

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
Aircel Corporation	01/19/2006
RECEIVING PARTY DATA	
Name:	Donaldson Company, Inc.
Street Address:	1400 West 94th Street
City:	Bloomington
State/Country:	MINNESOTA
Postal Code:	55431-2370
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	6691428
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ATTORNEY DOCKET NUMBER:	00758.2079US01
NAME OF SUBMITTER:	Mara E. DeBoe

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STOCK PURCHASE AGREEMENT

dated as of

January 19, 2006

by and among

DONALDSON COMPANY, INC.

AIRCEL CORPORATION

and

**ROBERT OLSON, MAHMOUD ZARIF, and JODY OLSON,
THE SHAREHOLDERS OF
AIRCEL CORPORATION**

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EXHIBITS AND SCHEDULES

Disclosure Schedule

Exhibit A - Line of Credit

Exhibit B - Lease Agreement

Exhibit C - Covenant Not to Compete – Robert Olson

Exhibit D - Covenant Not to Compete – Mahmoud Zarif

Exhibit E - Covenant Not to Compete – Jody Olson

Schedule 3.7 - Financial Statements

Schedule 3.10 - Returns

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (“**Agreement**”) is made and entered into as of January 19, 2006, by and among DONALDSON COMPANY, INC., a Delaware corporation (“**Purchaser**”), AIRCEL CORPORATION, a Tennessee corporation (“**AirCel**”), and ROBERT OLSON, MAHMOUD ZARIF, and JODY OLSON, the shareholders of AirCel (collectively the “**Shareholders**”).

RECITALS

A. The issued and outstanding capital stock of AirCel is owned as follows:

Robert Olson	Two Hundred (200) Shares of AirCel common stock
Mahmoud Zarif	Two Hundred (200) Shares of AirCel common stock
Jody Olson	Two Hundred (200) Shares of AirCel common stock

B. Purchaser wishes to purchase from Shareholders and Shareholders wish to sell to Purchaser all of the outstanding capital stock of AirCel (the “**Purchase**”).

NOW, THEREFORE, in consideration of the mutual promises, agreements, warranties and provisions contained herein, the parties agree as follows:

1. **THE PURCHASE TRANSACTION.** Subject to the terms and conditions of this Agreement, at Closing (as defined below), Shareholders shall convey, assign, transfer and deliver all of the outstanding capital stock of AirCel (the “**Stock**”) to Purchaser, and Purchaser shall purchase from Shareholders, all of Shareholders’ right, title and interest in and to the Stock free and clear of all debts, claims, security interests, pledges, rights of others, liens, encumbrances, assessments, charges or restrictions of every nature.

1.1 **Purchase Price.** The purchase price for the Shares (the “**Purchase Price**”) shall equal (a) Four Million Four Hundred Thousand Dollars (\$4,400,000.00), *less* (b) the AirCel Line of Credit (as defined herein), *less* (c) the Option Payment (as defined herein). The “**AirCel Line of Credit**” shall mean the aggregate amount of all of AirCel’s indebtedness for borrowed money (including principal, accrued and unpaid interest, fees due, and any other amounts due) due to SunTrust Bank pursuant to the line of credit document attached hereto as Exhibit A, plus any negative cash balance as reflected on AirCel’s financial statements at Closing. The “**Option Payment**” shall mean the amount necessary to exercise AirCel’s option to purchase certain real property as described in Section 35 of the Lease made and entered into as of September 24, 2002, by and between AirCel and The Industrial Development Board of Blount County, Tennessee (the “**Option**”), said lease agreement attached hereto as Exhibit B. Four Hundred Thousand Dollars (\$400,000.00) of the Purchase Price shall be held in escrow pursuant to the provisions of Section 1.4 herein. The remaining amount of the Purchase Price shall be paid to Shareholders by check or wire transfer (the “**Closing Payment**”). One Hundred Fifty Thousand Dollars (\$150,000.00) of the Purchase Price shall be allocated in equal shares to three covenants not to compete, as described in Section 5.8. The remaining Purchase Price shall be allocated to the Stock.

1.2 Exercise of Option to Purchase. Prior to Closing, AirCel shall exercise the Option by giving written notice to The Industrial Development Board of Blount County, Tennessee (“**IDB**”) so that at Closing Purchaser or AirCel shall receive good, valid and marketable title to the real property that is the subject property of the Option (the “**Property**”) free and clear of all claims, restrictions, liens, charges, or encumbrances (the “**Encumbrances**”) whatsoever, except for those Encumbrances that are disclosed to Purchaser prior to Closing which the Purchaser shall deem acceptable (“**Permitted Exceptions**”).

1.3 Payoff of Line of Credit. At Closing, Purchaser shall pay to SunTrust Bank, an amount sufficient to satisfy in full the AirCel Line of Credit (the “**LOC Payment**”).

1.4 Escrow Payment. At Closing, Purchaser shall deposit Four Hundred Thousand Dollars (\$400,000.00) (the “**Escrow Amount**”) with Tennessee Valley Title Insurance Company (the “**Escrow Agent**”), to be held pursuant to the terms of an escrow agreement (the “**Escrow Agreement**”). The Escrow Amount shall be held for a period of two (2) years from the Closing Date in an interest-bearing account for fulfillment of Shareholders indemnification obligations under Section 7 hereof.

