

11-28-2005

U.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office



103069582

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)

EJS BLUE BLOWER, LLC.

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance/Execution Date(s):

Execution Date(s) OCTOBER 6, 2005

- ☐ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
☐ Joint Research Agreement
☐ Government Interest Assignment
☐ Executive Order 9424, Confirmatory License
☒ Other ASSET PURCHASE AGREEMENT

2. Name and address of receiving party(ies)

Name: CFM PRODUCTS, LLC

Internal Address: _____

Street Address: 4657 RAVENSWOOD AVENUE

UNIT B

City: CHICAGO

State: ILLINOIS

Country: USA Zip: 60640

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application or patent number(s):

☐ This document is being filed together with a new application.

A. Patent Application No.(s)

B. Patent No.(s)

4,954,049

Additional numbers attached? ☐ Yes ☒ No

5. Name and address to whom correspondence concerning document should be mailed:

Name: GARY L. SHAFFER, ESQ. LLC

Internal Address: _____

Street Address: 901 BANKS PLACE

City: ALEXANDRIA

State: VIRGINIA Zip: 22312

Phone Number: 703-642-5435

Fax Number: 793-642-3239

Email Address: _____

6. Total number of applications and patents involved: ONE

7. Total fee (37 CFR 1.21(h) & 3.41) \$ \$160

- ☐ Authorized to be charged by credit card
☐ Authorized to be charged to deposit account
☒ Enclosed CHECK NO. 1387
☐ None required (government interest not affecting title)

8. Payment Information

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

9. Signature:

Gary L. Shaffer
Signature

Nov. 23, 2005
Date

11/28/2005 DBYRNE 00000248 4954049 Gary L. Shaffer, Esq.

Total number of pages including cover sheet, attachments, and documents: 20

01 FC:802
02 FC:8023
Name of Person Signing

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is dated and is effective as of the 6th day of October, 2005, by and among CFM PRODUCTS, LLC, an Illinois limited liability company ("Buyer"), and EJS BLUE BLOWER, L.L.C, an Ohio limited liability company ("Seller"), and SUSAN GERARD, individually and as a Member of Seller, and EDMOND GERARD, individually and as Manager and a Member of Seller (collectively, the "Members").

WHEREAS, Seller desires to sell and Buyer desires to purchase substantially all of the assets relating to Seller's business of manufacturing and selling portable air machines, generators, power washers and heaters (the "Business");

WHEREAS, the Members are the sole Members of Seller and will personally benefit from the transactions contemplated herein.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, Buyer and Seller agree as follows:

1. Purchase and Sale.

1.1. **Assets to Be Transferred.** Subject only to the terms, conditions and limitations contained in this Agreement, Seller shall sell, transfer, convey, assign and deliver to Buyer at Closing (as hereinafter defined), free and clear of all liabilities, claims, liens, encumbrances and charges, substantially all of the assets of Seller, wherever situated, excluding the Excluded Assets described in Section 1.2 herein, together with the assets, properties, rights and interests of the Business. Said assets (collectively, the "Acquired Assets") shall include:

(a) all computers and other related tangible property including, without limitation, as listed on Schedule 1.1(a) hereto;

(b) all purchase orders (collectively, "Purchase Orders") of Seller, including without limitation Purchase Orders #72605 and #72905, as described on Schedule 1.1(b) hereto;

(c) all rights and interests in as well as the actual physical possession of the molds used by the Business in the manufacture of the products, including without limitation those held by World Friendship Company in China;

(d) all rights and interests of Seller in and to agreements, contracts, authorizations and commitments of customers of the Business including, without limitation, with respect to all orders in process, all as listed on Schedule 1.1(d) hereto;

(e) all warranties and guaranties of contractors, lessors, vendors and suppliers which pertain to the Business, to the extent that these may be assigned to or assumed by Buyer;

(f) all interests of Seller in and to all telephone and facsimile numbers used in connection with the Business and Seller's related listings in telephone books and directories;

(g) any and all marketing, promotional and reference materials utilized in the Business including, without limitation, any and all product literature and/or brochures, technical documents, computer software and ancillary materials, referral lists, marketing "leads," telephone numbers, and similar assets utilized by Seller in the conduct of the Business;

(h) any and all trade show displays and associated promotional materials used in connection with the Business, including without limitation three portable backdrops and any and all other associated equipment;

(i) all lists, data bases, files, records and other information relating to persons or entities to whom or to which Seller has provided or may provide services at any time with respect to the Business including, without limitation, customers relating to bids in process or outstanding proposals, all as listed on Schedule 1.1(h) hereto (collectively, the "Customers"), whether such records exist in written, electronic or other form;

(j) all lists, data bases, files, records and other information relating to past, current and prospective suppliers, vendors, distributors and employees with respect to the Business, whether such records exist in written, electronic or other form;

(k) all rights under any patent application, patent, trademark, service mark, trade dress, trade name or copyright, whether registered or unregistered, internet domain name, and any applications therefor; and all technologies, methods, formulations, data bases, trade secrets, know-how, inventions and other intellectual property used in the Business or under development; and all computer software (including documentation and related object and source codes), all as listed on Schedule 1.1(k) hereto (collectively, the "Intellectual Property"), including but not limited to;

(1) U.S. Trademark Reg. #1658914 to "Blue Blower," and

(2) U.S. Patent # 4,954,049 for the "Blue Blower," issued Sep. 4, 1990;

(l) all rights under any and all franchises, licenses, Permits (as hereinafter defined), easements, rights, applications, filings, registrations and other authorizations, (collectively, "Authorizations") of any nature applicable to Seller, to the extent assignable including, without limitation, all as listed on Schedule 1.1(l) hereto; for purposes hereof, "Permits" shall mean any registration, franchise, license, application, filing, listing, approval or authorization of any nature applicable to Seller for the operation of the Business.

