

05-02-2001



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**RECORDATION FORM COVER SHEET
PATENTS ONLY**

3-28-01

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID#
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment
- License
- Merger
- Security Agreement
- Change of Name
- Other
- U.S. Government**
(For Use ONLY by U.S. Government Agencies)
 Departmental File Secret File

Conveying Party(ies)

Mark if additional names of conveying parties attached

Name (line 1)	<input type="text" value="Mr. Gasket Company"/>	Execution Date	Month	Day	Year
			04	21	93
Name (line 2)	<input type="text"/>	Execution Date	Month	Day	Year

Second Party

Name (line 1)	<input type="text"/>	Execution Date	Month	Day	Year
Name (line 2)	<input type="text"/>				

Receiving Party

Mark if additional names of receiving parties attached

Name (line 1)	<input type="text" value="Echlin Acquisition, Inc."/>		
Name (line 2)	<input type="text"/>		
Address (line 1)	<input type="text" value="Corporation Trust Center"/>		
Address (line 2)	<input type="text" value="1209 Orange Street"/>		
Address (line 3)	<input type="text" value="Wilmington"/>	<input type="text" value="Delaware"/>	<input type="text" value="19801"/>
	<small>City</small>	<small>State/Country</small>	<small>Zip Code</small>

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name	<input type="text"/>
Address (line 1)	<input type="text"/>
Address (line 2)	<input type="text"/>
Address (line 3)	<input type="text"/>
Address (line 4)	<input type="text"/>

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Mail documents to be recorded with required cover sheet(s) information to:
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PATENT

REEL: 011731 FRAME: 0419

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments. #

Application Number(s) or Patent Number(s) Mark If additional numbers attached
Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

Patent Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="D317402"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor. Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number only if a U.S. Application Number has not been assigned.

PCT <input type="text"/>	PCT <input type="text"/>	PCT <input type="text"/>
PCT <input type="text"/>	PCT <input type="text"/>	PCT <input type="text"/>

Number of Properties Enter the total number of properties involved. #

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account: (Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes No

Statement and Signature

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. Charges to deposit account are authorized, as indicated herein.

Cassandra G. Mott

Cassandra G. Mott 3/27/01

Name of Person Signing

Signature

Date

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (including the Schedules and Exhibits which are attached, are referred to as, and constitute the "Agreement") dated as of April 21, 1993, by and between Echlin Acquisition, Inc., a Delaware corporation (the "Buyer"), and Mr. Gasket Company, an Ohio corporation (the "Seller").

RECITALS

A. The Seller, through its Performance Group, is engaged in the business of manufacturing and selling of performance and customizing products in the automotive aftermarket (the "Business").

B. The Seller desires to sell to the Buyer, and the Buyer desires to purchase from the Seller, the Business and assets of the Seller relating to the Business upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual representations, warranties and covenants which are to be made and performed by the respective parties, it is hereby agreed as follows:

ARTICLE I--SALE AND PURCHASE OF ASSETS

AND ASSUMPTION OF LIABILITIES

Section 1.1 The Purchase and Sale. Upon the terms and subject to all of the conditions set forth herein, on the Closing Date (as defined in Section 3.1), the Seller agrees to sell to the Buyer and the Buyer shall purchase from the Seller, free and clear of all liens, restrictions, security interests, claims, charges, encumbrances and interests whatsoever, all of the right, title and interest of the Seller in and to the assets of the Seller described below

(the "Purchased Assets"). Except as provided in the second succeeding sentence, the Purchased Assets shall include all property and assets owned by the Seller and used or usable in the Business, of any kind and description, wherever located, including, but not limited to, all personal property, tangible or intangible, customer and supplier lists, inventory, work in progress, accounts receivable, customer purchase orders, machinery, equipment, furniture and fixtures, computer hardware and software, trade fixtures, tools, dies, patterns, prepaid expenses, deposits, credits, goodwill, telephone and telex numbers, literature, brochures and forms, claims and rights under contracts, leases and other agreements, choses in action, patents, patent applications, patent licenses, shop rights, trade secrets, know how, trademarks, service marks, trade names including, but not limited to, "The Performance People", slogans, labels, logos and other trade rights, whether or not registered, together with all goodwill symbolized and associated with such trade names, trade and service marks and similar assets, the Seller's right to use the name "Mr. Gasket Company" and any variation thereof, all copyrights, copyright registrations and all books and records of the Seller relating to the Business, including, without limitation the original files pertaining to patents and trademarks kept by the Seller and its predecessors, attorneys and agents, all as have been used and accumulated in the Business and as the same shall exist on the Closing Date, without being reduced by conduct other than in the ordinary course of business. The Purchased Assets specifically include all tooling, of whatever kind, and all inventories, designs, drawings and all other assets relating to Seller's running board products and concepts. The Purchased Assets shall not include (a) cash and cash equivalents of the Seller as of the Closing Date, (b) the Seller's franchise as a corporation, its minute books,

stock transfer records and similar records relating to Seller's organization, (c) the real property known as and located at 8700 Brookpark Road, Cleveland, Ohio, (d) any employment agreement with any employee of the Seller unless the same is expressly assumed, in writing, by Buyer prior to the Closing, (e) the five classic automobiles used for special events and promotional events by the Company, including the 1953 Corvette, the 1957 Custom Chevrolet, the "MoJo", the Hurst Oldsmobile and the 1933 Willies (the "Classic Cars"), and (f) any other assets specifically identified as belonging to the Wheels or Exhaust Groups of Seller (collectively, the "Excluded Assets") and identified on Schedule 1.1(f).

Section 1.2 Assumption of Liabilities. Subject to the conditions herein set forth, upon the transfer of the Purchased Assets on the Closing Date, the Buyer shall assume (a) all current liabilities of the Business expressly reflected on the Final Statements (as hereinafter defined in Section 2.4), but only to the extent that such current liabilities (estimated to be approximately \$1,500,000) do not exceed the dollar amount reflected on the Final Statements, (b) all liabilities and obligations of the Seller under any contract, lease or other agreement assigned to the Buyer pursuant to Section 1.1 which is set forth in any Schedule or Exhibit to this Agreement, or which was assigned to the Buyer and not required to be set forth in any such Schedule or Exhibit, or which was entered into after the date hereof and prior to the Closing Date in accordance with the provisions of this Agreement or to which the Buyer otherwise specifically consents in writing, (c) all liabilities and obligations of the Seller under its standard written warranties to customers (a complete copy of which is attached hereto and incorporated herein by reference as part of Schedule 5.11), to repair

or replace any products manufactured or sold by the Business prior to the Closing Date and (d) all liabilities and obligations for product liability (whether for bodily injury or death or property loss or damage or otherwise) arising from any occurrence after the Closing Date (collectively, "Assumed Liabilities"). Schedules 1.2(a) and (b) of this Agreement contains an itemization of all Assumed Liabilities existing as of the date this Agreement is executed. At the Closing, this schedule shall be brought current to identify all Assumed Liabilities at the time of Closing. Notwithstanding anything contained in this Section 1.2 to the contrary, the Assumed Liabilities shall not include (a) any accrued and related liability for incurred but not reported medical claims as of the Closing Date and (b) the remaining balance due, if any, on Purchase Order No. 47100 set forth on Schedule 5.7 hereto.

Section 1.3 Liabilities Not Assumed. The Buyer shall assume no debts, obligations, contracts, leases, liabilities or contingent liabilities of Seller, except for the Assumed Liabilities, which are expressly assumed by Buyer at the Closing.

Section 1.4 Bankruptcy Court Approval. (a) The Buyer is aware that the Seller is a debtor in possession in that certain bankruptcy case under Chapter 11 of the federal Bankruptcy Code (the "Bankruptcy Code") captioned "In re Mr. Gasket Company (Case No. LA 91-72714AA) (the "Bankruptcy Case") pending in the United States Bankruptcy Court for the Central District of California (the "Bankruptcy Court"). As a consequence, this Agreement and the sale of the Purchased Assets to the Buyer free and clear of all liens,

restrictions, security interests, claims, charges, encumbrances and interests are subject to the approval of the Bankruptcy Court.

(b) Following the Seller providing notice to the Notice Parties which complies with the Bankruptcy Code and Rules, and after a hearing which complied with the Bankruptcy Code and Rules, it shall be a condition precedent to the Buyer's obligations under this Agreement that the Bankruptcy Court shall have entered an order or orders satisfactory to Buyer substantially in the form of Exhibit 1 attached hereto. Said order or orders shall provide, among other things and without limitation, that:

(i) The Purchased Assets shall be sold by the Seller to the Buyer pursuant to Sections 363(b), 363(f) and 105 of the Bankruptcy Code free and clear of all liens, restrictions, security interests, claims, charges, encumbrances and interests whatsoever;

(ii) This Agreement is approved, and the Seller is authorized to execute the Agreement and shall perform all of its obligations under this Agreement at the times specified in this Agreement without being obligated to seek the further approval of the Bankruptcy Court with respect to such performance. Without limiting the generality of the foregoing, the Seller shall make all payments, if any, to the Buyer when due pursuant to the provisions of this Agreement with respect to (A) adjustments to the Purchase Price (as hereinafter defined in Section 2.1) pursuant to Section 2.2 hereof and (B) indemnification for the losses, liabilities, damages and expenses of the Buyer pursuant to Sections 10.1 and 10.2 hereof without the prior approval of any such payment by the Bankruptcy Court and without prior notice of any such payment to any party in interest in the Bankruptcy Proceeding.

(iii) The Seller, as constituted prior and subsequent to confirmation of its Plan of Reorganization, as well as subsequent to the pending Bankruptcy Case, shall be and is fully bound by this order or orders and by the Purchase Agreement and all of the Seller's obligations thereunder. The obligations of Seller hereunder and under the collateral documents referenced herein represent the continuing obligations to be entered into by New Gasket (as defined in the Plan of Reorganization) and are not affected by discharge or confirmation of the Plan of Reorganization.

(iv) The Buyer has purchased the Purchased Assets in "good faith", as defined in Section 363(m) of the Bankruptcy Code;

(v) The assumption by the Seller and the assignment to the Buyer of all Operating Agreements (as hereinafter defined), pursuant to Section 365 of the Bankruptcy Code, are hereby approved; and

(vi) The notice given by the Seller of the Hearing is proper and complies with all applicable provisions of the Bankruptcy Code and Rules.

(vii) All liens, restrictions, security interests, claims, charges, encumbrances and interests shall be and are hereby transferred from and extinguished with respect to the Purchased Assets and the same, if any, shall attach to the proceeds paid by the Buyer to the Seller in accordance with this Agreement (except for any escrows or hold backs provided for hereunder), and the Seller may and shall pay and discharge, to the extent valid, any such liens, restrictions, security interests, claims, charges, encumbrances, and interests from such proceeds (excluding any such escrows or holdbacks), and all persons and

entities (other than the Buyer) are hereby enjoined from taking any action against the Purchased Assets.

(viii) Each and every appropriate governmental agency is hereby ordered and directed to accept any and all filings and recordings necessary or desirable in the consummation of the sale of the Purchased Assets to the Buyer, and the Seller is authorized to execute any agreements and other documents, and take any and all other actions as may appropriate in connection with the consummation of such sale.

(c) After consultation with Buyer, the Seller agrees to exclude from its filing of this Agreement with the Bankruptcy Court, those Schedules and Exhibits hereto which contain any confidential and proprietary information relating to the Business, the disclosure of which would have a material adverse effect upon the Business. If a party in interest in the Bankruptcy Proceeding (other than the Official Creditors Committee) requests disclosure of any Schedule or Exhibit, the Seller shall promptly provide Buyer with notice of such appropriate protective request so that the Buyer may seek any order and/or consent to such disclosure. Unless otherwise ordered by a court of competent jurisdiction, Seller agrees not to furnish the information for a period of five (5) business days after delivery of the notice to Buyer in order that Buyer has an opportunity to respond to the request.

ARTICLE II--PURCHASE PRICE

Section 2.1 Purchase Price. (a) Subject to adjustment as provided in this Article II, the aggregate purchase price for the Purchased Assets and for the rights and benefits conferred under this Agreement (including, the covenants of the Seller as set forth in Section 10.9

hereof and enumerated in Section 2.6 hereof (the "Noncompetition Covenant")) shall be Thirty-Four Million Three Hundred Eighty Thousand Dollars (\$34,380,000) in cash (such amount being hereinafter referred to as the "Purchase Price"), plus the assumption of the Assumed Liabilities existing for the Business as of the date of closing and as disclosed on the Final Statements.

(b)(1) In the event that the Net Working Capital at the Closing Date, as calculated in accordance with Section 2.4 is between \$12,232,065 and \$12,632,065, there shall be no change in the Purchase Price. For purposes of this Agreement, "Net Working Capital" shall mean the excess of the current assets (excluding cash or cash equivalents) of the Business over the current liabilities of the Business as defined in the Principles and Procedures (as defined at Section 2.3), as of the Closing Date. Schedule 2.1(b) contains a calculation of Net Working Capital as of September 30, 1992 (the "Base Date"). On the Base Date, Net Working Capital was \$12,432,065.

(2) In the event Net Working Capital on the Closing Date shall be less than \$12,232,065, the Purchase Price shall be reduced on a dollar-for-dollar basis for each dollar of the deficiency.

(3) In the event Net Working Capital (calculated as provided herein) on the Closing Date exceeds \$12,632,065 (the "Working Capital Excess"), the Purchase Price shall be increased on a dollar-for-dollar basis for each dollar of the Working Capital Excess which Working Capital Excess shall be calculated and paid as specified in this Section 2.1(b)(3). In calculating Net Working Capital for purposes of this subsection (3), if the amount of inventory on the Closing Date exceeds the Base Date inventory amount,

\$7,825,633, then inventory for purposes of the foregoing calculation shall be deemed the amount of the Base Date's inventory, irrespective of actual amount.

Buyer shall pay to Seller an amount equal to the Working Capital Excess within two business days of Deloitte & Touche issuing the Final Statements as required by Section 2.5 of this Agreement.

Seller may pledge or otherwise transfer its rights as of the Closing Date to the Working Capital Excess to a third party.