1.5 Earnout Payments.

(a) In addition to the Purchase Price, Purchaser shall make the following payments to Shareholders as an additional consideration for the purchase of the Stock (the “**Earnout Payments**”):

(i) A sum equal to 50% of the Net Sales of Nitrogen Product earned from January 19, 2006 through March 31, 2006, which shall be paid by check or wire transfer of immediately available US funds not later than May 15, 2006;

(ii) A sum equal to 50% of the Net Sales of Nitrogen Product earned from April 1, 2006 through June 30, 2006, which shall be paid by check or wire transfer of immediately available US funds not later than August 15, 2006;

(iii) A sum equal to 50% of the Net Sales of Nitrogen Product earned from July 1, 2006 through September 30, 2006, which shall be paid by check or wire transfer of immediately available US funds not later than November 15, 2006;

(iv) A sum equal to 50% of the Net Sales of Nitrogen Product earned from October 1, 2006 through December 31, 2006, which shall be paid by check or wire transfer of immediately available US funds not later than February 15, 2007; and

(v) A sum equal to 50% of the Net Sales of Nitrogen Product earned from January 1, 2007 through January 19, 2007, which shall be paid by check or wire transfer of immediately available US funds not later than March 15, 2007.

(b) Notwithstanding the provisions of Section 1.5(a), under no circumstances shall the sum of all the Earnout Payments exceed Two Million Five Hundred Thousand Dollars (\$2,500,000.00).

(c) For purposes of this Section 1.5, "**Net Sale**" shall mean gross sales less any applicable commissions and discounts and less any product returns or customer refunds. Gross sales shall be computed using Purchaser's regular method of revenue recognition for financial statement purposes in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP").

(d) For purposes of this Section 1.5, "**Nitrogen Product**" shall mean nitrogen tire inflation system products and air driers sold with the nitrogen tire inflation system products.

(e) For calendar year 2006, Purchaser shall maintain the pricing for the Nitrogen Product at its current price and shall offer commercially acceptable terms for large purchases of Nitrogen Product.

1.6 Shareholders' Option to Purchase Automobiles. Shareholders shall have the option to purchase automobiles owned by AirCel currently being used by the Shareholders as company automobiles for the following purchase prices:

- | | | |
|-----|---|-------------|
| (a) | 1999 Chevy Suburban for Mahmoud Zarif | \$4,900.00 |
| (b) | 2000 Chevy Silverado for Jody Olson | \$7,800.00 |
| (c) | 2004 GMC Yukon XL Denali for Robert Olson | \$26,800.00 |

(less any amount paid by Robert Olson to release the lien and eliminate the debt encumbering the vehicle owed to National City Bank).

Said options must be exercised on or before Closing.

1.7 Trade Name. It is acknowledged by Shareholders that one or more Shareholders hold a controlling interest in an entity named "AirCell Engineering". AirCell Engineering makes products for motorcycles. Shareholders covenant and agree that the name "AirCell Engineering" shall only be used for the existing motorcycle products business, and any other use of the name "AirCell" or any similar name for any purpose other than the sale of motorcycle products is specifically prohibited. Shareholders further agree that no Shareholder will assert any claim whatsoever against Purchaser for its use of the name "AirCel" on or after Closing. Shareholders further covenant and agree not to engage in any use of the name or trademark "AirCel".

2. DELIVERY, PURCHASE PRICE.

2.1 Closing Date. The closing of the purchase and sale of the Stock hereunder (the "**Closing**") is to be held on or before January 19, 2006 (the "**Closing Date**").

2.2 Actions at the Closing. At the Closing, AirCel, Shareholders, and Purchaser shall take such actions and execute and deliver such agreements and other instruments and documents (including execution of Form 8023 as described in Section 8.4) as may be reasonably necessary or appropriate to effect the transactions contemplated by this Agreement in accordance with its terms, including without limitation the following:

- (a) Shareholders will deliver to Purchaser certificate(s) representing the Stock duly endorsed for transfer to Purchaser or accompanied by a duly executed stock power suitable for such purposes, and Shareholders shall deliver all other documents required of the Shareholders herein.
- (b) Purchaser will deliver the Closing Payment to the Shareholders, by check or wire transfer.
- (c) Purchaser will deliver the Escrow Amount to the Escrow Agent.
- (d) Purchaser will deliver the Option Payment to The Industrial Development Board of Blount County.
- (e) Shareholders will cause to be delivered to Purchaser a general warranty deed conveying good and marketable fee simple title to the Property subject only to the Declaration of Covenants, Conditions, Restrictions and Design Guidelines applicable to Partnership Park South as recorded in the Register's Office for Blount County, Tennessee, existing drainage and utility easements of record, and current ad valorem real property taxes, such title insured at Purchaser's expense by a nationally recognized title insurance company.
- (e) Purchaser will deliver the LOC Payment to SunTrust Bank.
- (f) Shareholders will execute the Shareholder Covenant Not to Compete, pursuant to Section 5.9.
- (g) Robert Olson will execute the Consulting Agreement, pursuant to Section 5.4.
- (h) Mahmoud Zarif will execute the Employment Agreement, pursuant to Section 5.4.

2.3 Purchase of Common Stock. The Stock to be purchased by Purchaser at the Closing shall consist solely of all the issued and outstanding AirCel capital stock, and at such time there shall be no other issued or outstanding securities of or rights to purchase or otherwise acquire securities of AirCel. Accordingly, prior to the Closing, all options or rights to purchase or acquire shares of AirCel capital stock shall have been exercised or terminated.

