

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM369222

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	ASSIGNMENT OF THE ENTIRE INTEREST AND THE GOODWILL

## CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
DARIN DANIELSKI		03/04/2011	INDIVIDUAL:
DANIELLE IRELAND		03/04/2011	INDIVIDUAL:
DENNIS GILLETTE		03/04/2011	INDIVIDUAL:

## RECEIVING PARTY DATA

<b>Name:</b>	MATTHEWS INTERNATIONAL CORPORATION
<b>Street Address:</b>	Two North Shore Center
<b>City:</b>	PITTSBURGH
<b>State/Country:</b>	PENNSYLVANIA
<b>Postal Code:</b>	15212
<b>Entity Type:</b>	CORPORATION: PENNSYLVANIA

## PROPERTY NUMBERS Total: 8

Property Type	Number	Word Mark
Registration Number:	3455700	PICK-MAX2
Registration Number:	3455699	PICK-MAX
Registration Number:	3451314	SENSE-ME
Registration Number:	3442879	PICK-MAX AUTO
Serial Number:	78913075	LASER-PICK
Serial Number:	78384262	LASER-PUT
Serial Number:	78384250	LASER-PICK
Serial Number:	78243832	PICKMAX

## CORRESPONDENCE DATA

Fax Number: 4122810717

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

Phone: 412-454-5000

Email: DOCKETINGPGH@PEPPERLAW.COM

Correspondent Name: PEPPER HAMILTON LLP

Address Line 1: 500 GRANT STREET

Address Line 2: SUITE 5000

Address Line 4: PITTSBURGH, PENNSYLVANIA 15219-2507

TRADEMARK

<b>ATTORNEY DOCKET NUMBER:</b>	132258.13 AGREEMENT
<b>NAME OF SUBMITTER:</b>	Trevor L. Bannister, Reg. No. 66190
<b>SIGNATURE:</b>	/Trevor L. Bannister/
<b>DATE SIGNED:</b>	01/14/2016

**Total Attachments: 51**

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## STOCK PURCHASE AGREEMENT

*THIS STOCK PURCHASE AGREEMENT* (this "Agreement") is made this 4<sup>th</sup> day of March, 2011, by and between **Darin Danelski** ("Danelski"), **Danielle Ireland** ("Ireland"), **Dennis Gillette** ("Gillette") (Danelski, Ireland and Gillette shall each be referred to herein individually as a "Shareholder" or collectively as the "Shareholders") and **Matthews International Corporation**, a Pennsylvania corporation ("Buyer"). The Shareholders and Buyer may also be referred to herein either as a "Party" or collectively as the "Parties".

WHEREAS, Innovative Picking Technologies, Inc., a Wisconsin statutory close corporation (the "Company"), is in the business of developing, manufacturing and selling automated order fulfillment systems (the "Business"); and

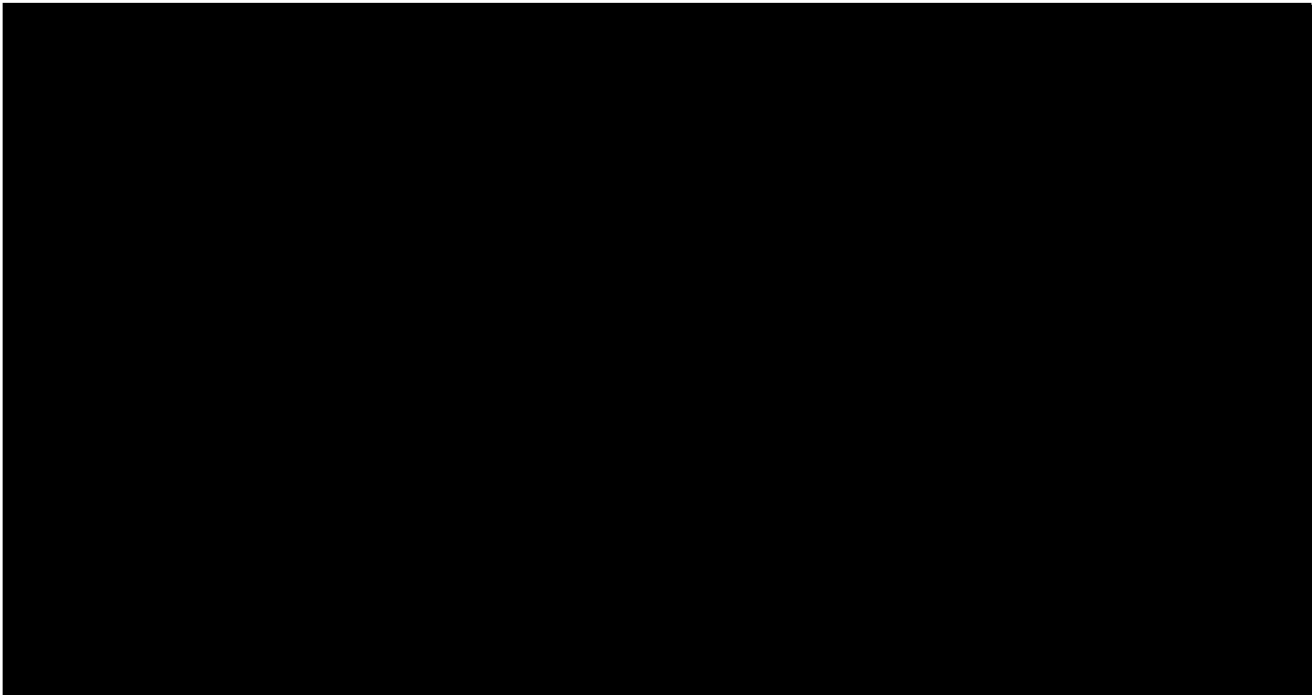
WHEREAS, the Shareholders are the sole and exclusive owners of one hundred percent (100%) of the issued and outstanding shares of the capital stock of the Company (the "Shares"); and

WHEREAS, the Shareholders desire to sell and Buyer desires to buy all of the Shares, which shall be conveyed, assigned, transferred and delivered by the Shareholders to Buyer pursuant to the terms and conditions of this Agreement.

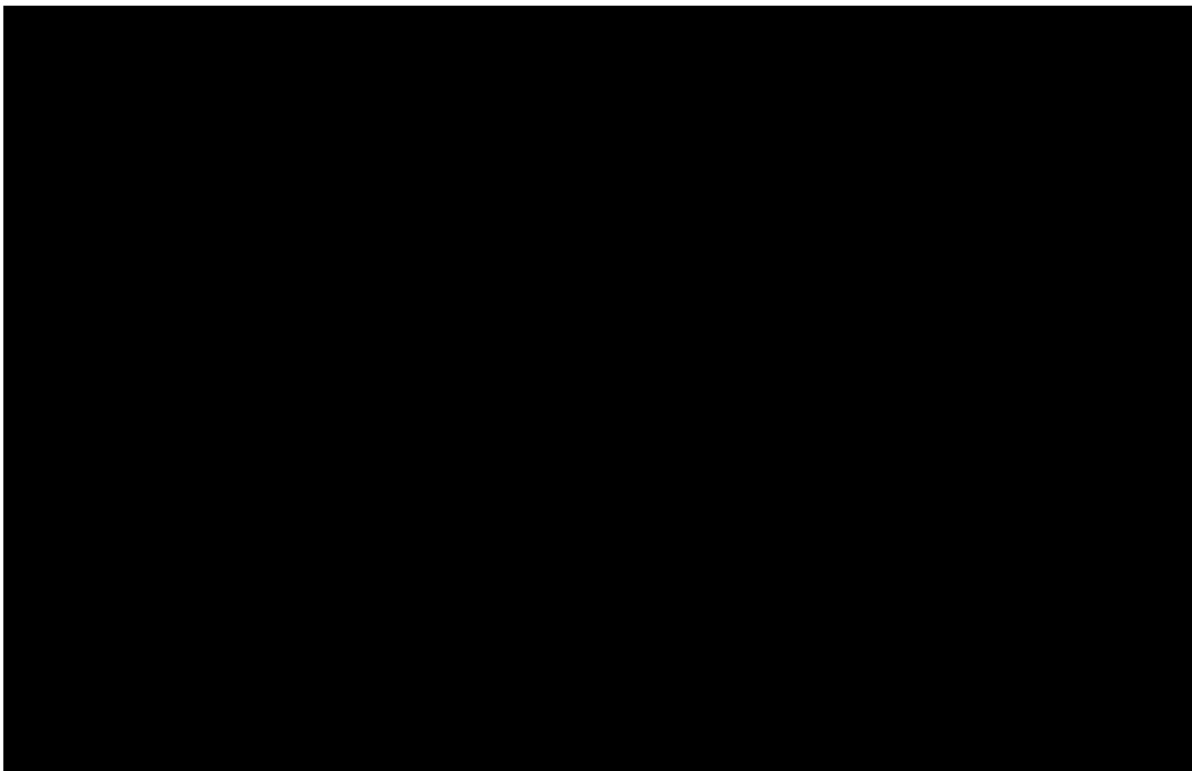
NOW, THEREFORE, in consideration of the mutual promises herein contained and the payments hereinafter provided, the Parties, intending to be legally bound hereby, agree as follows:

1. SALE AND PURCHASE. Subject to the terms and conditions of this Agreement, at the Closing (as subsequently defined herein), the Shareholders shall sell and transfer to Buyer and Buyer shall purchase the Shares from the Shareholders.

