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Commissioner of Patents & Trademarks  
Box Assignments  
Washington, D.C. 20231

Document ID No. 101832726  
Attorney Docket No. 4201-100

11-16-01

1. A. Name of conveying party(ies): MAMIYA-OP CO. <input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State <input type="checkbox"/> Other _____ B. Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		2. A. Name and address of receiving party(ies): MCGINN TECHNOLOGIES USA, INC. 302-A Raleigh Street, Wilmington, NC 28412 <input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State <input type="checkbox"/> Other _____ B. Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
3. A. Nature of conveyance: <input checked="" type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other: _____ B. Execution Date: <u>May 15, 2001</u>			
4. A. Trademark Application No.(s)		B. Trademark Registration No.(s) <u>1223577</u> 0758055	
D. Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
5. Name and address of party to whom correspondence concerning document should be mailed: Name: Steven J. Hultquist Address: Intellectual Property/Technology Law P.O. Box 14329 Research Triangle Park, NC 27709		6. Total Number of applications and registrations involved: <u>2</u>	
		7. A. Total fee (37 CFR 3.41) \$ 80.00 <input checked="" type="checkbox"/> Enclosed (check enclosed herewith) <input type="checkbox"/> Authorized to be charged to deposit account No. _____	
8. Credit any overpayment or charge any underpayment to Deposit Account Number 08-3284 of Intellectual Property/Technology Law.			
DO NOT USE THIS SPACE			
9. Statement and signature <i>To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.</i>  Date: <u>November 16, 2001</u> STEVEN J. HULTQUIST Registration No. 28,021 Total number of pages including cover sheet, attachments, and document: <u>41</u>			

11/28/2001 JJALLAH2 00000015 1223577

01 FC:481 40.00 CR  
02 FC:482 25.00 CR

Repln. Ref: 11/28/2001 JJALLAH2 0010340500  
PC: 002284 Name/Number: 1223577 30.00 CR

## TRADEMARK AND PATENT ASSIGNMENT

WHEREAS, Fin-nor International Co., a corporation organized and existing under and by virtue of the laws of the State of Florida and having a principal place of business at 5553 Anglers Avenue, Ft. Lauderdale, Florida 33004 (the "Assignor"), owns the entire right, title and interest in, to and under the registrations of and applications and the other assigned rights set forth on the attached Schedule A (the "Properties"); and

WHEREAS, McGinn Technologies USA, Inc., a corporation organized and existing under and by virtue of the laws of the State of North Carolina and having a principal place of business at 302-A Raleigh Street, Wilmington, North Carolina 28412 (the "Assignee"), is desirous of acquiring the entire right, title and interest in, to and under the Properties.

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and pursuant to that certain Asset Purchase Agreement, dated as of May 15, 2001, by and among the Assignor, the Assignee and Mamiya-OP Co., Ltd., the Assignor has sold, assigned, transferred and set over, and by these presents do hereby sell, assign, transfer and set over, unto the Assignee, its successors, legal representatives and assigns, the entire right, title and interest in, to and under the Properties, together with the goodwill of the business symbolized by the Properties, and the registration thereof, and further including: all income, royalties, and damages now and hereafter due and/or payable to the Assignor, including without limitation, damages and payments for past or future infringements and misappropriations thereof, all rights to sue for past, present and future infringements or misappropriations thereof, and all rights corresponding to any of the above throughout the world;


AND THE ASSIGNOR HEREBY authorizes and requests any official of any country or countries, whose duty is to issue trademark and patent registrations or other evidence or forms of industrial property protection on applications as aforesaid, to issue the same to the Assignee, its successors, legal representatives and assigns, in accordance with the terms of this instrument;

AND THE ASSIGNOR HEREBY covenants and agrees that it has full right to convey the entire interest herein assigned, and that it has not executed, and will not execute, any agreement in conflict herewith;

IN WITNESS WHEREOF, the undersigned has caused this Assignment to be duly executed by a duly authorized officer as of the date set forth below.

ASSIGNOR:

FINNOR INTERNATIONAL CO.

By: 

Its: CHAIRMAN


Date: May 15, 2001

STATE OF NORTH CAROLINA )  
 )ss:  
COUNTY OF WAKE )

On this 15<sup>th</sup> day of May 2001, before me the undersigned, a Notary Public for the State of NC in the County of Wake, personally appeared Nobuo Tanaka, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

Valerie G Mitchell  
Signature of Notary



4/1/02

ASSIGNEE:

MCGINN TECHNOLOGIES USA, Inc.

By: T. J. [Signature]

Its: PRESIDENT

Date: May 15, 2001

**PROPERTIES**

## 1) Japanese Patents

No.	Application No.	Registration No.	Title of Invention
1	JP02-4085	2770932	SPEED CHANGE MECHANISM FOR DOUBLE BEARING REEL
2	JP07-148877	Application Pending	SPOOL SUPPORTING STRUCTURE IN SPINNING REEL
3	JP07-253241	Application Pending	DOUBLE BEARING REEL
4	JP07-321715	Application Pending	SPOOL SUPPORT STRUCTURE FOR SPINNING REEL
5	JP07-321716	Application Pending	SPOOL SUPPORT STRUCTURE FOR SPINNING REEL
6	JP07-343673	Application Pending	SPOOL SUPPORTING STRUCTURE FOR SPINNING REEL
7	JP09-237292	Application Pending	SPOOL SUPPORT STRUCTURE FOR FISHING SPINNING REEL
8	JP09-344208	Application Pending	SPINNING REEL
9	JP09-357898	Application Pending	SLIDING MECHANISM FOR SPOOL SHAFT IN SPINNING REEL
10	JP10-63297	Application Pending	SPINNING REEL
11	JP10-346554	Application Pending	SPINNING REEL
12	2000-106293	Application Pending	SPINNING REEL

## 2) Japanese Utility Models

No.	Application No.	Registration No.	Title of Device
13	JP63-93818	2049402	LEVER DRAG TYPE REEL WITH DOUBLE BEARINGS
14	JP63-170766	2074485	DRAG TRANSMISSION MECHANISM FOR REEL WITH DOUBLE BEARINGS
15	JP63-17349	2127756	DOUBLE BEARING REEL
16	JP01-73834	2516625	DOUBLE BEARING REEL
17	JP05-29776	2584695	LEVER DRAG TYPE REEL WITH DOUBLE BEARINGS
18	JP09-3783	3043325	TRANSMISSION MECHANISM FOR REEL WITH DOUBLE BEARINGS

### 3) Japanese Designs

No.	Application No.	Registration No.	Articles under a Design
19	JP63-25094	964538	FISHING REEL
20	JP07-16972	1052862	FISHING REEL
21	JP09-59207	1103286	FISHING REEL

### 4) Trademarks – See Attachment A to this Schedule A.

#### U.S. Trademarks

	Registration No.	Trademark	Country	Product
1	1223577	Golden Regal	USA	Fishing Reels
2	1941188	Fin-Ite	USA	Fishing Reels, Offshore trolling reels, fresh water fly reels and rods
3	(Application) Serial # 75812724	Tycoon	USA	Fishing Gear, Sporting Goods
4	758055	Viscount	USA	Fishing Gear, Sporting Goods
5	2140728	Tycoon Fin-nor	USA	Fishing Gear, Sporting Goods
6	1941187	Ahab	USA	Fishing Gear, Sporting Goods
7	1378274	Tycoon Fin-Nor Rods Since 1933	USA	Fishing Gear, Sporting Goods

## 4) Trademarks in the name of MAMIYA-OP CO., LTD.

Attachment A to Schedule  
A to Trademark and Patent  
Assignment

	Registration No.	Trademark	Country	Product
1	1553304	↑/TYCOON FIN-NOR タイクーン フィンノール	Japan	Fishing Gear, Sporting Goods
2	2416064	FIN-NOR	Japan	Icebox (Cooler)
3	2416065	FIN-NOR	Japan	Icebox (Cooler)
4	2416066	フィンノール	Japan	Icebox (Cooler)
5	2416067	FIN-NOR	Japan	Icebox (Cooler)
6	2416068	FINNOR / フィンノール	Japan	Icebox (Cooler)
7	2424282	FIN-NOR	Japan	Bags
8	2424283	FIN-NOR	Japan	Bags
9	2424284	フィンノール	Japan	Bags
10	2424285	FIN-NOR	Japan	Bags
11	2424286	FINNOR / フィンノール	Japan	Bags
12	2452337	FIN-NOR	Japan	Shoes
13	2454573	TYCOON FIN-NOR	Japan	Shoes
14	2454574	タイクーン フィンノール	Japan	Shoes
15	2454575	TYCOON	Japan	Shoes
16	2454576	タイクーン	Japan	Shoes
17	2475080	TYCOON FIN-NOR	Japan	Bags
18	2475081	タイクーン フィンノール	Japan	Bags
19	2475082	TYCOON	Japan	Bags
20	2475083	タイクーン	Japan	Bags
21	2477281	Spearfish (figurative mark)	Japan	Fishing Gear, Sporting Goods
22	2511616	FIN-NOR	Japan	Clothing
23	2511617	フィンノール	Japan	Clothing
24	2511618	FINNOR / フィンノール	Japan	Clothing
25	2511619	FINNOR / フィンノール	Japan	Shoes
26	2515715	Spearfish (figurative mark)	Japan	Bags
27	2529021	↑FIN-NOR フィンノール	Japan	Fishing Gear, Sporting Goods
28	2575237	AHAB	Japan	Fishing Gear, Sporting Goods
29	2643504	フィンノール	Japan	Shoes
30	3226381	AHAB / エイハブ	Japan	Fishing Gear, Sporting Goods
31	3250756	Big Game	Japan	Fishing gear