(m) any and all rights under the Underwriter's Laboratory UL listing, including but not limited to the Underwriters Laboratory of Canada File #E133640, as well as any and all rights to or under the ETL SEMKO electrical product safety testing 'Listed' approval, and also any and all GS1 US rights to listings and any and all rights and availability to declare more GS1 US listings;

(n) the Business and associated goodwill of Seller related to the Business as a going concern as well as any and all proprietary rights of Seller in and to the trade name "BLUE BLOWER." Seller agrees to change its name to a name that does not include and is not similar to "Blue Blower" as of the Closing Date and to execute and/or file any and all necessary documents, instruments and certificates to accomplish such name change and to use an expedited filing process and pay all fees and charges related to such filings; and

(o) any and all other assets and properties of Seller of every kind, character and description, whether tangible, intangible, real, personal or mixed, and wherever located or by whomever possessed related to the Business including, without limitation, supplies on hand, all financial accounting and business related books and records pertaining to the Business, or any of the Acquired Assets (provided that Seller's accountant shall be permitted to retain all records of Seller that it holds, but Buyer shall be provided access thereto, and may, at its expense, make copies thereof), existing advertising, technical manuals, any and all policy and/or procedure manuals relating to the Business, all rights or choses in action arising out of occurrences before or after the Closing, including without limitation all rights under express or implied warranties relating to the Acquired Assets, and all information and records (including without limitation personnel records to the extent not prohibited by law), whether reduced to physical form or otherwise, acquired for, used in, or in any way primarily related to the Business.

1.2. **Excluded Assets.** Seller shall retain, and shall not transfer or deliver to Buyer, the following assets of Seller (collectively, the "Excluded Assets"):

(a) cash and bank accounts;

(b) all accounts receivable of Seller as of the Closing Date, only excepting the Purchase Orders;

(c) Seller's prior tax returns, Articles of Organization, record books and other documents relating to Seller's organization as a business entity; and

(d) monies to be received by Seller under this Agreement, and all other rights of Seller hereunder.

2. **Purchase Price.** Buyer shall pay to Seller, as the aggregate purchase price for the Acquired Assets, an amount equal to TWO HUNDRED EIGHTY-TWO THOUSAND AND NO/100 DOLLARS (\$282,000.00) (the "Purchase Price"). The Purchase Price shall be paid in the manner provided in Section 4 hereof.

3. **Excluded Liabilities.** Buyer shall not assume or be liable for, and Seller shall retain, discharge and perform, any and all liabilities and obligations of Seller including, without limitation, (a) any liability or obligation of Seller arising from or relating to services sold by Seller prior to the Closing and the operation of the Business prior to the Closing; (b) any liability or obligation of Seller for loans, trade payables or other debts of Seller; (c) any liability or obligation of Seller to any employee, distributor, representative or agent of Seller for

compensation or other benefits earned or accrued prior to the Closing except to the extent that such contracts or Purchase Orders are assumed by Buyer because of Buyer's taking delivery of the products relating thereto; (d) any obligation of Seller for federal, state or local Taxes (as hereinafter defined) (including interest and penalties) arising from the ownership or use of the Acquired Assets or the operation of the Business prior to the Closing, or arising out of the sale or conveyance by Seller of the Acquired Assets pursuant to this Agreement; (e) any liability or obligation related to any lease (whether with respect to real property or other property); and (f) any other liability, contract, commitment or obligation (whether known or unknown, fixed or contingent, liquidated or unliquidated) arising out of or relating to the ownership or use of the Acquired Assets and/or the operation of the Business prior to the Closing (with all such excluded liabilities collectively referred to herein as the "Excluded Liabilities"). Seller and the Members hereby jointly and severally agree and covenant to perform and discharge fully all of the Excluded Liabilities.

4. Closing.

4.1. Time and Place. The Closing of the transfer and delivery of the documents and instruments necessary to consummate the purchases and sales contemplated by this Agreement (the "Closing") shall be forwarded to Meltzer, Purtill & Stelle LLC, 1515 E. Woodfield Road, Second Floor, Schaumburg, Illinois. Upon confirmation from each party that all conditions of closing have been satisfied, Meltzer, Purtill and Stelle LLC shall disburse the documents received by them. The date on which the Closing is actually held hereunder is sometimes referred to herein as the "Closing Date". The Closing shall be effective as of 12:01 a.m. on the Closing Date.

4.2. Payment of Purchase Price. At the Closing on the Closing Date, Buyer shall pay Seller as follows.

(a) **Purchase Price.** At the Closing on the Closing Date, Buyer shall pay the Purchase Price by executing and delivering the Promissory Note to Seller as described in Section 4.2(b) for the full amount of the Purchase Price in substantially the form of Exhibit A hereof.