2. PURCHASE PRICE.



3. THE CONTINGENT CONSIDERATION.

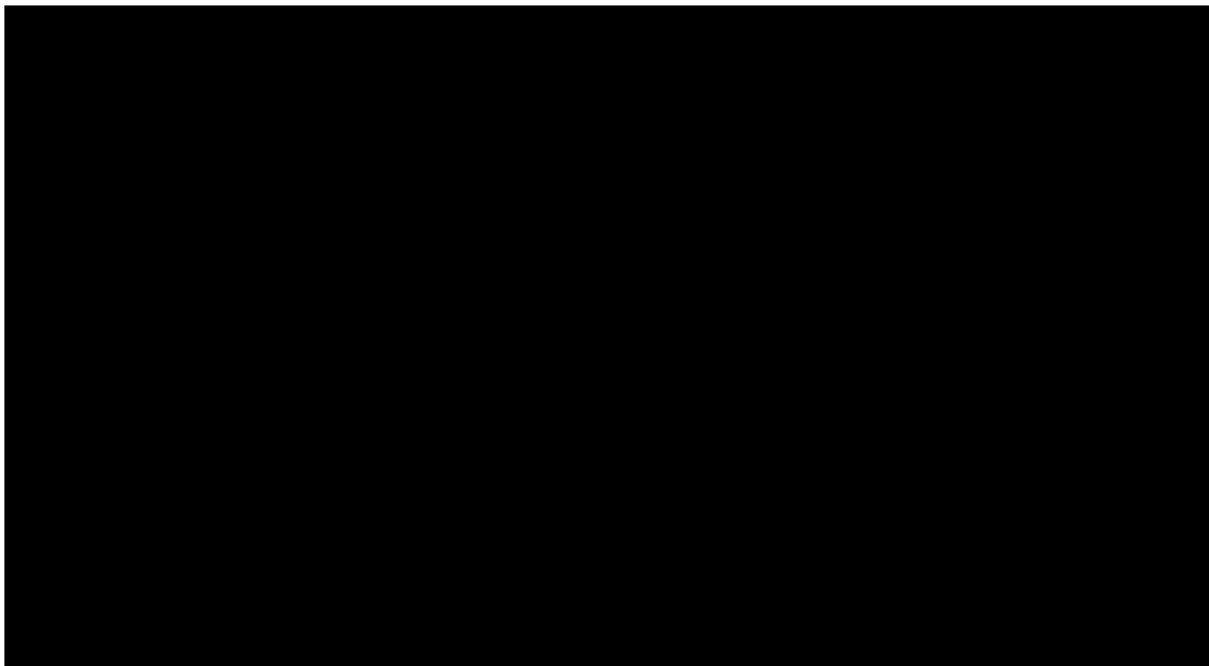


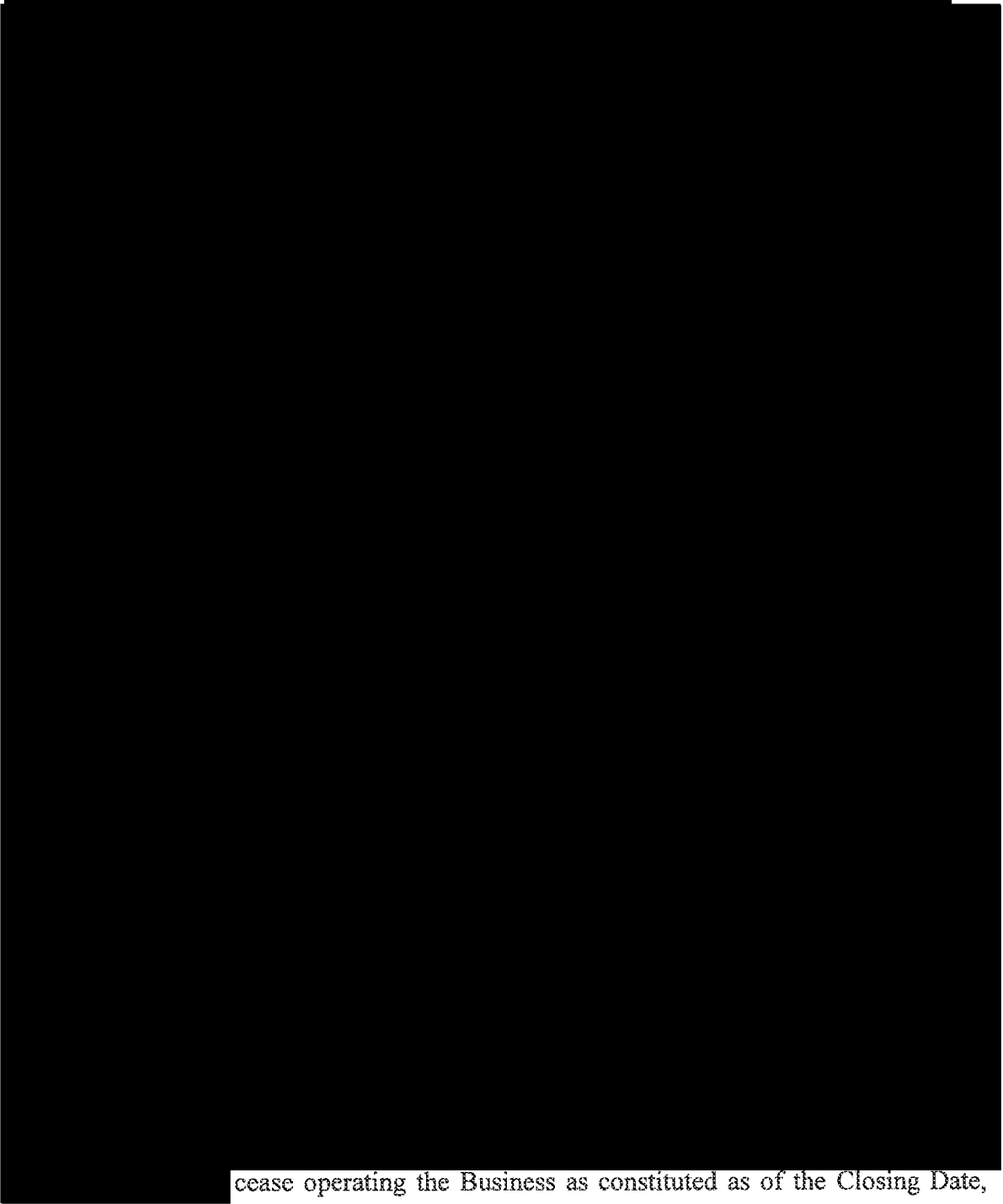
which Restated EBIT shall be calculated in accordance with the

practices historically employed by the Company and consistent with the components, guidelines and principles as are set forth on Schedule 3(b) hereto.

(b) The Restated EBIT calculations for the periods ended September 30, 2010, 2011 and 2012 [REDACTED]

[REDACTED] No later than forty-five (45) days after the end of the Earnout Period, Buyer shall furnish to the Shareholders a written statement accounting for, and describing in reasonable detail, the Restated EBIT for the fiscal years ending September 30, 2011 and September 30, 2012 and setting forth the amount, if any, of the Contingent Consideration due hereunder (the "Statement"). Not more than fifteen (15) days after the Shareholders' receipt of the Statement, the Shareholders shall either (a) accept such Statement by providing written notice to Buyer of such acceptance (the "Acceptance Notice") or (b) provide notice to Buyer that the Shareholders object to the Statement (the "Objection Notice"); *provided, however,* that if the Shareholders do not provide either an Acceptance Notice or an Objection Notice within such fifteen (15) day period, they shall be deemed to have accepted the Statement.



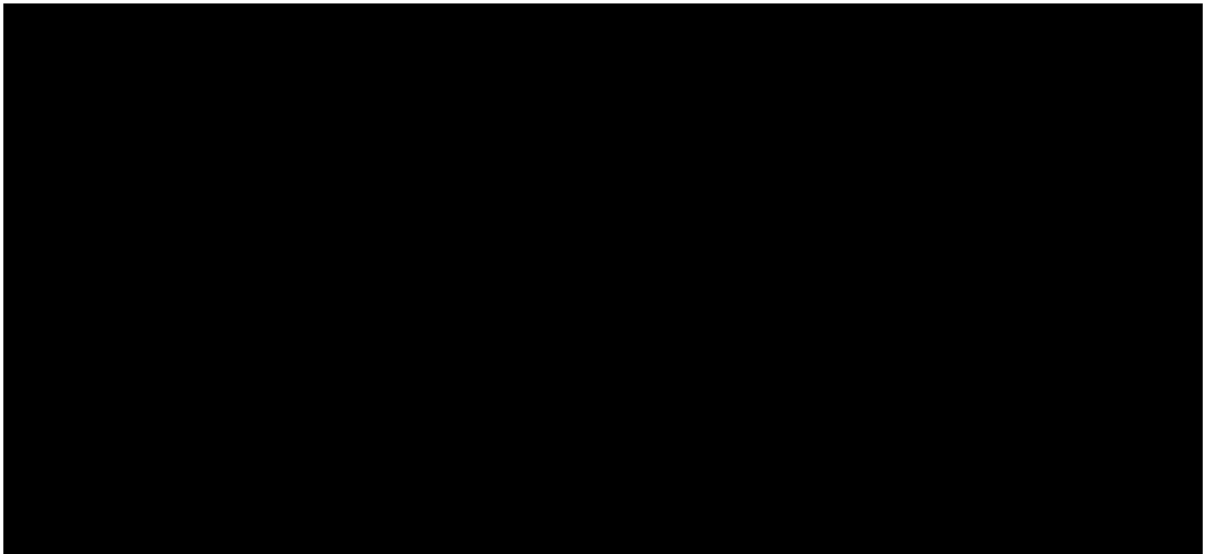
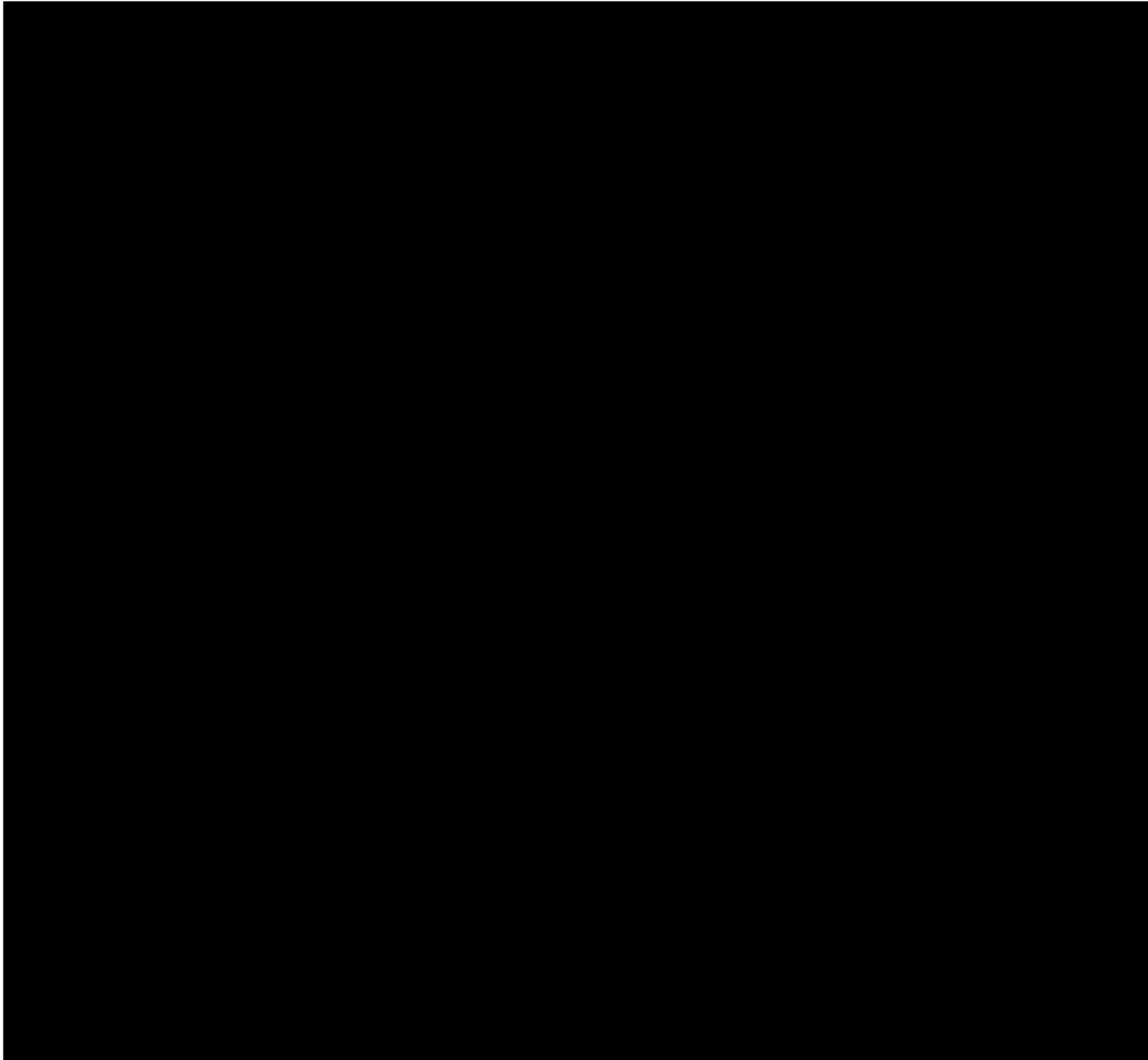


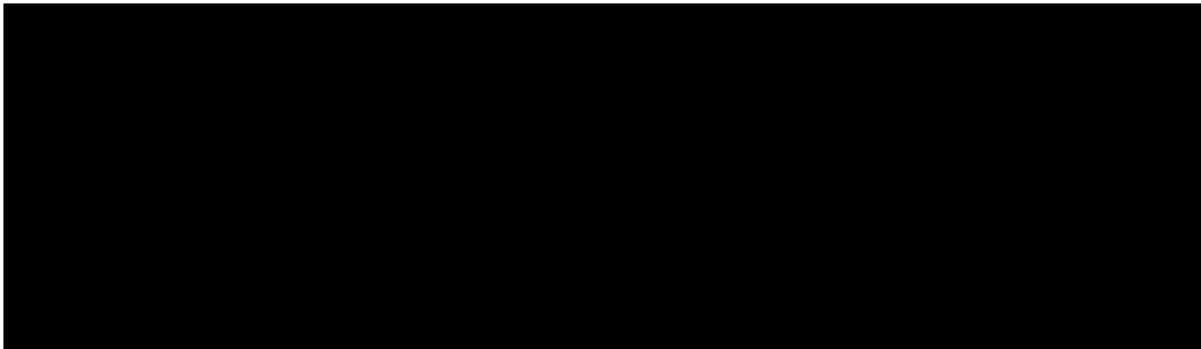
cease operating the Business as constituted as of the Closing Date, cease its use of any or all of the assets employed in operating the Business, sell or transfer substantially all of the assets or equity interests of the Company (whether through an equity sale, merger, combination or similar transaction) and/or cease to operate the Business as a stand-alone subsidiary of Buyer without the unanimous consent of the Shareholders.


(d) The Shareholders and their representatives shall have the right to review the books and records of Buyer with respect to the Company and the Business, under customary and reasonable confidentiality obligations (to be given by the Shareholders and their representatives in favor of Buyer) for the sole purpose of determining whether the Contingent Consideration is due under the terms of this Agreement, and Buyer will provide reasonable access, for a reasonable period of time, during normal business hours for the purpose of such review. Such review may be initiated only during the fifteen (15) day period immediately following receipt by the Shareholders of the Statement. The Shareholders shall complete such review within fifteen (15) days of receipt of or access to the requested books and records. Such review shall be conducted upon reasonable advance notice and in a manner which will not unreasonably interfere with the conduct of Buyer's business. Buyer shall make available to the Shareholders and their representatives as reasonably necessary after receipt of the request for review, its employees and officers, and provide access to its books and records (including work papers, schedules, memoranda and other documents), and all other information reasonably necessary to make a determination of whether payment of the Contingent Consideration is due hereunder, or the amount of such Contingent Consideration due hereunder. If, following the conclusion of such review by the Shareholders or their representatives, the Shareholders dispute the Statement, the Shareholders may, within ten (10) business days after the conclusion of such review, deliver a notice (a "Protest Notice") to Buyer setting forth any such disagreement, which notice shall specify in reasonable detail the nature and dollar amount (if reasonably calculable) of any disagreement so asserted. Buyer and the Shareholders will use commercially reasonable efforts to resolve any disagreements as to the calculation of the 2010 Restated EBIT and whether and in what amount the Contingent Consideration is due hereunder, but if they do not obtain a final resolution within fifteen (15) days after Buyer's receipt of the Protest Notice, Buyer and the Shareholders may seek such available remedies pursuant to the terms of this Agreement.