	Registration No.	Trademark	Country	Product
32	3300208	FIN-NOR / ファインノール	Japan	Boat
33	3353639	FINNOR / ファインノール	Japan	Boat
34	3353640	FIN-NOR / ファインノール (figurative mark)	Japan	Boat
35	4073646	MEGA DRAG / メガドラッグ	Japan	Fishing Gear, Sporting Goods
36	4109658	TYCOON / タイクーン	Japan	Fishing Gear, Sporting Goods
37	472714	FIN-NOR	South Korea	Fishing Gear, Sporting Goods Fishing Bait
38	901897	FIN-NOR	Taiwan	Fishing Gear, Sporting Goods
39	921521	FIN-NOR	Taiwan	Fishing Bait
40	1481132	芬許尔 / ファインノール	China	Fishing Gear, Sporting Goods
41	1481133	飛許 / ファインノール	China	Fishing Gear, Sporting Goods
42	1494764	FIN-NOR	China	Fishing Bait
43	1494765	FIN-NOR / 飛許 / ファインノール	China	Fishing Bait
44	1494766	FIN-NOR / 芬許尔 / ファインノール	China	Fishing Bait

No.	Application No.	Trademark	Country	Product
45	<del>JP09-63228</del> JP09-163228	AHAB/MEGA/lite	Japan	Fishing Gear, Sporting Goods
46	JP11-48606	MEGA / メガ	Japan	Fishing Gear, Sporting Goods

## ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT (this "Agreement") dated as of May 15, 2001 by and among MCGINN TECHNOLOGIES USA, INC. d/b/a Hextek Technologies, a corporation organized under the laws of the State of North Carolina (the "Purchaser"), MAMIYA-OP CO., LTD., a corporation organized under the laws of Japan ("MOP") and FIN-NOR INTERNATIONAL CO., a corporation organized under the laws of the State of Florida (the "Seller").

### WITNESSETH:

WHEREAS, the Seller, a wholly-owned subsidiary of MOP, owns, leases or licenses all of the Purchased Assets (as defined below);

WHEREAS, upon the terms and subject to the conditions set forth in this Agreement, the Seller desires to sell the Purchased Assets, and the Purchaser desires to purchase the Purchased Assets and assume the Assumed Liabilities (as defined below); and

WHEREAS, it is the intention of the parties hereto that, upon the consummation of the transactions contemplated by this Agreement, the Purchaser shall own all of the Purchased Assets and assume all of the Assumed Liabilities.

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

### ARTICLE I

#### DEFINITIONS

Section 1.1. Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms shall have the respective meanings specified therefor below (such meanings to be equally applicable to both the singular and the plural forms of the terms defined).

"Agreement" shall mean this Agreement, as amended, modified or supplemented from time to time.

"Arbitrator" shall have the meaning specified in Section 10.12.

"Assumed Liabilities" shall have the meaning specified in Section 2.3.

"Assumption Agreement" shall have the meaning specified in Section 7.5.

"Balance Sheet" shall have the meaning specified in Section 4.3(a).

"Balance Sheet Date" shall have the meaning specified in Section 4.3(a).

"Business Day" shall mean any day other than a Saturday, or Sunday or a day on which banks located in New York, New York shall be authorized or required by Law to close.

"Closing" shall have the meaning specified in Section 3.1.

"Closing Date" shall have the meaning specified in Section 3.1.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Commitment Letter" shall have the meaning specified in Section 5.5.

"Condition" of any Person shall mean the business, financial condition or prospects of such Person.

"Cure Period" shall have the meaning specified in Section 9.3(c).

"Employee Benefit Plans" shall have the meaning specified in Section 4.10.

"Encumbrances" shall have the meaning specified in Section 4.4.

"Environmental Law" shall have the meaning specified in Section 4.12(a).

"ERISA" shall have the meaning specified in Section 4.10.

"Excluded Assets" shall have the meaning specified in Section 2.2.

"Excluded Liabilities" shall have the meaning specified in Section 2.4.

"Financing" shall have the meaning specified in Section 5.5.

"Foreign Assets" shall have the meaning specified in the definition of "Korea Transaction."

"Foreign Assets Expense" shall mean all of the costs and expenses incurred by MOP, MOP-Bangladesh and the Seller in connection with the Korea Transaction.

"GAAP" shall have the meaning specified in Section 4.3(a).

"Hazardous Materials" shall mean (a) Hazardous Substances (as hereinafter

defined), (b) friable asbestos-containing material, (c) polychlorinated biphenyls, (d) highly toxic materials as defined by OSHA in 29 C.F.R. § 1910.1200, (e) radioactive materials and (f) all substances defined as Hazardous Substances, Oils, Pollutants or Contaminants in the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. § 300.5, or defined as such by, or regulated as such under, any Environmental Laws.

“Hazardous Substances” shall mean any hazardous substances within the meaning of Section 101(14) of CERCLA, 42 U.S.C. § 9601(14), or any pollutant or constituent that is regulated under any Environmental Laws.

“Indemnitee” shall have the meaning specified in Section 9.3(a).

“Indemnitor” shall have the meaning specified in Section 9.3(a).

“Indemnity Basket” shall have the meaning specified in Section 9.4.

“Intellectual Property” shall mean domestic and foreign patents, patent applications, registered and unregistered trademarks, trade names, Internet domain names and service marks, registered and unregistered copyrights, computer software programs, software and hardware licenses, data bases, inventions, trade secrets, know-how and proprietary information of any type, whether or not written.

“Korea Transaction” shall mean the transactions pursuant to which the Seller shall arrange and provide for the shipment of certain tooling purchased by the Seller from MOP-Bangladesh (the “Foreign Assets”) CIF from Bangladesh to Korea.

“Laws” shall mean any federal, state or local law, statute, ordinance, rule, regulation, order, judgment or decree, administrative order or decree, administrative or judicial decision, and any other executive or legislative proclamation.

“Lender” shall have the meaning specified in Section 5.5.

“Loss” shall have the meaning specified in Section 9.2(a).

“Material Adverse Effect” shall have the meaning specified in Section 4.6.

“MOP” shall have the meaning specified in the preamble to this Agreement.

“MOP-Bangladesh” shall mean Mamiya-OP (Bangladesh) Co., Ltd.

“Morrison, Brown” shall mean Morrison, Brown, Argiz & Company.

“Notice” shall have the meaning specified in Section 9.3(a).

"Permit" shall mean any Federal, state, local, foreign or other governmental or other third party permit (including occupancy permit), certificate, license (excluding software and hardware licenses), consent and authorization required for the operation of the business by the Seller except as such Permit may be required solely in connection with the Excluded Assets or Excluded Liabilities.

"Permitted Encumbrances" shall have the meaning specified in Section 4.4.

"Person" shall have the meaning specified in Section 4.6.

"Promissory Note" shall have the meaning specified in Section 2.5.

"Purchase Price" shall have the meaning specified in Section 2.5.

"Purchased Assets" shall have the meaning specified in Section 2.1.

"Purchaser" shall have the meaning specified in the preamble to this Agreement.

"Purchaser Indemnitee" shall have the meaning specified in Section 9.2(a).

"Release" shall mean any of the following that is in violation of any Environmental Laws: release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching, migration into the indoor or outdoor environment (including ambient air, surface water, groundwater, and surface or subsurface strata), or into or out of any property, including the movement of Hazardous Materials through or in the air, soil, surface water, groundwater or property.

"Seller" shall have the meaning specified in the preamble to this Agreement.

"Seller Indemnitee" shall have the meaning specified in Section 9.2(c).

"Short Term Promissory Note" shall have the meaning specified in Section 2.5.

"Transfer Taxes" shall have the meaning specified in Section 8.2

"Transferred Employee" shall have the meaning specified in Section 8.1.

## ARTICLE II

### PURCHASE AND SALE OF ASSETS

Section 2.1. Purchase and Sale of Assets. Upon the terms and subject to the conditions set forth in this Agreement, the Purchaser agrees to purchase from the Seller, and the Seller agrees to sell, convey, transfer, assign and deliver to the Purchaser on the Closing Date against the receipt by the Seller of the consideration specified in Section 2.5, the Purchased Assets, free and clear of Encumbrances of any kind except for Permitted Encumbrances. The term "Purchased Assets" shall mean all of the right, title and interest in and to all of the assets of the Seller, except for the Excluded Assets, as set forth below:

(a) all equipment, machinery, supplies, furniture, furnishings, vehicles and other tangible personal property owned by the Seller which are listed on Schedule 2.1(a) attached hereto, including, without limitation, the Foreign Assets, and the leasehold interests in any such items leased by the Seller;

(b) to the extent transferable, the full benefit of all the contracts, including, without limitation, purchase orders, commitments, leases (other than real property leases), contracts for services and supplies, contracts to sell products or services, sales' representatives agreements, product development agreements, and all the other agreements to which the Seller is a party or under which the Seller receives benefit which are listed on Schedule 2.1(b) attached hereto;

(c) to the extent transferable, licenses, permits (other than the City of Dania Beach occupational license), registrations and authorizations, proprietary information, methods, designs, processes, procedures, improvements thereon, refinements thereof and know-how relating thereto;

(d) all supplier lists, customer lists, vendor lists, distributor or agency agreements, catalogs and advertising materials;

(e) any rights of the Seller pertaining to any counterclaims, set-offs or defenses it may have with respect to any Purchased Assets or Assumed Liabilities;

(f) all notes, inventory and accounts receivable of the Seller, other than the accounts receivable due to the Seller from MOP, which accounts receivable from MOP shall not exceed \$7,000.00;

(g) all Intellectual Property owned by the Seller and used in the business of the Seller (other than the Intellectual Property licensed to the Seller by MOP listed on Schedule 4.15 attached hereto), including, but not limited to, the name of the Seller;

(h) to the extent transferable, rights under third-party indemnities, fidelity, surety or similar bonds and the coverages afforded thereby; and

(i) the business of the Seller as a going concern, including goodwill.