2.4 Transfer of Interest. Effective upon Closing, Shareholders shall assign and transfer to Purchaser all shares of the Stock standing in the Shareholders' name on the books of AirCel and irrevocably appoint Purchaser's designee as agent to cause the transfer of such Stock on the books of AirCel with full power of substitution.

3. **REPRESENTATIONS AND WARRANTIES OF AIRCEL AND SHAREHOLDERS.** Except as described in the disclosure schedule attached hereto (the "**Disclosure Schedule**"), which disclosures shall specifically reference the section in this Agreement to which they apply, AirCel and the Shareholders represent and warrant to Purchaser in full:

3.1 **Existence; Good Standing.** AirCel is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Tennessee. AirCel does not conduct business, own or lease properties, or have employees in any state other than Tennessee or in any other province or country, except as set forth in Section 3.1 of the Disclosure Schedule. AirCel has all requisite corporate power and authority to own its properties and carry on its business as currently conducted and as proposed to be conducted.

3.2 **Power, Authorization and Validity.** AirCel and Shareholders have all requisite legal and corporate power and authority to enter into and perform their obligations under this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly approved and authorized by all necessary corporate action on behalf of AirCel. This Agreement has been duly executed and delivered by AirCel and the Shareholders and constitutes a valid and binding obligation of AirCel and Shareholders. No consent, novation, approval, order or authorization of, or registration, declaration or filing with, any court, administrative agency or commission or other governmental authority or instrumentality (a "**Governmental Entity**"), is required by or with respect to AirCel or Shareholders in connection with the execution and delivery of this Agreement by AirCel or Shareholders or the consummation by AirCel or Shareholders of the transactions contemplated hereby, except as set forth in the Disclosure Schedule.

3.3 **Capitalization.** The authorized capital stock of AirCel consists of One Thousand (1000) shares of Common Stock (the "**Common Stock**"), of which Six Hundred (600) shares are issued and outstanding. All issued and outstanding shares of Common Stock have been duly authorized and validly issued, are fully paid and nonassessable, and are not subject to rights of rescission. The shares of Common Stock have been offered, issued, sold and delivered by AirCel in compliance with all registration or qualification requirements (or applicable exemptions therefrom) of applicable federal and state securities laws. AirCel holds no treasury shares, there are no rights, options, warrants, subscriptions, conversion privileges or preemptive or other rights or agreements outstanding to purchase or otherwise acquire any of the authorized but unissued Common Stock or other securities of AirCel, and there is no liability for dividends accrued but unpaid. There are no stock redemption agreements, rights of first refusal or other restrictions (other than normal restrictions on transfer under applicable federal and state securities laws) applicable to any of the Common Stock. There is no valid basis for any former shareholder of AirCel or any other person to make any claim or demand against AirCel, any Shareholder or, as a result of the Purchase, Purchaser for the ownership, record or beneficial, of any of the Stock, or of any of the authorized but unissued Common Stock or other securities of AirCel.

3.4 **Title to Stock.** All of the issued and outstanding shares of Common Stock are owned by Shareholders in the amounts set forth in Section 3.4 of the Disclosure Schedule. The Shareholders have or will have, as of the Closing, good, valid and marketable title to such Stock

free and clear of all restrictions, claims, liens, charges, encumbrances and equities whatsoever. Shareholders have or will have, as of the Closing, full right, power and authority to sell, transfer and deliver the Stock to Purchaser, and, upon delivery of the Closing Payment, will transfer to Purchaser good, valid and marketable title thereto free and clear of any restriction, claim, lien, charge, encumbrance or equity whatsoever. The Stock represents all of the issued and outstanding capital stock of AirCel, and there are no rights, options, agreements or other arrangements pertaining to the ownership or acquisition of additional interests in AirCel. There are no voting trusts, agreements or arrangements affecting the exercise of the voting rights of the Stock.

3.5 No Violation. The execution, delivery and performance of this Agreement, and the consummation of the Purchase and the other transactions contemplated by this Agreement do not and will not conflict with or result in a violation of the Articles of Incorporation or Bylaws of AirCel, or conflict with, or (with or without notice or lapse of time, or both) result in a termination, breach, impairment or violation of, or constitute a default or result in the creation or imposition of any lien, charge or encumbrance upon any of the assets or properties of AirCel or the Stock under (a) any instrument, indenture, lease, mortgage or other agreement or contract to which AirCel or Shareholders is a party or to which AirCel or Shareholders or any of their assets or properties may be subject or (b) any federal, state, local or foreign judgment, writ, decree, order, ordinance, statute, rule or regulation applicable to AirCel or Shareholders or their assets or properties, nor will it give rise to any undisclosed liability or obligation on the part of AirCel or Purchaser. The consummation of the Purchase and the other transactions contemplated by this Agreement will not require the consent of any third person with respect to the rights, licenses, franchises, leases, contracts or agreements of AirCel or Shareholders, and will not have an adverse effect upon any such rights, licenses, franchises, leases or agreements.