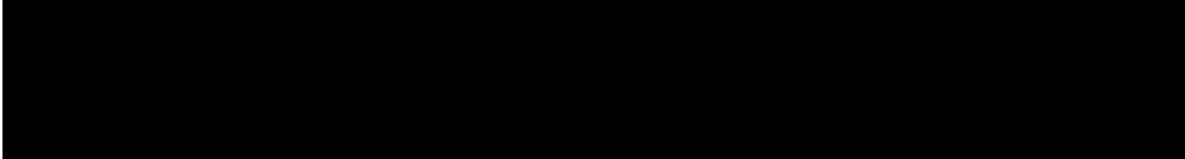
(e) 







(g) If Buyer fails to pay the Shareholders any undisputed portion of the Contingent Consideration, to the extent earned, when due hereunder, then, in addition to whatever remedies are available to a Shareholder hereunder or at law, 



4. CLOSING. The time and date of closing (the "Closing") of the transactions contemplated by this Agreement shall be at 10:00 AM (Eastern time) on March 4, 2011 (the "Closing Date"). The Closing shall take place at a location mutually agreed to in advance by the Parties or remotely by mail, telecopier, e-mail, and/or wire transfer, in each case to the extent acceptable to the Parties.

5. CLOSING DELIVERIES. At the Closing:

- (a) The Shareholders shall deliver to Buyer:
  - (i) a certificate dated as of a date within ten days of the Closing Date of the Department of Financial Institutions of the State of Wisconsin certifying that the Company is in active status under the laws of the State of Wisconsin;
  - (ii) a duly executed copy of the Escrow Agreement, signed by each Shareholder and the Escrow Agent;

(iii)



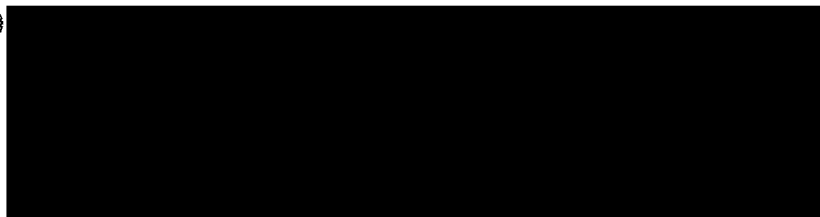
(iv) the certificates representing the Shares duly endorsed (or accompanied by executed stock powers) for transfer to Buyer, free and clear of all liens;

(v) the minute books, stock books, financial records and other corporate records of the Company;

(vi) copies of the Release Agreements substantially in the form of Exhibit C, executed by each Shareholder (collectively, the "Shareholder Releases");

(vii) a duly executed estoppel certificate or status letter from the landlord under the Real Property Lease certifying that (i) the Real Property Lease is valid and in full force and effect; (ii) the amounts payable by the Company thereunder and the date to which the same have been paid; (iii) whether there are, to the knowledge of said landlord, any defaults thereunder, and, if so, specifying the nature thereof; and (iv) that the transactions contemplated by this Agreement will not constitute a default under the Real Property Lease and that the landlord, in any event, waives any such default, if applicable;

(viii)



(ix) all such other documents and instruments that Buyer or its counsel shall reasonably request in connection with the consummation of the transactions contemplated by this Agreement.

(b) Buyer shall deliver:

- (i) the Purchase Price to the Shareholders and the Escrow Fund to the Escrow Agent;
- (ii) a certificate of the secretary of Buyer certifying [a] the incumbency and signatures of the officers of Buyer authorized to sign this Agreement and any documents in connection herewith and [b] the resolutions adopted by the board of directors of Buyer authorizing the purchase of the Shares in accordance with this Agreement and compliance with the terms hereof;
- (iii) duly executed copies of the Escrow Agreement (by Buyer and the Escrow Agent), and each Employment Agreement (by Buyer or the Company, as applicable); and
- (iv) all such other documents and instruments that the Shareholders or their counsel shall reasonably request in connection with the consummation of the transactions contemplated by this Agreement.

6. REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDERS. The Shareholders hereby, jointly and severally, represent and warrant the following to be true:

(a) *Organization and Good Standing.* The Company is duly organized, validly existing, and in good standing under the laws of the State of Wisconsin with corporate power and authority to conduct its business as it is now being conducted and to own or use the properties and assets that it purports to own or use. The Company is also qualified or licensed to do business in, and is in good standing under the laws of each foreign jurisdiction in which the operation of the Business or ownership of the Company's assets requires it to be so qualified or licensed, except where the failure to be so qualified or licensed would not reasonably be expected to have a material adverse effect on the Company.

(b) *Authority; No Conflict.* The Shareholders each have full capacity, right, power and authority to execute and deliver this Agreement and any other agreement necessary to consummate the transactions contemplated hereby. Accordingly, the Shareholders have full and absolute power and authority to sell, transfer and convey the Shares to Buyer free and clear of all liens, claims, rights of first offer or refusal, or encumbrances, except as provided on Schedule 6(b) but which restrictions will be waived and/or terminated on or prior to the Closing. Except as set forth on Schedule 6(b), neither the Company nor any Shareholder is bound by or subject to any contractual or other obligation (including, without limitation, a shareholder agreement or buy-sell agreement) with respect to the Shares or that would be violated by the Shareholders' execution or performance of this Agreement. Assuming the due and valid execution and delivery of this Agreement by Buyer, this Agreement constitutes the legal, valid, and binding obligation of the Shareholders, enforceable against each of them in accordance with its terms except that enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights. Upon the execution and delivery by the Shareholders of each agreement required to be executed or delivered by some or all of them at Closing (collectively, the "Shareholders' Closing Documents"), such agreement shall, assuming the due and valid execution by Buyer of such agreement, if applicable, constitute the valid and binding agreement of each of the Shareholders, as applicable, enforceable against each of them, as applicable, in accordance with its terms, except that enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights. The execution, delivery and performance of this Agreement and the Shareholders' Closing Documents, and the consummation of the transactions contemplated hereby and thereby (i) have been authorized by all necessary corporate (or other requisite) action on the part of the Company and/or the Shareholders, as applicable and (ii) will not result in a breach or give any governmental body or other person the right to challenge any of the transactions contemplated by this Agreement or to exercise any remedy in connection therewith. Except as set forth on Schedule 6(b), the Shareholders shall not be required to obtain any consent from any person in connection with the execution and delivery of this Agreement or the consummation of the performance hereof.

(c) *Share Ownership.* The Shareholders own the Shares free and clear of all claims, liens, mortgages, security interests, encumbrances and demands of any nature, and with no restrictions on voting rights, transfer rights and the other incidents of ownership pertaining to the Shares, except as provided in Sections 180.1801 through 180.1837 of the Wisconsin Business Corporation Law (“WBCL”) related to Wisconsin close corporations and except as provided on Schedule 6(b), each of which will be waived and/or terminated on or prior to the Closing. [REDACTED]

[REDACTED] All of the Shares were validly issued, and are fully paid and nonassessable and are owned beneficially, free and clear of all liens, subject to the personal liability which may be imposed on shareholders for former Section 180.0622(2)(b) of the WBCL for debts incurred prior to June 14, 2006 (for debts incurred on or after such date, Section 180.0622(2)(b) of the WBCL has been repealed).

(d) *No Conflict.* Except as set forth on Schedule 6(d), neither the execution nor the delivery of this Agreement by the Shareholders, the compliance by Shareholders with the terms and conditions hereof, nor the consummation by Shareholders of the transactions contemplated hereby shall:

- (i) conflict with any of the terms, conditions or provisions of the articles of incorporation or bylaws of the Company,
- (ii) 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 (including any operating permits or environmental permits held by the Company) or license issued to, or notice to or filing with a governmental body with respect to the Company,

- (iii) violate any legal requirement applicable to a Shareholder or the Company or by which any Shareholder, the Company or the Business is bound or affected,
- (iv) 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 the Company is a party or by which it is bound or to which any property of the Company is subject that is material to the Business,
- (v) result in the creation of any lien upon any of the Shares or the assets of the Company, or
- (vi) give to others any additional material rights or interests (including rights of purchase, termination, cancellation or acceleration), under any such indenture, mortgage, lien, lease, agreement or instrument.

(e) *Financial Statements.* The Shareholders have delivered to Buyer a true and complete copy of the Company's balance sheet for the year ended December 31, 2010, and the results of operations for the Company for the twelve (12) months ending on such date (collectively, the "Financial Statements"). The Financial Statements accurately and fairly present in all material respects the financial position of the Company with respect to the operations of the Business. The Financial Statements have been appropriately prepared from the books of the Company in accordance with the Company's accounting principles consistently applied throughout the periods involved except as may be noted therein.

(f) *Personal Property.* Except as set forth on Schedule 6(f), the Company has good and valid title to all of the personal property which is owned by the Company, and valid leasehold interests in all of the assets leased under personal property

leases. Except as set forth on Schedule 6(f), the personal property of the Company is in the possession or control of the Company and no other person has a right to possession or claims possession of all or any part of such personal property, except for the rights of lessors of assets leased under personal property leases. The personal property is in good working condition (subject to normal wear and tear) in accordance with the ordinary practice and standards of the Business.

(g) *Real Property Lease.* The real property lease agreement set forth on Schedule 6(g) (the "Real Property Lease") is valid and binding in all material respects upon the Company and the other party thereto, and is in full force and effect. All rent and other sums and charges payable by the Company as tenant thereunder are current (as reflected by the terms of the Real Property Lease) and will be current on the Closing Date. The Company has complied in all material respects with the terms of the Real Property Lease and, to the knowledge of the Shareholders, no termination event or condition or uncured default exists under the Real Property Lease. No event has occurred and no condition exists which, with the giving of notice or the lapse of time or both, would reasonably be expected to constitute a default or termination event or condition under the terms of the Real Property Lease. There are no consents of third parties necessary for the assignment or transfer of the Real Property Lease in connection with the transaction contemplated hereby, except as noted on Schedule 6(b).

(h) *Taxes.* The Shareholders and the Company have, in respect of the Business, timely filed any and all applicable tax returns (determined with regard to any timely extension) that are required to be filed with all local, county, state and federal authorities (the "Tax Returns"). All such Tax Returns were correct and complete in all material respects. All taxes owed by the Company or the Shareholders with respect to the Business or the Company (whether or not shown on any Tax Return) have been paid or an adequate liability has been established therefore on the Company's balance sheet. Neither the Shareholders nor the Company have received written notice of and have no knowledge of any tax deficiency proposed or threatened against any Shareholder or the Company in respect of the Business. No Tax Return, with respect to the Company or the



Business, is being audited nor have the Shareholders or the Company received any written notice of any audit or investigation related to taxes with respect to the Company or the Business. There are no liens in respect of unpaid taxes on any of the assets of the Company or the Business. The Shareholders have made available to Buyer copies of all Tax Returns filed by the Company since December 31, 2007. Neither a Shareholder nor the Company has given or been requested to give waivers or extensions of any statute of limitations relating to the payment of any tax of the Company or for which the Company may be liable. There is no tax sharing agreement that will require any payment by the Company after the date of this Agreement. The Company has made a provision for the estimated amount of all taxes that will be owed in connection with any Tax Return that is required to be filed by the Company after the Closing Date which relates to periods ending on or before Closing Date, such that the Company will have sufficient cash on hand to satisfy any such liability.

(i) *Employee Benefits.* Schedule 6(i) contains a complete list of all bonus, pension, stock option, stock purchase, benefit, welfare, profit sharing, retirement, disability, vacation, severance, hospitalization, insurance, incentive, deferred compensation and other similar fringe or employee benefit plans, funds, programs or arrangements, and all employment contracts or executive compensation agreements, in each of the foregoing cases which cover, are maintained for the benefit of, or relate to any or all employees of the Business, as of the date of this Agreement (the "Employee Plans"). The Company has maintained and operated each Employee Plan in material compliance with the plan documents and applicable laws relating to such Employee Plan. There is no action, (other than claims for benefits in the ordinary course) that is pending, or, to the knowledge of the Shareholders, threatened, with respect to any Employee Plan by any current or former employee, beneficiary, officer or director of the Company. The Company has incurred no unsatisfied liability to any governmental authority in connection with any Employee Plan. None of the Employee Plans is a multiemployer plan. The Company does not maintain, contribute to or have any liability for medical, health, life or other welfare benefits for present or future terminated or retired employees

of the Business (other than any welfare benefits provided in compliance with the Consolidated Omnibus Budget Reconciliation Act of 1985 or other similar law).