(b) **Promissory Note.** The Buyer will sign a promissory note (the "Note") in the form attached hereto as Exhibit A, in the amount of TWO HUNDRED EIGHTY-TWO THOUSAND AND NO/100 DOLLARS (\$282,000.00), payable to Seller. The Buyer shall make a payment on the principal balance of the note in the amount of \$32,000 on June 1, 2006, along with an interest payment of \$9400 (a simple interest rate of five (5%) percent per annum for eight months on \$282,000). Additionally, Buyer shall make four (4) consecutive annual payments of principal and interest, commencing June 1, 2007 and continuing on the first business day of June in each succeeding year. Interest shall be paid at a simple interest rate of five (5%) percent per annum on the then existing outstanding balance, and principal shall be paid in equal payments of \$62,500 on the principal annually. The Note shall be secured by a security interest in favor of Seller in Buyer's assets pursuant to a Security Agreement in the form attached hereto as Exhibit B. All payments due and owing pursuant to the Note shall be subordinate to Buyer's lender, if any, on terms and conditions mutually agreeable to Seller and such lender, and Seller shall execute and deliver any reasonable standby and subordination agreement in form and substance

satisfactory to said lender and Seller. The Subordination Agreement will provide that the regularly scheduled payments under the Note will be made, unless the lender has declared a default in writing. The amount of the Note may be prepaid by Buyer at any time in whole or in part without premium or penalty. Once made, the payments shall be non-refundable.

(c) **Holdback.** If there are any delays or problems with the transfer and assignment of the Intellectual Property, it is possible that Buyer will be restricted from using the Intellectual Property as needed to operate the Business. Buyer shall use its best efforts to diligently obtain the transfer of the Intellectual Property. Consequently, if such delays are not attributable to Buyer, Buyer may withhold the final payment due on the Maturity Date in the amount of \$62,500 plus accrued and unpaid interest (the "Holdback") unless provided as follows. If Buyer is able to obtain the transfer and assignment of all Intellectual Property licenses and rights by the Maturity Date, then the Holdback shall be due and payable to Seller. If by such date, Buyer has not obtained full rights to all the Intellectual Property licenses and patents, then the Holdback shall be retained by Buyer.

(d) **Consulting Agreement.** Buyer shall enter into an agreement to compensate Seller for consulting services as provided in Section 10.

4.3. Transactions at Closing. At the Closing of the purchase and sale of the Acquired Assets, the parties shall deliver to one another the following agreements, documents and instruments:

(a) Seller shall deliver to Buyer, in such form as may in each case be reasonably satisfactory to counsel for Buyer, the following items:

- (1) A Bill of Sale in substantially the form of Exhibit C hereto;
- (2) An Assignment and Assumption Agreement in the form of Exhibit D hereto;
- (3) A certificate of good standing for Seller;
- (4) Documents evidencing the change of Seller's name to a name that is not similar to "Blue Blower," along with a fee for expedited filing of such documents with the Secretary of State of the State of Ohio;
- (5) Secretary's Certificate certifying incumbency of officers, and certifying as to unanimous agreement of Seller's Managers and its Members regarding the sale and the change of name contemplated by this Agreement; and
- (6) Such other documents or instruments as counsel for Buyer reasonably deems necessary to consummate the transactions contemplated by this Agreement.

(b) Buyer shall deliver to Seller, in such form as may in each case be reasonably satisfactory to counsel for Seller, the following items:

(1) the Note, the Security Agreement and the UCC-1;

(2) Secretary's Certificate certifying as to the unanimous agreement of the Managers of Buyer by written consent, regarding the acquisition contemplated by this Agreement; and

(3) Such other documents or instruments as counsel for Seller reasonably deems necessary to consummate the transactions contemplated by this Agreement.

5. **Adjustments.** Seller shall pay any sales, use, and other transfer Taxes with respect to the sale and Buyer's purchase of the Acquired Assets. Seller shall pay and deliver evidence that such has been paid on or before the Closing Date.

6. **Representations and Warranties of Seller and the Members.** Seller and the Members, jointly and severally, represent and warrant to Buyer as follows as of the Closing Date, except as expressly set forth in an exception to a particular Schedule to this Agreement (each, a "Schedule", and collectively, the "Disclosure Schedules"). Any disclosure made on a Schedule here shall be deemed to refer only to the particular Schedule in which the disclosure is made unless an express cross-reference is made to another Schedule. Capitalized terms used in the Disclosure Schedules and not otherwise defined therein have the meanings given to them in this Agreement.

6.1. **Organization of Seller; Authority.** Seller is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Ohio. Seller has all requisite power and authority to own and hold the Acquired Assets owned or held by it, to carry on the Business, and to own or lease and operate its properties as such Business is now conducted and such properties are now owned, leased, or operated. Seller has all requisite power, authority, and capacity to execute and deliver this Agreement and all other agreements, documents, and instruments contemplated hereby and to carry out all actions required of it pursuant to the terms of this Agreement, and this Agreement has been duly executed and delivered by Seller and the Members and constitutes the legal, valid, and binding obligation of Seller and the Members, enforceable against Seller and the Members in accordance with its terms.