Section 2.2. Excluded Assets. Notwithstanding the foregoing, the Purchased Assets shall not include the following items (the "Excluded Assets"):

(a) Seller's rights under this Agreement and the agreements and instruments delivered to the Purchaser pursuant hereto;

(b) rights in and to claims and litigation (and in each case, benefits to the extent that they arise therefrom) against third parties to the extent such claims and litigation relate solely to Excluded Assets and Excluded Liabilities and conduct of the Seller's business prior to the Closing Date;

(c) all bank accounts and safe deposit boxes of the Seller and all cash on hand and in banks and cash equivalents of the Seller as set forth on the Closing Balance Sheet;

(d) the personal effects of each officer or employee of the Seller, including, but not limited to, objets d'art, mementos and office equipment not originally purchased by the Seller; and

(e) all tax refunds of the Seller and all rights of the Seller to refunds of insurance premiums.

Section 2.3. Assumption of Liabilities. Upon the sale of the Purchased Assets by the Seller, the Purchaser shall assume and agree to pay, perform and discharge, in a timely manner and in accordance with the terms thereof, the obligations of the Seller under sales, manufacturer's representative, manufacturing and/or vendor contracts, permits and licenses, leases (other than real property leases), occupancy agreements and other grants of right assigned pursuant to Section 2.1 and warranty obligations of the Seller, which are listed on Schedule 2.3 attached hereto (the "Assumed Liabilities").

Section 2.4. Excluded Liabilities. Notwithstanding the foregoing, the Assumed Liabilities shall not include the following items (the "Excluded Liabilities"): .

(a) all taxes imposed on, or with respect to, the business of the Seller for any pre-closing period;

(b) all liabilities and obligations of the Seller under this Agreement;

(c) all liabilities and obligations (contingent or otherwise) arising out of the Excluded Assets;

(d) all liabilities and obligations of the Seller with respect to the indebtedness of the Seller to MOP and MOP-Bangladesh, if any, including any interest relating to any such

indebtedness;

(e) the fees and expenses of any broker, finder or other Person engaged by or on behalf of the Seller in connection with the transactions contemplated by this Agreement and any professional expenses (including, without limitation, accounting, tax and legal fees and expenses) incurred by the Seller in connection with the transactions contemplated by this Agreement; and

(f) any other liability not specifically identified as an Assumed Liability.

Section 2.5. Purchase Price. In consideration for the sale by the Seller of the Purchased Assets to the Purchaser, the Purchaser shall (a) pay to or at the direction of the Seller in immediately available funds by wire transfer to an account or accounts designated by the Seller US\$500,000.00, (b) deliver to the Seller a promissory note in the principal amount of US\$500,000.00 with interest at the rate of two and one-half percent (2 ½%) per annum with a term of twelve (12) months secured by a second lien on the Purchased Assets, substantially in the form of Exhibit A attached hereto (the "Promissory Note"), (c) deliver to the Seller a promissory note in the principal amount of US \$500,000.00 with interest at the rate of nine and one-half percent (9 ½%) per annum with a term of nine (9) months secured by a second lien on the accounts receivable purchased by the Purchaser from the Seller at Closing up to the amount of the principal and interest payable pursuant to the terms of such promissory note, substantially in the form of Exhibit B attached hereto (the "Short Term Promissory Note") and (d) assume the Assumed Liabilities (the amounts in (a) through (d) are collectively referred to as the "Purchase Price").

### ARTICLE III

#### CLOSING

Section 3.1. Closing. The closing of the sale referred to in Section 2.1 (the "Closing") shall take place at the offices of Ragsdale Liggett PLLC, 2840 Plaza Place, Suite 400, Raleigh, North Carolina, on the date of this Agreement (the "Closing Date"), or at such other date and place (not later than May 31, 2001) as the parties hereto shall by written instrument designate.

Section 3.2. Deliveries by the Seller at the Closing. At the Closing, the Seller shall deliver to the Purchaser, unless waived by the Purchaser, each of the documents, instruments or evidences of satisfaction of conditions to Closing required to be satisfied pursuant to Article VI of this Agreement, in form and substance reasonably satisfactory to the Purchaser and its counsel.

Section 3.3. Deliveries by the Purchaser at Closing. At the Closing, the Purchaser shall deliver to the Seller (a) the Purchase Price, and (b) unless waived by the Seller, each of the documents, instruments or evidences of satisfaction of conditions to Closing required



to be satisfied pursuant to Article VII of this Agreement, in form and substance reasonably satisfactory to the Seller and its counsel.

#### ARTICLE IV

##### REPRESENTATIONS AND WARRANTIES OF THE SELLER

Section 4. Representations and Warranties of the Seller. The Seller represents and warrants that as of the date of this Agreement and on and as of the Closing Date:

Section 4.1. Existence and Good Standing. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. The Seller has the requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted. The Seller is duly qualified to do business and is in good standing in each jurisdiction in which the character or location of the properties owned, leased or operated by the Seller or the nature of the business conducted by the Seller makes such qualification necessary.

Section 4.2. Authorization and Validity of this Agreement. The Seller has the requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement by the Seller have been duly authorized and approved by its stockholders and no other corporate action on the part of the Seller is necessary to authorize the execution, delivery and performance of this Agreement by the Seller. This Agreement has been duly executed and delivered by the Seller and, assuming due execution of this Agreement by the Purchaser, is a valid and binding obligation of the Seller enforceable against the Seller in accordance with its terms, except to the extent that its enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

Section 4.3. Financial Statements. The Seller has heretofore furnished the Purchaser with (i) the balance sheet of the Seller as of December 31, 1999 and the related unaudited statements of income and retained earnings for the year then ended prepared by Morrison, Brown, (ii) the balance sheets of the Seller as of December 1998 and 1997, including the footnotes thereto, and the related statements of income and retained earnings for the years then ended, each audited by Morrison, Brown, (iii) the balance sheet of the Seller as of December 2000 and the related statements of income and retained earnings for the year then ended prepared by the Seller, and (iv) the balance sheet of the Seller as of February 28, 2001, and the related unaudited statements of income and retained earnings for the two months then ended prepared by the Seller (the unaudited balance sheet of the Seller as at February 28, 2001 (the "Balance Sheet Date"), is hereinafter referred to as the "Balance Sheet"). The financial statements referred to above, including the footnotes thereto (in the case of audited financial statements), except as indicated therein, are true and correct and have been prepared in accordance with United States generally accepted accounting principles ("GAAP") consistently applied throughout the periods

indicated and fairly present the financial position of the Seller at the respective dates thereof, and the results of the operations and cash flows of the Seller for the respective periods indicated.

Section 4.4. Title to Properties; Encumbrances. Except as set forth in Schedule 4.4 attached hereto, and except for inventory sold in the ordinary course of business, the Seller has good and marketable title to the Purchased Assets subject to no encumbrance, lien, charge or other restriction of any kind or character ("Encumbrances"), except for Encumbrances reflected in the Balance Sheet and set forth in Schedule 4.4 attached hereto ("Permitted Encumbrances").

Section 4.5. Leases. Schedule 4.5 attached hereto contains a list of all leases or sub-leases to which the Seller is a party requiring an annual aggregate payment of at least \$5,000. Except as otherwise set forth in Schedule 4.5 attached hereto, each lease or sub-lease set forth in Schedule 4.5 attached hereto is in full force and effect and all rents due or payments to date from the Seller on each such lease or sub-lease have been paid. The Seller has not received notice, written or oral, that it is in material default under any such lease or sub-lease.

Section 4.6. Consents and Approvals; No Violations. Except as set forth in Schedule 4.6 attached hereto, the execution and delivery of this Agreement by the Seller and the consummation by the Seller of the transactions contemplated hereby (a) will not violate any provision of the Articles of Incorporation or By-Laws of the Seller, (b) will not violate any statute, rule, regulation, order or decree of any public body or authority by which the Seller is bound or by which any of its Purchased Assets are bound, (c) will not require the Seller to make any filing with or obtain any permit, consent or approval of, or give any notice to, any governmental or regulatory body, agency or authority, or any other individual, partnership, limited liability company, joint venture, corporation, trust, unincorporated organization, government or other entity (each a "Person") and (d) will not result in a violation or breach of, conflict with, constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation, payment or acceleration) under, or result in the creation of any Encumbrance upon any of the Purchased Assets under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, franchise, permit, agreement, lease, franchise agreement or any other instrument or obligation to which the Seller is a party, or by which it or any of its Purchased Assets are bound, excluding from the foregoing clauses (b), (c) and (d) filings, notices, permits, consents and approvals, the absence of which, and violations, breaches, defaults, conflicts and Encumbrances which, in the aggregate, would not reasonably be expected to have a material adverse effect on the Condition of the Seller or would not interfere with the ownership and enjoyment of the Purchased Assets by the Purchaser upon the completion of the transactions contemplated by this Agreement (a "Material Adverse Effect").

Section 4.7. Litigation. Except as set forth in Schedule 4.7 attached hereto, there is no action, suit, proceeding at Law or in equity, arbitration or administrative or other proceeding by or before, or, to the knowledge of the Seller, threatened in writing by, any governmental or other instrumentality or agency, pending or, to the knowledge of the Seller, threatened in writing, against the Seller or affecting the Seller or any of the Purchased Assets.