(j) *Compliance with Laws.* The operations of the Company and the Business are, and have been, conducted in all material respects in accordance with all applicable laws and legal requirements. The Company has not received written notice of, nor, to the Shareholders' knowledge, does there exist any set of facts or circumstances that is reasonably likely to give rise to, any violation by the Company of any applicable law or legal requirement.

(k) *Legal Proceedings; Orders.* There are no claims, actions, suits, proceedings or investigations pending or, to the knowledge of the Shareholders, threatened against either the Company or the Shareholders with respect to the Business, or with respect to the transactions contemplated by this Agreement. To the Shareholders' knowledge, there exist no set of facts or circumstances that would reasonably be expected to give rise to any such claims, actions, suits, proceedings or investigations against any of them or the Company.

(l) *Absence of Certain Changes and Events.* Except as set forth on Schedule 6(l) hereto, since December 31, 2010, there has not been:

- (i) any increase of any bonuses, salaries, or other compensation to any employee of the Business, except for increases occurring in the ordinary course of business consistent with past practices or as otherwise required by applicable law;
- (ii) any declaration and/or issuance of any dividends or other distributions of cash or other properties in respect of the Shares;
- (iii) any entry into any employment, severance, or similar contract or agreement;
- (iv) any change in the accounting methods used by the Company;
- (v) any creation of any liens with respect to the assets of the Company and/or the Business;

- (vi) any sale, transfer, pledge or other disposition of any material assets other than the sale of inventory in the ordinary course of business;
- (vii) any damage to, destruction or loss of any assets other than the sale of inventory in the ordinary course of business;
- (viii) any acquisition of any assets or properties other than in the ordinary course of business;
- (ix) except in the ordinary course of business, with respect to the Business, any execution, amendment, termination, waiver or cancellation of any agreement requiring the [REDACTED] or any termination, amendment, waiver or cancellation of any material right or claim of the Company under any such agreement;
- (x) any material change in policies, operations or practices of the Company, including selling methods, pricing, purchasing, production, personnel, returns, discounts or other non-price terms of sale;
- (xi) any commitment, whether legally binding or otherwise, to do any of the foregoing;
- (xii) any indication in writing, or to the knowledge of the Shareholders, any oral indication, by any customer or supplier of an intention to discontinue or change, in any material respect, the terms of its relationship with the Company; or
- (xiii) any development or event that would reasonably be expected to have a material adverse effect on the Company or the Business.

(m) *Contracts.* Schedule 6(m) contains a complete and accurate list of the following agreements, contracts or other binding obligations (the “Contracts”) entered into by either the Company or the Shareholders regarding the Business (the “Material Contracts”):

- (i) other than purchase orders or sales invoices/contracts entered into by the Company in the ordinary course of business, each Contract that involves the performance of services or delivery of goods or materials by the Company of an aggregate amount or value in excess of \$10,000 during any twelve (12) month period;
- (ii) other than purchase orders or sales invoices/contracts entered into by the Company in the ordinary course of business, each Contract that involves the performance of services or delivery of goods or materials to the Company of an aggregate amount or value in excess of \$10,000 during any 12 month period;
- (iii) the Real Property Lease;
- (iv) any personal property leases of the Company;
- (v) each Contract relating to the Intellectual Property Assets (as defined in Section 6(p) below) owned or used by the Company in the operation of the Business, other than routine confidentiality agreements entered into by the Company with its customers, vendors and distributors in the ordinary course of business;
- (vi) Contracts which involve sales or distribution arrangements with dealers, distributors or third parties;
- (vii) Contracts not made in the ordinary course of business;
- (viii) each joint venture, partnership agreement or other Contract (however named) involving a sharing of profits, losses, costs or liabilities by the Company and any third party;
- (ix) each Contract containing covenants that in any way purport to restrict the business activity of the Company or limit the freedom of the Company to engage in any line of business or to compete with any third party;
- (x) each Contract entered into other than in the ordinary course of business that contains or provides for an express

undertaking by the Company to be responsible for consequential damages;

- (xi) each written warranty, or other similar undertaking with respect to contractual performance extended by the Company other than in the ordinary course of business; and
- (xii) each other Contract or agreement not of the type referred to above that is otherwise material to the Business.

The Company has in all material respects performed all of the material obligations required to be performed by it in connection with the Business prior to the date hereof, and is not in default or alleged to be in default in any material respect, under any Material Contract listed on Schedule 6(m) or otherwise, and there exists no event, condition or occurrence which, after notice or lapse of time or both, is reasonably likely to constitute such a default. To the Shareholders' knowledge, no other party to any such Material Contract is in default in any respect of any of its obligations thereunder. Each of the Contracts listed on Schedule 6(m) is valid and in full force and effect and enforceable against the Company and, to the Shareholders' knowledge, the other parties thereto in accordance with their respective terms, except that enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights. The Shareholders have provided or made available to Buyer copies of each Material Contract listed on Schedule 6(m).

(n) *Environmental Matters.* The Company has obtained, and has made all appropriate filings for issuance or renewal of, all registrations, permits, licenses and other authorizations ("Environmental Permits") which: (i) are required to be obtained under any Environmental Law in order to operate the Business or (ii) relate to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of hazardous substances as defined under any Environmental Law (the "Hazardous Substances"). For purposes of this Agreement, "Environmental Law" shall mean any and all applicable federal, state and local law, rule, regulation, code and ordinance, binding determination, order, permit, license, injunction, writ, decree or ruling

of any governmental authority, relative to or that govern or purport to govern air quality, soil quality, water quality, subslab and indoor contaminant air vapors, wetlands, natural resources, solid waste, hazardous waste, hazardous or toxic substances, pollution or the protection of public health, human health or the environment, as each of these laws exists on the date hereof. The Company is in compliance in all material respects with: (i) all Environmental Permits; (ii) all other, limitations, restrictions, conditions, standards, prohibitions, requirements and obligations contained in any Environmental Laws as applicable to the Company or the Business; and (iii) all orders, decrees, judgments, injunctions, notices or demand letters applicable to the Company or the Business and issued, entered, or approved under any Environmental Laws. Neither the Company nor the Shareholders have received any written notice of, and there are no, past or present conditions, circumstances, activities, practices, incidents or actions of the Company relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of any Hazardous Substances or relating to any emission, discharge, release or threatened release into the environment of any Hazardous Substances which: (i) is reasonably likely to interfere with or prevent compliance or continued compliance by the Company with any Environmental Law or any Environmental Permit; (ii) are reasonably likely to otherwise give rise to any common law or legal liability of the Company or the Business; or (iii) are reasonably likely to otherwise form the basis of any claim, action, demand, suit, proceeding, hearing, study or investigation in connection with Environmental Laws, with respect to the Company or the Business. There is no civil, criminal or administrative action, suit, demand, claim, hearing, notice of violation, investigation or proceeding pending or, to the Shareholders' knowledge, threatened against the Company relating in any way to the disposal of any Hazardous Substances at any location that is in violation of any applicable Environmental Laws or Environmental Permits. There has been no release, spill, discharge, deposit, storage, burial or dumping (collectively, a "Release") of any Hazardous Substances in or on any real property owned, leased or otherwise controlled by the Company. All above-ground storage tanks located on any real property owned, leased or otherwise controlled by the Company have been used, maintained and, if applicable, removed, in material compliance with all applicable legal requirements. No real property owned, leased or

otherwise controlled by the Company is listed or proposed for listing on the National Priorities List pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, as amended, or the Comprehensive Environmental Response, Compensation and Liability Information System List or on any similar state list of sites requiring investigation or cleanup. Other than the Real Property Lease, the Company has not entered into any agreement that would reasonably require it to pay to, reimburse, guarantee, pledge, defend, indemnify or hold harmless any person for or against any environmental liability or costs.

(o) *Labor and Employee Relations.* The Company is not a party to any collective bargaining agreement or other labor contract. The Company has not experienced any material labor disputes, or any material work stoppage due to labor disagreements, and, to the Shareholders' knowledge, no material labor disputes or material work stoppages are threatened. The Company has not received written notice that there is any unfair labor practice, charge or complaint pending or, to Shareholders' knowledge, threatened against it before the National Labor Relations Board or any comparable state agency or authority. There is no labor strike, dispute, slowdown or stoppage actually pending or, to the Shareholders' knowledge, threatened against or affecting the Company. No question concerning representation has been raised or, to the Shareholders' knowledge, is threatened respecting the employees of the Company. No material labor grievance is pending or, to the Shareholders' knowledge, threatened against the Company. There are no current union organizing activities among the employees of the Company, and the Company is not a party to any collective bargaining agreement. Schedule 6(o) sets forth, for all of the employees of the Company, the names, titles and current rates of compensation (whether in the form of salaries, bonuses, commissions or other supplemental compensation now or hereafter payable) vacation accrued, and service credited for purposes of vesting and eligibility to participate in any of the Company's pension, retirement, profit-sharing, deferred compensation, stock bonus, stock option, cash bonus, severance pay, insurance, medical, welfare, vacation plan or any other employee benefit plan of the Company. There are no employment, severance or other compensation contracts and agreements relating to any such

employees. There are no material complaints, charges, arbitrations, controversies, grievances, lawsuits or other proceedings pending or, to the Shareholders' knowledge, threatened in any forum against the Company or the Shareholders (with respect to the operation of the Business) alleging breach of any express or implied contract of employment, any law or regulation governing employment or the termination thereof or other discriminatory, wrongful or tortuous conduct in connection with the employment relationship. No employee or Shareholder of the Company is a party to, or is otherwise bound by, any agreement or arrangement, including any confidentiality, non-competition or proprietary rights agreement between such person and a third party (a "Proprietary Rights Agreement") that in any way adversely affects or will adversely affect (i) the performance of his or her duties as an employee of the Company, or (ii) the ability of the Company to conduct its business. To the Shareholders' knowledge, no key employee of the Company intends to terminate his employment with the Company. No retired employee of the Company, or their dependents, is entitled to receive benefits or is scheduled to receive benefits in the future from the Company or under any employee benefit plan sponsored or maintained by the Company, other than any welfare benefits provided in compliance with the Consolidated Omnibus Budget Reconciliation Act of 1985 or other similar law.

(p) *Intellectual Property.* "Intellectual Property Assets" shall mean all registered and unregistered intellectual property of the Company, including patents, patent applications, inventions or discoveries that may be patentable, copyrights, trademarks, trade names, know-how, trade secrets, customer lists, confidential information, process technology, plans, drawings, each as owned, used or licensed by the Company. Except as set forth on Schedule 6(p), the Company's Intellectual Property Assets are owned by the Company free and clear of all encumbrances. The Company does not unlawfully or wrongfully use any Intellectual Property Assets in violation of the rights of any third party, or, to the Shareholders' knowledge, infringe upon the rights of third parties through its use of the Intellectual Property Assets. The Company is not in default under, nor has the Company received, within the past five (5) years, any written notice of any claim of infringement or any other claim or proceeding relating to any



Intellectual Property Assets. The Intellectual Property Assets are all those necessary for the operation of the Business as presently conducted. All former and current employees of the Company have executed written agreements with the Company that assign to the Company all rights to any inventions, improvements, discoveries or information relating to the Business. The Company has taken all reasonable precautions to protect the secrecy, confidentiality and value of Intellectual Property Assets.

(q) *Accounts Receivable.* All accounts receivable of the Company (the "Accounts Receivable") constitute legal, valid, binding and enforceable claims with respect to which the sale of goods has been completed in bona fide transactions in the ordinary course of business. An adequate reserve for doubtful accounts has been established and such reserve is consistent with both the operation of the Business in the ordinary course of business and the Company's past practice. To the Shareholders' knowledge, there is no contest, claim, defense or right of setoff, other than returns in the ordinary course of business, under any contract with any account debtor of an Account Receivable relating to the amount or validity of such Account Receivable.

(r) *Operating Permits.* Set forth on Schedule 6(r) hereto is a list of all material operating permits that are necessary to operate the Business as presently conducted by the Company (the "Operating Permits"). All Operating Permits have been duly and lawfully secured and are in full force and effect. There is no proceeding pending, or, to the Shareholders' knowledge, threatened or probable of assertion, to revoke or limit any Operating Permit. With respect to the renewal of the Operating Permits which were required to be renewed prior to the date hereof, the Company has made, in a timely manner, all filings, reports, notices and other communications with the appropriate governmental body, and, with respect to required renewals after the date hereof, the Company has otherwise taken, in a timely manner, all other reasonable actions, known or reasonably anticipated to be required to be taken, which are reasonably necessary to secure the renewal of the respective Operating Permits prior to the date of their respective expirations. The Company is in material compliance with all of the

Operating Permits. No consents are required to assign any of the Operating Permits pursuant to the transactions contemplated hereby.