6.2. **Noncontravention.** Neither the execution and delivery of this Agreement by Seller and the Members nor the consummation by Seller and the Members of the transactions contemplated hereby will constitute a violation of, or be in conflict with, or constitute or create a default under, or result in the creation or imposition of any Encumbrance (as defined in Section 6.3 herein) upon any property of Seller (including, without limitation, any of the Acquired Assets) pursuant to (a) the charter documents or By-Laws of Seller, each as amended to date; (b) any contract, agreement or commitment to which Seller or one of the Members is a party or by which Seller, the Members or any of their respective properties (including, without limitation, any of the Acquired Assets) is bound, or to which Seller, the Members or any of such properties is subject (and will not constitute an event which, after notice or lapse of time or both, would result in such violation, conflict, default, acceleration, or creation or imposition of any

Encumbrance); or (c) any statute or any judgment, decree, order, regulation, or rule of any court or governmental authority. Neither the execution and delivery of this Agreement by Seller and the Members nor the consummation by Seller and the Members of the transactions contemplated hereby will require any consent, approval authorization or other action by, or filing with or notification to any governmental or regulatory authority.

6.3. Title to Acquired Assets. To the best of Seller's knowledge, Seller is the lawful owner of, has good and valid record and marketable title to, and has the full right to sell, convey, transfer, assign, and deliver the Acquired Assets, without any restrictions of any kind whatsoever. All of the Acquired Assets are entirely free and clear of any security interest, liens, claims, charges, options, mortgages, debts, leases (or subleases), conditional sales agreements, title retention agreements, encumbrances of any kind, or restrictions against the transfer or assignment thereof (collectively, "Encumbrances"), and there are no filings in any registry of deeds in any jurisdiction or under the Uniform Commercial Code or similar statute in any jurisdiction showing Seller as debtor which create or perfect or which purport to create or perfect any Encumbrance in or on any of the Acquired Assets. At and as of the Closing, Seller will convey the Acquired Assets to Buyer by deeds, bills of sale, certificates of title, and instruments of assignment and transfer effective to vest in Buyer, and Buyer will have good and valid record and marketable title to all of the Acquired Assets, free and clear of all Encumbrances.

6.4. Tangible Property. Seller owns or has the right to use, and is transferring to Buyer pursuant to the terms of this Agreement, all property, real or personal, tangible or intangible, which is necessary for the operation of the Business, including the molds held by World Friendship Company, as described in Section 1.1(c), and the computer(s) of the Seller as specified in Section 1.1(a), (collectively, the "Tangible Acquired Assets"). No person other than Seller owns any of the Tangible Acquired Assets.

6.5. Contracts. Seller is not in default and no event has occurred which with or without the giving of notice or lapse of time, or both, would constitute a default in the performance, observance, or fulfillment of any obligation, covenant or condition contained in any of the agreements, contracts, commitments, leases, documents, and other instruments (the "Contracts") to which Seller is a party, and each of the Contracts is valid and enforceable in accordance with its terms.

6.6. Customers, Distributors, Contractors, Suppliers. Schedule 1.1(h) sets forth all the Customers relating to the Business during the two (2) year period ended on the Closing Date, and Schedule 6.6 sets forth all contractors, distributors and suppliers who have provided in excess of Ten Thousand Dollars (\$10,000) of services or materials in the aggregate to Seller with respect to the Business during such two (2) year period (each, a "Material Supplier"). To Seller's knowledge, there is no plan or intention of any Material Supplier to decrease materially or limit its services, supplies or materials to Seller; or to Seller's knowledge, its usage, purchase, or distribution of the services or products of Seller.

6.7. Litigation, Etc. Except for product liability claims and suits which have been tendered to Seller's insurance company, no action, suit, proceeding, or investigation is pending or, to Seller's and the Members' Knowledge, threatened, relating to, or affecting any of the

Acquired Assets or relating to or affecting the activities of Seller carried on with any of the Acquired Assets or with respect to the Business, or which questions the validity of this Agreement or challenges any of the transactions contemplated hereby, nor is there any basis for any such action, suit, proceeding, or investigation.

6.8. Intellectual Property. Seller in the conduct of the Business did not and does not utilize any Intellectual Property except for those listed on Schedule 1.1(k), all of which are owned by Seller free and clear of any liens, claims, charges or encumbrances. To Seller's knowledge, Seller does not infringe upon or unlawfully or wrongfully use any patent, trademark, trade dress, tradename, service mark, copyright or trade secret owned or claimed by another. Seller is not in default under, and has not received any notice of any claim of infringement or any other claim or proceeding relating to any such patent, trademark, trade dress, tradename, service mark, copyright or trade secret. No present or former employee of Seller and no other person owns or has any proprietary, financial or other interest, direct or indirect, in whole or in part, in any patent, trademark, trade dress, tradename, service mark or copyright, or in any application therefor, or in any trade secret, which Seller owns, possesses or uses in its operations as now or heretofore conducted. Schedule 6.8 sets forth all rights that any governmental entity may have or assert in regard to Seller's Intellectual Property and except for any such rights, Seller warrants the validity of Seller's Intellectual Property. Seller has taken all necessary action to protect such Intellectual Property and shall continue to maintain those rights prior to and as of Closing so as to not adversely affect the validity or enforcement of such Intellectual Property.