3.6 Litigation. Section 3.6 of the Disclosure Schedule sets forth any action, proceeding, claim or investigation against AirCel or any of its assets or properties or any of its respective officers or directors, pending or threatened, at law or in equity, or before any court, arbitrator or other tribunal, or before any administrative law judge, hearing officer or administrative agency, and, no such action, proceeding, claim or investigation, if determined adversely to AirCel, could have a Material Adverse Effect on AirCel. When used in this Agreement, the term "**Material Adverse Effect**" means any change or effect that is or is likely to be materially adverse to the business, assets (including intangible assets), financial condition, results of operations or prospects of AirCel. To the knowledge of AirCel and Shareholders, no reasonable basis for any such action, suit or proceeding exists. There are no orders, judgments, injunctions or decrees of any Governmental Entity with respect to which AirCel or Shareholders have been named or are a party which apply, in whole or in part, to the business of AirCel or Shareholders' relationship therewith. As used in this Agreement, the terms "**knowledge**", "**best of knowledge**" or similar phrases with respect to AirCel or Shareholders refer to the actual knowledge of the AirCel or Shareholder with respect to the matter in question, unless otherwise noted herein.

3.7 Financial Statements. AirCel has delivered to Purchaser AirCel's unaudited Balance Sheet – Income Tax Basis (as of June 30, 2005 and as of December 31, 2005), Statement of Income – Income Tax Basis (January through June 2005 and January through December 2005), Balance Sheet – Prior Year Comparisons (as of June 30, 2005), Profit and Loss – Prior Year Comparison (January through June 2005), Balance Sheet – Income Tax Basis (as of

December 31, 2004), Statement of Income – Income Tax Basis (July through December 2004), Balance Sheet – Prior Year Comparison (as of December 31, 2004), and Profit and Loss – Prior Year Comparison (July through December 2004) (collectively, the “**Financial Statements**”). The Financial Statements are attached hereto as Schedule 3.7. The Financial Statements (a) are in accordance with the books and records of AirCel, (b) are complete and correct in all material respects, and (c) fairly present the financial condition of AirCel at the respective dates therein indicated and the results of operations for the respective periods therein specified. AirCel has no material debt, liability, obligation or commitment of any nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due, that is not reflected, reserved against or disclosed in the Financial Statements, except for (i) those that are not required to be reported in accordance with generally accepted accounting principles consistently applied and are disclosed in the Disclosure Schedule and (ii) those that may have been incurred after the date of the Financial Statements in the ordinary course of its business, consistent with past practice, and not material in amounts.

3.8 Absence of Certain Changes. Except as set forth in Section 3.8 of the Disclosure Schedule, since June 30, 2005, there has not been any:

- (a) transaction by AirCel, except in the ordinary course of business;
- (b) amendments or changes in the Articles of Incorporation or Bylaws of AirCel;
- (c) capital expenditures by AirCel or additions of equipment to existing leases exceeding Five Thousand Dollars (\$5,000.00) in the aggregate;
- (d) destruction, damage to, or loss of any assets of AirCel (whether or not covered by insurance);
- (e) labor trouble or claim of wrongful discharge, discrimination or sexual harassment of which AirCel has received written notice or of which AirCel is aware, or other unlawful labor practice or action;
- (f) change in accounting methods or practices (including any change in depreciation or amortization policies or rates) by AirCel;
- (g) write-up or write-down by AirCel of any of its assets;
- (h) declaration, setting aside or payment of a dividend or other distribution with respect to the shares of capital stock of AirCel, or any direct or indirect redemption, purchase or other acquisition by AirCel of any of its shares of capital stock;
- (i) increase in the salary or other compensation payable or to become payable by AirCel to any of its officers, directors or employees, or the declaration, payment or commitment or any obligation of any kind for the payment by AirCel of a bonus or other additional salary or compensation to any such person;

(j) acquisition, sale or transfer of any asset of AirCel other than in the ordinary course of business;

(k) amendment or termination of any contract, agreement or license to which AirCel is a party;

(l) loan by AirCel to any person or entity, or guarantee by AirCel of any loan, other than advances to employees for travel and business expenses in the ordinary course of business and consistent with past practices;

(m) waiver or release of any material right or claim of AirCel, including any write-off or other compromise of any account receivable of AirCel;

(n) commencement or notice or threat of commencement of any governmental proceeding against or investigation of AirCel or its affairs;

(o) event or condition of any character that has or might reasonably be expected to have a Material Adverse Effect on AirCel, other than the claim disclosed in Section 3.6 of the Disclosure Schedule;

(p) transaction, contract or commitment which provides for a period of performance by AirCel which extends beyond twelve (12) months from the date hereof or involves payment or receipt after the date hereof of amounts in excess of Five Thousand Dollars (\$5,000.00), except (i) contracts listed on the Disclosure Schedule (ii) the Lease Agreement attached hereto as Exhibit B, and (iii) this Agreement and the transactions contemplated hereby;

(q) substantial change in AirCel's accounts receivable, inventory, accounts payable, or any other item of AirCel's working capital; or

(r) negotiation or agreement by AirCel or the Shareholder to do any of the things described in the preceding clauses (a) through (q), other than negotiations with Purchaser regarding the transactions contemplated by this Agreement.

3.9 Accounts Receivable. Section 3.9 of the Disclosure Schedule sets forth a complete list of the accounts and notes receivable of AirCel as of the business day immediately preceding the date of this Agreement, aged by customer or debtor, as the case may be. The accounts and notes receivable of AirCel as of the date shown or thereafter acquired arose from valid transactions and are collectible (net of the allowance for doubtful accounts set forth in the Financial Statements) in the ordinary and usual course of business and are not subject to any assertable defense or set-off except as set forth in the Disclosure Schedule.