(s) *Customers and Suppliers.* Schedule 6(s) hereto contains a true and complete list of (i) the ten (10) largest customers (in dollar volume) of the Company for the calendar year ending on December 31, 2010, and (ii) the ten (10) largest suppliers (in dollar volume) to the Company for the calendar year ending on December 31, 2010. To the Shareholders' knowledge, no such supplier, customer or creditor indicated on Schedule 6(s) hereto has terminated or, to the Shareholders' knowledge, threatened, or reasonably could be expected, to terminate or materially modify any of its relationships with the Company.

(t) *Inventory.* Subject to any reserves included in the Company's financial statements, all items of inventory of the Company (the "Inventory"), consist of a quality and quantity useable, and with respect to finished goods, saleable, in the ordinary course of business and are of a quality and quantity sufficient to enable Buyer to carry on the Business after the Closing as it has been currently conducted. All Inventory not written off has been priced on an average cost basis.

(u) *No Undisclosed Liabilities.* The Company has no liabilities except for (i) liabilities reflected or reserved against in the balance sheet dated December 31, 2010 (the "Balance Sheet Date"); (ii) liabilities incurred in the ordinary course of business after the Balance Sheet Date, consistent with the Company's prior practice; and (iii) liabilities or obligations (which are current) relating to contracts, agreements and leases which have arisen in the ordinary course of business, but in no event any liability or obligation arising out of any breach, nonperformance or defective performance by the Company of any such contract, agreement or lease.

(v) *Disclosure.* No representation or warranty or other statement made by the Shareholders in this Agreement or otherwise in connection with the transactions

contemplated hereby contains any untrue material statement or omits to state a material fact necessary to make any of them not misleading.

(w) *No Brokers.* Neither the Shareholders nor their agents have incurred any obligation, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement. In the event the Shareholders and/or the Company have incurred such obligations for brokerage or finders' fees or agents commissions or other similar payment in connection with this Agreement, such obligations and liabilities shall remain the sole and exclusive responsibility of the Shareholders.

(x) *Insurance.*

(i) The Shareholders have delivered to Buyer true and complete copies of all policies of insurance currently in effect to which the Company is a party or under which the Company, any director of the Company or any of the Company's assets are covered.

(ii) Schedule 6(x)(ii) describes: (a) any self-insurance arrangement maintained by the Company, including any reserves established thereunder; (b) any contract or arrangement, other than a policy of insurance, for the transfer or sharing of any risk by the Company; and (c) all obligations of the Company to third parties (other than under standard terms of conditions of sale or purchase entered into by the Company in the ordinary course of business) with respect to insurance (including such obligations under leases and service agreements) and identifies the policy under which such coverage is provided.

(iii) Schedule 6(x)(iii) sets forth, by year, for the current policy year and each of the three (3) preceding policy years, with respect to policies of insurance maintained by the Company: (a) a summary of the loss experience under each policy; (b) a statement describing each claim under an insurance policy for an amount in excess of \$10,000.00, which sets forth: (1) the name of the claimant; (2) a description of the policy by insurer, type of insurance, and period of coverage; and (3) the amount and a brief description of the claim; and

(c) a statement describing the loss experience for all claims that were self-insured, including the number and aggregate cost of such claims.

(iv) Except as set forth on Schedule 6(x)(iv): (a) all policies to which the Company is a party or that provide coverage to any Shareholder (with respect to the Business), the Company, or any director or officer of the Company: (1) are valid, outstanding, and enforceable; (2) are sufficient in all material respects for compliance by the Company with all applicable requirements of law and with the applicable requirements of all Material Contracts; and (3) do not provide for any retrospective premium adjustment or other experienced-based liability on the part of the Company.

(v) The Company has not received (a) any refusal of coverage with respect to any material aspect of the Business or any written notice that a defense will be afforded with reservation of rights, or (b) any written notice of cancellation or any other indication that any insurance policy is no longer in full force or effect or will not be renewed or that the issuer of any policy is not willing or able to perform its obligations thereunder.

(vi) The Company has paid all premiums due, and has otherwise performed all of its respective obligations, under each policy of insurance to which the Company is a party or that provides coverage to the Company or any director thereof.

(vii) The Company has given notice to the insurer of all claims that may be insured thereby, except where the Company has reasonably determined that the cost of pursuing such claim together with any increase in premiums or other costs or expenses would exceed the value of the claim.

7. REPRESENTATIONS AND WARRANTIES OF BUYER. Buyer hereby represents and warrants the following to be true:

(a) *Enforceability.* This Agreement and each other agreement and document to be executed by Buyer pursuant hereto when so executed, constitutes the valid and binding obligation of Buyer enforceable in accordance with its terms, except

that enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights.

(b) *Securities Matters.* Buyer is acquiring the Shares for its own account and not with a view to their distribution within the meaning of the Securities Act of 1933, or any similar state law.

(c) *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 own, operate and lease its respective properties and carry on its respective businesses as now conducted.

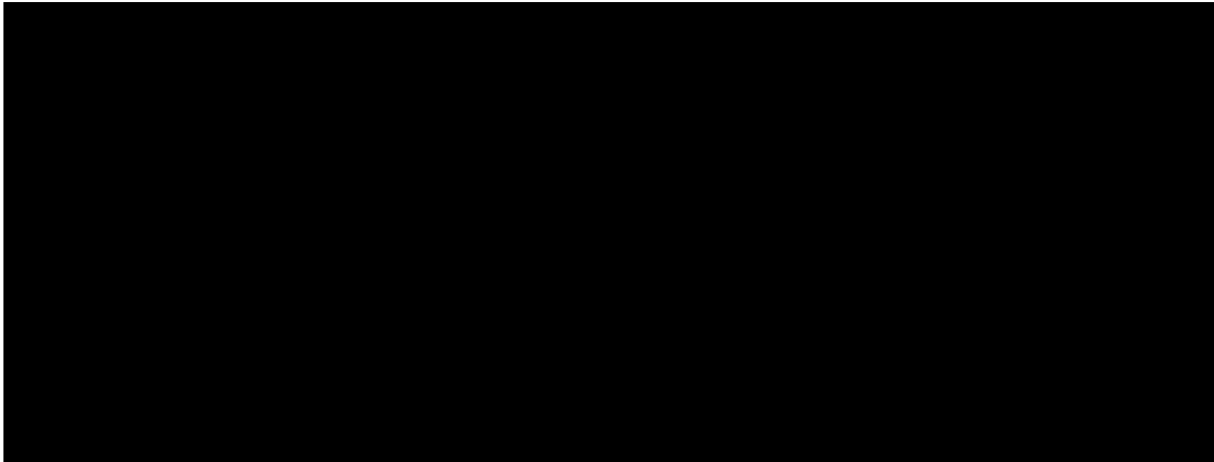
(d) *Binding Obligations.* Buyer has the corporate power and authority to execute and deliver and to perform its obligations under this Agreement. The execution and delivery by Buyer of this Agreement and each other agreement contemplated hereby, the performance by Buyer of all the terms and conditions 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 Buyer. This Agreement and each of other agreement contemplated hereby that Buyer is a party to has been duly executed and delivered by Buyer and constitutes, assuming the due and valid execution hereof by the Shareholders, 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. The execution and delivery of this Agreement and the other agreements to be executed and delivered pursuant to this Agreement and the consummation of the transactions contemplated hereby and thereby do not and will not, with or without giving of notice or the passage of time, conflict with, result in or constitute a breach, default, right to accelerate or loss of rights under, or result in the creation of any lien pursuant to, the terms or conditions of Buyer's Articles/Certificate of Incorporation or By-Laws, any law, rule, regulation, statute, order, judgment or decree applicable to Buyer or any contract agreement, lease, license or instrument to which Buyer is a party or by which Buyer or its business or assets are bound or affected.

(e) *Absence of Litigation.* There is no claim, action, suit, litigation, proceeding, arbitration, investigation or controversy of any kind pending against Buyer which contests the validity of this Agreement or the ability of Buyer to consummate the transactions contemplated by this Agreement.

(f) *Disclosure.* No representation or warranty or other statement made by Buyer in this Agreement or otherwise in connection with the contemplated transaction contains any untrue material statement or omits to state a material fact necessary to make any of them not misleading.

8. REPRESENTATIONS TO SURVIVE CLOSING. All of the representations and warranties of the Parties contained herein (including all statements contained in any exhibit or certificate or other instrument delivered by or on behalf of a party to the other party pursuant to this Agreement or in connection with the transactions contemplated by it) are a material part of the consideration for the sale of the Shares and the inducement for Buyer to buy the Shares from the Shareholders. All representations, warranties and agreements made by the Parties in this Agreement or in any certificate delivered pursuant hereto shall survive the Closing for the periods specified in Section 12(d) herein.

9. COVENANTS OF THE PARTIES



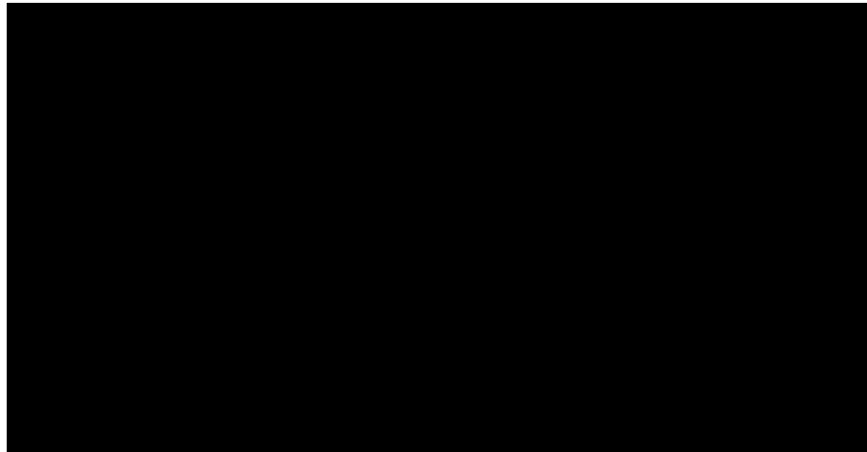
(b) *Employees.*

(i)



(ii)





(c) *Tax Returns.*

- (i) Following the Closing, the Company shall be responsible for preparing or causing to be prepared and timely filing with the appropriate governmental authorities all of the Company's federal, foreign, state and local Tax Returns that are due (regardless of when due) with respect to tax periods ending on or before the Closing Date. Following the Closing, the Company shall be solely responsible at its expense for preparing or causing to be prepared and timely filing with the appropriate governmental authorities all of the Company's federal, foreign, state and local Tax Returns that are due after the Closing Date with respect to all tax periods ending after the Closing Date. For any taxable period of the Company for which a Tax Return is to be filed by the Company after Closing in accordance with the terms of this Section that relates to a period ending on or before the Closing Date, Buyer shall promptly provide the Shareholders with copies of and the opportunity to comment upon all such tax returns at least 20 days before such Tax Return is filed. Buyer shall reasonably consider and incorporate all comments to such Tax Returns provided by the Shareholders, if any. Any amounts due on such Tax Returns to be filed by the Company after the



Closing relating to periods ending on or before Closing Date shall be liabilities of and paid by the Company; provided such amounts due on Tax Returns for periods ending on or before December 31, 2010 are available to the Company in order to satisfy such tax liabilities in accordance with the representations and warranties set forth in Section 6(h) above. Any amounts due on such Tax Returns to be filed by the Company after the Closing relating to periods ending after the Closing Date shall be liabilities of and paid by the Company.

- (ii) For the sole purpose of appropriately apportioning any taxes of the Company relating to a period that includes (but that would not end on) the Closing Date, the Company will, to the extent permitted by applicable law, elect with the relevant taxing authority to treat for all purposes the Closing Date as the last day of a taxable period. In the case where applicable law does not permit the Company to treat the Closing Date as the last day of a taxable period, then for purposes of this Agreement, the portion of such tax that is attributable to the Company for the part of such taxable period that ends on the Closing Date shall be (a) in the case of a tax that is not based or measured by income or receipts of the Company or that is not imposed in connection with any sale or other transfer or assignment of property or any other specifically identifiable transaction or event (or, in the case of such taxes determined on an arrears basis, the amount of such taxes for the immediately preceding period), the total amount of such tax for the full taxable period that includes the Closing Date multiplied by a fraction, the numerator of which is the number of days from the beginning of such taxable period to and including the Closing Date and the denominator of which is the total number of days in such full taxable period, and (b) in

the case of a tax that is based on or measured by income or receipts of the Company or imposed in connection with any sale or other transfer or assignment of property or any other specifically identifiable transaction or event, the tax that would be due with respect to such partial period, if such partial period were a full taxable period, apportioning income, gain, expenses, loss, deductions and credits equitably based on an interim closing of the books as of the end of the Closing Date. All determinations necessary to give effect to the foregoing allocations shall be made in a manner consistent with the prior practices of the Company.