Section 2.2 Payment of the Purchase Price. (a) At the Closing, the Buyer shall (i) deliver to the Seller a certified check payable to the order of the Seller (or at the request of the Seller, the Buyer shall make a wire transfer to the Seller's account) in an amount (the "Initial Payment") equal to the Estimated Purchase Price (as defined in Section 2.3) less, the Claims Amount (as defined below); and, (ii) deliver to an escrow agent mutually agreed upon by the parties (the "Escrow Agent") a certified check payable to the Escrow Agent (or at the request of the Escrow Agent, the Buyer shall make a wire transfer) in the amount of \$2,000,000 (the "Claims Amount") in accordance with the provisions of the escrow agreement substantially in the form of Exhibit 2 hereto (the "Escrow Agreement").

(b) The Claims Amount shall remain in the Escrow Account to cover the payment of all amounts relating to or otherwise arising out of Losses (as hereinafter defined) pursuant to Sections 10.1 and 10.2. The terms governing the use and disposition of the Claims Amount shall be as set forth in the Escrow Agreement.

Section 2.3 Initial Statements. Within ten (10) business days prior to the Closing Date, the Seller shall (a) calculate the estimated Net Working Capital of the Business, (b) prepare and deliver to the Buyer a statement setting forth such estimated Net Working Capital (the "Initial Statements") and (c) prepare and deliver to the Buyer a statement setting forth the estimated Purchase Price which shall be an amount equal to (A) Thirty-Four Million Three Hundred Eighty Thousand Dollars (\$34,380,000) LESS (B) the amount, if any, by which the estimated Net Working Capital is below Twelve Million Two Hundred Thirty-two Thousand Sixty Five Dollars (\$12,232,065) (the "Estimated Purchase Price"). The Initial Statements shall be prepared in accordance with the accounting principles and procedures as set forth in Schedule 2.3 hereto ("Principles and Procedures").

Section 2.4 Final Statements. (a) The Seller shall cause to be prepared the Final Statements (as hereinafter defined) in accordance with the Principles and Procedures as set forth in Schedule 2.3 hereto. At the sole cost of the Seller, the Final Statements shall be audited by the Seller's independent accountants, Deloitte & Touche ("Deloitte"), in accordance with the Principles and Procedures and generally accepted auditing standards. As promptly as practical, but in no event later than forty-five (45) days following the Closing Date, Deloitte shall complete their audit and shall issue their Report (as hereinafter defined) thereon in accordance with the Statement of Auditing Standards # 62 (AU 623.23-.30). For purposes of this Agreement, "Report" shall mean Deloitte's draft report and draft Final Statements, and "Final Statements" shall mean the Statement of Net Working

Capital at the Closing Date. The Final Statements shall be the basis for determining the Purchase Price.

(b) At the Buyer's expense, Buyer and Buyer's accountants, Price Waterhouse, shall have the opportunity to participate in the physical inventory of the Business, as of the Closing Date in connection with the preparation of the draft Final Statements, and to review such of the work sheets and other documents created Seller in connection with the preparation of or utilized by the Report as Price Waterhouse and/or the Buyer shall from time to time request to the extent and as set forth in the Principles and Procedures.

Section 2.5 Final Review. (a) As soon as possible after receipt of the Report, but in any event within thirty (30) days after such receipt (the "Final Review Period"), the Buyer shall review, at Buyer's sole expense, the Report and convey any objections it may have with respect to the matters set forth thereon in the manner described below. A failure by the Buyer to so object to the Report by the end of the Final Review Period shall cause the Report to be deemed approved in its entirety by all parties, in which event the balance of the Purchase Price shall be paid in accordance with Section 2.2. If the Buyer does not object to the Report by the end of the Final Review Period, Deloitte will issue the Final Statements and its final report thereon in accordance with the Statements of Accounting Standards # 62 (AU 623.23-.30) within five (5) business days thereafter.

(b) If the Buyer objects to the Report, the Buyer shall notify the Seller in writing not later than the end of the Final Review Period of each particular item it believes

is not in compliance with the Principles and Procedures and, therefore, requires adjustment, and for not more than fifteen (15) days thereafter, the parties shall attempt in good faith to resolve any differences. If the parties resolve all of their differences, the balance of the Purchase Price, together with accrued interest thereon shall be paid in accordance with Section 2.2. Further, Deloitte will issue the Final Statements and its final report Statement of Auditing Standards # 62 (AU 623.23-.30) within five (5) business days thereafter.

(c) If the Seller and the Buyer are unable to so resolve such differences within such time period, they shall jointly submit the particular items in dispute to a "Big Six" accounting firm (the "Independent Accountant") for resolution on an expedited basis with a request for a written report thereon. If such "Big Six" accounting firm cannot serve as the Independent Accountant for purposes hereof, the Seller and the Buyer shall mutually agree upon another Independent Accountant. In the absence of agreement between the Seller and the Buyer regarding the appointment of the Independent Accountant, either party shall be entitled to make application to the Cleveland office of the American Arbitration Association to appoint a firm of independent certified public accountants (which does not have to be a "Big Six" accounting firm, if none are available).

(d) The independent Accountant shall be permitted to review this Agreement, the Principles and Procedures and the Report, together with all working papers, books, accounts and other documents relating to the Business relevant to the preparation of the Report and shall determine with respect to the item or items in dispute whether such item or items as presented in the Report is consistent with the Principles and Procedures. The Independent Accountant shall submit a draft of the results of such review to the Buyer

and the Seller as soon as such results are available; then the Buyer and the Seller shall be entitled to make objections to the Independent Accountant within fifteen (15) business days after receiving such draft. Upon completion by the Independent Accountant of its final determination as to the item or items in dispute in the Report, the Independent Accountant shall deliver to the Buyer and the Seller its report setting out its determination as to the item or items in dispute which shall be final and binding on the Buyer and the Seller. If the Independent Accountant concludes in its report that the Report was not prepared in accordance with the Principles and Procedures, appropriate adjustment(s) shall be made to the Report. If the Independent Accountant does not conclude in its report that any such adjustment(s) must be made, the Report as furnished by the Seller shall be deemed approved in its entirety and be binding on all parties. Upon the final determination of the Report, the balance of the Purchase Price together with accrued interest thereon from the Closing Date shall be paid in accordance with Section 2.2. Upon such final determination of the Report, Deloitte will issue the Final Statements and its final report thereon in accordance with the Statement of Auditing Standards # 62 (AU 623.23-.30) within five (5) business days thereafter. The fees and expenses incurred in connection with any review by the Independent Accountant pursuant to this Section 2.5 shall be borne one-half by the Seller and one-half by the Buyer.

Section 2.6 Allocation of Purchase Price. Within 120 days of the Closing, the Buyer and the Seller shall determine the fair market value of the various classes of Purchased Assets based on the Initial Statements, the Noncompetition Covenant contained in Section 10.9,

the agreements described in Sections 4.2, 4.3 and 4.4 (the "Agreements") and the other rights and benefits conferred hereunder and approve a schedule setting forth such fair market values (the "initial FMV Schedule") in the form of Schedule 2.6 hereto. If the Seller and the Buyer are not able to agree on the fair market value of the Purchased Assets, the Agreements and the other rights and benefits conferred hereunder, the FMV Schedule shall be based upon the appraised values of the Purchased Assets, the Agreements and the other rights and benefits conferred hereunder as established by an appraisal obtained from a nationally recognized independent appraisal firm. Fees and expenses incurred in connection with any such review pursuant to this Section 2.6 shall be borne one-half by the Buyer and one-half by the Seller. The initial FMV Schedule shall be adjusted by the parties subsequent to the Closing based on the Final Statements and as so adjusted shall be referred to as the "FMV Schedule." The FMV Schedule shall be binding on the parties. The Buyer agrees to allocate, for tax purposes, the total consideration (including all transaction costs incurred in connection with transactions contemplated in this Agreement) paid by the Buyer among the Purchased Assets, the Noncompetition Covenant, the Agreements and the other rights and benefits conferred hereunder in a manner consistent with the FMV Schedule and the provisions of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Seller agrees to allocate, for tax purposes, the total consideration received among the Purchased Assets, the Noncompetition Covenant, the Agreements and the other rights and benefits conferred hereunder in a manner consistent with the FMV Schedule and the provisions of Section 1060 of the Code. Each party agrees to report the federal, state and local income and other tax consequences of the transactions

contemplated herein, and in particular to report the information required by Section 1060(b) of the Code, in a manner consistent with the FMV Schedule and shall not take any position or action inconsistent therewith upon examination of any Tax Return (as hereinafter defined), in any refund claim in any litigation, investigation or otherwise; provided, however, that if, in any audit of any Tax Return of the Seller or the Buyer by a Taxing Authority (as hereinafter defined), the fair market values are finally determined to be different from the FMV Schedule, as adjusted, the Buyer and the Seller may (but shall not be obligated to) take any position or action consistent with the fair market values as finally determined in such audit.

ARTICLE III--CLOSING

Section 3.1 Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall be held at 9:30 a.m. on the day following expiration of the appeal period on the order(s) approving this Agreement, if no stay of such order or orders shall have been issued, which date, assuming no such stay, shall be May 4, 1993 or on such other date as may be agreed upon by the parties hereto, and shall be effective as of the close of business on such date (the "Closing Date") at the offices of Hahn Loeser & Parks located at Suite 3300, BP America Building, Cleveland, Ohio or at such other place as may be agreed upon by the parties hereto. Notwithstanding the foregoing, the Closing shall not occur prior to the date the Plan of Reorganization is confirmed by the Bankruptcy Court, the confirmation orders or order shall have been entered by the Bankruptcy Court, the appeal period on such order(s) shall have expired and no stay of such order or orders shall have been issued.

Section 3.2 Deliveries by the Seller. At the Closing, the Seller shall deliver the following items to the Buyer:

(a) Certified resolutions of the Board of Directors of the Seller authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein;

(b) Executed documents of transfer and assignment required to transfer title of the Purchased Assets to the Buyer, including without limitation (i) a Bill of Sale substantially in the form attached hereto as Exhibit 3; (ii) an Assignment and Assumption Agreement substantially in the form attached hereto as Exhibit 4; (iii) the Lease (as hereinafter defined), (iv) the Assignments (as hereinafter defined) and (v) such other deeds, bills of sale, endorsements, assignments and other good and sufficient instruments of conveyance and delivery as the Buyer may reasonably request;

(c) Such tax clearance certificates as may reasonably be required by the Buyer to evidence payment of any outstanding tax obligations of the Seller;

(d) All other previously undelivered items required to be delivered by the Seller to the Buyer at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith unless waived in writing by the Buyer.

Section 3.3 Deliveries by the Buyer. At the Closing, the Buyer shall deliver the following items to the Seller or the Escrow Agent, as the case may be:

(a) the Initial Payment and Claims Amount;

(b) Certified resolutions of the Board of Directors of the Buyer authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein;

(c) An executed Assignment and Assumption Agreement substantially in the form of Exhibit 4; and

(d) A certificate of insurance evidencing product liability and general casualty insurance in amounts and with deductibles and retainages customary for the type of business; and

(e) all other previously undelivered items required to be delivered by the Buyer at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith unless waived in writing by the Seller.

ARTICLE IV--ADDITIONAL AGREEMENTS

Section 4.1 Transfer Taxes and Other Closing Expenses. The parties shall equally share all sums required to be paid to any state or local taxing jurisdiction, as sales, use or other transfer taxes on account of its consummation of the transaction contemplated hereby. Any accounts constituting a provision for taxes arising from the conduct of business shall be transferred and prorated as of the Closing Date. Seller shall pay all transfer fees relating to the assignment to Buyer of Sellers patent and trademark registrations and applications, both U.S. and foreign; provided, however, that Seller's obligation shall not exceed \$15,000. Except as provided above, or as otherwise stated herein, the Buyer and the Seller will pay their own expenses incident to the preparation and carrying out of this Agreement and the

expenses and fees involved in the preparation and delivery of all documents, reports and opinions required to be delivered by or on behalf of it hereunder.

Section 4.2 Consulting and Noncompetition Agreements. If all of the conditions precedent to the obligations of the Seller hereunder are met, Seller, Joe Hrudka, Tom Hrudka and Howard Gardner shall enter into various Consulting and Noncompetition Agreements (collectively, the "Consulting and Noncompetition Agreements"), substantially in the form of Exhibits 5(a), 5(b), 5(c) and 5(d) hereto, and by their acknowledgment hereof, Seller and each of Messrs. Hrudka, Hrudka and Gardner agree to be bound by the provisions of Sections 4.2 and 8.16 of this Agreement.

Section 4.3 Real Property Lease. At the Closing, the Buyer (or its affiliate) and the Seller will enter into a lease conveying to the Buyer, free and clear of all Encumbrances (as hereinafter defined), except for Permitted Encumbrances (as hereinafter defined), a leasehold estate in the Real Property substantially in the form of Exhibit 6 hereto (the "Lease") but containing a 6 month initial term followed by a 12 month subsequent term, terminable by Lessee at the end of the initial term and during the subsequent term upon 30 days notice together with an option to purchase the Real Property during the term (including any extensions) of the Lease for the sum of \$3,500,000 less the assumption of outstanding mortgage indebtedness of not more than \$1,500,000, if permitted, and subject to the other terms as set forth in the Lease.

Section 4.4 Transitional Services Agreement. At the Closing, the Buyer and the Seller will enter into a transitional services agreement for computer services substantially in the form of Exhibit 7 hereto (the "Transitional Services Agreement").

Section 4.5 Change of Name. Concurrently with the Closing, the Seller shall take all actions required to change the name of the Seller from "Mr. Gasket Company" and any derivative or combination thereof, and the Seller shall make no further use of such name or any derivative or combination thereof.

**ARTICLE V--REPRESENTATIONS AND WARRANTIES
OF THE SELLER**

The Seller represents and warrants to the Buyer, and the Buyer in agreeing to consummate the transactions contemplated by this Agreement has relied upon such representations and warranties, that:

Section 5.1 Title to the Purchased Assets. The Seller has good and marketable title to all of the Purchased Assets, except for assets which are currently being leased. Subject to the approval of the Bankruptcy Court, the Seller has, and on the Closing Date will have, complete and unrestricted power and the unqualified right to sell, assign, transfer, convey and deliver to the Buyer, and will transfer, convey and deliver to the Buyer at the Closing, and the Buyer will acquire at the Closing, good, valid and marketable title to the Purchased

Assets free and clear of any lien, restriction, security interest, claim, charge, encumbrance or interest whatsoever.