Except as set forth in Schedule 4.7 attached hereto, the Seller is not subject to any judgment, order or decree entered in any lawsuit or proceeding. To the knowledge of the Seller, no action or proceeding has been instituted, or threatened in writing, before a court or other governmental body or by any public authority to restrain or prohibit any of the transactions contemplated hereby.

**Section 4.8. Tax Returns and Payments.** (a) Except as set forth in Schedule 4.8 attached hereto, the Seller has filed or caused to be filed, or will file or cause to be filed on or prior to the Closing Date, all Federal, state, local, and foreign income tax returns and reports required to be filed by it relating to the income or other tax obligations of the Seller with respect to any reporting period ending on or prior to the Closing Date (taking into account any extension of time to file granted to or on behalf of the Seller). Except as set forth in Schedule 4.8 attached hereto, the Seller has paid or provided for on the books of the Seller all taxes shown to be due and payable on such returns and any penalties and/or interest imposed in association with such taxes. Except as set forth in Schedule 4.8 attached hereto, there are no security interests on any of the Purchased Assets that arose in connection with any failure (or alleged failure) to pay any tax required to be paid by the Seller.

(b) Except as set forth in Schedule 4.8 attached hereto, the Seller has withheld and paid all taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party prior to the Closing Date.

(c) Except as set forth in Schedule 4.8 attached hereto, there is no dispute or claim concerning any liability with respect to any taxes of the Seller either claimed or raised by any authority in writing or as to which the Seller has knowledge based upon contact with any agent of any such authority with respect to any taxable year or period that ends before the Closing Date.

(d) The Seller has not waived any statute of limitations with respect to any taxes or agreed to any extension of time with respect to any tax assessment or deficiency relating to any taxable year or period that ends before the Closing Date.

**Section 4.9. Compliance with Laws.** The Seller is in compliance with all applicable laws, regulations, orders, judgments and decrees, except where the failure to so comply would not reasonably be expected to have a Material Adverse Effect.

**Section 4.10. Employee Benefit Plans.** Each employee benefit plan within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), maintained by the Seller or to which the Seller contributes or has any obligation to contribute (collectively, the "Employee Benefit Plans") is listed on Schedule 4.10 attached hereto. The Seller has never maintained or contributed to (or borne any liability with respect to) any "employee benefit plan" within the meaning of Section 3(2) of ERISA Section 3(2) of ERISA, that is a "multiemployer plan" within the meaning of Section 3(7) of ERISA, or subject

to Section 412 of the Code, or Section 302 or Title IV of ERISA. Except as set forth in Schedule 4.10 attached hereto or to the extent that any breach of the representations set forth in this sentence would not reasonably be expected to have a Material Adverse Effect, (a) each Employee Benefit Plan is in compliance with applicable Laws and has been administered and operated in all respects in accordance with its terms; (b) neither the Seller nor, to the knowledge of the Seller, any other "disqualified person" or "party in interest" (as defined in Section 4975(c)(2) of the Code and Section 3(14) of ERISA, respectively) has engaged in any transaction in connection with any Employee Benefit Plan that would result in the imposition of a penalty pursuant to Section 502(i) of ERISA or a tax pursuant to Section 4975 of the Code; and (c) no claim, action or litigation has been made, commenced or, to the knowledge of the Seller, threatened with respect to any Employee Benefit Plan (other than routine claims for benefits payable in the ordinary course and appeals of denied such claims).

Section 4.11. Interests in Customers, Suppliers, etc. Except as set forth in Schedule 4.11 attached hereto, no officer or director of the Seller possesses, directly or indirectly, any financial interest in, or is a director, officer or employee of, any Person which is a supplier, customer, lessor, lessee, licensor, developer, competitor or potential competitor of the Seller. Ownership of securities of a company whose securities are registered under the Securities Exchange Act of 1934, as amended, of 5% or less of any class of such securities shall not be deemed to be a financial interest for purposes of this Section 4.11.

Section 4.12. Environmental Matters. (a) For purposes of this Section 4.12, "Environmental Laws" shall mean any Federal, state or local Law, statute, rule, regulation, order or other requirement of Law applicable to the Seller and relating to pollution or the protection of the environment, including Laws relating to Releases or threatened Releases of Hazardous Materials, or otherwise related to the manufacture, use, transport, treatment, storage, disposal or handling of Hazardous Materials and all Laws and regulations with regard to record keeping, notification, disclosure and reporting requirements respecting Hazardous Materials.

(b) Except as set forth in Schedule 4.12 attached hereto, the Seller (i) is and has been in compliance in all material respects with all applicable Environmental Laws (which compliance includes, but is not limited to, the possession by the Seller of all material Permits and other governmental authorizations required under applicable Environmental Laws, and compliance in all material respects with the terms and conditions thereof), (ii) to the knowledge of the Seller, there are no claims, proceedings or actions by any governmental authority or other person or entity pending or threatened against the Seller or against any Person or entity whose liability the Seller may have retained or assumed either contractually or by operation of Law, under any applicable Environmental Laws, and (iii) to the knowledge of the Seller, there are no facts, circumstances or conditions relating to the business or operations of the Seller, or to any real property currently owned, leased or operated by the Seller that could reasonably be expected to give rise to any claim, proceeding or action, or to any liability, under any applicable Environmental Laws.

(c) To the knowledge of the Seller, except as set forth in Schedule 4.12 attached hereto, none of the property currently owned, operated or leased by the Seller contains

any underground storage tanks, asbestos, polychlorinated biphenyls ("PCBs"), underground injection wells, radioactive materials or septic tanks or waste disposal pits in which process wastewater or any Hazardous Materials have been discharged or disposed.

(d) The Seller has identified in Schedule 4.12 attached hereto and delivered or otherwise made available for inspection to the Purchaser, true and complete copies and results of any reports, studies, analyses, tests or monitoring possessed by the Seller pertaining to Hazardous Materials in, on, beneath or adjacent to any property currently or formerly owned, operated or leased by the Seller, or regarding the Seller's compliance with applicable Environmental Laws.

(e) Except as set forth in Schedule 4.12 attached hereto, the Seller has not Released Hazardous Materials on, beneath or adjacent to any property currently owned or leased by the Seller.

Section 4.13. Broker's or Finder's Fees. Except as set forth in Schedule 4.13 attached hereto, no broker, finder or other Person engaged by or on behalf of the Seller is, or will be, entitled to any commission or broker's or finder's fees from any of the parties hereto, or from any Person controlling, controlled by or under common control with any of the parties hereto, in connection with any of the transactions contemplated by this Agreement. The Seller shall be responsible for any fees and expenses of any broker, finder or other Person engaged by or on behalf of the Seller in connection with the transactions contemplated by this Agreement.

Section 4.14. Books and Records. The minute books of the Seller, as previously made available to the Purchaser and its representatives, are true and correct in all material respects.

Section 4.15. Intellectual Property. The operation of the business of the Seller as presently conducted requires no rights under Intellectual Property other than (a) rights under Intellectual Property set forth in Schedule 4.15 attached hereto, (b) the trade secrets, inventions, proprietary information and unregistered copyrights (other than computer software programs) owned by the Seller which are set forth in such Schedule 4.15 attached hereto and (c) rights granted to the Seller pursuant to agreements set forth in Schedule 4.15 attached hereto. Except as otherwise set forth in Schedule 4.15 attached hereto, the Seller owns all right, title and interest in and full legal, equitable and beneficial ownership of the Intellectual Property set forth in Schedule 4.15 attached hereto, including, without limitation, exclusive rights to use, sell, transfer, assign and license the same. Except as set forth in Schedule 4.15 attached hereto, each item of Intellectual Property set forth in Schedule 4.15 attached hereto has been duly registered with, filed in, or issued by the appropriate domestic or foreign governmental agency, to the extent required, and, as of the date hereof, to the knowledge of the Seller, each such registration, filing and issuance remains in full force and effect. Except as set forth on Schedule 4.15 attached hereto, no claim adverse to the interests of the Seller in the Intellectual Property or agreements set forth in Schedule 4.15 attached hereto has been threatened in writing or filed in, or to the knowledge of the Seller, threatened in writing by, any court, administrative agency or other entity governing the use of such property. To the knowledge of the Seller, no Person has

infringed or otherwise violated the Seller's right in any of the Intellectual Property or agreements set forth in Schedule 4.15 attached hereto. Except as set forth in Schedule 4.15 attached hereto, no litigation is pending wherein the Seller is accused of infringing or otherwise violating the Intellectual Property right of another, or of breaching a contract conveying rights under Intellectual Property.

Section 4.16. Accounts Receivable. Except as set forth in Schedule 4.16 attached hereto, the amount of all accounts receivable, unbilled invoices and other debts due or recorded in the records and books of account of the Seller as being due to the Seller as at the Closing Date (less the amount of any provision or reserve therefor made in the books and records of the Seller as of the Closing Date) have arisen from bona fide transactions in the ordinary course of business.

Section 4.17. Employment Relations. The Seller is in material compliance with all Federal, state and other applicable Laws respecting employment and employment practices, terms and conditions, and has not, and is not, engaged in any unfair labor practice. No unfair labor practice complaint against the Seller is pending before the National Labor Relations Board or comparable state agency or instrumentality. There is no labor strike, dispute, slowdown or stoppage actually pending against or involving the Seller. The Seller is not a party to any collective bargaining agreement and no collective bargaining agreement is currently being negotiated by the Seller.

