

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
Suspension Feeder Corporation	12/05/2006
RECEIVING PARTY DATA	
Name:	Strate Flo., Corp.
Street Address:	225 N. Deer Park
City:	Highland Park
State/Country:	ILLINOIS
Postal Code:	60035
PROPERTY NUMBERS Total: 5	
Property Type	Number
Patent Number:	4715593
Patent Number:	5000435
Patent Number:	5004219
Patent Number:	0466140
Patent Number:	5356129
CORRESPONDENCE DATA	
Fax Number:	(630)516-1808
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	630-516-1800
Email:	susan@ksgalaw.com
Correspondent Name:	William D. Skuster
Address Line 1:	533 West North Avenue
Address Line 4:	Elmhurst, ILLINOIS 60126
NAME OF SUBMITTER:	William D. Skuster
Total Attachments: 11	

OP \$200.00 4715593

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ASSET PURCHASE AND SALE AGREEMENT

THIS AGREEMENT entered into this 5th day of December, 2006, by and between SUSPENSION FEEDER CORPORATION, an Illinois Business Corporation ("Seller") and GREGORY G. BARON ("Shareholder") and STRATE FLO, CORP., an Illinois business corporation ("Purchaser") for the acquisition of substantially all of the assets of the business known as SUSPENSION FEEDER CORPORATION, (the "Property").

WHEREAS, Shareholder owns and Seller operates a business which manufactures, inventories, sells and distributes a patented device which allows and facilitates the feeding of envelopes to a printing machine; and

WHEREAS, Seller has provided and represented to Purchaser that the financial statements, income tax returns, credit card statements, employee records, and other documents and records including patents, website, internet sites, e-mail address, telephone, fax, customer lists, vendor and supplier lists, inventory and equipment list, lease and banking information which have been provided by Seller for Purchaser's due diligence investigation; and

WHEREAS, Purchaser in reliance on the aforesaid representations and documents provided for inspection by Seller desires to purchase substantially all the assets of Sellers' business free and clear of any and all claims, liens, encumbrances, debts or taxes; and

WHEREAS, the parties hereto have reached an agreement with respect to the purchase by Purchaser of the aforesaid assets of the business of SUSPENSION FEEDER CORPORATION and the non-competition and continuing assistance of GREGORY G. BARON as a consultant.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the parties hereto agree as follows:

1. **RECITALS.** The recitals hereinabove made are incorporated herein and made a part of this Agreement
2. **PURCHASE AND SALE.** Buyer hereby agrees to purchase and Seller to sell the Property consisting of the assets of the business including without limitation, all patents, improvements, designs, trade secrets, trademarks, equipment, inventory, raw materials, tools, tooling, mold, jigs, tools, dies, signs, vehicles, customer lists, vendor lists, telephone, fax, websites, e-mail addresses, computers, software, and records of the business as set forth on Exhibit "A" attached hereto acquired by Purchaser even if not specified in Exhibit "A", or if it was included in the financial statements or records of provided by the Seller or used or otherwise included as an asset of the business, and pay seller for consulting and not-to-compete agreements allocated as follows:
 - (a) \$840,000.00 for equipment and personal property as listed on Exhibit "A", and also accounts receivable, inventory, assignment of the lease for premises at 221 James Street, Bensenville, Illinois, assignments of two (2) equipment leases with Hewlett Packard and Merlin Leasing the name "Suspension Feeder", telephone numbers,

cooperate in such inspection and demonstrate that the same are in operating condition; and

- (c) Seller's cooperation and prompt compliance with Purchaser's due diligence requests including without limitation current financials including complete bank statements, production and sales information through closing; and
- (d) Consent of the landlord to assignment of the lease of the premises including release of the Shareholder, guarantee received by Closing.

5. SELLER REPRESENTATIONS, WARRANTIES

- (a) Seller has not received any notice of existing or proposed tax deficiencies or tax liens against Seller or the Property. There are no agreements by Seller for an extension of the time for the assessment of any tax. All Federal, State and local taxes due and payable by Seller on or before the date of this Agreement have been paid; and
- (b) The Property owned by Seller and to be conveyed, sold or assigned to Purchaser hereunder are all of the assets used by Seller in the present operation of the business; and
- (c) There are no liens or other encumbrances on the Property as of Closing and if any is pledged as collateral, the pledge shall be removed at Sellers cost prior to or at Closing; and
- (d) Seller has the right and will take all necessary corporate action to approve and complete the transaction and will cooperate before and after closing to coordinate and orderly transition of all matters pertaining to the business; and
- (e) The Property is current and in new, useable or operating condition; and
- (f) All assets being acquired are free and clear of any claims, or encumbrances, liens, are owned by the Seller and do not infringe on any patent or license. That all equipment, inventory, computers, software, vehicles are in operating condition. That the business records including "QuickBooks" are complete and current through the date of closing and that operations of the business are to the best of Seller's and Shareholder's knowledge, is in compliance with the law and regulations of the Federal, State, and local authorities including without limitation EPA(environmental), OSHA(safety), and EEOC (fair employment, wage and hours); and
- (g) Seller has not made any oral agreements or promises to any party regarding the business and there are no outstanding contracts, leases, sales agreements, or purchase agreements, purchase orders, credits or outstanding obligation that may be promised or owed to third parties except those identified in Exhibit "C" hereto; and