Section 5.2 Valid and Binding Agreement. The Seller has taken all necessary corporate action to enter into this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Seller and constitutes a valid and binding agreement of the Seller, enforceable in accordance with its terms, subject to approval by the Bankruptcy Court.

Section 5.3 Corporate Organization. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Ohio and subject to the jurisdiction of the Bankruptcy Court, has the requisite power and authority to carry on the Business as currently conducted and to own the properties and assets it now owns. The Seller is licensed or qualified and is in good standing to do business as a foreign corporation in any other jurisdictions where the nature of its business or character or location of its assets requires such license or qualification, except where the failure to be so licensed or so qualified would not have a material adverse effect on the Business.

Section 5.4 No Violation, Etc. Subject to the approval by the Bankruptcy Court as provided in Section 1.4(b), neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby nor compliance by the Seller with any of the provisions hereof (a) will violate or conflict with any provisions of the Articles

of Incorporation or Code of Regulations of the Seller or, to the best of the Seller's knowledge, any statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to the Seller or (b) to the best of the Seller's knowledge, will violate or conflict with, or result in a breach of any provision of, or constitute a default (or any event that, with or without due notice or lapse of time, or both, would constitute a default) under, or result in the termination of, accelerate the performance required by, or result in the creation of any lien, restriction, security interest, claim, charge, encumbrance or, interest upon the purchased Assets under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation of the Seller.

Section 5.5 Consents and Approval. No material permit, consent, approval or authorization of, or declaration, filing or registration with, any governmental authority is necessary in connection with the execution and delivery by the Seller of this Agreement or the consummation by any of it of the transactions contemplated hereby and no consent of any third party is required to consummate any of the transactions contemplated hereby, except for (a) the approval of the Bankruptcy Court as provided in Section 1.4(b) hereof, (b) compliance with the requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), or (c) as otherwise described in Schedule 5.5 hereto.

Section 5.6 Financial Statements. The audited consolidated financial statements of the Seller for the fiscal years ended December 31, 1992, December 31, 1991, December 31, 1990

and December 31, 1989 previously delivered to the Buyer and set forth in Schedule 5.6 (the "Financial Statements") (a) present fairly the financial position and results of operations of the Seller, as of the statement dates and for the periods indicated, and (b) have been prepared in accordance with generally accepted accounting principles consistently applied throughout and among the periods indicated. Schedule 5.6 shall also include the unaudited financial statements of the Business for the fiscal years ended December 31, 1991 and December 31, 1990 and December 31, 1992 and the three months ended March 31, 1993 (the "Business Financial Statements"), which Business Financial Statements (i) present fairly the financial position and results of operations of the Business, as of the statement dates and for the periods indicated, and (ii) have been prepared in accordance with generally accepted accounting principles consistently applied throughout and among the periods indicated and are consistent with the Financial Statements subject to year-end audit and other normal, recurring adjustments (in accordance with generally accepted accounting principles, in the ordinary course of business and consistent with prior year-end adjustments).

Section 5.7 Interim Operations and Absence of Certain Changes. Since January 1, 1993, except as set forth on Schedule 5.7 hereto, the Business has been conducted only in the ordinary course and consistent with past practice and the Seller did not with respect to the Business:

(a) suffer any damage, destruction or loss of tangible assets, whether or not covered by insurance, in excess of \$25,000;

(b) suffer any change in its financial condition, assets, liabilities or business or suffer any other event or condition of any character which individually or in the aggregate had or has a material adverse effect on the financial condition or earnings, or materially diminishes the value of its assets;

(c) pay, discharge or satisfy any claims, liabilities or obligations (absolute, accrued, contingent or otherwise) except in each case in the ordinary course of business;

(d) waive any claims or rights of substantial value, except in each case in the ordinary course of business;

(e) pledge or permit the imposition of any lien on or sell, assign, transfer or otherwise dispose of any of its tangible assets, except the sale of inventory in the ordinary course of business;

(f) sell, assign, encumber, license, pledge, abandon or otherwise transfer any patents, applications for patents, trademarks, trade names, copyrights, licenses or other intangible assets;

(g) make any change in any method of accounting or accounting principle or practice;

(h) write up or down the value of the inventory or determine as collectible any notes or accounts receivable that were previously considered to be uncollectible, except for write-ups or write-downs and other determinations in accordance with generally accepted accounting principles and in the ordinary course of business and consistent with past practice;

(i) grant any general increase in the compensation payable or to become payable to its officers or employees (including any such increase pursuant to any bonus, pension, profit sharing or other plan or commitment) or any special increase in the compensation payable or to become payable to any officer or employee, or make any bonus payments to any officer or employee, except for normal merit and cost of living increases in the ordinary course of business and in accordance with past practice;

(j) lose or learn of the prospective loss of any account listed on Schedule 5.24 or Schedule 5.25 hereto;

(k) make capital expenditures or commitments in excess of \$25,000 in the aggregate;

(l) agree, whether in writing or otherwise, to take any action described in this Section 5.7.

Section 5.8 Employee Benefit Plans. Schedule 5.8 hereto is a true and complete list of all written and oral, formal and informal annuity, bonus, cafeteria, stock option, stock purchase, profit sharing, savings, pension, retirement, incentive, group insurance, disability, employee welfare, prepaid legal, nonqualified deferred compensation plans including, without limitation, excess benefit plans, top-hat plans, deferred bonuses, rabbi trusts, secular trusts, nonqualified annuity contracts, insurance arrangements, nonqualified stock options, phantom stock plans, or golden parachute payments, or other similar fringe benefit plans, and all other employee benefit funds or programs (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, "ERISA"), covering

employees or former employees of the Business (the "Plans"). Except as set forth on Schedule 5.8 hereto, the Seller is not a party to any employee agreement, understanding, plan, policy, procedure or arrangement, whether written or oral, which provides compensation or fringe benefits to the employees of the Business and the Seller has no direct or indirect, actual or contingent liability for any Plan related to the Business, other than to make payments for contributions, premiums or benefits when due, all of which payments have been timely made. Seller has made available to the Buyer copies of the Plans, including amendments thereto. None of the Purchased Assets are subject to any lien or security interest under Section 302(f), 306(a), 307(a) or 4068 of ERISA or Section 401(a)(29), 412(m) or 6322 of the Code. The Seller has taken no action which would require the Buyer to assume any liabilities with respect to any of the Plans. The Seller has and will continue to comply with the continuation coverage provisions required by Sections 601 through 608 of ERISA and Section 4980B of the Code and will provide notices and continuation coverage required by those provisions to each of the employees of the Business whose employment with the Seller is terminated as a result of the sale of assets contemplated by this Agreement without regard to whether such employee is offered employment by the Buyer. None of the Plans provide for retiree medical coverage or life insurance.

Section 5.9 Compliance with Law, Etc. Except as set forth in Schedule 5.9 hereto, to the best of Seller's knowledge, the Seller has been, is and on the Closing Date will continue to be in compliance in all material respects with all applicable laws (including duties imposed

by common law), rules, regulations, orders, ordinances, judgments and decrees of all governmental authorities (federal, state, local and foreign) and all requirements imposed in writing by an insurance carrier, building, zoning, occupational safety and health, pension, environmental control, toxic waste, fair employment, equal opportunity or similar laws, rules, regulations and ordinances applicable to the Business. To the best of the Seller's knowledge, there has not been any statute enacted or any official rule or regulation adopted by any legislative or administrative body, which statute, rule or regulation specifically addresses, affects or relates to the Business or the business prospects or operations of the Business and which would be likely to have a material adverse effect on the Business. Seller represents that none of its products contain friable asbestos, although certain products identified on Schedule 5.9B contain encapsulated asbestos.

Section 5.10 Litigation, Claims. To Seller's best knowledge, information and belief, Schedule 5.10 hereto contains a complete and accurate list of (a) all claims, actions, suits, proceedings or investigations pending or threatened by or against the Seller or any of its employees, relating to the Business, and (b) all judgments, decrees, arbitration awards, agreements or orders rendered against Seller and relating to the Business since January 1, 1990, and (c) all continuing or unsatisfied judgments, orders, injunctions, decrees or other commands of any court or governmental agency binding upon the Seller. The Seller is not aware and has no reason to be aware of any basis for any action, proceeding or investigation involving the Business, other than as set forth in Schedule 5.10. All claims listed on Schedule 5.10 shall remain liabilities of the remaining operations or holdings of Seller, and

Seller is not aware of any claims asserted in such proceedings which would interfere with Buyer's use of the Purchased Assets in the Business.

Section 5.11 Contracts and Commitments. (a) Schedule 5.11 hereto contains a complete and accurate list of all contracts, agreements and commitments (other than the agreements or arrangements set forth in Schedules 5.8, 5.14 and 5.19B), whether written or oral, of the Seller and relating to the Business that involve commitments in excess of \$25,000, have a term of six (6) months or more or that are not in the ordinary course of business.

(b) The agreements set forth in Schedules 5.8, 5.11, 5.14 and 5.19B are hereinafter referred to collectively as the "Operating Agreements." Except as otherwise set forth on Schedule 5.11 hereto, none of the Operating Agreements has been assigned or is the subject of any security agreement. Except as otherwise set forth in Schedule 5.11, (i) each of the Operating Agreements is a valid and binding obligation of the Seller and, to the best of the Seller's knowledge, of the other party or parties thereto, enforceable in accordance with its terms, except as enforcement may be limited by the Bankruptcy Court; (ii) neither the Seller nor, to the best of Seller's knowledge, any other party thereto has terminated, canceled, modified or waived any material term or condition of any Operating Agreement; and (iii) neither the Seller nor, to the best of the Seller's knowledge, any other party to any Operating Agreement is in default or alleged to be in default under any Operating Agreement and to the best of the Seller's knowledge there exists no event, condition or occurrence that, after notice or lapse of time, or both, would constitute such a default either by the Seller or by any party to any such Operating Agreement. Except as

set forth on Schedule 5.11 hereto, none of the Operating Agreements contains any covenant or other restriction preventing or limiting the consummation of the transactions contemplated hereby. The Seller has delivered to the Buyer a copy of each of the written Operating Agreements and a written description of the terms and conditions of any oral Operating Agreements.

Section 5.12 Trademarks, Patents, Etc. Schedule 5.12 hereto sets forth an accurate and complete list of all trademarks, service marks, trade names, applications and registrations for any of the foregoing, patents, patent applications, copyrights, copyright registrations, trade secrets and confidential information used in the operation of the Business; provided that all unregistered copyrights, trade secrets, know how and other information may be too numerous and may not be listed (collectively, the "Proprietary Rights"). The Seller owns or possesses all Proprietary Rights that are required to conduct the Business as now conducted without, to the best of Seller's knowledge, conflict with the rights of others. The Seller has the right to use the Proprietary Rights (including applications for any of the foregoing) used in connection with the Business. The Proprietary Rights are assignable to the Buyer and the consummation of the transactions contemplated hereby will not alter or impair any such rights. No claims have been asserted by any person to the use of any of the Proprietary Rights, or challenging or questioning the Seller's right to such use, and to the best of the Seller's knowledge there is no basis for any such claim. Seller has no knowledge of circumstances which would indicate the infringement by a third party on the patent, trademark, service mark or other protected rights of Seller referred to in this Section.

Section 5.13 Liens. Except as set forth in Schedule 5.13 hereto, and except for the real property located at 8700 Brookpark Road, Cleveland, Ohio, none of the properties or assets, whether real, personal or mixed, or tangible or intangible, owned or leased by the Seller in connection with the Business are subject to any mortgage, lien, restriction of use, security interest, claim, charge, encumbrance, defect of title, easement or interest (collectively "Encumbrances").

Section 5.14 Insurance. All of the insurance policies relating to the Business, including summary descriptions and the termination dates thereof, (a) are set forth in Schedule 5.14 hereto and (b) are in full force and effect with no violation of any condition which would relieve the insurance company from its obligations, and all premiums with respect thereto covering all periods up to and including the Closing Date have been paid with no retrospective rating, indemnification agreement or self-insured retention, except as otherwise noted on Schedule 5.14. To the Seller's knowledge, information and belief no condition exists within the Business which, if known by an insurer would be a basis to terminate or rescind existing insurance coverage. If the Seller receives, prior to the Closing, any notice of cancellation or other termination of any such policies presently in effect, the Seller will use its reasonable efforts to replace such policies not later than a date prior to the effective date of any such cancellation or other termination with policies providing substantially the same coverage. The Seller has not been refused any insurance with respect to the Business or any of the Purchased Assets, nor has coverage been limited by any insurance carrier to

which it has applied for insurance or with which it has carried insurance, during the last two years.

Section 5.15 Disclosure. No representation or warranty by the Seller to the Buyer contained in this Agreement, and no statement contained in the Schedules hereto or any certificate furnished to the Buyer pursuant to the provisions hereof, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements herein or therein not misleading.

Section 5.16 Accounts Receivable. All accounts receivable of the Seller relating to the Business (the "Accounts Receivable") whether reflected in the Financial Statements, Business Financial Statements or otherwise, represent or will represent sales actually made in the ordinary course of business or valid claims as to which full performance has been rendered. To the best of Seller's knowledge, all Accounts Receivable are collectible in the amounts shown on the books of the Seller, after application of reserves for returns and bad debts and other reserves recorded against Accounts Receivable balances in accordance with generally accepted accounting principles consistently applied. The Seller has good and marketable title to all Accounts Receivable, free and clear of all liens, claims and encumbrances. Schedule 5.16 sets forth a listing of accounts receivable as of the date hereof. This schedule will be brought current at the date of Closing.