- (iii) Buyer and the Shareholders shall reasonably cooperate, as and to the extent reasonably requested by any other Party, in connection with the furnishing of information relating to and the filing of Tax Returns of the Company and any audit, litigation or other proceeding with respect to taxes, including with respect to any pre-Closing tax period. Such cooperation shall include signing any return, claims or other documents necessary to settle any tax controversy, the retention and (upon any other Party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.
- (iv) If any taxing authority asserts a claim, makes an assessment or otherwise disputes or affects the tax reporting position of the Company for taxable periods ending on or prior to the Closing Date (including that portion of a taxable period ending on the Closing Date), Buyer shall, promptly upon receipt by Buyer of notice thereof, provide written notice to the Shareholders

thereof. Buyer shall have the right to represent and control the interests of the Company in any tax audit or administrative or court proceeding relating to taxable periods of the Company which end on or before the Closing Date and to employ counsel of its choice; *provided, however*, that the Shareholders shall have the right to participate in, and consult with Buyer regarding, any such contest that may affect the Company for any periods ending on or before the Closing Date and *provided, further*, that any settlement or other disposition of any such contest may only be with the written consent of the Shareholders.

- (v) Except as provided herein, required by law, or with the prior written consent of the Shareholders, which consent shall not be unreasonably withheld, delayed or conditioned, the Company shall not make or change any election, change an annual accounting period, adopt or change any accounting method, file any amended tax return, enter into any closing agreement, settle any tax claim or assessment, surrender any right to claim a refund of taxes, consent to any extension or waiver of the limitation period applicable to any tax claim or assessment, or take any other similar action relating to the filing of any tax return or the payment of any tax, if such election, adoption, change, amendment, agreement, settlement, surrender, consent or other action would have the effect of materially increasing the tax liability of the Company for any period ending on or before the Closing Date or materially decreasing any tax attributes of the Company existing on the Closing Date.

10. INDEMNIFICATION.

(a) *Survival.* Subject to Section 10(d), all representations, warranties, covenants, and obligations in this Agreement (including the Schedules hereto), and any other certificate or document delivered pursuant to this Agreement will survive the Closing Date for the duration of the Indemnity Period (as defined in Section 10(d) below). The right to indemnification, reimbursement or other remedy based upon such representations, warranties, covenants and obligations shall not be affected by any investigation (including any environmental investigation or assessment) conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing, with respect to the accuracy or inaccuracy of or compliance with any such representation, warranty, covenant or obligation. The waiver of any condition contained herein based upon the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, reimbursement or other remedy based upon such representations, warranties, covenants and obligations.

(b) *Indemnification and Payment of Damages by Shareholders.* Subject to Sections 10(d) through 10(f) hereof, the Shareholders will, jointly and severally, indemnify, defend and hold harmless Buyer, the Company and their representatives, employees, officers, directors, and affiliates (collectively, the "Buyer Indemnified Persons") for, and will pay to such Buyer Indemnified Persons the amount of, any loss, liability, claim, damage or expense (including costs of investigation and defense and reasonable attorneys' fees), whether or not involving a third-party claim (collectively, "Damages"), arising, directly or indirectly, from or in connection with the following:

- (i) any breach of any representation or warranty made by the Shareholders in this Agreement or in any certificate or other document delivered by the Shareholders to Buyer pursuant to this Agreement;

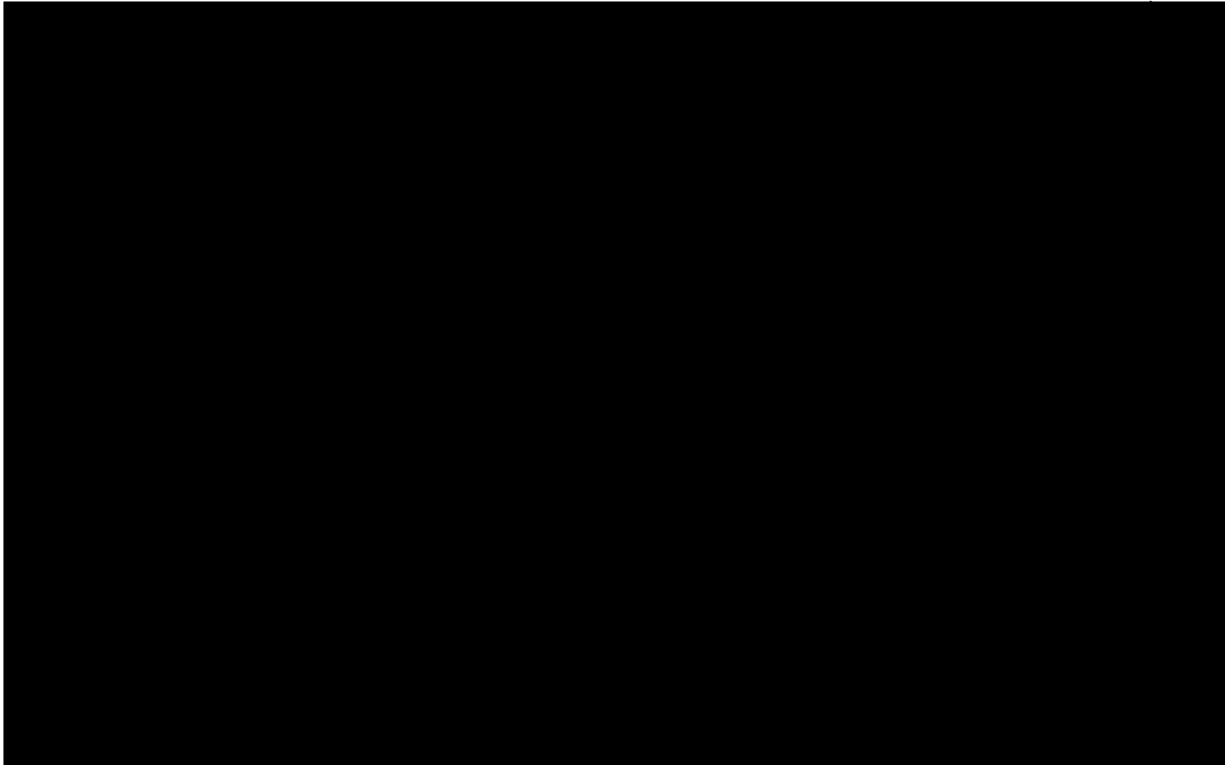
- (ii) any breach by the Shareholders of any covenant or obligation of the Shareholders in this Agreement or in any certificate or other document delivered by the Shareholders to Buyer pursuant to this Agreement;
- (iii) any product liability, product warranty or product recall claim related to any product shipped or manufactured by, or any service provided by, the Company prior to the Closing Date to the extent all such claims exceed the amount of the reserve on the Company's financial statements;
- (iv) the Release, presence, generation, emission, storage, treatment, transport or disposal of any Hazardous Substances from, at, on or under any real property owned, leased or otherwise controlled by the Shareholders or the Company on or before the Closing Date; or
- (v) Damages arising under Environmental Laws for acts or omissions by the Shareholders or the Company with respect to the operation of the Business occurring on or before the Closing Date.

(c) *Indemnification and Payment of Damages by Buyer.* Subject to Sections 10(d) through 10(f), Buyer will indemnify and hold harmless the Shareholders (collectively, the "Seller Indemnified Persons") and will pay to such Seller Indemnified Persons the amount of any Damages arising, directly or indirectly, from or in connection with the following:

- (i) any breach of any representation or warranty made by Buyer in this Agreement or in any certificate or other document delivered by Buyer to the Shareholders pursuant to this Agreement;
- (ii) any breach by Buyer of any covenant or obligation of Buyer in this Agreement or in any certificate or other

document delivered by Buyer to the Shareholders pursuant to this Agreement; and

- (iii) any claim asserted against any Seller Indemnified Person by a third party as a result of the operation of the Business after the Closing Date by Buyer and for which no Buyer Indemnified Person has a claim hereunder against any Seller Indemnified Person.



(e) *Right of Setoff; Escrow.*

- (i) Payment. The Escrow Fund shall be used to satisfy the indemnification obligations of the Shareholders under this Section 10 in the following manner:

A. The Buyer Indemnified Persons shall proceed first against the Escrow Fund pursuant to the Escrow Agreement, until such time as either (i) the Buyer Indemnified Persons have made claims under the Escrow

Agreement in the aggregate equal to or greater than the Escrow Fund, or (ii) the Escrow Fund has been otherwise distributed pursuant to the terms of the Escrow Agreement.

B. After the occurrence of either condition described in Section 10(e)(i)(A) above, the Buyer Indemnified Persons, or any of them, shall be entitled to proceed directly against the Shareholders for all claims for indemnification under this Section 10. Notwithstanding the foregoing, if the Buyer Indemnified Persons have made claims under the Escrow Agreement in the aggregate equal to or greater than the Escrow Fund, the Buyer Indemnified Persons shall nevertheless have the right, but not the obligation, to proceed against the Escrow Fund in connection with additional claims for indemnification under this Section 10 until such time as all amounts held in the Escrow Fund have been distributed pursuant to the terms of the Escrow Agreement.

- (ii) Setoff. After compliance with the provisions of Section 10(e)(i) above, but subject to the procedures set forth in this Section 10(e)(ii), Buyer shall also be entitled to offset against any payments due to the Shareholders under this Agreement (including with respect to the Contingent Consideration), any amounts due pursuant to the Shareholders' obligation to indemnify the Buyer Indemnified Persons under this Section 10 and such offset amounts shall be deemed a payment against such obligations and shall not trigger a default under this Agreement. Buyer shall provide the Shareholders a written notice of its intent to offset any payments due the

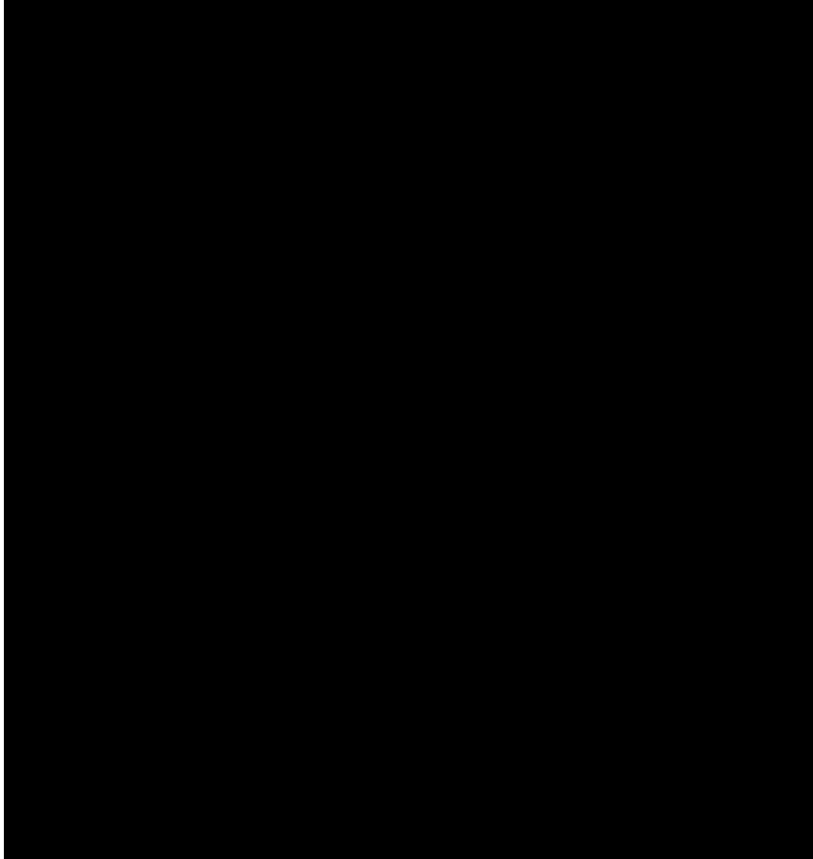
Shareholders specifying in reasonable detail the basis for the offset and Buyer's calculation of the amount of such offset (the "Offset Notice"). If the Shareholders dispute Buyer's exercise of its offset right, then the Shareholders shall furnish Buyer an objection notice within 15 days of the Shareholders' receipt of the Offset Notice specifying in reasonable detail the basis for any such dispute. If the Shareholders do not deliver a dispute notice in response to Buyer's exercise of its Offset Notice within such 15 day period, then Buyer shall be entitled to offset against any payments due the Shareholders hereunder, the amounts so specified in the Offset Notice. Any disputed items stemming from Buyer's Offset Notice shall be resolved in accordance with the procedures set forth herein. No amounts otherwise due and payable to the Shareholders hereunder need be paid after the Offset Notice is given until such time as the dispute is resolved; *provided, however*, (1) Buyer shall not be entitled to withhold payment of amounts in excess of the disputed amount and (2) upon final resolution of the disputed amount, Buyer shall, along with the payment of the amount owed the Shareholders but not paid pursuant to the terms of this Section, pay interest equal to five percent (5%) per year on the agreed amount due (pro rated for any partial year) the applicable Shareholder. No default shall be deemed to have occurred after the Offset Notice is given until the dispute is resolved.