- (h) Seller has not been told of any circumstances nor does Seller have any knowledge or information thereof that would materially impact on the operations of the business and that the one (1) patent described on Exhibit "D" hereto, is in good standing; and
- (i) That the website and domain name are being transferred free and clear of any charges and that Purchaser shall have full and complete access and right to said website including the right to move same without charge by the website host. Seller has no pending or threatened lien against the Property, nor litigation against Seller except as disclosed on Exhibit "E"; and
- (j) That financial and other information provided by Seller's to Purchaser was and is true and accurate to the best of Seller's knowledge; and
- (k) That all the aforesaid warranties and representations will survive the closing and are made and delivered by Seller and by Shareholder with the intent that they be relied upon by Purchaser; and
- (l) Seller shall have full legal right, power, and authority, without the consent of any other person, to execute and deliver this Agreement, and to carry out the transactions contemplated hereby. All corporate actions required to be taken by Seller to authorize the execution, delivery and performance hereby have been duly and properly taken; and
- (m) All of the assets agreed to be sold as enumerated in this agreement and the attached Exhibit "A" are owned by Seller and good and marketable title to said assets is held by Seller free from all liens, mortgages and encumbrances of any kind including the unrestricted right to assign, transfer and deliver the same to Buyer. There are no judgments, liens, orders, actions, suits or proceedings pending or, to the knowledge of the Seller, threatened against or affecting the Seller or any of the properties of Seller at law or in equity or before or by any governmental agency or instrumentality which involve the possibility of any judgment, liability or order which may materially affect the operation of the Business or title to the assets being transferred; and
- (n) Seller shall convey to Buyer at closing, without additional consideration, all books, records, customer information, account files, and other information used in connection with the operation of the Business; and
- (o) Seller has not entered into any contracts or obligation with any employee which will in any way affect his or her employment by Purchaser subsequent to closing if Purchaser elects to offer to employ any employee and there exists no contract which will be binding on the Purchaser or affect the business subsequent to the Closing; and

- (p) The Seller is not a party to any pension, profit-sharing, retirement or similar incentive or deferred compensation plan or arrangement with any employee or officer of the said Business; and
- (q) Seller shall, between the date of this Agreement and the Closing Date, continue to conduct the business in the same manner in which it has always been conducted and to operate the Business in a normal course of business (risk of loss or damage shall remain with Seller through Closing).

6. CLOSING DELIVERIES

1. Documents seller shall deposit and deliver to Purchaser at Closing:
- (a) A bill of sale and affidavit of title for all Property transferred providing that the Property is new, merchantable and in working condition free and clear of all liens or encumbrances.
 - (b) UCC-1 and UCC-2 financing statement and chattel mortgage searches showing no encumbrances on the assets, business, inventory, equipment and property being transferred herein.
 - (c) A judgment and lien search showing Seller to be free from such.
 - (d) A State of Illinois Department of Revenue Sales Tax Stop Order releasing Seller or showing an escrow requirement for Purchaser.
 - (e) An Illinois Department of Employment Security Release to Purchaser or showing an escrow requirement as to unemployment taxes.
 - (f) Corporate resolutions authorizing and approving this contract and sale.
 - (g) Certificate of Good Standing from Illinois Secretary of State for the Seller.
 - (h) Signed non-compete, trade secret and consulting agreements in the form as set and in Exhibit "F" and "G" hereto.
 - (i) Transfer of the patent and trademarks from Seller to Purchaser at Seller's expense.
 - (j) Equipment design, fabrication, and other records pertaining to vendors and customers that Seller maintains.
 - (k) Such other documents, photographs, promotional materials, and writings including an agreement for the Seller's name, phone number, vendor number. Seller shall change its corporate name to a non-similar name and assign it's existing name exclusively to Purchaser.
 - (l) Assignment of Lease and Release of Shareholders as grantor as approved by the landlords.