Section 5.17 Real Property. Schedule 5.17 sets forth each parcel of real property or interest in real estate currently owned by the Seller (the "Real Property") in connection with the Business; currently there is no real property which the Seller leases, has agreed to lease or has an obligation to lease in connection with the Business. The Seller owns and has good and marketable title in fee simple to the Real Property, free and clear of all Encumbrances, except for those Encumbrances (the "Permitted Encumbrances") which are set forth on Schedule 5.13. To the best of the Seller's knowledge, the Seller has good and valid rights of ingress and egress to and from all the Real Property from and to the public street systems for all usual street, road and utility purposes. To the best of Seller's knowledge, the Seller's use of the Real Property is substantially in compliance with all applicable zoning laws and regulations and other applicable laws, orders, regulations or requirements relating to or affecting the occupancy and use of the Real Property other than as disclosed to Buyer in Schedules 5.9 and 5.28. The Seller has not received any notice of an appropriation, condemnation or like proceeding, or of any violation of any applicable zoning laws, regulations or other laws, orders, regulations or requirements relating to or affecting the occupancy and use of Real Property, and, to the best of the Seller's knowledge, no such proceeding has been threatened or commenced. To the best of the Seller's knowledge, (a) all water, sewer, gas, electric, telephone, drainage and other facilities on the Real Property are installed and connected pursuant to valid permits and are adequate to service the facilities on the Real Property; (b) no fact or condition exists that would result in the termination or material impairment of any such service, and (c) all necessary easements exist and are in full force and effect.

Section 5.18 Inventory. All inventory of the Seller in connection with the Business whether reflected in the Financial Statements, Business Financial Statements, or otherwise, consists of a quality and quantity usable in the ordinary course of business, subject to appropriate reserves. All of the inventory is at Brooklyn, Cuyahoga County, Ohio, except for inventory in transit or materials at or in transit to or from outside processors. The Seller has good and marketable title to all of its inventory, free and clear of all liens, claims and encumbrances. Schedule 5.18 is a listing of all inventory as of the date hereof. Schedule 5.18 shall be brought current at the time of Closing.

Section 5.19 Tangible Personal Property. Schedule 5.19A hereto lists all tangible personal property (other than inventory) within initial cost in excess of \$5,000 owned by the Seller in connection with the Business and the location thereof including all furniture, furnishings, office equipment, supplies, machinery, tools and other equipment. The Seller has good and marketable title to all of the items listed on Schedule 5.19A hereto, free and clear of all Encumbrances except as set forth thereon or on Schedule 5.13 hereto. Schedule 5.19B hereto lists all tangible personal property leased by the Seller in connection with the Business and the location thereof. Except as set forth on Schedule 5.19B hereto, none of such leases contains any covenant or restriction preventing or limiting the consummation of the transactions contemplated hereunder. All of the personal property listed in Schedules 5.19A hereto and 5.19B hereto is in operating condition and repair, subject to ordinary wear .

and tear. All of the tangible property is located at Brooklyn, Cuyahoga County, Ohio, except as otherwise identified on Schedule 5.19 A or B.

Section 5.20 Employee Relations. No union organizing efforts known to the Seller have been conducted within the past five (5) years or are now being conducted in respect of the Business; the Seller has not at any time during the past five years had, nor to the knowledge of the Seller, is there now threatened, a strike, picket, work stoppage, work slowdown, or other labor trouble in connection with the Business; and the Seller has never been a party to any collective bargaining or similar labor agreement in connection with the Business.

Section 5.21 Employees. Schedule 5.21A hereto sets forth a complete and accurate list of all employees of the Seller involved with the Business with annual incomes in excess of \$25,000 showing for each: name, hire date, current job title or description, current salary level (including any bonus or deferred compensation arrangements) and any bonus, commission or other remuneration paid during the most recently completed fiscal year, and describing any existing contractual arrangement. Schedule 5.21B sets forth a complete list of the names, social security numbers, and employee reference number of each full time, part time, temporary or temporarily laid-off or on-leave employee for the Business.

Seller has not and will not permit the accrual of salary, wages, bonus, overtime, "comp. time" or any other form of remuneration other than within the immediately current pay period or as expressly set forth, in writing, in the employee manual administered

by the human recourse department of the Business, a complete copy of which is attached as Schedule 5.21C.

Section 5.22 Governmental Authorizations. With respect to the Business, except as specified on Schedule 5.28, the Seller has all licenses, permits or other authorizations from governmental, regulatory or administrative agencies or authorities required for the production and sale of its products and the ownership or conduct of the Business (including those required pursuant to laws or regulations relating to the protection of the environment), each of which will be in full force and effect on the Closing Date, except where the failure to obtain any such licenses, permits or other authorizations would not have a material adverse effect on the Business. Except as specified in Schedule 5.5 hereto, to the best of the Seller's knowledge no registrations, filings, applications, notices, transfers, consents, approvals, orders, qualifications, waivers or other actions of any kind are required by virtue of the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to enable the Buyer to continue the operation of the Business as presently conducted in all material respects.

Section 5.23 Tax Matters. (a) There have been timely filed by or on behalf of the Seller with the appropriate Taxing Authority all Tax Returns required to be filed in connection with the Business on or before the Closing Date, and all such Tax Returns were materially correct and complete in all respects. An extension of time within which to file any Tax Returns which has not been filed has not been requested or granted.

(b) The Seller (or entities affiliated with Seller) has paid in full all Taxes, if any, shown to be due on such Tax Returns, or otherwise has accrued or paid all other Taxes due for all periods up to and including the date hereof, and at the Closing Date shall have paid or reserved all Taxes due and payable through and including the Closing Date. All Taxes for the periods covered by the Tax Returns filed or to be filed by or on behalf of the Seller or, if not covered by a Tax Return but required to be paid, have been or will be paid when due whether to a Taxing Authority or to other persons or entities (as, for example, under tax allocation agreements).

(c) The representations and warranties set forth in subsections (a) and (b) of this Section 5.23 are not applicable to the extent the Purchased Assets and the Business cannot be made subject to tax liens and the Buyer cannot be made liable for Taxes relating to the matters constituting breaches of such representations and warranties.

(d) There are no liens for Taxes upon the Business or any of the Purchased Assets except liens for current Taxes not yet due, or appearing on Schedule 5.13.

(e) None of the Purchased Assets is property which is required to be treated as being owned by any other person pursuant to the so-called "safe harbor lease" provisions of former section 168(f)(8) of the Code.

(f) None of the Purchased Assets directly or indirectly secures any debt the interest on which is tax exempt under section 103(a) of the Code.

(g) None of the Purchased Assets is "tax-exempt use property" within the meaning of Section 168(h) of the Code.

(h) The Seller is not a person other than a United States person within the meaning of Section 7701(a)(30) the Code.

(i) Except as set forth on Schedule 5.23 hereto, the Seller is not and has never been a member of an affiliated group of corporations filing a consolidated Tax Return pursuant to Section 1501 of the Code.

(j) To Seller's knowledge, information and belief, no state of facts exists which would constitute grounds for the assessment of any additional Taxes by any Taxing Authority against the Seller or the Buyer with respect to the Purchased Assets or the Business other than sales, use, transfer, recording or similar fees and taxes which may arise from the transactions contemplated by this Agreement. No state of facts exists to the Seller's knowledge which would constitute grounds for the assessment of any liability for Taxes with respect to the Purchased Assets or the Business for the periods which have not been audited by the Internal Revenue Service or other Taxing Authority.

(k) Neither the Seller nor any entities affiliated with the Seller have granted any waiver of any statute of limitations with respect to, or any extension of a period for the assessment of, any Taxes.

(l) There is no material action, suit, proceeding, investigation, audit or claim now pending against the Seller with respect to the Business or any of the Purchased Assets in respect to any Tax, and no matter under discussion with any Taxing Authority relating to any material Tax or assessment or any claim for additional Tax, asserted by any such Authority against the Seller or any of its affiliates with respect to the Business or any of the Purchased Assets.

(m) All Taxes with respect to the Purchased Assets and the Business that are required to be withheld or collected have been duly withheld and collected and, to the extent required, have been paid to the proper Taxing Authority, person, or entity or have been properly deposited as required by applicable laws.

(n) As used in this Agreement, "Taxes" is defined to include all taxes, charges, fees, levies or other assessment imposed by any Taxing Authority with respect to the operation of the Business, including, without limitation, income, gross receipts, excise, property, sale, use, ad valorem, license, lease, service, severance, stamp, transfer, payroll, employment, customs, duties, alternative, or add or minimum, estimated and franchise taxes (including any interest, penalties or additions attributable to or imposed on or with respect to any such assessment).

(o) As used in this Agreement, "Tax Return" is defined as any return, report, information return or other document (including any related or supporting information) filed or required to be filed with any federal, state, local or foreign governmental entity or other authority (individually or collectively a "Taxing Authority") in connection with the determination, assessment or collection of any Tax (whether or not such Tax is imposed on the Seller) or the administration of any laws, regulations or administrative requirements relating to any Tax.

Section 5.24 Customers. Schedule 5.24 hereto sets forth a complete and accurate list of the forty (40) largest customers (by dollar volume) of products of the Business during the most recently completed fiscal year, indicating the existing contractual arrangements, if any, with

each such customer. Except as set forth in Schedule 5.24 hereto, there are no outstanding "material disputes" with any customer listed thereon and no customer listed thereon has refused to continue to do business with the Seller or has stated its intention not to continue to do business with the Seller. For purposes of this Section, a "material dispute" means a matter involving a claim of \$5,000 or more per customer and "material disputes" involves claims of \$50,000 in the aggregate as to all customers. Re invoicing or cash discount disputes in the ordinary course shall not be "material disputes."

Section 5.25 Suppliers. Schedule 5.25 hereto sets forth a complete and accurate list of (a) the forty (40) largest suppliers of products and services to the Business during the most recently completed fiscal year of the Seller with a value in excess of \$25,000, indicating the existing contractual arrangements with each such firm and (b) the names of any sole source suppliers of significant material to the Business with respect to which practical alternative sources of supply are not available on comparable terms and conditions, indicating the contractual arrangements for continued supply from each firm.

Section 5.26 Broker's or Finder's Fees. No agent, broker, investment banker, person or firm acting on behalf of the Seller or under the authority of the Seller is or will be entitled to any broker's or finder's fee or any other commission or similar fee directly or indirectly from any of the parties hereto in connection with any of the transactions contemplated hereby. Seller will hold Buyer harmless from any claim for payment of a fee or commission

of a broker, investment banker, agent, person or firm acting on behalf of the Seller or under authority of the Seller either directly or indirectly.

Section 5.27 Adequacy and Sufficiency of Assets. The Purchased Assets are adequate and sufficient for the conduct of the Business consistent with past practice.

Section 5.28 Environmental Matters. (a) As used in this Agreement "Hazardous Material" shall mean: (i) any "hazardous substance" as now defined pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601(14), (ii) any "pollutant or contaminant" as defined in 42 U.S.C.A. § 9601(33); (iii) any material now defined as "hazardous waste" pursuant to 40 C.F.R. Part 261; (iv) any petroleum or petroleum product, including crude oil and any fraction thereof; (v) natural synthetic gas usable for fuel; (vi) any "hazardous chemical" as defined pursuant to 29 C.F.R. Part 1910; (vii) any asbestos, polychlorinated biphenyl (PCB), or isomer of dioxin, or any material or thing containing or composed of such substance or substances; and (viii) any other substance, regardless of physical form, that is subject to any past or present federal, state or local governmental statute, requirement, rule of liability or standard of conduct relating to the protection of human health, plant life, animal life, natural resources or property from the presence in the environment of any solid, liquid, gas, odor or any form of energy, from whatever source.

(b) Except as set forth on Schedule 5.28 hereto, to the best of Seller's knowledge, there is no Hazardous Material at, under or on any properties now or at any

time ever owned, leased, operated or controlled by the Seller in the Business where such could have a material adverse effect on the condition (financial or otherwise), properties, assets, operations or prospects of the Business. Except as set forth on Schedule 5.28 hereto, neither the Seller nor to the best of the Seller's knowledge any of its predecessors in interest have manufactured, processed, distributed, used, treated, stored, disposed, transported or handled any such Hazardous Materials, where such could have a material adverse effect on the condition (financial or otherwise), properties, assets, operations or prospects of the Business.

(c) Except as set forth on Schedule 5.28 hereto, to the best of the Seller's knowledge, neither the Seller nor any of its predecessors in interest have any obligation or liability, known or unknown, matured or not matured, absolute or contingent, assessed or unassessed, imposed or based upon any provision under any federal, state or local law, rule, or regulation or common law, or applicable, relevant and appropriate requirements, or under any code, order, decree, judgment or injunction applicable to the Seller or its predecessors in interest or any notice, or request for information issued, promulgated, approved or entered thereunder, or under the common law, or any tort, nuisance or absolute liability theory, relating to public health or safety, worker health or safety, or pollution, damage to or protection of the environment including, without limitation, laws relating to emissions, discharges, releases or threatened releases of Hazardous Materials into the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, generation, disposal, transport or handling of pollutants,

contaminants, chemicals, or industrial, toxic or hazardous substances or wastes (hereinafter collectively referred to as "Environmental Laws") where such obligation or liability could have a material adverse effect on the condition (financial or otherwise), properties, assets, operations or prospects of the Business.

(d) Except as indicated on Schedule 5.28 hereto, to the best of Seller's knowledge, there are no specific facts or circumstances (i) that would indicate that the Seller is not, or will not be prior to Closing, in compliance in all material respects with the Environmental Laws and with the provisions of the Federal Occupational Safety and Health Act as related to the ownership or operation of the Business, nor (ii) that the Seller's ownership or operation of the Business gives rise to any liability to any person, contingent or otherwise, under the Environmental Laws.

(e) Except as indicated on Schedule 5.28, the Seller possesses and is in compliance in all material respects with all permits, licenses, certificates, franchises and other authorizations relating to Environmental Laws necessary to conduct the Business or required by environmental regulations.

(f) Except as set forth on Schedule 5.28 hereto, no claims have been made against the Seller or its predecessors in interest during the past five years (except minor claims, all of which have been resolved without material fines or penalties) and no presently outstanding citations or notices have been issued against the Seller under the Environmental Laws where such could have a material adverse effect on the condition (financial or otherwise), properties, assets, operations or prospects of the Business, including, without

limitation, any such claims, citations or notices relating to or arising out of or attributable, in whole or in part, to:

(i) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any Hazardous Material in the operation of the Business by the Seller or its predecessors in interest, or any of their respective employees, agents or representatives in connection with or in any way arising from or relating to the ownership or operation of the Business or any of its respective properties by the Seller or its predecessors in interest;

(ii) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any Hazardous Material in the operation of the Business, by any other person at, on or under any real property or any other location where such could have a material adverse effect on the condition (financial or otherwise), properties, assets, operations or prospects of the Business.