6.9. Conformity to Law. Seller has complied with, and is in compliance with, (a) all laws, statutes, governmental regulations, and all judicial or administrative tribunal orders, judgments, writs, injunctions, decrees, or similar commands applicable to the Business or any of the Acquired Assets (including, without limitation, any labor, employee benefit, occupational health (including, without limitation, with respect to the Occupational Safety and Health Act, as amended), zoning, the Uniform Disposition of Unclaimed Property Act, or other law, regulation, or ordinance); (b) all terms and provisions of all contracts, agreements, and indentures to which Seller is a party, or by which Seller or any of the Acquired Assets is subject; and (c) its charter documents and By-Laws, each as amended to date. Seller has not committed, been charged with, or been under investigation with respect to, nor does there exist, any violation of any provision of any federal, state, or local law or administrative regulation in respect of the Business or any of the Acquired Assets including with respect to any Permit or Authorization. Seller possesses all Authorizations (including, without limitation, all Permits) which are in any manner necessary for it to conduct the Business as now or previously conducted or for the ownership and use of the assets owned or used by Seller in the conduct of the Business.

6.10. Taxes. Seller has timely filed all required tax returns, paid all Taxes (as hereinafter defined) which are due and payable, and collected, withheld and remitted all Taxes which Seller is required to collect, withhold and remit. To Seller's knowledge, Seller is not the subject of any pending investigation, audit, claim, assessment or proceeding relating to Taxes, and Seller has not received notice of any such action. For purposes of this Agreement, "Taxes" shall mean all federal, state, local and foreign taxes, including, without limitation, all income, franchise, transfer, real property transfer or real property gains, recording, documentary, sales, use, property, payroll unemployment withholding, occupation, gross receipts, value added, excise and

estimated taxes, due or which later become due and payable by Seller with respect to all taxable periods up to and including the period ending on the Closing Date.

6.11. Books of Account. The books, records and accounts of Seller maintained with respect to the Business accurately and fairly reflect, in reasonable detail, the transactions and the assets and liabilities of Seller with respect to the Business. Seller has not engaged in any transaction with respect to the Business, maintained any bank account for the Business or used any of the funds of Seller in the conduct of the Business except for transactions, bank accounts and funds which have been and are reflected in the normally maintained books and records of the Business.

6.12. Commissions/Deposits. Seller does not owe any commissions or deposits to any client or customer of Seller, and Seller is not obligated to pay any other amounts to or perform other obligations (other than routine servicing of customer accounts) for any client or customer of Seller.

6.13. Consents of Third Parties. Seller has no obligation to secure any consent from any third party in order to permit the consummation of the transactions contemplated by this Agreement.

6.14. Restrictions. Except as expressly set forth in this Agreement and the Schedules, or in the Financial Statements, or in the certificates or other documents delivered pursuant hereto, neither Seller nor one or both of the Members has Knowledge of any facts, developments, or threatened developments with respect to the markets, products, services, clients, customers, facilities, computer software, databases, personnel, vendors, suppliers, operations, assets or prospects of the Business which would materially adversely affect the Business and/or operations or prospects of Seller considered as a whole, other than such conditions as may affect as a whole the economy generally. Seller is not a party to any indenture, agreement, contract, commitment, lease, plan, license, Permit, Authorization or other instrument, document or understanding, oral or written, or subject to any charter or other corporate restriction or any judgment, order, writ, injunction, decree or award which materially adversely affects or materially restricts or, so far as Seller can now reasonably foresee, may in the future materially adversely affect or materially restrict, the business, operations, assets, properties, prospects or condition (financial or otherwise) of the Business after consummation of the transactions contemplated hereby.

6.15. Disclosure. No representation or warranty by Seller in this Agreement or in any exhibit, schedule, written statement, certificate, or other document delivered or to be delivered to Buyer pursuant hereto, or in connection with the consummation of the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading or necessary in order to provide a prospective purchaser of the Business with proper and complete information as to Seller and the identity, value, and usability of the Acquired Assets and the operations of the Business.

7. Representations and Warranties of Buyer. Buyer represents and warrants to Seller as follows as of the Closing Date:

7.1. Organization and Standing of Buyer. Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Illinois. Buyer has full power and authority under its Articles of Organization and By-Laws and applicable laws to execute and deliver this Agreement and to consummate the transactions contemplated hereby, and this Agreement has been duly executed and delivered by Buyer and constitutes the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

7.2. Noncontravention. Neither the execution and delivery of this Agreement by Buyer nor the consummation by Buyer of the transactions contemplated hereby will constitute a violation of, or be in conflict with, constitute, or create a default under, or result in the creation or imposition of any liens upon any property of Buyer pursuant to (a) the Articles of Organization or By-Laws of Buyer, each as amended to date; (b) any agreement or commitment to which Buyer is a party or by which Buyer or any of its properties is bound or to which Buyer or any of its properties is subject; or (c) any statute or any judgment, decree, order, regulation, or rule of any court or governmental authority relating to Buyer.

7.3. Brokers. Buyer has not retained, utilized, or been represented by any broker or finder in connection with the transactions contemplated by this Agreement.

8. Indemnification.

8.1. Seller's and the Members' Agreement to Indemnify. Seller and the Members, jointly and severally, agree to indemnify, defend and hold harmless Buyer and its assigns from, against and in respect of the full amount of any and all liabilities, damages, claims, deficiencies, fines, assessments, losses, Taxes, penalties, interest, diminution in value, consequential or other damages, costs and expenses including, without limitation, reasonable fees and disbursements of counsel (collectively, "Damages"), whether or not arising from a third party claim, arising from, in connection with, or incident to (a) any untruth, inaccuracy, breach, or omission of, from or in, any representation or warranty of Seller or the Members contained in or made pursuant to this Agreement; (b) any and all claims, liabilities, and obligations arising out of the ownership, use or operation of the Acquired Assets and/or the operation of the Business on or prior to the Closing Date; (c) the failure of Seller to perform any covenant or agreement which Seller is required by this Agreement to perform including, without limitation, the covenants set forth in Section 9 hereof; and (d) the failure of Seller to pay, discharge and perform any of the Excluded Liabilities including, without limitation, any tax liability of Seller.