Section 4.18. Permits. The Seller has made available to the Purchaser for inspection a true and correct copy of each Permit, a complete list of which Permits is attached hereto as Schedule 4.19. Each Permit can be renewed in the ordinary course of business by the Seller. No proceeding to modify, suspend, revoke, withdraw, terminate or otherwise limit any such Permit is pending or, to the knowledge of the Seller, threatened in writing. No administrative or governmental action has been taken in connection with the expiration, continuance or renewal of any such Permit and there are no fees or penalties due and associated with such Permits, except as set forth in Schedule 4.19 attached hereto.

Section 4.19. Material Contracts. (a) Except as set forth in Schedule 4.19 attached hereto, the Seller is not a party to or bound by:

- (i) any agreement, contract or commitment relating to the employment of any Person by the Seller, or any bonus, deferred compensation, pension, profit sharing, stock option, employee stock purchase, retirement or other employee benefit plan
- (ii) any loan (other than accounts receivable from trade debtors in the ordinary course of business) or advance to (other than travel allowances and other reasonable business expenses to its employees), or investment in, any Person or any agreement, contract or commitment relating to the making of any such loan, advance or investment;
- (iii) any agreement evidencing indebtedness, including loan and credit

agreements, promissory notes and other instruments of indebtedness;

- (iv) any guarantee or other contingent liability in respect of any indebtedness or obligation of any Person (other than the endorsement of negotiable instruments for collection in the ordinary course of business);
- (v) any management service, consulting or any other similar type contract (including any employee lease or outsourcing arrangement);
- (vi) any agreement, contract or commitment limiting the ability of the Seller to engage in any line of business or to compete with any Person;
- (vii) any agreement, contract or commitment which involves annual base payments by the Seller of \$15,000 or more and is not cancelable without penalty within thirty days;
- (viii) any agreement, contract or commitment regarding the purchase, sale, lease or disposal of any material assets, capital stock or other securities of the Seller (other than in the ordinary course of business);
- (ix) any material agreement, contract or commitment (other than as set forth in item (i) above) with any of its Affiliates, stockholders or employees (including any officer, director, agent or consultant); and
- (x) any material agreement which is not freely assignable.

(b) Except as set forth in Schedule 4.19 attached hereto, each contract or agreement set forth in Schedule 4.19 attached hereto (or required to be set forth in Schedule 4.19 attached hereto) is in full force and effect and there exists no material default by the Seller or, to the knowledge of the Seller, any other party thereto or event of default or event, occurrence, condition or act (including the acquisition of the Purchased Assets hereunder) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a material default or event of default by the Seller or, to the knowledge of the Seller, any other party thereunder. The Seller has not violated any material terms or conditions of any contract or agreement set forth in Schedule 4.19 attached hereto (or required to be set forth in Schedule 4.19 attached hereto) in any material respect, and, to the knowledge of the Seller, all of the covenants to be performed by any other party thereto have been performed in all material respects.

## ARTICLE V

### REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

Section 5. Representations and Warranties of the Purchaser. The Purchaser represents and warrants that as of the date of this Agreement and on and as of the Closing Date:

Section 5.1. Existence and Good Standing; Power and Authority. The Purchaser is a corporation, duly organized, validly existing and in good standing under the Laws of the State of North Carolina. The Purchaser has the requisite corporate power and authority to enter into, execute and deliver this Agreement and perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by the Purchaser and the consummation by it of the transactions contemplated hereby have been duly authorized and approved by the Board of Directors of the Purchaser and no other action on the part of the Purchaser is necessary to authorize the execution, delivery and performance of this Agreement by the Purchaser and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Purchaser and assuming due execution of this Agreement by the Seller, is a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms, except to the extent that its enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting the enforcement of creditors' rights generally and by general equitable principles.

Section 5.2. Consents and Approvals; No Violations. Except as set forth in Schedule 5.2 attached hereto, the execution and delivery of this Agreement by the Purchaser and the consummation of the transactions contemplated hereby (a) will not violate any provision of the Certificate of Incorporation or By-Laws of the Purchaser, (b) will not violate any statute, rule, regulation, order or decree of any public body or authority by which the Purchaser is bound or by which any of its properties or assets are bound, (c) will not require the Purchaser to make any filing with, or obtain any permit, consent or approval of, or give any notice to, any governmental or regulatory body, agency or authority or any other Person, and (d) will not result in a violation or breach of, conflict with, constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation, payment or acceleration) under, or result in the creation of any Encumbrance upon any of the assets of the Purchaser under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, franchise, permit, agreement, lease, franchise agreement or any other instrument or obligation to which the Purchaser is a party, or by which any of it or any of its properties or assets may be bound, excluding from the foregoing clauses (b), (c) and (d) filings, notices, permits, consents and approvals, the absence of which, and violations, breaches, defaults, conflicts and Encumbrances which would not prevent the Purchaser from performing its obligations under this Agreement or the consummation of the transactions contemplated by this Agreement.

Section 5.3. Legal Proceedings. Except as set forth in Schedule 5.3 attached



hereto, (i) there are no actions, suits, arbitrations or proceedings pending against, nor, to the knowledge of the Purchaser, are there any governmental or regulatory authority investigations or audits pending against the Purchaser or any of its assets and properties which, individually or in the aggregate, could prevent, materially impair or materially delay the ability of the Purchaser to consummate the transactions contemplated by this Agreement, and (ii) neither the Purchaser nor any of its subsidiaries is subject to any order of any governmental or regulatory authority which, individually or in the aggregate, could prevent, materially impair or materially delay the ability of the Purchaser to consummate the transactions contemplated by this Agreement.

**Section 5.4. Broker's or Finder's Fees.** No broker, finder or other Person engaged by or on behalf of the Purchaser is, or will be, entitled to any commission or broker's or finder's fees from any of the parties hereto, or from any Person controlling, controlled by or under common control with any of the parties hereto, in connection with any of the transactions contemplated by this Agreement. The Purchaser shall be responsible for any fees and expenses of any broker, finder or other Person engaged by or on behalf of the Purchaser in connection with the transactions contemplated by this Agreement.

**Section 5.5. Financing.** The Purchaser has delivered to the Seller, prior to the date hereof, a true, correct and complete copy of a letter providing a confirmation by the financial institution issuing such letter (the "Lender") that the Purchaser has received a commitment from the Lender (the "Commitment Letter") to lend to the Purchaser on the Closing Date immediately available funds in an amount sufficient, when added to the principal amount of the Promissory Note and the Short Term Promissory Note, to consummate the transactions contemplated hereby and pay all related fees and expenses of the Purchaser (the "Financing"). The Commitment Letter is in full force and effect on the date hereof. The Purchaser has the Financing in an amount sufficient to consummate the transactions contemplated hereby and pay all related fees and expenses of the Purchaser.

**Section 5.6. Financial Statements.** The Purchaser has heretofore furnished the Seller with the balance sheets of the Purchaser as of the year ended December 31, 2000, and December 31, 1999, and the related unaudited statements of income and retained earnings for the years then ended. The financial statements referred to above are true and correct and have been prepared in accordance with GAAP consistently applied throughout the periods indicated and fairly present the financial position of the Purchaser at the respective dates hereof, and the results of operations and cash flows of the Purchaser for the respective periods indicated.

## ARTICLE VI

### CONDITIONS TO THE PURCHASER'S OBLIGATIONS

Section 6. Conditions to the Purchaser's Obligations. The obligations of the Purchaser to effect the transactions contemplated by this Agreement are conditioned upon satisfaction, at or prior to the Closing, of the following conditions:

Section 6.1. Truth of Representations and Warranties. The representations and warranties of the Seller contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date.

Section 6.2. Performance of Agreements. The agreements of the Seller to be performed prior to the Closing pursuant to the terms of this Agreement shall have been duly performed.

Section 6.3. No Litigation Threatened. No action or proceedings shall have been instituted or, to the knowledge of the Seller, threatened before a court or other government body or by any public authority to restrain or prohibit any of the transactions contemplated hereby.

Section 6.4. Approvals, Consents and Assignments. All governmental and other consents, approvals and assignments contemplated herein and relating to the Purchased Assets, including, but not limited to, any permits, trademarks, patents, copyrights or other intellectual property, leases, manufacturer's representative contracts or other consents, approvals or assignments necessary to permit the consummation of the transactions contemplated by this Agreement shall have been received.

Section 6.5. Bill of Sale and Instruments of Conveyance. The Seller shall have executed and delivered to the Purchaser (i) a bill of sale substantially in the form of Exhibit C attached hereto (the "Bill of Sale"), (ii) a general assignment agreement substantially in the form of Exhibit D attached hereto (the "General Assignment Agreement"), (iii) the trademark and patent assignment substantially in the form of Exhibit E attached hereto and (iv) such transfers in registrable form, endorsements, assurances, conveyances, releases, discharges, assignments, certificates and other instruments of transfer and conveyance, duly executed by the Seller, as the Purchaser shall reasonably deem necessary to vest in the Purchaser good and marketable title to the Purchased Assets free and clear of any Encumbrance of any kind other than Permitted Encumbrances.

Section 6.6. Opinion of the Seller's Counsel. The Purchaser shall have received an opinion, dated the Closing Date, of White & Case LLP, to the effect set forth in Exhibit F attached hereto.

Section 6.7. FIRPTA. The Seller shall have furnished to the Purchaser, on or

prior to the Closing Date, a non-foreign person affidavit required by Section 1445 of the Code.