(g) Except as set forth in Schedule 5.28 hereto, the Seller has not been subject to any civil, criminal or administrative action, suit, claim, hearing, notice of violation, investigation, inquiry or proceeding for failure to comply with, or received notice of any violation or potential liability under, the Environmental Laws where such could have a material adverse effect on the condition (financial or otherwise), properties, assets, operations or prospects of the Business nor is the Seller aware of any information, whether or not confirmed or reported, which could give rise to any such potential liability.

(h) Except as set forth in Schedule 5.28 hereto, no real property, site or facility (as defined in the Comprehensive Environmental Response, Compensation and

Liability Act of 1980, 42 U.S.C. § 9601(9) ("CERCLA")) of the Seller and used in the Business is (i) listed or proposed for listing on the National Priority List or, is (ii) listed on the Comprehensive Environmental Response, Compensation, Liability Information System List ("CERCLIS") promulgated pursuant to CERCLA, or any comparable list maintained by any foreign, state or local government authority.

(i) Except as set forth in Schedule 5.28 hereto, any underground storage tanks at any real property, site or facility (as defined in CERCLA) of the Seller and utilized in the Business are used and operated in compliance with the Environmental Laws.

(j) Except as set forth in Schedule 5.28 hereto, the Seller has delivered to the Buyer true, complete and correct copies or results of any reports, studies, analyses, tests or monitoring in the possession of or initiated by the Seller pertaining to the existence of Hazardous Materials and any other environmental concerns relating to the Business and any of its facilities, or sites or real property now or at any time ever owned, leased, operated, used or controlled by the Seller or any of its predecessors in interest, and used in the operation of the Business or concerning compliance with or liability under the Environmental Laws.

(k) Except as set forth on Schedule 5.28 hereto and to the best of Seller's knowledge, there are no polychlorinated biphenyls in or at any premises now or at any time ever owned, operated or controlled by the Seller and utilized in the Business.

(l) Except as set forth in Schedule 5.28 hereto, the Seller has removed all asbestos and asbestos containing materials in compliance with all applicable statutes, laws, regulations and rules of all applicable governmental authorities from the properties and

assets now or at any time ever owned, leased, operated or controlled by the Seller and utilized in the Business and further warrants and represents that to the best of Seller's knowledge the facilities on such properties materially comply with the Environmental Laws including, but not limited to, Occupational Safety and Health Act regulations with respect to ambient air exposure to asbestos.

Section 5.29 Related Party Transactions. Except as set forth on Schedule 5.29 hereto, none of the Seller or any director or officer of the Seller, nor any member of the "immediate family" of a director or officer, is currently a party to any transaction with the Seller which relates to the operation of the Business (other than for services as employees, officers and directors), including without limitation any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from, any such person, or to or from any corporation, partnership, trust or other entity in which any such person, or group of such persons, owns in excess of 5% of the outstanding equity interest. For purposes of this Section 5.29, "immediate family" shall include an individual's spouse, parents, children, siblings, mothers and fathers-in-law, brothers and sisters-in-law and sons and daughters-in-law.

Section 5.30 Effective Date of Representations and Warranties. Each representation and warranty set forth in this Article V shall be deemed to be made on and as of and speak on and as of the date hereof and on and as of the Closing Date.

Section 5.31 Certain Matters Relating to the Status of the Seller as Debtor in the Bankruptcy Proceeding. None of the Purchased Assets is subject to any "lien" as defined in Section 101(33) of the Bankruptcy Code, or other interests of any party other than Seller.

Section 5.32 Knowledge Standard. When used in this Article V, the term "to the best of Seller's knowledge" or "to the Seller's knowledge" or words to that effect means (i) to the actual knowledge of one or more of those individuals listed on Schedule 5.32 hereof (collectively, the "Seller Management Team") and (ii) knowledge that a reasonable man would expect one of the Seller Management Team to know or reasonably should have known.

ARTICLE VI-REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Seller, and the Seller in agreeing to consummate the transactions contemplated by this Agreement has relied upon such representations and warranties, that:

Section 6.1 Organization, Standing and Power. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the requisite power and authority to own, lease and operate its properties, to carry on its business as now being conducted and to enter into this Agreement and consummate the transactions contemplated hereby.

Section 6.2 Valid and Binding Agreement. All necessary action on the part of the Buyer has been taken to authorize the execution and delivery of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Buyer and constitutes a valid and binding agreement of the Buyer, enforceable in accordance with its terms, subject to the approval of the Bankruptcy Court as provided in Section 1.4(b).

Section 6.3 No Violation. Subject to the approval of the Bankruptcy Court as provided in Section 1.4(b), neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby nor compliance with any of the provisions hereof will (a) violate or conflict with the Certificate of Incorporation of the Buyer or any statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to the Buyer, or (b) violate or conflict with, or result in a breach of any of the provisions of, or constitute a default (or any event which, with or without due notice or lapse of time, or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or result in the creation of any Encumbrance upon any of the properties or assets of the Buyer under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument of the Buyer, other than encumbrances intended and permitted by Buyer.

Section 6.4 Consents and Approvals. No permit, consent, approval or authorization of, or declaration, filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Agreement by the Buyer or the consummation by the Buyer of the transactions contemplated hereby and no consent of any third party is required to consummate any of the transactions contemplated hereby, except for the approval of the Bankruptcy Court as provided in Section 1.4(b) and compliance with the requirements of the HSR Act.

Section 6.5 Broker's or Finder's Fees. Buyer will hold Seller harmless from any claim for payment of a fee or commission of a broker, investment banker, agent, person or firm acting on behalf of the Buyer or under authority of the Buyer either directly or indirectly.

ARTICLE VII--COVENANTS

Section 7.1 Compliance with Law. From the date hereof and through the Closing Date, the Seller will promptly comply in all material respects with all laws and regulations (including, without limitation, those relating to occupational safety, the protection of the environment and employee benefits) applicable to the Business and all laws and regulations with which compliance is required for the valid consummation of the transactions contemplated hereby and will promptly notify the Buyer of any legal, administrative or other proceedings, investigations, inquiries, complaints, notices of violation or other asserted claims, judgments, injunctions or restrictions, pending, outstanding or, to the best of Seller's knowledge, threatened or contemplated, which could affect the Business.

Section 7.2 Operation of Business Prior to Closing. Prior to the Closing Date, and except as otherwise contemplated by this Agreement or with the specific prior written consent of the Buyer and as subject to the jurisdiction of the Bankruptcy Court, the Seller covenants and agrees, with respect to the Business, as follows:

(a) The Seller shall conduct the Business in the ordinary course, consistent with past practices and in accordance with all applicable provisions of the Bankruptcy Code and Rules and all applicable orders of the Bankruptcy Court. Without limiting the foregoing, Seller shall not advance ship sales orders for future months or ship prior to invoicing any inventory to any customer, nor shall Seller furnish any customer credit terms over 30 days, unless such customer has, on a continuous basis over the past twelve months, been granted extended (over 30 days) terms, in which case such customer can be afforded terms comparable to those previously granted to him. Seller shall furnish Buyer a list of all customers afforded such extended terms;

(b) The Seller shall not enter into any contract or commitment entailing a commitment, or make any expenditures for, property, or equipment in excess of \$25,000 in the aggregate;

(c) The Seller shall not enter into any employment agreement, sales agency agreement or other contract for the performance of personal services which is not terminable without liability upon no more than thirty (30) days' notice or grant any increase in the rate of compensation or in the benefits payable or to become payable to any officer or other employee or to any agent or consultant over the levels in effect on the date hereof

other than normal merit increases of officers and employees or increases required by applicable law;

(d) The Seller will use its best efforts to preserve the Business intact and the goodwill of customers and others having business relations with the Seller and to keep available the employees of the Seller;

(e) The Seller will maintain its real and personal properties in as good as state of operating condition and repair as they are on the date of this Agreement, except for ordinary wear and tear; and Seller will immediately notify Buyer of any lien, restriction, pledge, security interest or encumbrance of any kind, or any threatened such item, to be placed upon such property.

(f) The Seller will not terminate or modify any leases, contracts, governmental licenses, permits, or other authorizations or agreements affecting its real and/or personal properties or the operation thereof or any additional lease or contract of any nature affecting such properties or the operation thereof;

(g) The Seller will keep in force all policies of insurance covering or relating to its real and personal property;

(h) The Seller will not knowingly do or omit to do any act, or permit any act or omission to act, which may cause a breach of any Operating Agreement or a breach of any representation, warranty, covenant or agreement made by Seller herein;

(i) The Seller will not enter into commitment, and no purchase of raw materials or supplies and no sales of any of its assets will be made, except (i) normal contracts or commitments for the purchase of, and normal purchases of, supplies made in

the ordinary course of business and consistent with current practice in the most recent completed fiscal year, and (ii) normal contracts or commitments for the sale of, and normal sales of, product or inventory in the ordinary course of business and consistent with past practice; and Seller shall provide concurrent notice to Buyer of contracts, commitments, purchases or other operating obligations of the Business from the date hereof until the Closing;

(j) No obligations or liabilities relating to the Business, whether absolute or contingent (including litigation claims), shall be discharged, satisfied or paid, other than liabilities shown on the Financial Statements and the Business Financial Statements and liabilities incurred after the date thereof in the ordinary course of business and in normal amounts, and no such discharge, satisfaction or payment shall be effected other than in accordance with the ordinary payment terms relating to the liability discharged, satisfied or paid; and Seller shall provide concurrent notice to Buyer of the payment, satisfaction or discharge of such obligation from the date hereof until the Closing.

(k) No debts of or claims against others held by the Seller shall be canceled or released and no rights relating to the Business shall be waived;

(l) The Seller will not write up the value of any inventory, determine as collectible any notes or accounts receivable which were previously considered to be uncollectible, or increase the amount of any receivables, except for adjustments and changes in the ordinary course of business and consistent with past practice and generally accepted accounting principles;

(m) The Seller will not make any new elections with respect to Taxes, or any changes in current elections with respect to taxes, affecting the Purchased Assets;

(n) The Seller will not make any change in any method of accounting principles or practices; and

(o) The Seller will not make any change in its policies for extension of credit to customers.

Section 7.3 Access. At all times prior to the Closing Date, the Seller shall provide the Buyer and its representatives with full and reasonable access to, and will make available for inspection and review, all properties, personnel, books, records, reports, schedules and accounts of the Seller relating to the Business in order that the Buyer may have full opportunity to make such investigation as it shall desire to make of the Business. It is understood that the Buyer shall be permitted to maintain personnel on the premises of the Seller during customary business hours to observe all aspects of the operations of the Business and to confer with the Seller's management, attorneys and other third parties reasonably requested for verification of any information obtained pursuant to such observations. The Seller also consents to the examination by (a) Price Waterhouse of the work papers of Deloitte pertaining to the Business, including work papers relating to the work on the audit referenced in Section 7.4 below, and will cooperate with Buyer to obtain such access and related information from Deloitte and (b) the Buyer, its environmental consultants and counsel of the premises and all environmental records of the Seller pertaining to the Business.

Section 7.4 INTENTIONALLY OMITTED.

Section 7.5 Preparation and Delivery of Schedules and Exhibits. The parties hereto acknowledge that this Agreement will be signed prior to the preparation and delivery of the Schedules and Exhibits required hereunder. The Seller agrees to provide to the Buyer by no later than April 23, 1993, unless such date is extended by Buyer, all of the Schedules required hereunder. Both the Buyer and the Seller also agree to negotiate in good faith to reach an agreement by no later than May 4, 1993, on all of the material terms and conditions to each of the Schedules and Exhibits to this Agreement.

ARTICLE VIII--CONDITIONS PRECEDENT TO OBLIGATIONS OF THE BUYER

All obligations of the Buyer that are to be discharged under this Agreement at the Closing are subject to the Seller's fulfillment on or before the Closing or effective as of the Closing Date, of each of the following conditions (unless expressly waived, extended, or modified in writing by the Buyer (in its sole and absolute discretion) at any time at or prior to the Closing) and the Seller shall use their reasonable efforts to cause each of such conditions to be satisfied:

Section 8.1 Representations and Warranties. On the Closing Date, the representations and warranties of the Seller set forth in Article V of this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though such representations and warranties had been made on and as of the Closing Date

and the Buyer shall have received at the Closing a certificate, dated at the Closing Date, signed by the President or Vice President of the Seller to such effect.

Section 8.2 Covenants, Agreements and Conditions. The Seller shall have fully and completely performed and complied, in all material respects, with all covenants, agreements and conditions contained in this Agreement required to be performed by it on or prior to the Closing Date, and the Buyer shall have received at the Closing a certificate, dated the Closing Date, signed by the President or the Vice President of the Seller to such effect.

Section 8.3 No Material Adverse Change. During the period from December 31, 1992, to the Closing Date, there shall not have been any material adverse change in the condition (financial or otherwise) or earnings of the Seller.

Section 8.4 Consents and Approval. All corporate and other proceedings, as applicable, to be taken, and all consents to be obtained in connection with the transaction contemplated by this Agreement by the Seller and all documents incident thereto shall be reasonably satisfactory in form and substance to the Buyer and its legal counsel, each of whom shall have received all such originals or certified or other copies of such documents as either may reasonably request.

Section 8.5 Proceedings. No order or injunction shall have been issued prohibiting the consummation of the transactions contemplated hereby.

Section 8.6 Governmental Approvals. There shall have been received all necessary governmental consents or authorizations required in connection with the transactions contemplated hereby.

Section 8.7 Insurance. The Seller shall have maintained in full force and effect the insurance coverage described in Schedule 5.14 hereto or policies providing substantially equivalent coverage.