9. Noncompetition.

9.1 Noncompetition; Confidential Information. From the Closing Date until the end of the fifth (5th) year following the Closing Date (the "Noncompete Period"), neither Seller nor the Members will (directly or indirectly) own, manage, operate, join, control, finance or participate in the ownership, management, operation, control or financing of, or be connected as an officer, director, employee, principal, agent, representative, consultant, investor, owner,

partner, manager, joint venturer or otherwise with, or permit his or its name to be used by or in connection with, or knowingly lease, sell or permit to use any real property or interest therein majority owned by Seller or the Members to, any business or enterprise engaged in the Business or other operations in which Seller engaged prior to the Closing Date (the "Noncompetition Agreement"), within North America. Without limitation of the foregoing, the Members and Seller covenant and agree that he, she or it, as the case may be, shall not use for his, her or its own behalf or divulge to any third party any Confidential Information (as hereinafter defined) or trade secrets relating to the Business. As used herein, "Confidential Information" shall consist of all information, knowledge or data relating to the Business (including without limit all information relating to customer and prospective customer lists, prices and trade practices) which is not in the public domain or otherwise published or publicly available.

9.2 Nonsolicitation. Each of the Members and Seller agree that, during the Noncompete Period, the Members and Seller will not (directly or indirectly) call on or solicit for the purpose of engaging in the Business, or divert or take away from Buyer or any subsidiary of Buyer the business of (including, without limitation, by divulging to any competitor or potential competitor of Buyer the name of) any person, firm, corporation or other entity who or which at the Closing Date was, or at any time during the three (3) years preceding the Closing Date had been, a customer of Seller or whose identity is known to Seller or the Members at the Closing Date as one whom Buyer intends to solicit within the succeeding year. Nothing contained in this Section 9.2 shall affect or be deemed to affect in any manner any other provision of this Agreement.

10. Consulting.

(a) In consideration of the transactions and consideration contemplated herein, Seller shall provide, through Seller's representatives, and Buyer shall receive, for a period from the Closing Date through June 1, 2010, certain informational and limited services from Seller (including, without limitation, advice as to running sales functions, warehouse and office operations and accounting procedures for Buyer) for the purpose of assisting in the transition of the Business to Buyer and the continuation of the Business. Such consulting services shall be provided as partial consideration for the purchase of the Acquired Assets; provided, however, that the parties agree to pay five (5%) percent of Gross Profits (as hereinafter defined) from the Business for such consulting services, such profits to be paid within sixty (60) days of the end of each calendar year, from 2006 through 2010, the last payment being due on or before March 1, 2011. Such consulting services shall be provided as needed, but shall not exceed twenty (20) hours per month at such times and locations reasonably agreed to by the parties. Buyer shall be responsible for reimbursing Seller for any travel expenses related to this Consultation. Seller acknowledges and agrees that Buyer may terminate Seller's consulting services at any time and for any reason upon one (1) day's prior verbal notice to Seller. If the consulting arrangement is terminated, the consulting fee shall be converted to a royalty and Seller shall be entitled to receive a royalty from Buyer in the same amount as Seller would have received had the Seller rendered the consulting services and within the same time frame.

(b) "Gross Profits" shall mean that part of the revenue of the Business derived from sales LESS the Cost of Goods Sold. "Cost of Goods Sold" shall mean the direct cost to produce

the products, including any carrying costs, as well as indirect product overhead provided however, that such indirect product overhead shall not include salaries, distributions, bonuses, excessive benefits or other compensation paid to members of Buyer or their relatives.

(c) Seller, at all times, shall be deemed an independent contractor of Buyer, and not a partner, joint venturer or employee of Buyer. Seller shall assume and pay all of its own expenses. Seller shall have no authority to enter into any contract or make any commitment on behalf of Buyer, and shall not assert to any other person or entity that it has such authority. Buyer shall not have any obligation to provide Seller with any benefits or compensation (other than as expressly provided herein, with such services being part of the consideration for the Acquired Assets and as described herein for tax allocation purposes) including, without limitation, worker's compensation insurance, employee benefits pursuant to any employee plan or withholding of FICA or any federal, state or local Taxes. Seller hereby agrees that Seller shall have no power to bind Buyer or to act as an agent or representative of Buyer and shall not represent itself to be an employee of Buyer (and shall indemnify and hold Buyer harmless from all damages resulting from such representation), and Seller agrees to indemnify and hold Buyer, its respective officers, directors, managers, members, agents, and assigns harmless with respect to any and all claims or actions for losses, damages, costs or expenses arising out of Seller's breach or violation of this Section 10.

11. General.

11.1. Definition of Knowledge. For purposes of this Agreement, "to Seller's and the Members' knowledge" and variants thereof, shall mean those facts and circumstances known to Seller and the Members and those facts and circumstances which Seller and the Members should have known in the exercise of reasonable and customary due diligence.

11.2. Survival and Materiality of Representations and Warranties. The representations and warranties of the parties hereto contained in this Agreement or otherwise made in writing in connection with the transactions contemplated hereby (in each case except as affected by the transactions contemplated by this Agreement) shall be deemed to have been relied on by Buyer and shall survive the Closing for a period of five (5) years.