3.10 Taxes.

(a) Definitions. For purposes of this Agreement, the following definitions shall apply:

(i) The term "Taxes" shall mean all taxes, however denominated, including any interest, penalties or other additions to tax that may become payable in respect thereof, imposed by any federal, territorial, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including but not limited to, federal income taxes and state income taxes), payroll and employee withholding taxes, unemployment insurance, social security taxes, sales and use taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers' compensation, Pension Benefit Guaranty Corporation premiums and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which are required to be paid, withheld or collected.

(ii) The term "Returns" shall mean all reports, estimates, declarations of estimated tax, information statements and returns relating to, or required to be filed in connection with, any Taxes, including information returns or reports with respect to backup withholding and other payments to third parties.

(iii) The term "Group" shall mean, individually and collectively, (A) AirCel, and (B) any person or entity as to which AirCel may be liable for Taxes incurred by such person or entity, either as a transferee, pursuant to Treasury Regulations Section 1.1502-6, or pursuant to any other provision of federal, territorial, state, local or foreign law or regulations.

(iv) The term "Code" shall mean the Internal Revenue Code of 1986, as amended.

(b) Returns Filed and Taxes Paid. All Returns required to be filed by or on behalf of the Group have been duly filed on a timely basis and such Returns are true, complete and correct. All Taxes shown to be payable on the Returns or on subsequent assessments with respect thereto, and all payments of estimated Taxes required to be made by or on behalf of the Group under Section 6655 of the Code or comparable provisions of state, local or foreign law, have been paid in full on a timely basis or have been accrued on the Financial Statements, and no other Taxes are payable by the Group with respect to items or periods covered by such Returns (whether or not shown on or reportable on such Returns) or with respect to any period prior to the date of this Agreement. The Group has withheld and paid over all Taxes required to have been withheld and paid over, and complied with all information reporting and backup withholding requirements, including maintenance of required records with respect thereto, in connection with amounts paid or owing to any employee, creditor, independent contractor, or other third party. There are no liens on any of the assets of the Group with respect to Taxes, other than liens for Taxes not yet due and payable or for Taxes that the

Group is contesting in good faith through appropriate proceedings and for which appropriate reserves have been established. No member of the Group has been at any time a member of any partnership or joint venture for a period for which the statute of limitations for any Tax potentially applicable as a result of such membership has not expired.

(c) Tax Reserves. The amount of AirCel's liability for unpaid Taxes for all periods ending on or before the date of this Agreement does not, in the aggregate, exceed the amount of the current liability accruals for Taxes (excluding reserves for deferred Taxes) solely with respect to AirCel reflected on the Financial Statements, and the amount of AirCel's liability for unpaid Taxes for all periods ending on or before the Closing Date will not, in the aggregate, exceed the amount of the current liability accruals for Taxes (excluding reserves for deferred Taxes) solely with respect to AirCel reflected on the December 31, 2005 Balance Sheet – Income Tax Basis as of the Closing Date. Notwithstanding any provision contained herein to the contrary, the parties hereto acknowledge, agree and stipulate that to the extent any Taxes are generated by the transaction contemplated herein, including without limitation any Taxes resulting from an election made under Section 338 of the Code, if such an election is made, an accrual for such Taxes has not and will not be made on the balance sheet as of the Closing Date.

(d) Returns Furnished. Purchaser has been furnished by the Group, and such are attached hereto as Schedule 3.10, with true and complete copies of (i) relevant portions of income tax audit reports, statements of deficiencies, closing or other agreements received by or on behalf of the Group relating to Taxes, and (ii) all federal and state income or franchise tax returns for all periods ending on and after December 31, 2003, and state sales, use and property tax returns for the Group for all periods ending on and after December 31, 2004. AirCel has never been a member of an affiliated group of corporations filing consolidated returns or a unitary group of corporations filing combined returns, other than a group of which AirCel and Shareholders are the only members. Neither AirCel nor any member of the Group does business in or derives income from any state other than states for which Returns have been duly filed and furnished to Purchaser.

(e) Tax Deficiencies; Audits; Statutes of Limitations. No Returns of the Group have been audited by a government or taxing authority, and no audit is in process, pending or threatened (either in writing or verbally, formally or informally). No deficiencies exist or have been asserted (either in writing or verbally, formally or informally) or are expected to be asserted with respect to Taxes of the Group, and the Group has not received notice (either in writing or verbally, formally or informally) nor expects to receive notice that it has not filed a Return or paid Taxes required to be filed or paid by it. The Group is neither a party to any action or proceeding for assessment or collection of Taxes, nor has such event been asserted or threatened (either in writing or verbally, formally or informally) against the Group or any of its assets. No waiver or extension of any

statute of limitations is in effect with respect to Taxes or Returns of the Group. AirCel and each member of the Group has disclosed on its federal income tax returns all positions taken therein that could give rise to a substantial understatement penalty within the meaning of Code Section 6662.

(f) Tax Sharing Agreements. AirCel is not (nor has it ever been) a party to any tax sharing agreement.