- (m) Current Account Receivables for units or parts shipped before closing as collected by Purchaser will be paid to Seller on or about the fifteenth day of the following month when the receivable was received by Purchaser. Purchaser shall be given a credit at closing for any deposits received for unshipped units or parts.
 - (n) Seller will provide proof of existing insurance on all employees, the leasehold, equipment, inventory and other assets being sold. The parties will cooperate to assure the orderly transition of all insurances and utilities.
 - (o) All keys, codes, passwords, combinations, disks, CD's, electronic or other backup, records, warranties, manuals and materials in an organized and current fashion that may be needed for the operation of the premises.
 - (p) Buyer shall deliver the following to Seller at closing:
 - (i) Executed Post-Closing Escrow Agreement.
 - (ii) Payment of balance of purchase in the form of a cashier's check payable to Seller and a cashier's check for deposit into the Post-Closing Escrow.
7. **REPRORATION.** Seller and Purchaser will reproporate such expenses or bills or other items within 90 days after closing for bills which need to be allocated between the parties.
 8. **BUISNESS NAME.** Seller agrees to discontinue it's use of Seller's names "Suspension Feeder Corporation". Seller will take whatever action is necessary to transfer the name "Suspension Feeder" to Seller with the Illinois Secretary of State.
 9. **BROKERS.** Seller and represent that there are no brokers involved in the sale of this transaction except ~~Integro~~ and John Gerhart whose fee will be paid by Purchaser.
 10. **CLOSING DATE.** The Closing shall take place on ~~January 3,~~ ^{April 26,} 2007 at 10:00 a.m. at the offices of Seller's attorney at 533 W. North Avenue, Suite 204 in Elmhurst, Illinois, or earlier by agreement of the parties.
 11. **ASSUMPTION OF LIABILITIES.** Except as provided herein, Buyer shall not assume, and shall not be responsible to pay, perform, or discharge any debts, obligations or liabilities of Seller, of any kind or nature whatsoever coming due before the Closing Date.
 12. **TRANSFEREE LIABILITY.**
 - (a) Seller shall obtain and deliver to Buyer at Closing, written instructions from the Illinois Department of Revenue as to amounts to withhold from the Purchase Price hereunder in order to avoid the statutory transferee liability under the Retailer's Occupation Tax Act. The holdback will be held by the Seller's Attorney's as escrowee until Buyer receives a clearance letter from the Illinois Department of Revenue with respect to the holdback requirement.
 - (b) Seller shall obtain and deliver to Buyer at Closing, written instructions from the Director of Labor of the State of Illinois as to amounts to withhold from the Purchase

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Price hereunder in order to avoid the statutory transferee liability under the Illinois Unemployment Compensation Act. The holdback will be held by the Seller's attorney as escrowee until Buyer receives a clearance letter from the Illinois Department of labor with respect to the holdback requirement.

13. **PURCHASER'S REPRESENTATIONS WARRANTIES AND COVENANTS**

- (a) Purchaser shall have full legal right, power, and authority, without the consent of any other person, to execute and deliver this Agreement, the documents and other instruments required by this Agreement, and to carry out the transactions contemplated hereby. All corporate actions required to be taken by Purchaser to authorize the execution, delivery and performance of this Agreement and all transactions contemplated hereby have been duly and properly taken.
- (b) The Purchaser shall indemnify and hold harmless the Seller against any debt, liability, loss, customer complaints, damage, obligation or expense, including, but not limited to, legal and other fees for taxes, interest, assessments and penalties thereon of any kind or nature, attributable to any period after the date of closing, present and future which may be due and owing by the owner of the business.
- (c) Except as agreed, the Purchaser will not assume, nor shall Purchaser be liable for, any of the liabilities of the Seller of any kind or nature, whether fixed or contingent, including liens, accounts, notes and taxes payable, employee commissions or union contracts, wages, severance pay, vacation, profit sharing, pension, bonus health insurance or other benefits or any unemployment or FICA taxes relating to the employees of Seller. The Seller shall pay and discharge, or make adequate provision therefore payment thereof at or before Closing.
- (d) If the Post-Closing Escrow is insufficient to fund payments to Seller when due as required by Paragraph B hereinabove, Buyer shall make up any such deficiency.
- (e) The Seller shall indemnify and hold harmless the Buyer against any commission, debt, liability, loss, customer complaints, damage, obligation or expense, including, but not limited to, legal and other fees, taxes, interest, assessments and penalties thereon of any kind or nature, attributable to any period up to and including the Closing which may be due and owing by the Seller.