For purposes of this Section 11.2 and this Agreement, the "survival" of a representation or warranty refers to the period of time in which a claim may be made or Notice of Claim may be delivered by a party against the other. No claim may be made or Notice of Claim delivered after the expiration of the five year "survival" period; provided, that, if a Notice of Claim shall have been given to Seller and/or the Members prior to the date on which a representation or warranty would otherwise terminate pursuant to this Section 11.2, then such claim (and, as it relates to such claim, the applicable representation and warranty) shall survive the time at which it would otherwise terminate pursuant hereto with respect to the subject matter referred to in such Notice of Claim until the matter has been resolved as described in this Agreement.

11.3. Allocation of Purchase Price. The Purchase Price shall be allocated among the Assets acquired hereunder as described on Schedule 11.3 hereof. Buyer and Seller shall prepare and file their respective federal and state income tax returns including, without limitation, Internal

Revenue Service Form 8594, reflecting the transactions contemplated in this Agreement in a manner consistent with the allocation in such Schedule 11.3. Seller and Buyer each hereby covenant and agree that it will not take a position on any income tax return before any governmental agency charged with the collection of any income tax, or in any judicial proceeding, that is in any way inconsistent with the terms of this Section 11.3.

11.4. Expenses. All expenses of the preparation, execution, and consummation of this Agreement and of the transactions contemplated hereby including, without limitation, attorneys', accountants' and outside advisers' fees and disbursements, shall be borne by the party incurring such expenses.

11.5. Validity; Severability. The provisions of this Agreement are intended to be interpreted and construed in a manner which makes such provisions valid and enforceable. In the event that any provision of this Agreement is found to be partially or wholly invalid or unenforceable, such provision shall be so modified or restricted to the extent and in the manner necessary to render such provision valid and enforceable. If such provision cannot under any circumstances be modified or restricted, it shall be excised from this Agreement without affecting the validity or enforceability of the remaining provisions of this Agreement.

11.6. Notices. Any notice or other communication required or permitted hereunder shall be in writing and may be delivered by hand, by overnight courier service, by United States mail or by facsimile. Notices delivered by hand or overnight courier service shall be deemed to have been duly given on the date of delivery. Notices delivered by mail shall be deemed to have been duly given four (4) days after the date of mailing, if mailed postage prepaid by certified first class mail, return receipt required. Notices delivered by facsimile shall be deemed given when received; provided, however, that notice delivered by facsimile shall only be effective if such notice is also delivered by hand or deposited in the United States mail, postage prepaid, certified mail on or before two (2) days after its delivery by facsimile. All notices to be given under this Agreement shall be addressed to the parties at the following addresses and/or to such other address (or to such other person's attention or with a copy to such other person) as either party may specify in a notice given in accordance with this Section 11.6. In the event that any notice is not delivered to any party entitled thereto because such party has moved and the address is unknown, or because such party has refused to accept such notice, then such notice shall be deemed to be effective as if delivered.

If to Seller, to:

EJS Blue Blower, LLC.
404 E. Glengary Circle
Highland Heights, OH 44143
Attention: Edmond Gerard
Facsimile: (216) 514-5045

With a copy sent
contemporaneously to:

Cavitch, Familo, Durkin and Frutkin, Co. L.P.A.
14th Floor, 1717 East Street
Cleveland, Ohio
Attention: Mohammed J. Bidar, Esq.

If to Buyer, to:

CFM Products, LLC
4657 N. Ravenswood Ave, Unit B
Chicago, IL 60640
Attention: Carlos Moros and Franz Wieshuber
Telephone: (773) 989-9028
Facsimile: (773) 989-9029

With a copy sent
contemporaneously to:

Meltzer, Purtil & Stelle LLC
1515 E. Woodfield Road, Second Floor
Schaumburg, Illinois 60173
Attention: Roger Stelle
Facsimile: (847) 330-1231

11.7. Entire Agreement; Modification; Waiver. This Agreement, its schedules and exhibits, and the documents delivered pursuant hereto contain the entire agreement of the parties, and supersede all prior negotiations, representations, warranties, understandings and agreements between the parties with respect to the transactions contemplated by this Agreement. Any reference to this Agreement shall be deemed to include the schedules and exhibits hereto. This Agreement may be modified only by a written instrument signed by all of the parties hereto. Any term or provision of this Agreement may be waived at any time by the party entitled to the benefit thereof by a written instrument executed by such party. No waiver of any breach of this Agreement shall operate as a waiver of any similar or subsequent breach or any breach of any other provision of this Agreement.

11.8. Governing Law; Jurisdiction; Venue. This Agreement shall be governed by and construed in accordance with the internal laws, and not the laws of conflicts, of the State of Illinois. Each of the parties hereto consents and submits to the jurisdiction of the courts of the State of Illinois and of the courts of the United States for Cook County of the State of Illinois. For all purposes of this Agreement, and any ancillary document to which it is a party including, without limitation, any action or proceeding instituted for the enforcement of any right, remedy, obligation, or liability, including Damages, arising under or by reason hereof or thereof, each party consents and submits to the venue of such action or proceeding in the Circuit Court for the County of Cook in Rolling Meadows, Illinois, and the United States District Court for the Northern District of Illinois.