(g) Tax Elections and Special Tax Status. No member of the Group is a party to any safe harbor lease within the meaning of Section 168(f)(8) of the Code, as in effect prior to amendment by the Tax Equity and Fiscal Responsibility Act of 1982. AirCel is not, nor has it been, a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code, and Purchaser is not required to withhold tax on the purchase of the Stock by reason of Section 1445 of the Code. No member of the Group is a "consenting corporation" under Section 341(f) of the Code. No member of the Group has entered into any compensatory agreements with respect to the performance of services which payment thereunder would result in a nondeductible expense to the Group pursuant to Section 280G of the Code or an excise tax to the recipient of such payment pursuant to Section 4999 of the Code. No member of the Group has participated in an international boycott as defined in Code Section 999. AirCel has not agreed to, nor is it required to make any adjustment under Code Section 481(a) by reason of, a change in accounting method, and the Group does not otherwise have any income reportable for a period ending after the Closing Date attributable to a transaction or other event (e.g., an installment sale) occurring prior to the Closing Date involving in excess of Ten Thousand Dollars (\$10,000.00). No member of the Group is or has been a "reporting corporation" subject to the information reporting and record maintenance requirements of Section 6038A and the regulations thereunder.

(h) Limitations. AirCel is not obligated to make any payments and is not a party to any agreement that under certain circumstances could obligate it to make any payments that will not be deductible under Code Section 280G. AirCel has no net operating losses or other tax attributes currently subject to limitation under Code Sections 382, 383, or 384.

(i) S Corporation Status. AirCel (and any predecessor of AirCel) has been a validly electing S corporation within the meaning of Code §1361 and §1362 at all times during its existence, and AirCel will be an S corporation up to and including the Closing Date. Section 3.10 of the Disclosure Schedule identifies any AirCel subsidiary that is a "qualified subchapter S subsidiary" within the meaning of Code §1361(b)(3)(B). Any subsidiary so identified has been a qualified subchapter S subsidiary at all time since the date shown on such schedule up to and including the Closing Date. AirCel will not be liable for any Tax under Code §1374 in connection with the deemed sale of its assets (including the assets of any qualified subchapter S subsidiary) caused by the Section 338(h)(10) election described in Section 8.4 below. Neither AirCel nor any

qualified subchapter S subsidiary of AirCel has, in the past ten (10) years, (A) acquired assets from another corporation in a transaction in which AirCel's Tax basis for the acquired assets was determined, in whole or in part, by reference to the Tax basis of the acquired assets (or any other property) in the hands of the transferor or (B) acquired the stock of any corporation which is a qualified subchapter S subsidiary.

3.11 No Breach or Default. AirCel is not in default under any agreement, contract or commitment to which it is a party or by which it is bound, nor has any event occurred which, after the giving of notice or the passage of time or both, would constitute a default under any such agreement, contract or commitment. To the knowledge of AirCel and Shareholders, all other parties to any such agreements, contracts or commitments are similarly not in default of such agreements, contracts or commitments, and AirCel and Shareholders have no reason to believe that the parties to such agreements, contracts or commitments will not fulfill their obligations under such agreements, contracts or commitments or are threatened with insolvency.

3.12 Agreements and Commitments. Section 3.12 of the Disclosure Schedule sets forth in reasonable detail any oral or written agreement, obligation or commitment (i) which is material to AirCel, its financial condition, business or prospects and has not been previously disclosed in an Exhibit or Schedule attached to this Agreement or (ii) which is described below and has not been previously disclosed in an Exhibit or Schedule attached to this Agreement:

(a) any contract, commitment, letter contract, or purchase order providing for payments by or to AirCel in an amount in excess of Five Thousand Dollars (\$5,000.00) per year and any quotation, bid or proposal providing for payments by or to AirCel in an amount in excess of Fifteen Thousand Dollars (\$15,000.00) per year;

(b) any license agreement as licensor or licensee;

(c) any agreement by AirCel to encumber, transfer or sell rights in or with respect to any Intellectual Property (as defined in Section 3.13 hereof);

(d) any agreement for the sale or lease of real or personal property involving more than Five Thousand Dollars (\$5,000.00) per year;

(e) any dealer, distributor, sales representative, original equipment manufacturer, value added remarketer or other agreement for the manufacture or distribution of AirCel's products or parts thereof;

(f) any joint venture contract or arrangement or any other agreement that involves a sharing of profits with other persons;

(g) any agreement or other document relating to noncompetition covenants by AirCel;

(h) any instrument evidencing indebtedness for borrowed money by way of direct loan, sale of debt securities, purchase money obligation, conditional sale,

guarantee or otherwise, except for trade indebtedness consistent with past practice;

(i) any collective bargaining agreement;

(j) any agreements that contain any unpaid severance liabilities or obligations;

(k) any bonus, deferred compensation, incentive compensation, pension, profit-sharing or retirement plans, or any other employee benefit plans or arrangements;

(l) any employment or consulting agreement, contract or commitment with an employee or individual consultant or salesperson or consulting or sales or distribution agreement, contract or commitment with a firm or other organization not terminable by AirCel on thirty (30) days' notice without liability;

(m) any agreement or plan, including, without limitation, any stock option plan, stock appreciation right plan or stock purchase plan, any of the benefits of which will be increased, or the vesting of benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement;

(n) any fidelity or surety bond or completion bond;

(o) any agreement of indemnification or guaranty, including, without limitation, agreements with officers, directors, consultants, advisors and suppliers;

(p) any agreement, contract or commitment relating to the disposition or acquisition of assets not in the ordinary course of business or any ownership interest in any corporation, partnership, joint venture or other business enterprise;

(q) any mortgages, indentures, loans or credit agreements, security agreements or other agreements or instruments relating to the borrowing of money or extension of credit; or

(r) any other agreement, contract or commitment that involves amounts in excess of Five Thousand Dollars (\$5,000.00) or is not cancelable without penalty within thirty (30) days.

