to persons or property arising out of the use of any of the products of the Business manufactured or sold by Buyer following the Closing Date.

6.04 Indemnity Claims. Seller and Buyer shall promptly give notice to each other after either of them obtains knowledge of any claim, obligation, liability, or action for which indemnification may be sought hereunder or prompt written notice of the commencement of any legal proceedings for which indemnification may be sought hereunder, whichever occurs first; provided, that the failure to give such notice (other than notice of the commencement of such legal proceedings) shall not adversely affect any right of indemnification under this Agreement, except to the extent such failure actually prejudices the indemnifying party's ability to defend against such claim. The indemnifying party shall be entitled to control the defense of any such legal proceedings, through legal counsel reasonably satisfactory to the indemnified party, at the sole expense of the indemnifying party, and the indemnified party shall cooperate with the indemnifying party in the defense of such claim and shall have the right, but not the obligation, to participate in such defense at its own expense. If the indemnifying party elects not to direct such defense within 20 days after notice of such legal proceedings, then the indemnified party will have the right, at its own discretion, to direct such defense at the indemnifying party's sole expense. The indemnifying party shall have the right to compromise or settle, with the indemnified party's prior written approval, any claim or litigation regarding which it is directing the defense. In the event the indemnified party refuses to approve any compromise or settlement recommended by the indemnifying party which would have been concluded but for the indemnified party's failure to give approval, then the indemnifying party's liability to the indemnified party hereunder with respect to any such claim or litigation which would have been barred by such compromise or settlement shall not exceed the amount which the indemnifying party would have paid pursuant to said proposed compromise or settlement.

6.05 Survival; Limitations on Indemnification.

(a) All covenants and agreements contained in this Agreement shall survive the Closing without termination.

(b) The indemnification provided for in this Agreement shall be limited in the total aggregate amount to the amount of Purchase Price.

(c) Notwithstanding any other provision in this Agreement, Seller shall not be required to indemnify and hold harmless Buyer or Buyer's affiliates from Damages with respect to any breach or alleged breach of any representation or warranty made by Seller in this Agreement and/or Buyer shall not be able to charge Seller with liabilities pursuant to Sections 1.02(c)(ii) or 4.07 of this Agreement if: (i) on the date of this Agreement or the Closing Date, a Buyer Representative (as defined below) knows of facts that

constitute a breach of a representation or warranty of Seller in this Agreement and Buyer nevertheless closes the transactions contemplated by this Agreement; or (ii) after the Closing, Buyer or any of Buyer's employees, agents, advisers, or representatives disclose (except as required by law) to a third party or governmental or regulatory authority either the facts underlying or giving rise to the Damages claimed by Buyer or the existence of an underlying claim or right that the third party or governmental or regulatory authority may have against Buyer or Seller. "**Buyer Representative**" means any owner, director, officer, employee, agent, adviser, or other representative of Buyer.

(d) Notwithstanding any other provision in this Agreement, neither Buyer nor Seller shall be liable for any consequential damages, including loss of anticipated or expected profits, sustained by the other party as a result of any inaccuracy, breach, or nonperformance of the agreements, covenants, representations, or warranties made or to be performed pursuant to this Agreement.

(e) Any claim for indemnification brought pursuant to this Agreement must be brought within 12 months of the Closing Date. Claims for indemnification may not be made following such one year anniversary of the Closing Date.

6.06 Exclusive Remedies. The respective indemnity rights set forth in this article are intended to be the exclusive monetary remedies of the parties in connection with this Agreement and the transactions contemplated by this Agreement, except that nothing in this Agreement shall limit in any way the availability of specific performance, injunctive relief, or other equitable remedies to which a party may otherwise be entitled.

ARTICLE VII

MISCELLANEOUS

7.01 Expenses. Each party to this Agreement will pay all costs and expenses attributable to the performance of and compliance with all agreements and conditions contained in this Agreement to be performed or complied with by such party.

7.02 Entire Agreement; Modification; Waiver. This Agreement, including the exhibits, schedules, and appendices hereto, constitutes the entire Agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written. To the fullest extent permitted by law, unless otherwise expressly provided for herein, no supplement, modification, waiver, or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

7.03 Notices. All notices, consents, requests, reports, demands, or other communications hereunder (collectively, "**Notices**") shall be in writing and may be given personally, by registered or certified mail or by facsimile transmission (with a duplicate copy by mail):

If to Buyer:

Matthews International Corporation
Two North Shore Center
Pittsburgh, PA 15212-5851
Attention: Brian D. Walters, *Legal Counsel*

If to Seller:

Sparks Belting Company
3800 Stahl Drive SE
Grand Rapids, MI 49546
Attention: Steve Swanson, *President*

or to such other address or to such other person as the addressee party shall have last designated by notice to the other party. Notices given by registered or certified mail shall be deemed to have been given three days after being deposited in the mails with postage prepaid. All other Notices shall be deemed to have been given when received.

7.04 Counterparts. This Agreement may be executed in as many counterparts as may be deemed necessary and convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

7.05 Headings; Construction. The Article and Section headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provision hereof. As used in this Agreement: (i) the phrase “**material adverse effect**” means a material adverse effect on (a) the Business or Assets or (b) the ability of Seller to consummate the transactions contemplated by this Agreement; (ii) the phrase “**knowledge**” shall refer to the actual knowledge of Steve Swanson or Steve M. Bayus.

7.06 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Pennsylvania.

7.07 Severability. If any provision of this Agreement shall be held to be invalid or unenforceable, the remaining provisions hereof shall not be affected thereby and shall remain in full force and effect.

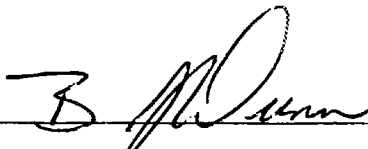
7.08 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, but neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other party, except that Buyer may assign this Agreement to a wholly-owned subsidiary of Buyer, provided that no such assignment shall relieve Buyer of its obligations under this Agreement.

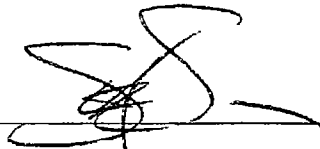
7.09 Arbitration. Except as otherwise provided herein, any dispute between the parties arising under this Agreement shall be resolved by binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association then in effect. Such arbitration shall be held in Pittsburgh, Pennsylvania, or at such other location as the parties may agree. Any such arbitration decision may be enforced in any court having jurisdiction over the party against whom such award has been entered.

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

MATTHEWS INTERNATIONAL CORPORATION

JSJ CORPORATION, d/b/a SPARKS BELTING COMPANY

By: 
Name: BRIAN DUNN
Title: PRESIDENT MPJ MATTHEWS

By: 
Name: STEVEN K. SPANSON
Title: JSJ Pres. 22nd