- (f) *Other Limitations on Indemnification.*
  - (i) For the purposes of calculating Damages under this Section 10 for any breach of any representation, warranty or covenant, any qualification contained in such

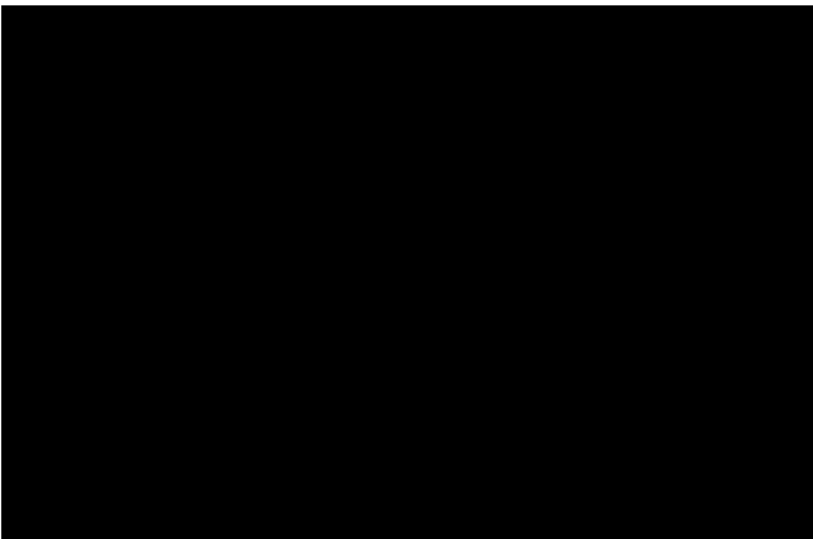


representation, warranty or covenant using words “material,” “materially” or “material adverse effect” shall be disregarded and deemed not to include such words. However, such modifications will have their full effect in determining whether a breach has occurred.

(ii)



(iii)



(iv) Any payment made to a Buyer Indemnified Person pursuant to this Section 10 shall be net of any insurance proceeds realized by and paid to such Buyer Indemnified Person in respect of the respective claim (after giving effect to the present value of any costs, increased retentions, premium increases and similar present and future costs and expenses associated with the respective insurance claim). The Buyer Indemnified Person shall be obligated to make all reasonable claims under its insurance policies (or the Company's insurance policies, as applicable) which may be covered by insurance and which relate to a claim of indemnification hereunder. No Buyer Indemnified Person shall be obligated to recover from or pursue payment from insurance policies prior to the indemnifying person being required to provide indemnification hereunder. The Buyer Indemnified Person shall provide the indemnifying person with prompt written notice of any receipt of insurance proceeds realized in respect of claims for which payment of indemnity has previously been made, and shall make prompt delivery to the indemnifying person of such portion of the same as equals the amount by which payment of indemnification would have been reduced pursuant to this Section if such proceeds had been realized prior to the making of such payment of indemnification. Further, any payment made to a Seller Indemnified Persons pursuant to this Section 10 shall be net of any insurance proceeds realized by and paid to such Seller Indemnified Person in respect of the respective claim (after giving effect to the present value of any costs, increased retentions, premium increases and similar present and future costs and expenses associated with the respective insurance claim). The Seller

Indemnified Persons shall be obligated to make all reasonable claims under their insurance policies which may be covered by insurance and which relate to a claim of indemnification hereunder. No Seller Indemnified Persons shall be obligated to recover from or pursue payment from insurance policies prior to the indemnifying person being required to provide indemnification hereunder. The Seller Indemnified Persons shall provide the indemnifying person with prompt written notice of any receipt of insurance proceeds realized in respect of claims for which payment of indemnity has previously been made, and shall make prompt delivery to the indemnifying person of such portion of the same as equals the amount by which payment of indemnification would have been reduced pursuant to this Section if such proceeds had been realized prior to the making of such payment of indemnification.

- (v) The Shareholders, on the one hand, and the Buyer, on the other hand, shall have no liability under this Agreement for, and the amount of Damages shall not include, [a] any special, punitive or exemplary damages or [b] consequential damages which are not the natural, probable and reasonably foreseeable (or within the contemplation of the parties) consequence of the breach, except, with respect to each of subparagraph [a] and [b] above, to the extent such Damages are owed by the Seller Indemnified Person or Buyer Indemnified Person, as applicable, to a third party.

(g) *Procedures for Indemnification -- Third Party Claims.* Promptly after receipt by either a Buyer Indemnified Person or Seller Indemnified Person under Section 10(b) or 10(c), as applicable (each an "Indemnified Person"), of notice of the commencement of any claim, action or proceeding (including, without limitation, any

notice relating to a tax audit) against it, or the assertion of any claim by a third person which the Indemnified Person has reason to believe may result in a claim for indemnification hereunder (collectively, "Proceedings"), such Indemnified Person will give written notice to the indemnifying party of such Proceeding, but the failure to notify the indemnifying party will not relieve the indemnifying party of any liability that it may have to any Indemnified Person, except to the extent that the indemnifying party demonstrates that the defense of such action is prejudiced by the Indemnified Person's failure to give such notice. Subject to the immediately succeeding sentence, the indemnifying party will be entitled to control any Proceeding for which indemnification is sought hereunder. If the indemnifying party, within a reasonable time after notice of any claim (but in no event to exceed twenty (20) days), fails to take control of such Proceeding, the Indemnified Person will (upon further notice to the indemnifying party) have the right to undertake the defense, compromise or settlement in connection with such Proceeding on behalf of and for the account and risk of the indemnifying party. The party who is not undertaking the defense in connection with a Proceeding, may, at its sole expense, participate in (but not control) such defense. Anything in this Section 10(g) to the contrary notwithstanding, the party who is undertaking the defense in connection with a Proceeding shall not, without the written consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned, settle or compromise any claim or consent to the entry of any judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff of an unconditional release from liability of the non-controlling party in respect of such claim.

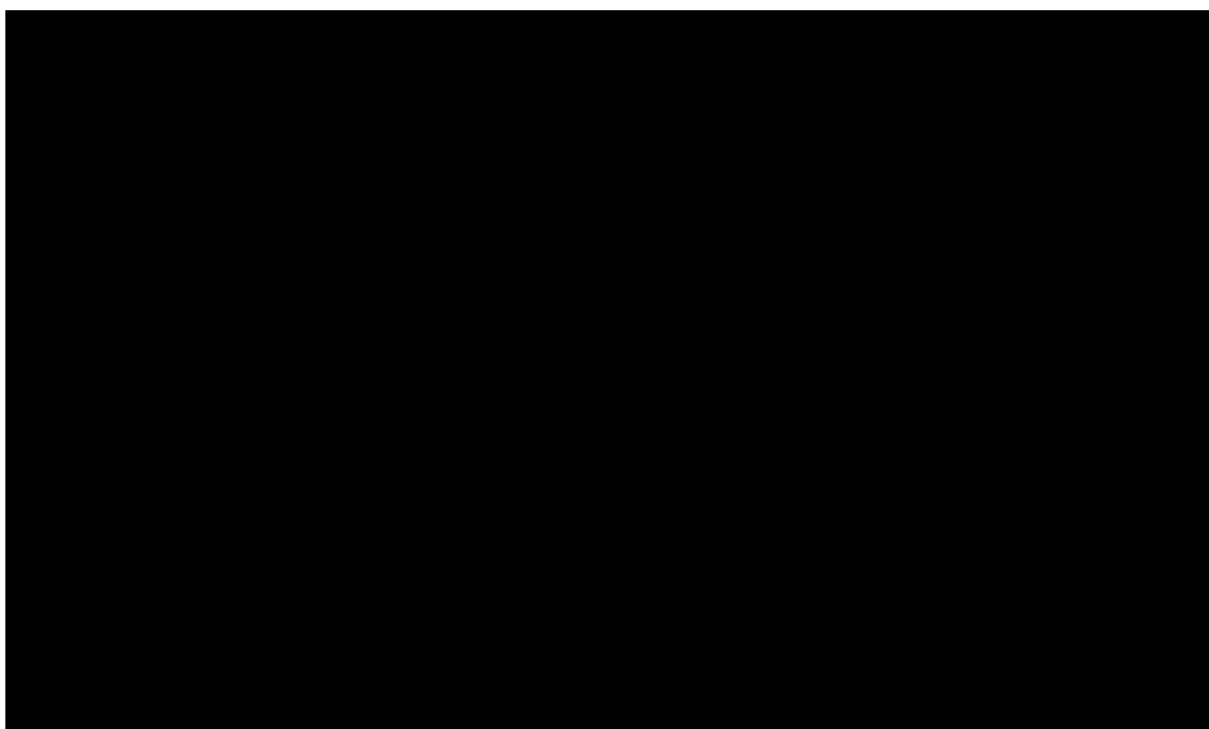
(h) *Procedure for Indemnification -- Other Claims.* A claim for indemnification for any matter not involving a third-party claim may be asserted by written notice to the party from whom indemnification is sought.


(i) *Cooperation in Connection with Proceedings.* The parties hereto agree to cooperate with each other and to provide each other with all information and documentation reasonably necessary to permit the defense (subject to a Party's right to preserve attorney-client privilege) in connection with any and all Proceedings (including, without limitation tax audits) and to promptly provide each other with any and all notices

that may be received by any of them that could reasonably be expected to result in a claim for indemnification under this Section 10.

(j) *Sole Remedy*. Except as specifically set forth herein and except in the event of fraud, Buyer's right to indemnification as provided herein will provide the exclusive remedy for any misrepresentation, breach of warranty, covenant or agreement or other claim arising out of this Agreement. Further, except as specifically set forth herein and except in the event of fraud, the Shareholders' right to indemnification as provided herein will provide the exclusive remedy for any misrepresentation, breach of warranty, covenant or agreement or other claim arising out of this Agreement.

11. WAIVER. Neither the failure nor any delay by any party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege.





13. CUSTOMERS AND OTHER BUSINESS RELATIONSHIPS. After the Closing, the Shareholders will cooperate in all reasonable respects with Buyer in its efforts to continue and maintain for the benefit of Buyer those business relationships of the Company existing prior to the Closing and relating to the Business to be operated after the Closing, including relationships with lessors, employees, regulatory authorities, licensors, customers, suppliers and others. The Shareholders will refer to Buyer or the Company, as applicable, all inquiries relating to the Company or the Business.

14. FURTHER ASSURANCES. The Parties shall cooperate reasonably with each other and with their respective representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement, and shall (a) furnish upon request to each other such further information; (b) execute and deliver to each other such other documents; and (c) do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this Agreement and the transactions contemplated hereby.

15. ENTIRE AGREEMENT AND MODIFICATION. This Agreement supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be modified except by a written agreement executed by an authorized representative of each of the parties hereto.

16. ASSIGNMENTS, SUCCESSORS, AND NO THIRD-PARTY RIGHTS. Neither Party may assign any of its rights or obligations under this Agreement without

the prior written consent of the other Parties, except that Buyer may assign its rights and obligations under this Agreement to one or more of its affiliates, for so long as such entity remains an affiliate thereof; provided, it is understood and agreed that in such event Buyer shall remain responsible for its obligations under this Agreement. This Agreement will apply to, be binding in all respects upon, and inure to the benefit of the successors and permitted assigns of the Parties. Nothing expressed or referred to in this Agreement will be construed to give any person other than the Parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the Parties to this Agreement and their successors and permitted assigns.

17. SEVERALABILITY. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

18. SECTION HEADINGS; CONSTRUCTION. The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms.

19. GOVERNING LAW; CONSENT TO JURISDICTION. This Agreement will be governed by the laws of the State of Delaware without regard to conflicts of laws principles. WITH RESPECT TO ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR TO THE TRANSACTIONS CONTEMPLATED HEREBY THAT IS BROUGHT BY THE SHAREHOLDERS, EACH PARTY IRREVOCABLY (A) SUBMITS TO THE NON-EXCLUSIVE

JURISDICTION OF THE COURTS OF THE COMMONWEALTH OF PENNSYLVANIA AND THE UNITED STATES DISTRICT COURT LOCATED IN PITTSBURGH, PENNSYLVANIA; AND (B) WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT, WAIVES ANY CLAIM THAT SUCH SUIT, ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH SUIT, ACTION OR PROCEEDING, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER SUCH PARTY.