Section 8.8 HSR Act, etc. All waiting periods applicable under the HSR Act with respect to the consummation of the transactions contemplated by this Agreement shall have expired or shall have been terminated, and there shall have been received all necessary consents or governmental authorizations of jurisdictions in which the Seller conducts the Business for the transfer of the Purchased Assets by the Seller to the Buyer.

Section 8.9 Deliveries. The Seller shall have delivered to the Buyer the items referred to in Section 3.2.

Section 8.10 Customer Relationships. There shall be no material adverse change in any of the Seller's relationships with its customers listed in Schedule 5.24 hereto.

Section 8.11 No Liens. There shall be no Encumbrances, on the Purchased Assets.

Section 8.12 Overbid and Termination Fee Approval. Bankruptcy Court shall have entered an order or orders approving the Overbid and Termination Fee Motion submitted by the Buyer and a true copy of such executed order or orders shall have been delivered to Buyer and there shall not be pending any appeal thereof.

Section 8.13 Bill of Sale. The Seller shall have executed and delivered the Bill.of Sale to Buyer.

Section 8.14 Assignment and Assumption Agreement. The Seller shall have executed and delivered the Assignment and Assumption Agreement to the Buyer.

Section 8.15 Escrow Agreement. The Seller shall have executed and delivered the Escrow Agreement to the Buyer.

Section 8.16 Consulting and Noncompetition Agreement. Messrs. Hrudka, Hrudka and Gardner and Seller shall have executed and delivered their respective Consulting and Noncompetition Agreements to the Buyer.

Section 8.17 Bankruptcy Court Approval. (a) After notice and hearing as described in Section 1.4(b), the Bankruptcy Court shall have entered an order or orders substantially in the form described in Section 1.4(b), the appeal period on such order(s) shall have expired and no stay of such order(s) shall have been issued.

(b) The Buyer shall have received a certified copy of the entered order(s), together with a declaration of Debtor's counsel that no stay of such order has been issued by a court of competent jurisdiction.

(c) The Bankruptcy Court shall have entered an order authorizing the Seller to enter into all collateral instruments to this Agreement, including, but not limited to, the Transitional Services Agreement, the Lease, and Escrow Agreement.

Section 8.18 Assignment of Certain Operating Agreements. The Seller shall have obtained and delivered to the Buyer the order or orders of the Bankruptcy Court described in Section 1.4(b) approving the assignment to Buyer of those Operating Agreements listed on Schedule 1.2(b).

Section 8.19 Lease. The Seller shall have executed and delivered the Lease to the Buyer, and Buyer shall have received from National City Bank, the mortgagee of the real property, its consent to the Lease.

Section 8.20 Transitional Services Agreement. The Seller shall have executed and delivered the Transitional Services Agreement to the Buyer.

Section 8.21 Schedules. The Buyer and Seller shall have finalized the Schedules and Exhibits pursuant to Section 7.5 of this Agreement.

Section 8.22 Indemnity Agreement. Buyer (or its affiliates), Seller and Eaton Corporation shall have executed the environmental indemnity agreement (the "Indemnity Agreement"), in a form satisfactory to all parties.

Section 8.23 Satisfactory Completion of Buyer's Investigation. Buyer's due diligence investigation shall not have disclosed facts which would have a material adverse effect on the business, properties, earnings or the assets of Seller or the ownership or value thereof or after written notice thereof Seller shall fail to furnish assurance satisfactory to Buyer that such matters will not have a material adverse effect on Seller in any of such manners.

ARTICLE IX--CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SELLER

All obligations of the Seller that are to be discharged under this Agreement at the Closing are subject to the Buyer's fulfillment on or before the Closing or effective as of the Closing Date of each of the following conditions (unless expressly waived, extended or modified in writing by the Seller (in its sole and absolute discretion) at any time at or prior to the Closing) and the Buyer shall use its reasonable efforts to cause each of such conditions to be satisfied:

Section 9.1 Representations and Warranties. On the Closing Date, the representations and warranties of the Buyer set forth in Article VI of this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though such representations and warranties had been made on and as of the Closing

date, and the Seller shall have received at the Closing a certificate, dated the Closing Date, signed by the President or a Vice President of the Buyer to such effect.

Section 9.2 Covenants, Agreements and Conditions. The Buyer shall have performed and complied, in all material respects, with all covenants, agreements and conditions contained in this Agreement required to be performed by it on or prior to the Closing Date, and the Seller shall have received at the Closing a certificate, dated the Closing Date, signed by the President or a Vice President of the Buyer to such effect.

Section 9.3 Proceedings. No order or injunction shall have been issued prohibiting the consummation of the transactions contemplated hereby.

Section 9.4 Consents. All consents to be obtained in connection with the transactions contemplated by this Agreement and all documents incident thereto shall be reasonably satisfactory in form and substance to the Seller and its counsel, Hahn Loeser & Parks, each of whom shall have received all such originals or certified or other copies of such documents as either may reasonably request.

Section 9.5 HSR Act, etc. All waiting periods applicable under the HSR Act with respect to the consummation of the transactions contemplated by this Agreement shall have expired and shall have been terminated, and there shall have been received all necessary consents or

governmental authorizations of jurisdictions in which the Seller conducts the Business for the transfer of the Purchased Assets by the Seller to the Buyer.

Section 9.6 Governmental Approvals. There shall have been received all necessary governmental consents or authorizations required in connection with the transactions contemplated hereby.

Section 9.7 Deliveries. The Buyer shall have delivered to the Seller the items referred to in Section 3.3.

Section 9.8 Assignment and Assumption Agreement. The Buyer shall have executed and delivered the Assignment and Assumption Agreement to the Seller.

Section 9.9 Escrow Agreement. The Buyer shall have executed and delivered the Escrow Agreement to the Seller.

Section 9.10 Bankruptcy Court Approval. After notice and hearing as described in Section 1.4(b), the Bankruptcy Court shall have entered an order or orders approving the Agreement and the sale of the Business as contemplated by this Agreement, the appeal period on such order or orders executed order or orders shall have expired and no stay of such shall have been issued.

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Section 9.11 Lease. The Buyer shall have executed and delivered the Lease to the Seller.

Section 9.12 Plan of Reorganization. The Bankruptcy Court shall have entered an order or orders approving the confirmation of the Plan of Reorganization, the appeal period on such order(s) shall have expired, and no stay of such order or orders shall have been issued.

ARTICLE X--POST CLOSING MATTERS

Section 10.1 Indemnification. (a) The Seller shall protect, defend, hold harmless and indemnify the Buyer, its officers, directors, partners, employees and agents, and their respective successors and assigns from, against and in respect of any and all losses, claims, liabilities, deficiencies, penalties, fines, costs, damages and expenses whatsoever (including, without limitation, reasonable professional fees and costs of investigation, litigation, settlement, and judgment and interest) ("Losses") that may be suffered or incurred by any item arising from or by reason of any of the following:

(i) Any breach of any representation or warranty made by the Seller in this Agreement or contained in any certificate executed by the Seller and delivered to the Buyer in connection with this Agreement;

(ii) Any breach of any term, condition, covenant or agreement made by the Seller in this Agreement;

(iii) Any liability which is not an Assumed Liability and/or which is not assumed by Buyer at Closing, including, but not limited to the claims, litigation or other

matters disclosed in any Schedule to this Agreement or which should have been disclosed to Buyer during due diligence; and

(iv) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses (including, without limitation, interest, penalties, reasonable legal fees and accounting fees) incident to the foregoing and the enforcement of the provisions of Sections 10.1 and 10.2.

(b) Whenever the Buyer shall learn of a claim of \$5,000 or more which, if allowed (whether voluntarily or by judicial or quasi-judicial tribunal or agency), would give rise to an obligation of the Seller to indemnify the Buyer pursuant to Sections 10.1 or 10.2, before paying the same or agreeing thereto, the Buyer shall promptly notify the Seller in writing of all such facts within the Buyer's knowledge with respect to such claim and the amount thereof. If, prior to the expiration of fifteen (15) days from the mailing of such notice, the Seller shall request, in writing, that such claim not be paid, the Buyer shall not pay the same, provided the Seller proceeds promptly, at the expense Seller (including employment of counsel reasonably satisfactory to the Buyer), to settle, compromise or litigate, in good faith, such claim. After notice from the Seller requesting the Buyer not to pay such claim and the Seller's assumption (without reservation or limitation) of the defense of such claim at its expense, the Seller shall not be further liable to the Buyer in connection with the defense thereof. However, the Buyer shall have the right to participate at its expense and with counsel of its choice in such settlement, compromise or litigation. The Buyer shall not be required to refrain from paying any claim which has matured by a court judgment or decree, unless an appeal is duly taken therefrom and execution thereof has

been stayed, nor shall it be required to refrain from paying any claim where the delay in paying such claim would result in the foreclosure of a lien upon any of the property or assets then held by the Buyer or where any delay in payment would cause the Buyer an economic loss. The Buyer shall not be required to notify the Seller prior to settling any claim described in this Section 10.1(b) of less than \$5,000. The failure to provide notice as provided in this Section 10.1(b) shall not excuse the Seller from its continuing obligations hereunder, however the Buyer's claim shall be reduced by any damage to the Seller resulting from the Buyer's delay or failure to provide notice as described in this Section 10.1(b).

(c) The Buyer shall protect, defend, hold harmless and indemnify the Seller, its officers, directors, employees and agents and their respective successors and assigns from, against and in respect of any and all Losses that may be suffered or incurred by any of them arising from or by reason of any of the following:

(i) Any breach of any representation, warranty, covenant or agreement made by the Buyer in this Agreement or contained in any certificate executed by the Buyer and delivered to the Seller in connection with this Agreement; and

(ii) Any and all actions, suits, proceedings, claims, demands, assessments, judgements, costs and expenses (including, without limitation, interest, penalties reasonable legal fees and accounting fees) incident to the foregoing Section 10.1(d)(i), and the successful enforcement thereof; and

(iii) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses (including, without limitation, interest, penalties

able attorneys' fees) incident to payment of the Assumed Liabilities, after the

(d) For purposes of Section 10.1 and 10.2, any assertion of fact and/or law that, if true, would constitute a breach of a representation or warranty made to this Agreement and/or make operational an indemnification obligation shall, on the date that such assertion is immediately invoke that party's obligation defend, hold harmless and indemnify the other party to this Agreement pursuant 10.1 and 10.2.

(e) Any amount which the Seller shall be required to pay to Buyer pursuant to Section 10.1 and/or 10.2 shall first be paid from the Claims Amount to the extent funds are available in accordance with the terms of this Agreement and the Agreement.

2 Compliance with Environmental Regulatory Requirements and Environmental

ation. (a) Anything hereinbefore or hereinafter stated to the contrary notwithstanding, the Seller shall be responsible for, and shall indemnify, defend, hold harmless and covenant not to sue Buyer, its officers, partners, employees and agents and their respective successors and assigns from, against and in respect of any and all Losses and expenses with regard to the matters set forth or referred to in Section 5.28 or Schedule 5.28 in the presence of or any release or threatened release of any Hazardous Material or occurring prior to the Closing Date, including the spreading of such materials before or after the Closing Date, whether caused by any act or omission

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of a third party or parties or by virtue of any condition or use of all properties now or at any time ever owned, leased, operated or controlled by the Seller or its predecessors in interest.

(b) This indemnification shall include any and all Losses (based on any legal theory, including, without limitation, claims of strict liability or successor corporate liability) relating to or arising out of any claim by any person or regulatory agency arising out of, related to or in connection with (i) any violation or alleged violation, attributable to circumstances or events arising or occurring prior to the Closing Date, of any Environmental Law; (ii) the violation or alleged violation attributable to circumstances or events arising or occurring prior to the Closing Date of any federal, state or local license, permit or other government approval, authorization, order, decree, judgment, injunction, notice, or request for information pertaining to any Environmental Law, (iii) the generation, transport, treatment, recycling, storage or disposal of Hazardous Materials, or arrangement therefor, prior to the Closing Date, to, at or from any facility now or at any time ever owned, leased, controlled or operated by the Seller or its predecessors or any property or facility where the Seller, its predecessors or agents have caused Hazardous Materials to be generated, transported, deposited, disposed, treated or otherwise come to be located at; (iv) any remedial action or corrective action arising out of, related to, or in connection with property now or at any time ever owned, leased, operated, or controlled by the Seller at which Hazardous Materials were generated, treated, stored or disposed of prior to the Closing Date; (v) any claim of injury to employees of the Business or any other person caused by the Seller's use of asbestos in any manner; and (vi) any losses related to the Drum Storage Area and satisfactory completion of the Closure Plan as defined and set forth in the

reement. Seller shall also indemnify Buyer from: (vi) any Losses arising from Hazardous Materials at or from the property after the Closing Date, if and to which (A) such releases result from operation on the property by Buyer in the same manner as Seller prior to the Closing Date, (B) such releases are (C) such releases are unavoidable, and (D) such releases do not result from disposal or misconduct ("Indemnifiable Post-Closing Releases"); and (vii) any from any violation of any permit requirement at the Brookpark Road facility ing Date to the extent Buyer operates the Business substantially in the manner r to the Closing Date. Seller acknowledges that various hazardous materials property, including the conditions described in reports prepared by it for Seller. It shall be presumed that Hazardous Materials discovered on the : Closing are Seller's liability, unless Seller can prove that such Hazardous not result from Indemnifiable Post-Closing Releases. Where Seller can bear of proof as outlined above, liability between Buyer and Seller shall be equitably, it being understood that Buyer shall have no liability for d claims arising from conditions in existence at the Closing Date (including the Hazardous Materials prior to or after the Closing Date).

Limitation. (a) The Seller shall be required to defend, indemnify and hold Buyer for all breaches of representations, warranties and covenants under (b) only to the extent that the aggregate amount of Losses exceeds \$125,000

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cept for the covenants set forth in Sections 1.4, 2.2, 2.3, 2.4, 2.5, 2.6, 4.1, 4.5, 7.3, 10.1(a)(iii), 10.2, 10.4, 10.5, 10.9, 12.1, 12.3 and 12.4 herein which shall not be subject to such limitation.