11.9. Further Assurances. From time to time, at the request of Buyer and without further consideration, Seller and the Members shall execute and deliver such further instruments of conveyance and transfer and take such other actions as Buyer may reasonably require to more effectively to convey and transfer any of the Acquired Assets to Buyer. Seller, the Members and Buyer shall also execute and deliver to the appropriate other party such other instruments as may be reasonably required in connection with the performance of this Agreement, and each shall take all such further actions as may be reasonably required to carry out the transactions contemplated by this Agreement.

Without limiting the foregoing, Seller and the Members shall cooperate with Buyer in transferring to Buyer any and all customer "leads", referrals, and inquiries. Seller and the Members shall refer to Buyer any customer calls or referrals received after the Closing Date with respect to the Business.

11.10. No Implied Rights or Remedies. Except as otherwise expressly provided herein, nothing herein expressed or implied is intended or shall be construed to confer upon or to give any person, firm, or corporation, other than Seller and Buyer and their respective members, any rights or remedies under or by reason of this Agreement.

11.11. Sections and Section Headings; Counterparts. All enumerated subdivisions of this Agreement are herein referred to as "section" or "subsection". The headings of sections and subsections are for reference only and shall not limit or control the meaning thereof. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.12. Assignment; Binding Agreement. No party's rights and obligations under this Agreement may be assigned without the prior written consent of the other parties, such consent not to be unreasonably withheld, conditioned or delayed and any attempted assignment in violation of the preceding sentence shall be void, provided, however, that Buyer may, at its option, assign its interest to a third party which is under common control with Buyer or to a successor in interest, by merger or otherwise or to a lender to secure any loan from such lender to Buyer. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each party hereto.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as an instrument under seal as of the date and year first above written.

EJS BLUE BLOWER, LLC.
an Ohio limited liability company

By: 

Edmond Gerard, President

EDMOND GERARD, individually


SUSAN F. GERARD, individually

CFM PRODUCTS, LLC,
an Illinois limited liability company

By: 

Manager

EXHIBIT C

BILL OF SALE

All warranties, including merchantability and fitness, are excluded.

Seller, EJS BLUE BLOWER, LLC, an Ohio limited liability company, having its principal place of business at 404 E. Glengary Circle, Highland Heights, OH 44143, in consideration of the executed and delivered Promissory Note for TWO HUNDRED EIGHTY TWO THOUSAND AND 00/100 (\$282,000.00) DOLLARS, receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over to Buyer, CFM PRODUCTS, LLC, of 4657 N. Ravenswood Ave., Unit B, Chicago, IL 60640, the following described personal property, to wit:

ALL ITEMS OF PERSONAL PROPERTY AS LISTED ON THE ASSET
PURCHASE AGREEMENT BETWEEN BUYER AND SELLER DATED
October 6th, 2005.

Seller hereby represents and warrants to Buyer that Seller is the absolute owner of said property, that said property is free and clear of all liens, charges and encumbrances, and that Seller has full right, power and authority to sell said personal property and to make this bill of sale. *All warranties of quality, fitness and merchantability are hereby excluded.*

IN WITNESS WHEREOF, Seller has caused this bill of sale to be signed and sealed in its name by its officers thereunto duly authorized this 6th day of October, 2005.

ATTEST:

By: [Signature]

Its: _____

By: [Signature]

Its: [Signature]

EXHIBIT D:
ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is made as of the 6th day of October, 2005, by and between EJS BLUE BLOWER, LLC, an Ohio limited liability company ("Assignor"), and CFM PRODUCTS, LLC, an Illinois limited liability company ("Assignee").

RECITALS

1. WHEREAS, concurrently with the execution of this Agreement, Assignor and Assignee are entering into a certain Asset Purchase Agreement ("Purchase Agreement"), dated as of the date hereof, whereby Assignor has agreed to sell, and Assignee has agreed to purchase all assets of Assignor.

2. WHEREAS, in order to consummate the acquisition contemplated by the Purchase Agreement, Assignor and Assignee have agreed to enter into this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter provided, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The foregoing Recitals are hereby incorporated by this reference.
2. Assignor hereby assigns, transfers and conveys to Assignee all of its right, title, interests, powers, claims, remedies, benefits and options in and to those computers, tangible property, purchase orders, molds, agreements, contracts, authorizations, commitments, warranties, guarantees, telephone and facsimile numbers, marketing, promotional and reference materials, trade show displays, lists, data bases, files, records, patent applications, patents, trademarks, service marks, trade dress, trade names, copyrights, whether registered or unregistered, franchises, licenses, permits, filing, listing, or goodwill relating to the Business (as defined in the Purchase Agreement) described in Section 1.1 of the Purchase Agreement, together with all other documents and instruments evidencing any of such right, title and interest (collectively, the "Assigned Property").
3. Assignee hereby accepts such assignment and transfer from and after the date hereof, and, from and after the date hereof, hereby undertakes to pay, perform or discharge when due the liabilities, duties and obligations of the Assignor with respect to the Assigned Property arising on or after the date hereof; provided, however, that notwithstanding anything to the contrary contained herein, Assignee shall not assume or be deemed to have agreed to pay or discharge any debts, claims, damages, obligations, liabilities or responsibilities of any kind or nature whatsoever of Assignor arising from or related to the Assigned Property, whether known or unknown, contingent or absolute, direct or indirect, or otherwise, attributable to events arising prior to the date hereof.

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