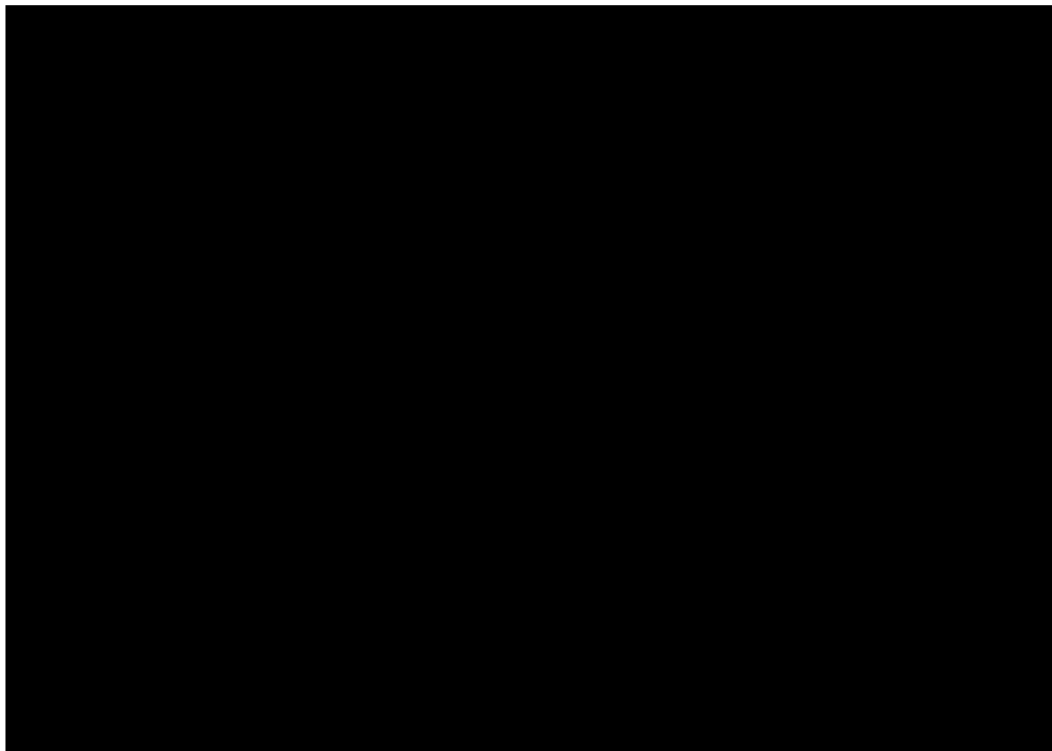
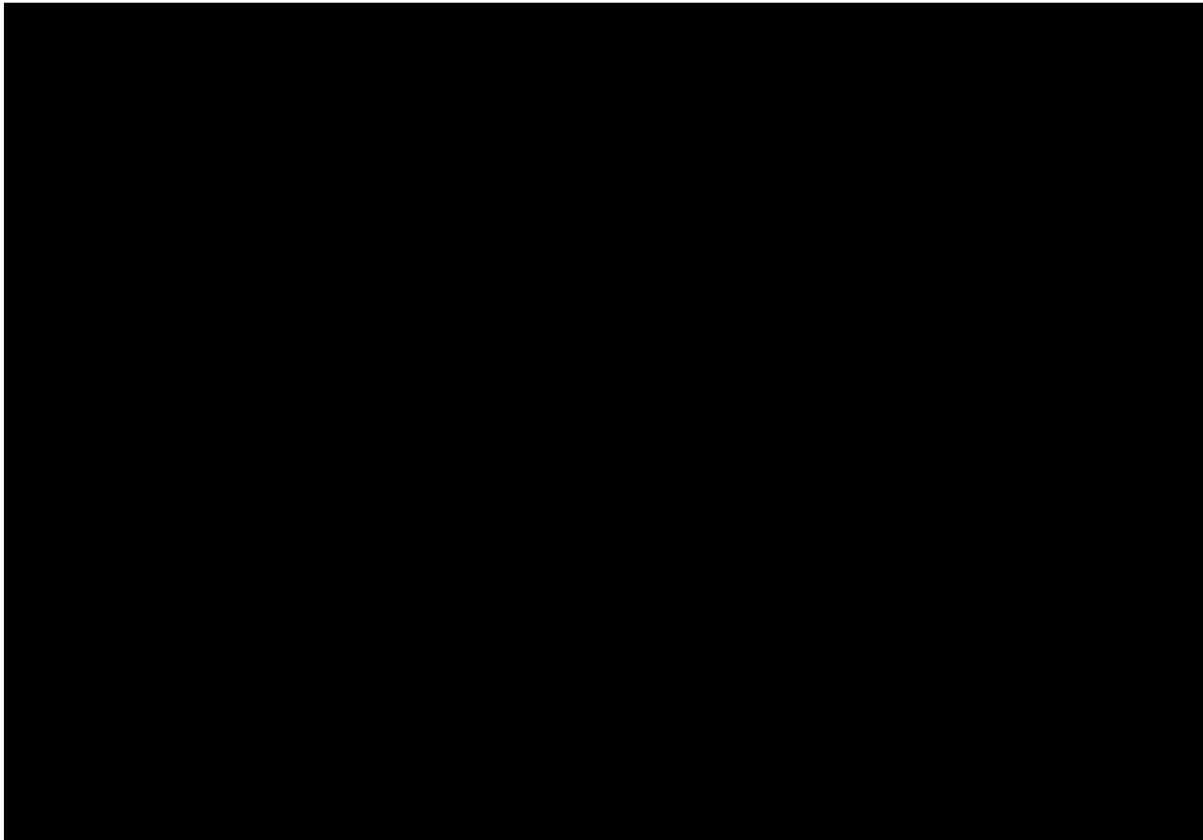
WITH RESPECT TO ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR TO THE TRANSACTIONS CONTEMPLATED HEREBY THAT IS BROUGHT BY BUYER, EACH PARTY IRREVOCABLY (A) SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF WISCONSIN AND THE UNITED STATES DISTRICT COURT LOCATED IN MILWAUKEE, WISCONSIN; AND (B) WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT, WAIVES ANY CLAIM THAT SUCH SUIT, ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH SUIT, ACTION OR PROCEEDING, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER SUCH PARTY.

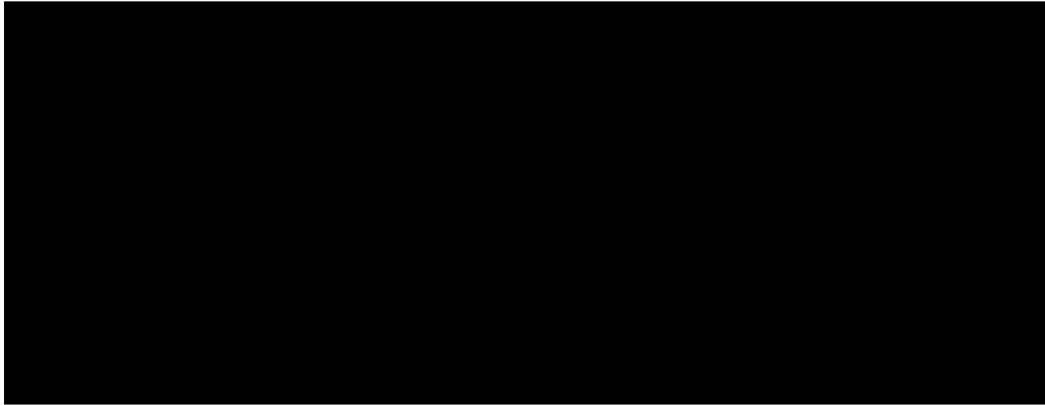
20. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. Signatures delivered by facsimile or by e-mail in portable document format ("pdf") shall be binding for all purposes hereof.

21. TRANSACTION FEES AND EXPENSES. Each party to this Agreement will bear its respective expenses incurred in connection with the preparation, execution

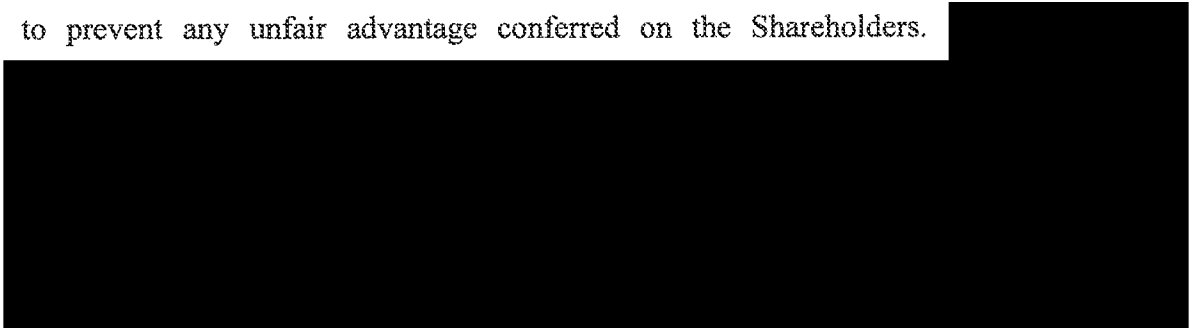


and performance of this Agreement and transactions contemplated hereby including, without limitation, all legal, accounting, broker and finder's fees and expenses.





After the Closing Date, the Shareholders will not disparage the Company, Buyer or any of their respective shareholders, directors, officers, employees or agents. If a final judgment of a court or tribunal of competent jurisdiction determines that any term or provision contained in this Section is invalid or unenforceable, then the parties agree that the court or tribunal will have the power to reduce the scope, duration or geographic area of the term or provision, to delete specific words or phrases or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision. This Section will be enforceable as so modified after the expiration of the time within which the judgment may be appealed. This Section is reasonable and necessary to protect and preserve Buyer's legitimate business interests and the value of the Shares and to prevent any unfair advantage conferred on the Shareholders.



23. NOTICE. Notice required or permitted hereunder shall be in writing and shall be delivered by hand or deposited in the United States mail addressed as follows:

To Shareholders:

Darin Danelski

[REDACTED]

Danielle Ireland

[REDACTED]

Dennis Gillette

[REDACTED]

To Buyer:

Brian J. Dunn, *Group President – Brand Solutions*  
Matthews International Corporation  
6515 Penn Avenue  
Pittsburgh, Pennsylvania 15206  
Fax (412) 665-2591

24. PUBLIC ANNOUNCEMENTS. Neither party shall make, issue or release any oral or written public announcement or public statement concerning, or acknowledging the existence of, or revealing the terms, conditions and status of, the transactions contemplated by this Agreement, without the other party's prior written approval of, and concurrence in, the contents of such announcement, acknowledgment or statement.

25. KNOWLEDGE. For purposes of this Agreement, an individual will be deemed to have "knowledge" of a particular fact or other matter if (a) such individual is actually aware of such fact or other matter, or (b) a prudent individual could be expected to discover or otherwise become aware of such fact or other matter in the course of conducting a reasonably comprehensive investigation concerning the existence of such fact or other matter.

*Signatures appear immediately on the following page*

EXHIBIT A

The Escrow Agreement

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

WITNESS:

Eric C. Hogerness

Eric C. Hogerness

Eric C. Hogerness

SHAREHOLDERS:

Darin Danelski

Darin Danelski

Danielle Ireland

Danielle Ireland

Dennis Gillette

Dennis Gillette

BUYER:

Matthews International Corporation

Br. D. Walker

By: Paul Jensen

Name: Paul Jensen

Title: *President – Marking Products*

*Division*

Schedule 6(p)

Intellectual Property Assets

1. The Company uses the trade name: Innovative Picking Technologies.
2. The Company owns or uses the following Patents:

Patent/ [Appln.] No.	Title	Status	Assignor
6762681	Zoneless Order Fulfillment System With Picker Identification	Patented	Darin Danelski
6762382	Track-type Sortation System	Patented	Darin Danelski
5812986	RF Light Directed Inventory System	Patented	Darin Danelski
[2008/0183326]	Automatic A-Frame Picking System	Pending	Darin Danelski
[2008/0183327]	Picking System With Pick Verification	Pending	Darin Danelski
[2008/0183328]	Laser Guided for Picking or Sorting	Abandoned	Darin Danelski

3. The Company owns or uses the following Trademarks:

Serial	Registration	Mark	Status
78913075	Not Registered	Laser-Pick	Dead
78913064	3455700	Pick-Max2	Live
78913014	3455699	Pick-Max	Live
78913116	3451314	Sense-Me	Live
78913099	3442879	Pick-Max Auto	Live
78384262	Not Registered	Laser-Put	Dead
78384250	Not Registered	Laser-Pick	Dead
78243832	Not Registered	Pickmax	Dead

4. The Company owns or uses the following Domain Names:

[www.ipti.net](http://www.ipti.net)  
[www.pickcart.com](http://www.pickcart.com)  
[www.picktolight.net](http://www.picktolight.net)