Section 6.8. Good Standing and Other Certificates. The Seller shall have delivered to the Purchaser (a) copies of the Seller's Articles of Incorporation, including all amendments thereto, in each case certified by the Secretary of State of the State of Florida, (b) a certificate from the Secretary of State of the State of Florida to the effect that the Seller is in good standing or subsisting in such jurisdiction and listing all charter documents (or other relevant governing documents) of the Seller on file, (c) a certificate from the Secretary of State or other appropriate official in each State in which the Seller is qualified to do business to the effect that the Seller is in good standing in such State, (d) a certificate as to the tax status of the Seller from the appropriate official in its jurisdiction of incorporation and each state in which the Seller is qualified to do business and (e) a copy of the By-Laws of the Seller, certified by the Secretary of the Seller as being true and correct and in effect on the Closing Date.

## ARTICLE VII

### CONDITIONS TO THE SELLER'S OBLIGATIONS

Section 7. Conditions to the Seller's Obligations. The obligations of the Seller to effect the transactions contemplated by this Agreement are conditioned upon satisfaction, at or prior to the Closing, of the following conditions:

Section 7.1. Truth of Representations and Warranties. The representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date.

Section 7.2. Performance of Agreements. The agreements of the Purchaser to be performed prior to the Closing pursuant to the terms of this Agreement shall have been duly performed.

Section 7.3. No Litigation Threatened. No actions or proceedings shall have been instituted or, to the knowledge of the Purchaser, threatened before a court or other government body or by any public authority to restrain or prohibit any of the transactions contemplated hereby.

Section 7.4. Approvals, Consents and Assignments. All governmental and other consents, approvals and assignments contemplated herein and relating to the Purchased Assets, including, but not limited to, any permits, trademarks, patents, copyrights or other intellectual property, leases, manufacturer's representative contracts or other consents, approvals or assignments necessary to permit the consummation of the transactions contemplated by this Agreement shall have been received.

Section 7.5. Assumption Agreement. The Purchaser shall have executed and

delivered to the Seller an assumption agreement substantially in the form of Exhibit G attached hereto (the "Assumption Agreement").

Section 7.6. Opinion of the Purchaser's Counsel. The Seller shall have received an opinion, dated the Closing Date, of Ragsdale Liggett PLLC, to the effect set forth in Exhibit H attached hereto.

Section 7.7. Taxes. The Purchaser shall have delivered to the Seller documentary evidence of satisfaction of its obligations under Section 8.2, if applicable.

Section 7.8. Financing Statements. The Purchaser shall have executed and delivered to the Seller for filing financing statements or other documents or instruments reasonably necessary or desirable to perfect and protect the Seller's security interest in the collateral securing the Promissory Note and the Short Term Promissory Note.

## ARTICLE VIII

### OTHER AGREEMENTS

Section 8.1. Employment of Employees. (a) Within a reasonable period of time prior to the Closing Date, the Purchaser shall offer employment, commencing on the Closing Date, to those employees identified by name in Schedule 8.1 attached hereto. The terms and conditions of such employment shall be substantially similar to the terms of such employees current employment with the Seller. Each such employee who accepts such offer of employment is referred to hereinafter as a "Transferred Employee," and all such employees collectively as the "Transferred Employees."

(b) The Purchaser shall provide or cause to be provided, effective as of the Closing Date, such group health insurance coverage and other benefits as the Purchaser has in place and offers to its other similarly situated employees on the Closing Date.

Section 8.2. Transfer Taxes. All stamp, transfer, documentary, sales, use, value added, registration and other similar taxes and fees imposed by the United States or by any political subdivision or taxing authority thereof or therein (including any penalties and interest) incurred in connection with the sale of the Purchased Assets pursuant to this Agreement (collectively, the "Transfer Taxes") shall be borne by the Purchaser. The Purchaser shall, at its own expense, properly file, with the cooperation of the Seller, on a timely basis all necessary tax returns, reports, forms, and other documentation with respect to any Transfer Tax and provide to the Seller evidence of payment of all Transfer Taxes.

Section 8.3. Further Assurances. On or after the Closing Date, (a) the Seller

shall, at the Purchaser's request, from time to time execute and deliver such further instruments of conveyance, assignment and transfer and each party shall take, or cause to be taken, such other actions as either party may reasonably request for more effective conveyance, assignment and transfer of the Purchased Assets to the Purchaser and the assumption by the Purchaser of the Assumed Liabilities, (b) the Purchaser shall, at the Seller's request, from time to time execute and deliver all further instruments and documents, and take all further action that may be reasonably necessary or desirable to perfect and protect the Seller's security interests granted to the Seller by the Purchaser under the Promissory Note and the Short Term Promissory Note or to enable the Seller to exercise and enforce its rights and remedies under the Promissory Note and the Short Term Promissory Note with respect to the collateral, as the case may be, and the Purchaser agrees not to create or permit to exist any lien, security interest or other charge or encumbrance upon or with respect to any of the collateral securing the Promissory Note or the Short Term Promissory Note except as expressly provided in such note, (c) each of the Seller and the Purchaser shall cooperate and use their respective commercially reasonable efforts to take, or cause to be taken, all appropriate actions, and to make, or cause to be made, all filings necessary, proper or advisable under applicable Laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including, without limitation, their respective commercially reasonable efforts to obtain all licenses, permits, consents, approvals, authorizations, qualifications and orders of governmental authorities and parties to contracts with the Seller as are necessary for consummation of the transactions contemplated by this Agreement.

Section 8.4. Allocation of Purchase Price. The Seller and the Purchaser agree to allocate the aggregate purchase price to be paid for the Purchased Assets in accordance with Section 1060 of the Code. The Seller and the Purchaser agree that the Purchaser shall prepare and provide to the Seller a draft allocation of the purchase price among the Purchased Assets promptly following the Closing Date. The Seller shall notify the Purchaser as soon as practicable of any objection the Seller may have thereto. The Seller and the Purchaser agree to resolve any disagreement with respect to such allocation in good faith within thirty (30) days after the delivery to the Seller of the draft allocation by the Purchaser, it being understood that any such allocation shall be made in accordance with the mutual agreement of the Seller and the Purchaser. In addition, the Seller and the Purchaser hereby undertake and agree to file timely any information that may be required to be filed pursuant to Treasury Regulations promulgated under Section 1060(b) of the Code, and shall use the allocation determined pursuant to this Section 8.4 in connection with the preparation of Internal Revenue Service Form 8594 as such form relates to the transactions contemplated by this Agreement. Neither the Seller nor the Purchaser shall file any tax return or other document or otherwise take any position which is inconsistent with the allocation determined pursuant to this Section 8.4 except as may be adjusted by subsequent agreement following an audit by the Internal Revenue Service or by court decision.

Section 8.5. Cooperation; Record Keeping; Announcements. (a) During the period commencing on the Closing Date and ending one hundred twenty (120) days after the Closing Date, the Seller and the Purchaser shall furnish or cause to be furnished to the other party

upon reasonable request such information relating to the business, properties, assets or operations of Seller on or prior to the Closing Date (including books and records) as is reasonably necessary for the preparation of their respective tax returns, for the preparation of any audit, or for the prosecution or defense of any claim, suit, proceeding, or proposed adjustment. With respect to the foregoing, the Seller and the Purchaser will not allow the destruction or disposition of any books, records or files relating to the business, properties, assets or operations of the Seller to the extent they pertain to the operations of the Seller on or prior to the Closing Date, without first having offered in a written notice to the other party to deliver such books, records and files to such party. The Purchaser and the Seller shall be entitled to dispose of the books, records and files described in such notice if the other party shall fail to request copies of such books, records and files within one hundred twenty (120) days after receipt of the notice described in the preceding sentence.

(b) The Seller and the Purchaser agree not to make any notices or announcements to the Seller's customers, vendors and other business associates without obtaining the consent of the other party during the period following the Closing. The Purchaser agrees further not to provide any information or make any announcements to the Seller's employees without the consent of the Seller.

Section 8.6. Guaranty. MOP fully guarantees the validity of the representations and warranties of the Seller as set forth in this Agreement and any schedules and exhibits attached hereto, as well as the performance of all obligations of the Seller under this Agreement.

Section 8.7. Returns. The Seller agrees that following the Closing and until the liquidation of the Seller's assets, it will use its commercially reasonable efforts to forward to the Purchaser reels returned to the Seller for warranty repairs, to an address provided to the Seller by the Purchaser. The Purchaser shall pay all costs associated with the transfer of such items.

Section 8.8. Non-Assignable Contracts. To the extent that the assignment of any material contract, lease, sales order or purchase order to be assigned as provided hereunder shall require the consent of another party thereto, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof, but, upon request by the Purchaser, the Seller will use commercially reasonable efforts to obtain the written consent of the other parties to the assignment of all such material contracts, leases, sales orders and purchase orders, and if such consent is not obtained, the Seller and the Purchaser shall cooperate in any arrangement reasonably acceptable to the Purchaser designed to provide to the Purchaser the benefits, subject to the assumption by the Purchaser of the obligations and liabilities of the Seller, under any such agreements.

Section 8.9. Name Change. The Seller agrees that it will file with the Florida Secretary of State a change of name certificate promptly following the Closing Date and that the new name of the Seller shall be reasonably acceptable to the Purchaser prior to such filing. The Seller further agrees to execute any other documentation reasonably necessary to assist the

Purchaser in obtaining the rights and title to the name "Fin-Nor International," or any other derivation of "Fin-Nor," following the consummation of the sale contemplated herein.