14. **OTHER PROVISIONS**

- (a) Upon execution of this Agreement, Seller shall continue in the general course of business, making no unusual transactions, sales, purchases or other such actions without Purchaser's written consent.
- (b) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, administrators, executors, successors, or assigns. Each party shall bear their own costs and attorneys fees of this transaction.

- (c) This Agreement may be executed in any number of counterparts, each of which shall be deemed a duplicate original and all of which together shall constitute but one and the same instrument.
- (d) Purchaser and Seller agree to execute such other documents and to do all acts as may from time to time after the closing become necessary or desirable to fully and further execute and perform the agreements and transactions contemplated hereby and required pursuant to the terms hereof and which may be necessary to fully and adequately vest title to the properties being acquired hereunder in Purchaser.
- (e) If any exhibit referred to herein shall not have been attached hereto at the time of the execution of this Agreement, or if any such exhibit shall be incomplete at such time, such exhibit shall be later attached as soon as completed and such exhibit shall, as later attached or completed, for all purposes, be deemed a part of this Agreement as if attached hereto at the time of execution. All exhibits referred to herein are hereby made a part hereof.
- (f) Each of the representations covenants and warranties herein made by either party are made to be relied upon by the other and are deemed to be material to this agreement. If any paragraph of this agreement is found to violate the laws of Illinois, the remaining terms and conditions of this agreement shall remain in full force and effect and the prohibited paragraph shall be ineffective.
- (g) This shall be the entire Agreement of the parties and shall merge any and all other agreements oral or written between the parties in this Agreement. Only written amendments signed by both parties shall be permitted.
- (h) The Seller and Buyer, at any time before or after the closing date and from time to time upon the request of the other party, will execute and deliver such further instruments of conveyance, assignment and transfer, and take such other action as such other party may reasonably request in order to effectuate the purposes of this Agreement.
- (i) May desire to make use of the assumed corporate name identical with, or substantially the same as, the corporate name now used by the Seller. At the closing, Seller will deliver to Buyer all documents necessary in order to enable Buyer to assume the name of Seller by Buyer. After the closing, the corporate Seller, or its successors, shareholders, officers or directors, shall not use the name "Suspension Feeder" or any similar name, in connection with any business enterprise.
- (j) Any and all notices, demands, requests and correspondence required or made between the parties relative to this agreement shall be deemed duly given when mailed by certified or registered mail, postage prepaid, or if sent by courier, by deposit with Fed-Ex or UPS for overnight delivery, and subject to the subsequent designation of another address, addressed as follows:

If to Seller: Greg Baron
221 James Street
Bensenville, Illinois 60106

with a copy to: Kenneth T. Kubiesa, Esq.
Kubiesa, Spiroff, Gosselar & Acker, P.C.
533 W. North Avenue, Suite 204
Elmhurst, IL 60126

If to Buyer: Gary Resnick, President
Strate Flo Corporation
1001 Greenbay Rd. #121
Winnetka, Illinois 60093

with a copy to: Howard Gilbert, Esq.
3315 Algonquin Road #202
Rolling Meadows, Illinois 60008

- (k) Any modification, amendment or other change in this Agreement shall not be valid or effective unless the same is in writing and signed by the parties hereto.
- (l) The terms, warranties and agreements herein contained shall bind and inure to the benefit of the respective parties hereto, and their respective heirs, legal representatives, successors and assigns. The Consulting Agreement (Exhibit F) cannot be assigned.
- (m) This Agreement shall in all respects be governed by the laws of the State of Illinois. Venue for any litigation hereunder shall be only in DuPage County, Illinois and the prevailing party in any litigation shall be entitled to reasonable attorney fees and costs from the other.
- (n) Time is of the essence. In any action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party all of prevailing party's costs and expense in said action, including reasonable attorney's fees.
- (o) The terms herein contained constitute the entire Agreement and understanding between the parties hereto with respect to the subject matter herein set forth and there are no representations or warranties, except as herein provided.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals to this Agreement as of this 5th day of December, 2006.

Seller:

Buyer:

SUSPENSION FEEDER CORPORATION

STRATE FLO CORPORATION

By: Gary G. Baron
Shareholder Baron, President

By: Gary Resnick
Gary Resnick, President

Gary G. Baron
Gary G. Baron

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EXHIBITS*

- Exhibit "A" Assets Sold
- Exhibit "B" Post Closing Escrow
- Exhibit "C" Contracts
- Exhibit "D" Patent
- Exhibit "E" Pending Litigation/Liens
- Exhibit "F" Non-Compete
- Exhibit "G" Consulting Agreement

** To be completed by close date of April 26, 2007*
OR
4/6/07