Except as contained in this Section 3.12, AirCel has no obligations or commitments other than those set forth in this Schedule. AirCel has no other contracts or understandings, whether oral or written, with any sales representative, dealer, distributor or franchisee of AirCel or with any third party performing similar functions for AirCel.

3.13 Intellectual Property.

(a) AirCel owns, or is licensed or otherwise possesses legally enforceable rights to use all patents, trademarks, trade names, service marks, copyrights and any applications therefore, technology, know-how and tangible and intangible proprietary information or material that are used or proposed to be used in the business of AirCel as currently conducted or as proposed to be conducted that are material to such business or where the failure to have such right would result or would be expected to result in a Material Adverse Effect on AirCel (the “**Intellectual Property**”). Section 3.13 of the Disclosure Schedule sets forth all patents, registered and unregistered trademarks and service marks, registered and unregistered copyrights, trade names and service marks, and any applications therefore, included in the Intellectual Property, and specifies the jurisdictions in which each such Intellectual Property right has been issued or registered or in which an application for such issuance and registration has been filed, including the respective registration or application numbers and the names of all registered owners. Section 3.13 of the Disclosure Schedule also sets forth (i) all licenses, sublicenses and other agreements to which AirCel is a party and pursuant to which any person is authorized to use any Intellectual Property and (ii) all licenses, sublicenses and other agreements to which AirCel is authorized to use any patents, trademarks, trade names, service marks, copyrights and any applications therefore, technology, know-how and tangible and intangible proprietary information or material of any third party (the “**Third Party Intellectual Property Rights**”), and Section 3.13 of the Disclosure Schedule includes the identity of all parties to such licenses, sublicense and other agreements, a description of the nature and subject matter thereof, the applicable royalty rates and the term thereof.

(b) The execution and delivery of this Agreement and the performance by AirCel of its obligations hereunder will not (i) impair AirCel’s rights, (ii) alter the rights or obligations of any third party under, or (iii) violate any license, sublicense or other agreement described or required to be described on the Disclosure Schedule, nor is AirCel currently in violation of any such license, sublicense or other agreement described or required to be described on the Disclosure Schedule. No claims with respect to the Intellectual Property, any trade secret of AirCel or any Third Party Intellectual Property Rights (to the extent arising out of any use, reproduction or distribution of such Third Party Intellectual Property Rights by or through AirCel) have been asserted or are threatened by any person or entity, nor are there any valid grounds for any claims (i) to the effect that the manufacture, sale, licensing or use of any product used, sold or licensed or proposed for use, sale or license by AirCel infringes on any Third Party Intellectual Property Right or trade secret; (ii) against the use by AirCel of any patents, trademarks, trade names, service marks, copyrights, technology or know-how used in AirCel’s business as currently conducted or as proposed to be conducted; (iii) challenging the ownership, validity, enforceability or effectiveness of any Intellectual Property or any trade secret of AirCel or (iv) challenging AirCel’s license or legally enforceable right to use any Third Party

Intellectual Property Rights. All patents, registered trademarks, service marks and copyrights held by AirCel are valid and subsisting.

(c) No Intellectual Property or trade secret of AirCel or, to AirCel's knowledge, Third Party Intellectual Property Right to which AirCel holds a license or sublicense is subject to any outstanding order, judgment, decree, stipulation or agreement restricting in any manner the licensing thereof by AirCel. AirCel has not entered into any agreement to indemnify any other person against any charge of infringement of any Intellectual Property, any trade secret of AirCel or any Third Party Intellectual Property Right.

3.14 Transactions with Affiliates. Section 3.14 of the Disclosure Schedule sets forth all transactions to which AirCel is a party and in which any current director, officer, or Shareholder or a member of his or her immediate family had or will have any direct or indirect interest.

3.15 Compliance with Laws. AirCel has complied, and will be on the Closing Date in compliance with all applicable, laws, ordinances, regulations and rules, and all orders, writs, injunctions, awards, judgments and decrees, applicable to AirCel or to the assets, properties and business of AirCel, including, without limitation: (a) all applicable federal and state securities laws and regulations, (b) all applicable federal, state and local laws, ordinances and regulations, and all orders, writs, injunctions, awards, judgments and decrees, pertaining to (i) the sale, licensing, leasing, ownership or management of AirCel's owned, leased or licensed real or personal property, products, technical data and Intellectual Property, (ii) employment and employment practices, terms and conditions of employment, and wages and hours, and (iii) safety, health, fire prevention, environmental protection, building standards, zoning and other similar matters, and (c) the Export Administration Act and regulations promulgated thereunder and all other laws, regulations, rules, orders, writs, injunctions, judgments and decrees applicable to the export or re-export of controlled commodities or technical data. AirCel has received all material permits and approvals from, and has made all material filings with, third parties, including government agencies and authorities, that are necessary in connection with its present business.

3.16 Employees and Employee Benefit Plans.

(a) Set forth in Section 3.16(a) of the Disclosure Schedule is a true and complete list of all employees of AirCel, including current wage or salary, bonus and security status. In addition, Section 3.16(a) of the Disclosure Schedule contains a true and complete list of all oral and written employment contracts and all development and consulting contracts of AirCel. Copies of all such employment contracts and developer and consulting contracts of AirCel have been delivered to Purchaser. All such contracts are valid and are in full force and effect in all respects, and neither AirCel, nor any other party is in breach or default of any such contract. AirCel has no written or oral agreement or commitment to pay any person anything of value upon or in connection with the termination of such person's employment or engagement by AirCel, except as set forth in the Disclosure Schedule.