Section 8.10. Additional Patents and Trademarks. The Seller agrees that, to the extent it is discovered by the Purchaser after the Closing that there are additional trademarks and/or patents registered in the name of the Seller other than those listed in Schedule 4.15, the Seller shall take all commercially reasonable actions to execute any other documentation reasonably necessary to assist the Purchaser in obtaining the rights and title to such patents and/or trademarks.

Section 8.11. Certain Software. The Purchaser agrees that following the Closing the Seller shall have the right to use, at no cost to the Seller, the Made2Manage Software, which constitutes a part of the Purchased Assets, pursuant to a license hereby granted by the Purchaser to the Seller.

Section 8.12. Access to Seller's Premises; Indemnification. The Seller covenants and agrees to grant to the Purchaser and its properly authorized agents reasonable access, during normal business hours and prior to May 31, 2001, to its premises located at 5553 Anglers Avenue, Suites 109-112, Ft. Lauderdale, Florida (the "Premises") for the purpose of removing the Purchased Assets from such Premises by the Purchaser or its properly authorized agents, at the Purchaser's expense; provided that, prior to granting such access, the Purchaser shall have delivered to the Seller proof of adequate commercial general liability insurance, acceptable to the Seller's landlord, covering the Purchaser and its agents. The Purchaser hereby agrees to indemnify, defend and hold harmless each Seller Indemnitee from and against all claims, suits, actions, damages and causes of action arising out of any personal injury, loss of life, and damage to property sustained in, on, or about the Premises, or to the buildings and improvements placed thereon, or the appurtenances thereto, or upon the adjacent sidewalks or streets, and from and against all costs, counsel fees, expenses and liabilities incurred in and about any such claim, the investigation thereof, or the defense of any action, or proceeding, brought thereon, and from and against any orders, judgments and decrees, which may be entered therein, which are caused by the acts or neglect of the Purchaser, its agents, employees, subcontractors, or servants.

## ARTICLE IX

### SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

Section 9.1. Survival of Representations and Warranties. The respective representations and warranties of the Seller and the Purchaser contained in this Agreement or in any Schedule or Exhibit attached hereto or in any Certificate delivered pursuant to this Agreement, shall survive the Closing and shall terminate upon the first anniversary of the Closing Date; provided, however, that (i) the representations and warranties set forth in Sections 4.4, 4.12 and 4.15 hereof shall terminate upon the second anniversary of the Closing Date; and (ii) the representations and warranties set forth in Section 4.8 hereof shall terminate upon the

expiration of the statute of limitations applicable to legal claims and causes of action arising from the matters referenced in such Section.

Section 9.2. Indemnification. (a) The Seller agrees to indemnify, defend and hold harmless the Purchaser and its affiliates and their respective officers, directors, employees, agents and affiliates and their respective successors and assigns (each a "Purchaser Indemnitee") from and against all damages, losses, liabilities, obligations, claims of any kind, interest or expenses (including, without limitation, reasonable attorneys' fees actually incurred and expenses) ("Loss"), suffered or paid, directly or indirectly, as a result of, in connection with or arising out of (i) the failure of any representation or warranty made by the Seller in this Agreement or in any Schedule or Exhibit attached hereto or any Certificate or other document delivered pursuant to this Agreement to be true and correct in all material respects as of the date of this Agreement and as of the Closing Date and (ii) any breach by the Seller of any of its covenants or agreements contained in this Agreement.

(b) In addition to the indemnification provided in Section 9.2(a), the Seller agrees to indemnify the Purchaser from and against the entirety of any Loss that the Purchaser may suffer resulting from, arising out of, relating to, or caused by (i) any Excluded Liability, or (ii) any liability of the Seller which is not an Assumed Liability and which is imposed upon the Purchaser under any bulk transfer law of any jurisdiction or under any common law doctrine of de facto merger or successor liability so long as such liability arises out of the ownership or operation of the assets of the Seller, or the operation or conduct of the Seller's business prior to the Closing Date; provided that any such Loss to the Purchaser pursuant to subsections (i) and (ii) above has not resulted from, arouse out of, related to, or was caused by (x) product returns in the ordinary course of business or (y) the Purchaser.

(c) The Purchaser agrees to indemnify, defend and hold harmless the Seller and its affiliates and their respective officers, directors, employees, agents, and affiliates and their respective successors and assigns (each a "Seller Indemnitee") from and against all Losses suffered or paid, directly or indirectly, as a result of, in connection with or arising out of (i) the failure of any representation or warranty made by the Purchaser in this Agreement or in any Schedule or Exhibit attached hereto or any Certificate or other document delivered pursuant to this Agreement to be true and correct in all material respects as of the date of this Agreement and as of the Closing Date, (ii) any breach by the Purchaser of any of its covenants or agreements contained herein, including, without limitation, the failure of the Purchaser to perform and discharge any of its obligations with respect to any Assumed Liabilities, and (iii) any violations of or liability (or alleged liability) resulting from the Purchaser's use or operation of the Purchased Assets.

(d) The obligations to indemnify and hold harmless pursuant to this Section 9.2 shall survive the consummation of the transactions contemplated by this Agreement for the time periods set forth in Section 9.1, except for claims for indemnification asserted prior to the end of such periods, which claims shall survive until final resolution thereof.



**Section 9.3. Indemnification Procedure.** (a) If any party hereto shall incur any Loss in respect of which indemnification may be sought by such party pursuant to Section 9.2, the party to be indemnified hereunder (the "Indemnitee") shall assert a claim for indemnification by written notice ("Notice") to the party providing indemnification (the "Indemnitor") stating the nature and basis of such claim. In the case of a Loss arising by reason of any third-party claim, the Notice shall be given within ten days of the receipt by the Indemnitee of any written assertion which Indemnitee believes will give rise to indemnification pursuant to Section 9.2, but the failure of the Indemnitee so to notify the Indemnitor shall not relieve the Indemnitor of any liability the Indemnitor may have to the Indemnitee except to the extent that the Indemnitor demonstrates that its defense of such claim is actually prejudiced thereby. The Indemnitee shall provide to the Indemnitor all information and documentation reasonably necessary to support and verify any Loss or other claims which the Indemnitee believes give rise to a claim for indemnification hereunder and shall give the Indemnitor reasonable access to all books, records and personnel in the possession or under the control of the Indemnitee which would have a bearing on such claim.

(b) In the case of third party claims, the Indemnitor shall have the option (i) to conduct any proceeding or negotiations in connection therewith, (ii) to take all other steps to settle, remedy or defend any such claim, provided that the Indemnitor shall not settle any such claim without the consent of the Indemnitee, which consent shall not be unreasonably withheld and (iii) to employ counsel reasonably acceptable to the Indemnitee to contest any such claim or liability in the name of the Indemnitee or otherwise. The Indemnitor shall, within thirty days of receipt of Notice of such claim, notify the Indemnitee of its intention to assume the defense of such claim. If the Indemnitor shall decline to assume the defense of any such claim, the Indemnitee may defend against any such claim in such manner as it may deem appropriate, without prejudice to its indemnification rights hereunder. The expenses of all proceedings, contests or lawsuits with respect to such claim shall be borne by the Indemnitor but only if the Indemnitor is responsible pursuant hereto to indemnify the Indemnitee in respect of the third-party claim and provided that, if the Indemnitor shall have assumed the defense of any such claim as provided herein, the fees and expenses of any counsel retained by the Indemnitee shall be paid by the Indemnitee. Regardless of which party shall assume the defense of the claim, the parties agree to cooperate fully with one another in connection therewith. No such third party claim, demand, action or proceeding shall be settled without the prior written consent of the Indemnitor which shall not be unreasonably withheld. If, and to the extent, the Indemnitor is responsible pursuant hereto to indemnify the Indemnitee in respect of a third-party claim, then within ten days of the reasonable request of the Indemnitee, the Indemnitor shall pay on behalf of the Indemnitee, in immediately available funds, the amount of any Loss, or such portion thereof as the Indemnitor shall be responsible for, pursuant to this Article IX representing payment by the Indemnitor of such third-party claim. If any Loss or other claims incurred by the Indemnitee do not involve payment by the Indemnitee of a third-party claim, then if, and to the extent, the Indemnitor is responsible pursuant hereto to indemnify the Indemnitee against such Loss, the Indemnitor shall within ten days of the reasonable request of the Indemnitee pay to the Indemnitee, in immediately available funds, the amount of such Loss or other claims payable pursuant to this Article IX.

(c) Until such time as any claimed Loss disputed by the Seller has been resolved pursuant to Section 10.12 hereof, the Purchaser shall have the option to set-off all or any part of such Loss against any future payments of principal under the terms of the Promissory Note. Any such set-off shall affect the timing and amount of payments of principal required under the Promissory Note in the same manner as if the Purchaser had made a pre-payment (without premium or penalty) thereunder. Notwithstanding the foregoing, prior to the exercise of such right of set-off, the Purchaser shall give the Seller written notice of any such claimed Loss, including a good faith estimate of the amount of such Loss. The Seller shall have the right to cure such Loss or dispute it in accordance with Section 10.12 within the later of (x) sixty (60) days of the notice provided by the Purchaser or (y) such later time that the Purchaser is obligated to pay the Loss (the "Cure Period") and the Purchaser shall not exercise its right of set-off until the expiration of the Cure Period. In the event that the Seller has submitted the claim to arbitration pursuant to Section 10.12 and such dispute resolution process has been unreasonably delayed by the Purchaser, the Cure Period shall be extended to the extent of such delay. In the event a scheduled payment under the Promissory Note falls within the Cure Period, the payment date for that portion of the Promissory Note payment that equals the amount of the Purchaser's good-faith estimate of the Loss shall be extended until the Cure Period has expired. In the event that the Purchaser has exercised its right to set-off any amounts against the Promissory Note or has withheld any payments under the Promissory Note during a Cure Period and it is later decided pursuant to Section 10.12 hereof that the Seller is not responsible for such Loss, the Purchaser shall immediately reimburse to the Seller the full amount of the principal off-set against the Promissory Note together with interest on such amount at a rate of 9.3% per annum from the date of any such set-off or withholding to the date of payment to the Seller.