(b) The Buyer shall be required to defend, indemnify and hold harmless the Seller for all breaches of representations, warranties and covenants under Section 10.1(c) to the extent that the aggregate amount of Losses exceeds \$125,000, except that the covenants set forth in Sections 2.5, 2.6, 10.1(c) (iii), 10.4, 10.5, 10.8, 12.2 and 12.4 herein which shall not be subject to such limitations.

(c) The maximum liability of Seller to Buyer for breaches of representations and warranties (other than those representations identified below) shall be \$100,000, unless such breach is shown to be due to Seller's (acting through Seller's Management Team identified in Schedule 5.32) actual knowledge prior to the Closing Date. Notwithstanding such limitation, Seller's obligations to indemnify Buyer for liabilities that are not Assumed Liabilities, for breaches of Seller's covenants and representations, and for breaches of the representations in Sections 5.1 and 5.12, there shall be no maximum limitation on Buyer's ability to make claims against Seller. Nothing in this Section 10.3 shall be deemed to limit or cap Seller's indemnification obligations under the Indemnity Agreement or the Lease.

Section 10.4 Confidentiality. (a) Each party hereto and its respective accountants, attorneys, employees and other agents, will keep confidential all information, oral and written, (i) obtained from any other party hereto or its affiliates and refrain from using in any manner the information set forth above not otherwise publicly available notwithstanding the

termination of this Agreement and (ii) relating to or otherwise pertaining to the letter of intent relating to this transaction or the terms and conditions of this Agreement.

(b) The Seller agrees that, at all times from and after the Closing Date, it shall keep secret and retain in strictest confidence, and shall not use for its benefit or for the benefit of others, confidential information with respect to the Business, including, but not limited to, know-how, trade secrets, customer lists, details of client or consultant contracts, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans other than any of the foregoing which are in the public domain (except through conduct of the Seller which violates this Section 10.4) prior to any disclosure by the Seller.

Section 10.5 Further Assurances. Each party hereto shall cooperate with the other, and execute and deliver, or cause to be executed and delivered, all such other instruments, including instruments of conveyance, assignment and transfer, and take all such other actions as may be reasonably requested by the other party from time to time, consistent with the terms of this Agreement, to effectuate the purposes and provisions of this Agreement.

Section 10.6 Closing Adjustments. (a) All prepaid or accrued items which are transferred to the Buyer as part of the Purchased Assets or are applicable to the Purchased Assets shall be apportioned between the Seller and the Buyer according to the amount of time covered by such items that the Business was owed by the Seller or the Buyer, or as otherwise provided under the terms of this Agreement; provided, however, that neither party shall pay

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item without the prior written consent of the other party, which consent shall not reasonably withheld. If one party fails to obtain such written consent, the other party released from any liability with respect to such item.

(b) The Seller shall use its reasonable efforts to arrange for the transfer of utility and telephone services and deposits, if any, relating to the Business into the Buyer's name. If any such deposits are returned to the Seller, the Seller shall promptly reimburse the Buyer for said deposits.

(c) The Seller agrees that the Buyer shall have the right and the authority to collect, for the account of the Buyer, all notes and accounts receivable which shall be assigned to the Buyer as provided herein, and to endorse in the name of the Seller any checks received on account of such notes and accounts receivable. The Seller agrees that the Seller shall promptly transfer and deliver to the Buyer any cash or other property that it may have in respect of such receivables.

10.7 Post-Closing Cooperation. (a) The Seller shall cooperate with and assist the Buyer in the orderly transfer of the Business after the Closing Date. Such cooperation and assistance shall include but not be limited to (i) the physical transfer of any books, records and computer software of the Business, (ii) reasonable access to and assistance from any employees remaining with the Seller, and (iii) reasonable access to and use of the facilities and equipment of the Seller during such transition period.

(b) In connection with the Occupational Safety and Health Administration ("OSHA") investigation and citation as described in Schedule 5.9 hereto, the Seller agrees

to keep the Buyer informed as to the status of the investigation and response thereto, including contesting of the citation, and to afford the Buyer the opportunity to comment and participate in any negotiations with OSHA as to matters which may affect the on-going operation of the Business by Buyer following the Closing, provided, however, that Seller shall have ultimate decision-making authority as to the settlement or contesting of all matters which are the subject of the investigation and citation.

Section 10.8 Access to Certain Records and Financial Data. The Buyer shall cooperate with the Seller and provide the Seller and its representatives with reasonable access during normal business hours to the records and other financial data reasonably necessary for the Seller to (a) timely file (i) any tax returns and (ii) any reports, schedules or statements with the Securities and Exchange Commission and (b) defend or prosecute any litigation in which the Seller is a party.

Section 10.9 Noncompetition. The Seller agrees that for the period commencing on the Closing Date and terminating eight (8) years from the Closing Date, it will not engage in any of the activities proscribed in Section 4 of the Consulting Services and Noncompetition Agreement, to be executed and dated as of the Closing Date, by and between Buyer and Seller. The provisions of said Section 4 are incorporated herein by reference, If the Seller shall breach any covenant of this Section 10.9, the period specified in this Section 10.9 shall be extended by the number of days during which the Seller is in breach of such covenant. The Seller acknowledges that the periods of restriction, the geographical areas of restriction

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he restraints imposed by the provisions of this Section 10.9 and Section 10.4 are fair
reasonably required for the protection of the Buyer. In the event that any of the
sions of this Section 10.9 relating to the geographic areas of restriction or the periods
striction shall be deemed to exceed the maximum area or period of time which a court
mpetent jurisdiction would deem enforceable, the geographic areas and times shall, for
urposes of this Agreement, be deemed to be the maximum areas or time periods which
rt of competent jurisdiction would deem valid and enforceable in any state in which
court of competent jurisdiction shall be convened. The Seller agrees that any violation
e covenants contained in this Section 10.9 and Section 10.4 is likely to cause irreparable
ge to the Buyer and may, as a matter of course, be restrained by process issued out of
rt of competent jurisdiction, in addition to any other remedies provided by law.

Section 10.10 Use of Vehicles. The Seller agrees that for the five-year period commencing
ie Closing Date and ending on the fifth anniversary thereof, it shall make any or all of
Classic Cars available to Buyer for advertising and promotional purposes (the "Promo
it"). Buyer shall pay all costs, including insurance, associated with moving the cars to
from their present locations for purposes of the Promo Event. The foregoing covenant
not be applicable to any purchaser or other transferee of one or more of the Classic
; provided, however, that in the event one or more of the Classic Cars is sold or
rwise transferred to any director or officer of Seller, or any member of his immediate
ly, as part of such sale, Seller shall get the written agreement of such transferee to be
id by the provisions of this Section 10.10.

Section 10.11 Performance Industries. Seller shall retain all rights to the trademark registration application "Performance Industries." In the event within the five-year period commencing on the Closing Date and ending on the fifth anniversary thereof, Seller desires to sell, transfer or otherwise assign the trademark application, or the resulting registration, Buyer shall have the right of first refusal to acquire the mark on the same terms and conditions as the proposed assignee. Further, at any time within the five-year period, Seller agrees to give Buyer 60 days notice of any decision to abandon the mark or to terminate its application.

ARTICLE XI--TERMINATION

Section 11.1 Methods of Termination. This Agreement may be terminated at any time prior to the Closing:

- (a) by the mutual consent of the Buyer and the Seller;
- (b) by the Buyer within five (5) business days of its receipt from the Seller of all of the Schedules required hereunder pursuant to Section 7.5, if the Buyer objects, in its reasonable discretion, to any of the items contained in any of the Schedules provided;
- (c) by the Buyer at any time within sixty (60) days from the date of approval and confirmation of this Agreement by the Bankruptcy Court upon terms deemed acceptable to Buyer, if any of the conditions provided for in Article VIII of this Agreement shall not have been met or waived prior to such date; provided, that if any third party makes an offer for the Purchased Assets which the Seller plans to accept, the Buyer may also

terminate this Agreement thirty (30) days after delivery to the Buyer of a notice described in Section 1.4 evidencing the Seller's intent to sell the Purchased Assets to a third party; or

(d) by the Seller if the Bankruptcy Court approves the sale of the Purchased Assets to a person other than Buyer or at any time after May 31, 1993 if (i) the Bankruptcy Court fails to approve this Agreement and the sale contemplated thereby or (ii) any of the conditions specified in Sections 9.1 through 9.11 shall not have been met or waived prior to May 31, 1993; or

(e) by the Buyer if the Bankruptcy Court fails to hold the hearing on confirmation of the Plan of Reorganization on or before May 31, 1993; or

(f) by the Buyer if the Seller fails to submit for approval the Joint Motion for Approval of Overbid Procedure and Termination Fee on or before April 9, 1993; or

(g) by the Buyer if this transaction fails to close on or before May 31, 1993.

Section 11.2 Procedure Upon Termination. In the event of termination by the Buyer, the Seller, or both, pursuant to this Article XI, written notice thereof shall promptly be given to the other party and the obligations of the Buyer and the Seller under this Agreement shall, except as set forth below, terminate without further action. Upon any such termination:

(a) each party will redeliver all documents, work papers and other materials of the other party relating to the transactions contemplated hereby, whether obtained before or after the execution hereof, to the party furnishing the same;

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(b) all information received by any of the parties shall be held in accordance with Section 10.4; and

(c) no party shall have any liability or further obligation to any other party, except for (i) the Break-Up Fee owed to the Buyer pursuant to Section 1.4(a) and (ii) such legal and equitable rights and remedies as any party may have under this Agreement or otherwise, by reason of any breach or violation of this Agreement by the other party.

ARTICLE XII--EMPLOYMENT MATTERS

Section 12.1 Termination of Employment by Seller. Seller shall terminate the employment of all of the employees of the Business immediately prior to the effective time of the transaction contemplated by this Agreement on the Closing Date, so that at the effective time, Seller shall employ no one in the Business. Seller shall bear all resulting liabilities, if any, caused by or arising from such termination, including, but not limited to:

- (i) severance pay;
- (ii) accrued wages;
- (iii) sick leave;
- (iv) unemployment compensation;
- (v) claims for back pay and/or reinstatement;
- (vi) any claims under the Worker Adjustment Retraining Notification Act of 1988 ("WARN") except as a result of Buyer's breach of the covenants in Section 12.2 hereof; and

(vii) any and all claims arising out of employment on or prior to the Closing Date.

Notwithstanding the foregoing, Buyer agrees to assume the accrued vacation pay obligation with respect to hired by Buyer.

Seller hereby agrees that it will not notify, promise, represent, advise or otherwise communicate to any employee that Buyer will be hiring any or all such employees or otherwise make any offer of employment on behalf of Buyer.

Section 12.2 Buyer's Obligation. Buyer represents and covenants that it will hire not less than such number of former employees of Seller engaged in the Business so as to avoid a "mass layoff" or "plant closing" as defined in WARN. Buyer's offers of employment shall include credit for prior years' service with Seller for purposes of determining rights and benefits, including, but not limited to seniority, vacation and sick leave. Buyer represents and covenants it will not at any time within sixty-five (65) days (or such longer period provided by applicable law) after the Closing Date engage in a "mass layoff" or "plant closing" as these terms are defined in WARN or any similar conduct in violation of applicable state law. In the event, as a result of any action taken by Buyer after the Closing Date, Seller shall be deemed not to have complied with the provisions of WARN, Buyer agrees to defend, hold harmless and indemnify Seller from and against any and all losses, claims, liabilities and expenses associated with such failure to comply. The foregoing is not intended to prevent Buyer from operating the Business consistent with past practice in connection with temporary layoff of employees.

Section 12.3 Notice to Employees. As soon as practicable prior to the Closing Date, Buyer shall advise Seller of the names of those employees to whom it expects to make offers of employment. The parties agree to cooperate so that Seller's notices of termination and Buyer's employment offers to affected employees are delivered in such a manner as to minimize the effect of such announcements on the Business.

Section 12.4 Benefits. The medical benefit plans obtained by Buyer for the employees engaged in the Business shall waive preexisting illness and injury of the employees formerly employed by Seller, so that employees are not materially adversely affected by the change from Seller's medical benefit plans to Buyer's medical benefit plans. Further, Buyer shall provide such group health benefit coverage as may be required to eliminate any and all ERISA obligations of Seller to provide "continuation coverage" for the former employees of the Business hired by Buyer.

Subject to the condition that such plan is fully funded under all ERISA and PBGC requirements, and upon transfer of such plan assets, Buyer shall become the successor employer of the Mr. Gasket Company Retirement Plan for Hourly Employees and shall take all steps to amend the plan and make all filings required by ERISA to effectuate the assumption. Seller agrees to cooperate with Buyer and shall sign all documents necessary to accomplish the foregoing.

ARTICLE XIII--MISCELLANEOUS

Section 13.1 Limitation on Claims for Breaches of Representations, Warranties, Covenants and Agreements. All representations and warranties of the Buyer and the Seller contained in Articles V and VI herein and in any certificate executed and delivered by either of them in connection with this Agreement shall survive the Closing Date and shall terminate and expire eighteen (18) months thereafter; provided, however if that Buyer or Seller shall have asserted a bona fide claim in writing against the other, such representations and warranties shall survive until such claim is resolved. Any claim for indemnification under Article X brought by either party for breach of any covenant or agreement contemplating performance after the Closing Date must be made within one year of the non-breaching party's discovery of the alleged breach of such covenant or agreement.

No claim for any breach of the representations, warranties, covenants or agreements of this Agreement may be pursued, and the parties expressly waive any claim, against any officer, director or shareholder of Seller or Buyer.

Section 13.2 Notices. All notices, requests, consents and other communications hereunder shall be in writing and may be delivered personally (including by courier) or by first class registered or certified mail, postage prepaid, addressed to the following addresses or to other such addresses as may be furnished in writing by one party to the others:

(a) if to the Seller:

Prior to Closing Date: Mr. Gasket Company
8700 Brookpark Road
Brooklyn, Ohio 44129-6899
Attention: Al Garceau

After the Closing Date: Performance Industries, Inc.
2401 West First Street
Tempe, Arizona 85281
Attn: Joe Hrudka

with, in either case,
a copy to:

Hahn Loeser & Parks
3300 BP America Building
Cleveland, Ohio 44114-2301
Attention: Wilton S. Sogg, Esq.

and to

Howard B. Gardner, C.P.A.
4807 Rockside Road, Suite 460
Cleveland, Ohio 44131

(b) if to the Buyer:

Echlin Acquisition, Inc.
100 Double Beach Road
Branford, Connecticut 06405

Service of any such notice or other communication so made by mail shall be deemed complete on the day of actual delivery thereof as shown by the addressee's registry certification receipt.