(d) Notwithstanding any other provision of this Agreement, in the event that 5% or more of any series of reel contained in the inventory identified on MOP invoice number R0301-009 dated March 3, 2001, hereof is returned to the Purchaser for warranty repairs or replacement during the warranty period not to exceed one year, the Purchaser shall be entitled to set-off the documented cost of such repairs or replacements, as applicable, in excess of the 5% against future payments of principal under the Promissory Note; provided, however, that prior to the exercise of such right of set-off, (x) the Purchaser shall provide to the Seller prior written notice and documentation reasonably acceptable to the Seller evidencing the dollar amount of any such warranty repairs or replacements, as applicable, which amount shall not exceed the original book value of such reels or the wholesale replacement value of similar series of reels as those being replaced and (y) the Seller shall have agreed, based on such evidence, that the Purchaser may exercise its right to set-off pursuant to this Section. In the event of a dispute regarding any such right of set-off, the parties shall make their best efforts to resolve any such dispute promptly in accordance with Section 10.12 hereof. In the event that a scheduled payment of principal under the Promissory Note falls during the dispute period, the payment date for that portion of the Promissory Note payment that equals the disputed amount shall be extended until the resolution of the dispute.

Section 9.4. Limitations on Indemnity. There shall be no liability for indemnification under Section 9.2 unless the aggregate amount of Losses exceeds US\$40,000 (the "Indemnity Basket"), in which event the Indemnitor shall pay all amounts in excess of US\$20,000 in accordance with the terms hereof. The Indemnitor's aggregate liability under this Article IX shall not exceed US\$1,000,000.

## ARTICLE X

### MISCELLANEOUS

Section 10.1. Expenses. The parties hereto shall pay all of their own expenses relating to the transactions contemplated by this Agreement, including, without limitation, the fees and expenses of their own brokers, finders, agents, representatives, financial consultants, accountants and counsel.

Section 10.2. Governing Law. **THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT, AND ALL MATTERS RELATING HERETO, SHALL BE GOVERNED BY THE SUBSTANTIVE LAWS OF THE STATE OF NEW YORK (EXCLUDING CONFLICT OF LAW PRINCIPLES).**

Section 10.3. Captions. The Article and Section captions used herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

Section 10.4. Publicity. Except as otherwise required by Law or regulation as advised by counsel, none of the parties hereto shall issue any press release or make any other public statement, in each case relating to or connected with or arising out of this Agreement or the matters contained herein, without obtaining the prior written approval of the Purchaser and the Seller to the contents and the manner of presentation and publication thereof.

Section 10.5. Notices. Any notice or other communications required or permitted hereunder shall be sufficiently given if delivered in person or sent by telecopy or by registered or certified mail, postage prepaid, addressed as follows: if to the Purchaser, to Cape Fear Rod Company, 302-A Raleigh Street, Wilmington, North Carolina, 28412, Telecopy Number (910) 350-2878 Attention: Raiford Trask III, President, with a copy to its counsel, Ragsdale Liggett PLLC, 2840 Plaza Place, Suite 400, Raleigh, North Carolina, 27612, Telecopy Number (919) 783-8991 Attention: David K. Liggett; if to the Seller, to Mamiya-OP Co., Ltd., 10-13-1, Nichibori, Urawa-shi, Saitama, 338-8501, Japan, Telecopy Number 011-81-4885-84869, Attention: Mr. Nobuo Tanaka, President, with a copy to its counsel, White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036, Telecopy Number (212) 354-8113 Attention: David Robbins; or such other address or number as shall be furnished in writing by any such party, and such notice or communication shall be deemed to have been given as of the date so delivered, sent by telecopy or mailed.

Section 10.6. Parties in Interest. This Agreement may not be transferred, assigned, pledged or hypothecated by any party hereto, other than by operation of Law; provided, however, that the Purchaser may assign or transfer all or any portion of this Agreement to any one of its wholly-owned subsidiaries, but any such assignment shall not relieve the Purchaser of any of its obligations hereunder. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

Section 10.7. Counterparts. This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one instrument.

Section 10.8. Entire Agreement. This Agreement, including the Exhibits, Schedules and other documents referred to herein which form a part hereof, contain the entire understanding of the parties hereto with respect to the subject matter contained herein and therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

Section 10.9. Amendments. This Agreement may not be changed orally, but only by an agreement in writing signed by the parties hereto. Any provision of this Agreement can be waived, amended, supplemented or modified by written agreement of the parties hereto.

Section 10.10. Severability. In case any provision in this Agreement shall be held invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby.

Section 10.11. Third-Party Beneficiaries. Each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the parties hereto.

Section 10.12. Arbitration. (a) Except as expressly provided herein, all disputes arising from or related to this Agreement shall be finally settled by arbitration according to the provisions of this Section 10.12 and the applicable rules of the American Arbitration Association by a single arbitrator selected in accordance with Section 10.12(b).

(b) An arbitration shall be conducted before a single arbitrator jointly appointed by the Purchaser and the Seller (the "Arbitrator"). The Arbitrator shall be a former federal judge. In the event that the Purchaser and the Seller fail to mutually agree upon an Arbitrator, then, upon the joint request of the Purchaser and the Seller, the American Arbitration Association shall appoint the Arbitrator within thirty days of such request. The parties hereby agree to and acquiesce in any appointment of an Arbitrator that may be made by the applicable appointing authority.

(c) The place of arbitration shall be Tampa, Florida, unless otherwise agreed by the parties or unless the Arbitrator designates some other location.

(d) All costs of arbitration including, without limitation, legal fees and witness expenses shall be awarded to the prevailing party. Judgment on the award may be entered in any court with jurisdiction thereof. Once the arbitration hearing has commenced, it shall remain in continuous session until concluded, weekends and legal holidays excepted.

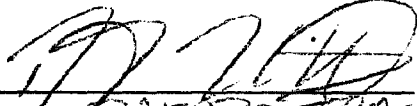
(e) The Arbitrator shall: (1) have sole authority to decide procedural matters; (2) limit discovery to a reasonable minimum; (3) limit the number of witnesses and the length of their testimony to a reasonable number/time; (4) require simultaneous submission of briefs; (5) limit the number of briefs to one initial brief and one rejoinder brief unless the parties agree otherwise; and (6) permit each party within five days of the conclusion of the hearing to submit a proposed award and/or brief final comments. The Arbitrator shall issue a written award stating the reasons upon which the award is based within thirty days of the conclusion of the hearing and shall sign the award.

(f) The parties agree that the United States District Court in Tampa, Florida, or the Superior Court of Tampa, Florida, shall have jurisdiction over an action brought to compel arbitration under this Agreement and each of the parties hereto irrevocably submits to the jurisdiction of such courts.


Section 10.13. Waiver of Jury Trial. Each of the parties to this Agreement hereby irrevocably waives all right to a trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement or the transactions contemplated hereby.

IN WITNESS WHEREOF, the Purchaser, the Seller and MOP have either executed or caused their corporate names to be hereunto subscribed by their officers thereunto duly authorized, all as of the day and year first above written.


MCGINN TECHNOLOGIES USA, INC.

By:   
Name: RAIFORD TRASK III  
Title: PRESIDENT

FIN-NOR INTERNATIONAL CO.

By:   
Name: NOBUO TANAKA  
Title: CHAIRMAN

MAMIYA OP -CO. LTD.

By:   
Name: NOBUO TANAKA  
Title: President

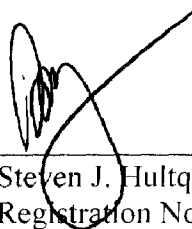
3. A check payable to the Commissioner for Patents in the amount of \$95.00, which includes \$80.00 for recordation of the two assignments, and \$15.00 for additional charge for resubmission.

In the November 2, 2001 Notice of Non-Recordation of Document, the Office stated that the reasons for not recording the previously submitted assignments are: (1) no check was enclosed for payment of recordation fees; (2) no authorization to charge deposit account was granted, and based thereupon, the Office required resubmission of the assignment documents with payment of \$80.00 recordation fees and an additional fee in the amount of \$15.00.

Assignee hereby disagrees with the Office's statement and submits that the recordation coversheet filed by assignee on August 27, 2001 has properly authorized the Office to "credit any overpayment or charge any underpayment to Deposit Account Number 08-3284 of Intellectual Property/Technology Law" (see the August 27, 2001 Recordation Coversheet, paragraph 8, a copy of which is enclosed herewith). It is therefore improper for the Office to refuse recordation of the assignment submitted and to require payment of an additional \$15.00 fee.

Nevertheless, in order to expedite the recordation process of the assignments, assignee hereby encloses payment of the \$15.00 fee, as required by the Office, and respectfully requests the Office to credit \$15.00 back to Deposit Account number 08-3284 of Intellectual Property/Technology Law, based on the reason set forth hereinabove.

Respectfully submitted,



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Steven J. Hultquist  
Registration No. 28,021  
Attorney for Assignees

**INTELLECTUAL PROPERTY/  
TECHNOLOGY LAW**

P.O. Box 14329  
Research Triangle Park, NC 27709  
Phone: (919) 419-9350  
Fax: (919) 419-9354  
Attorney File No.: 4201-100