Section 13.3 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio, unless other law is expressly stated as to any provision hereof, without regard to such jurisdiction's conflicts of laws principles. The parties agree that venue for any suit, action, proceeding or litigation arising out of or in relation to this Agreement shall be in any federal or state court in the State of Ohio having subject matter jurisdiction.

Section 13.4 Modification: Waiver. This Agreement shall not be altered or otherwise amended except pursuant to an instrument in writing signed by the Buyer and the Seller. Any party may waive any misrepresentation by any other party, or any breach of warranty

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or failure to perform any covenant, obligation or agreement of, any other party, provided mere inaction or failure to exercise any right, remedy or option under this Agreement, delaying in exercising the same, will not operate as nor shall be construed as a waiver, no waiver will be effective unless set forth in writing and only to the extent specifically provided therein.

Section 13.5 Entire Agreement. This Agreement, the Schedules and Exhibits hereto and other agreements or certificates delivered pursuant hereto constitute the entire agreement of the parties hereto with respect to the matters contemplated hereby and supersede all previous written or oral negotiations, commitments, representations and agreements.

Section 13.6 Assignment; Successors and Assigns. This Agreement may not be assigned by Seller without the prior written consent of the Buyer. The Buyer may assign this agreement and any of the covenants, representations and warranties contained herein to an affiliated entity of the Buyer or any lender which provides financing to the Buyer in connection with the transactions contemplated herein without the prior written consent of Seller. Subject to Section 12.1, all covenants, representations, warranties and agreements of the parties contained herein shall be binding upon and inure to the benefit of their respective successors and assigns.

Section 13.7 Public Announcements. No public announcement of the transactions contemplated hereby prior to the Closing or of the terms hereof at any time shall be made by any party without the prior written consent of the other party, not to be unreasonably

withheld or delayed, except to the extent as maybe required by law in the opinion of counsel to the Buyer or counsel to the Seller.

Section 13.8 Severability. The provisions of this Agreement are severable, and in the event that any one or more provisions are deemed illegal or unenforceable, the remaining provisions shall remain in full force and effect.

Section 13.9 No Third Party Beneficiary. This Agreement is intended and agreed to be solely for the benefit of the parties hereto, and no third party shall accrue any benefit, claim or right of any kind whatsoever pursuant to, under, by or through this Agreement.


Section 13.10 Execution in Counterpart. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.


ECHLIN ACQUISITION, INC.

By: 
Name: Jon P. Leckerling
Title: Vice President

MR. GASKET COMPANY

By: 
Name: Howard B. Gardner
Title: Secretary

The undersigned hereby acknowledge the foregoing Agreement and agree to be bound by the provisions of Sections 4.2 and 8.16 hereof, as of this 21st day of April, 1993.



JOE HRUDKA



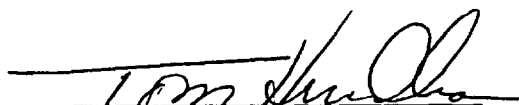
HOWARD B. GARDNER

TOM HRUDKA

The undersigned hereby acknowledge the foregoing Agreement and agree to be bound by the provisions of Sections 4.2 and 8.16 hereof, as of this 21st day of April, 1993.

JOE HRUDKA


HOWARD B. GARDNER


TOM HRUDKA

Schedule 5.12 Trademarks, Patents, Etc.

Attached is a list of patents and trademarks for the Performance Division of Mr. Gasket Company.

- 1.) Licenses Agreements for the use of Mr. Gasket logos by the following toy companies:

- Racing Collectibles Club of America
- New Bright industries, Inc.
- Mattel, Inc.
- Legends of Racing, Inc.
- Jasman, Inc.
- Hasbro, Inc.
- Fisher Price, Inc.
- The Ertl Company, Inc.
- Valvoline, Inc.
- SLM, Inc.
- Buddy L. Corporation

PERFORMANCE TRADEMARKS

REGISTRATION #	MARK	COUNTRY	EXPIRATION DATE
124,822	Hurst	Norway	04/17/06
461,100	Hurst	Italy	01/19/07
473,454	Mr. Gasket Company	Australia	09/25/94
781,323	H (for gear shift mechanism)	U.S.	12/08/94
821,505	Line Loc	U.S.	01/03/97
863,095	Street and Strip	U.S.	01/07/99
878,157	H. Hurst Design	U.S.	10/07/99
904,683	Lakewood Industries L & Design	U.S.	12/22/00
917,573	Traction Action	U.S.	08/03/01
920,146	Hurst	U.S.	09/17/01
924,091	BFL	U.S.	11/23/01
1,131,664	The Performance People	U.S.	03/11/00
1,162,640	Vertical Gate	U.S.	07/28/01
1,201,950	SSA	U.S.	07/20/02
1,201,952	Dual/Gate	U.S.	07/20/02
1,210,396	LiftLouvre	U.S.	09/28/02
1,215,825	Head Loc	U.S.	11/09/02
1,218,155	Interpart & Design	U.S.	11/30/02
1,218,346	Reverse Loc/Out	U.S.	11/30/02
1,223,322	LiftLouvre	U.S.	01/11/03
1,248,274	ToughShift	U.S.	08/16/93
1,249,778	Lightening Rods	U.S.	08/30/93
1,256,014	Roll/Control	U.S.	11/01/93
1,259,707	The Fuel People	U.S.	12/06/93
1,267,881	Street Stacks	U.S.	02/21/94
1,339,113	V-Matic	U.S.	06/04/95
1,354,807	Mr. Gasket Company	U.S.	08/20/95
1,376,500	The Performance People	U.S.	12/24/95
1,473,053	Quarter Stick	U.S.	01/19/98

PERFORMANCE TRADEMARKS

REGISTRATION #	MARK	COUNTRY	EXPIRATION DATE
1,504,792	Rapp'n Filter	U.S.	09/20/08
1,511,764	Ultra-Seal	U.S.	11/08/08
1,529,605	Rodware	U.S.	03/14/99
1,532,916	The Rodder's Hardware	U.S.	04/04/99
1,613,717	Hawks Engine Components	U.S.	09/19/00
1,660,737	Hays and Design	U.S.	10/15/01
1,664,654	Hot Shift	U.S.	10/19/01
1,669,333	Hot Shift	U.S.	12/17/01
1,789,397	Lifttop	Japan	07/29/95
1,759,400	Filtron	Japan	04/23/95
1,759,401	Filtron	Japan	04/23/95
1,789,396	Lifttop	Japan	07/29/95
1,789,394	LiftLouver	Japan	07/29/95
1,789,395	LiftLouver	Japan	07/29/95
1,789,398	Lifttop	Japan	07/29/95
881,740	H Hurst Design	Germany	02/25/00
1,071,046	Hurst	Germany	05/15/94
1,082,455	Mr. Gasket Company and Design	Gt. Britain	08/16/98
1,082,456	Mr. Gasket Company	Gt. Britain	08/16/98
1,082,457	Mr. Gasket Company	Gt. Britain	08/16/98
236,501	Mr. Gasket Company and Design	Canada	12/10/94
243,750	Lakewood Industries	Canada	04/25/95
250,279	Hays	Canada	09/12/95
74/256,705 Pending	ES-2000	U.S.	
74/217,109 Pending	Loc-A-Matic	U.S.	
74/110,679 Pending	Indy Trophy Taker	U.S.	
74/299,153 Pending	Ultra-90	U.S.	

PERFORMANCE TRADEMARKS

REGISTRATION #	MARK	COUNTRY	EXPIRATION DATE
1,737,581	Strip Terminator	U.S.	12/01/02
1,749,357	Street Terminator	U.S.	01/26/03
1,749,358	Truck Terminator	U.S.	01/26/03
760,957	Competition Plus Design	U.S.	12/03/93
918,483	F + Design	U.S.	08/17/01
975,014	Mr. Gasket Company and Design	U.S.	12/18/93
987,230	Mr. Gasket Company and Design	U.S.	07/02/94
988,853	Hays	U.S.	07/23/94
1,036,635	Mr. Gasket Company and Design	U.S.	03/30/96
1,087,841	The Performance People	U.S.	03/21/98
1,093,706	Low Rider	U.S.	06/20/98
1,095,563	Super Connector	U.S.	07/04/98
1,125,180	H. Hurst Design	U.S.	09/18/99
1,135,075	Auto-Stick	U.S.	05/13/00
53002	Hays	California	04/14/95
181,177	Hurst H & Design	Canada	02/11/02
304,939	Hurst	Canada	07/19/00
1,280,156	Hurst	France	07/24/94
A290,424	Interpart	Australia	09/09/96
A290,425	Interpart	Australia	09/09/96

PERFORMANCE PATENT LISTINGS

PATENT #	DESCRIPTION	COUNTRY	EXPIRATION DATE
D302,415	Rear View Mirrors Support	U.S.	07/25/06
1,121,604	Isolations Package for Trans. Shift Lever	Can.	05/12/04
1,230,541	Hurst Performance Transmission Shifter	Can.	12/22/04
D320,024	Timing Chain Cover	U.S.	09/17/08
D278,793	Ignition Wire Separator	U.S.	05/14/02
1,230,541	Transmission Shifter	Can.	12/22/04
4,476,995	Breather Gap	U.S.	10/16/01
4,515,033	Dual Mode Shifter for Automatic Trans.	U.S.	05/07/02
4,581,951	Transmission Shifter	U.S.	04/15/03
4,591,211	Lockable Central Nut for Vehicle Wheel Mounting	U.S.	05/27/03
4,735,355	Method for Constructing a Vehicle Space Frame	U.S.	04/05/05
4,783,097	Decorative Bar Arrangement Simulating a Roll Bar for Pickup Trucks	U.S.	11/08/05
4,867,335	Timing Chain Cover Cap	U.S.	09/19/06
D1,036,728	Master Cylinder Cover (Design only)	U.K.	08/15/01
D294,580	Master Cylinder Cover	U.S.	03/08/05
D294,945	Distributor Cap Cover	U.S.	03/29/05
3,974,711	Stick Shift Assembly	U.S.	08/17/93
3,983,983	Adjustable Throw Out Lever Assembly	U.S.	10/05/93
3,997,033	Cam Operated Disc Brake	U.S.	12/14/93
4,002,084	Motorcycle Braking Linkage	U.S.	01/11/94
4,004,661	Split Brake Disc	U.S.	01/25/94
4,061,206	Bicycle Brake	U.S.	12/06/94
4,090,477	Method of Improving Operation of Internal Combustion Engines	U.S.	05/23/95
4,102,440	Cam Operated Disc Brake	U.S.	07/25/95
4,120,386	Multiple Piece Braking	U.S.	10/17/95

PERFORMANCE PATENT LISTINGS

PATENT #	DESCRIPTION	COUNTRY	EXPIRATION DATE
4,159,754	Parking Brake Assembly	U.S.	07/03/96
4,180,146	Brake Assembly with Dual Compensation Adjustment	U.S.	12/25/96
4,215,658	Electric Water Pump	U.S.	08/05/97
4,222,284	Selector Pin Assembly for Manual Transmission Shifter	U.S.	09/16/97
4,262,403	Valve Spring Compressor Tool	U.S.	04/21/98
4,298,112	Six Lever Racing Clutch	U.S.	11/03/98
4,382,491	Drag Free Disc Brake Assembly Having Automatically Adjusting Caliper	U.S.	05/10/00
4,370,897	Dual Mode Shifter for Automobile Transmission	U.S.	02/01/00
4,553,127	Battery Lock Anti-Theft System	U.S.	11/12/02
4,660,345	Vehicle Space Frame Castings Therefor and Method for Remote Construction	U.S.	04/28/04
D252,878	Valve Covers for an Engine	U.S.	09/11/96
D259,394	Distributor Clamp	U.S.	06/02/98
D124,460	Sealing Gasket	France	10/11/22
D1,025,378	Adjustable Automotive Mirror Support	Gt. Britain	03/05/00
D1,036,726	Distributor Cap Cover	Gt. Britain	08/15/01
D1,036,727	Cover for a Power Steering Unit Cap	Gt. Britain	08/15/01
ND 17,294	Erect Decorative Packaging Containers	Taiwan	04/13/93
ND 20,513	Chrome Cap for Timing Chain Cover	Taiwan	06/20/94
UM 47,687	Timing Chain Cover Cap	Taiwan	08/10/99
D62-127875 (pending)	Decorative Automobile Radiator Cap	Japan	N/A
D62-003696 (pending)	Radiator Cap NOTE: Has been allowed to receive certificate in about a month	Japan	N/A
4,485,689	Shift Control Assembly	U.S.	

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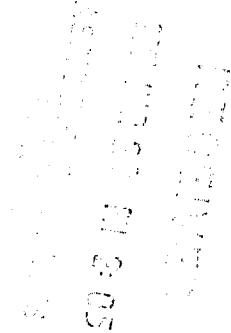
WRITER'S DIRECT NUMBER:

JP316257
252122-027008

March 27, 2001

VIA HAND DELIVERY

Commissioner of Patents and Trademarks
Box Assignments
Washington, DC 20231



Re: Mr. Gasket, Inc.

Dear Sir or Madam:

Enclosed please find an original Patent Recordation Form for the assignment from Mr. Gasket Company to Echlin Acquisition, Inc. If you would please file this document with your office and return all evidence filing to Cassandra G. Mott, Esq., Jones, Day, Reavis & Pogue, North Point, 901 Lakeside Avenue, Cleveland, Ohio 44114.

If you have any questions, please do not hesitate to contact me at 216/586-7758.
Thank you for your attention to this request.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kerrie A. Lewis".

Kerrie A. Lewis
Legal Assistant

Enclosure

cc: Susie Stewart, Paralegal (w/encl.)
Liz Huber, Esq. (w/encl.)
Cassandra Mott, Esq. (w/encl.)

CL-577897v1

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RECORDED: 03/28/2001

PATENT
REEL: 011731 FRAME: 0508