(b) All past and present directors, officers, employees, developers and consultants of AirCel who have had and who have access to the Intellectual Property and other proprietary information of AirCel have executed and delivered to AirCel agreements regarding the confidentiality and non-disclosure of such Intellectual Property and proprietary information and the assignment of intellectual property rights to AirCel. Section 3.16(b) of the Disclosure Schedule sets forth a true and complete list of all such agreements, specifying the parties to such agreements, and a form or forms of such agreement(s) has (have) been delivered to Purchaser. All such agreements are valid and remain in full force and effect, and neither AirCel, nor any other party is in breach or default of any such agreement.

(c) Neither AirCel nor Shareholders have knowledge of any employee that intends to leave AirCel's employ other than as set forth in the Disclosure Schedule.

(d) To the knowledge of AirCel and Shareholders, no employee of AirCel is in material violation of any contract or agreement, or any restrictive covenant, relating to the right of any such employee to be employed by AirCel or with respect to security clearance, trade secrets or proprietary information of others, and the employment of any employee of AirCel does not subject AirCel to any liability to any third party.

(e) Except for the plans of AirCel set forth in Section 3.16(e) to the Disclosure Schedule (the "**Plans**"), neither AirCel nor any corporation, partnership or other trade or business, whether or not incorporated, which is or has been treated as a single employer or controlled group member with AirCel pursuant to Section 4001 of the Employee Retirement Income Security Act of 1974, as amended (together with the rules and regulations promulgated thereunder ("**ERISA**")) or Code Section 414 (each such entity being referred to herein as an "**ERISA Affiliate**") maintains or contributes to or has any liability with respect to any "employee benefit plan" as that term is defined in Section 3(3) of ERISA, and, or any other bonus, incentive, compensation, profit sharing, stock, severance,

retirement, health, life, disability, group insurance, vacation, holiday, fringe benefit, employment, stock option, stock purchase, stock appreciation right, supplemental unemployment, layoff or consulting plan, agreement, policy or understanding (whether written or oral, qualified or nonqualified, currently effective or terminated). True and complete copies of all the Plan documents and summary plan descriptions have been furnished to Purchaser (along with all related trust agreements, insurance contracts or other funding agreements which implement each Plan, and all other documents, records or other materials related thereto reasonably requested by Purchaser).

(f) With respect to each Plan, the requirements of ERISA, the Code (including, without limitation Part 6 of Subtitle B of Title I of ERISA and Sections 105(h) and 4980B of the Code) and all other applicable laws have been fulfilled in all respects, and copies of all filings with the Internal Revenue Service and the Department of Labor or other applicable Governmental Entity for the three most recent plan years for the Plans have been furnished to Purchaser. No written or oral representations have been made to any employee or former employee of AirCel promising or guaranteeing any employer payment or funding for the continuation of medical, dental, life or disability coverage for any period of time beyond the end of the current plan year (except to the extent of coverage required under Section 4980B of the Code).

(g) Neither AirCel nor any ERISA Affiliate has ever (i) maintained or contributed to any plan subject to Section 412 of the Code and Section 302 of ERISA or (ii) contributed to any "multi-employer plan," as such term is defined in Section 3(37) of ERISA, and neither AirCel nor any ERISA Affiliate has effected either a "complete withdrawal" or a "partial withdrawal," as those terms are defined in Sections 4203 and 4205, respectively, of ERISA, from any such multi-employer plan.

(h) All bonus, profit sharing, incentive, commission or other compensation of any kind with respect to work done have been fully accrued on the Financial Statements.

(i) Each Plan that is an "employee pension benefit plan" (as defined in Section 3(2) of ERISA) meets the requirements of a "qualified plan" under Section 401(a) of the Code in form and in operation, and such Plan, and each trust (if any) forming a part thereof, has received a favorable determination letter, or a favorable determination letter has been applied for, from the Internal Revenue Service as to the qualification under the Code of such Plan and the tax-exempt status of such related trust, and nothing has occurred since the date of such determination letter, or request therefore, that could reasonably be expected to adversely affect the qualification of such Plan or the tax-exempt status of such related trust.

(j) There are no unfunded liabilities existing under any Plan, and, subject to compliance with applicable notice requirements under ERISA and state laws, each Plan could be terminated promptly following the Closing Date with no

liability to Purchaser, AirCel, any ERISA Affiliate or any person that is under common control, or is treated as a single employer, with Purchaser under Section 414 of the Code or ERISA Section 4001.

(k) With respect to each Plan (i) there have been no non-exempt prohibited transactions as defined in Section 406 of ERISA or Section 4975 of the Code, (ii) no fiduciary (as defined in Section 3(21) of ERISA) has liability for breaching of fiduciary duty or any other failure to act or comply in connection with the administration or investment of assets in such Plan, and (iii) no actions, investigations, suits or claims with respect to the assets thereof (other than routine claims for benefits) are pending or, to the knowledge of Shareholders, threatened, and Shareholders have no knowledge of any facts that would give rise to or could reasonably be expected to give rise to any such actions, suits or claims.

3.17 Corporate Documents. AirCel has provided to Purchaser complete and accurate copies of the following: (a) AirCel's Articles of Incorporation and Bylaws, together with any amendments thereto; (b) AirCel's Minute Book(s) containing all records of all proceedings, consents, actions and meetings of AirCel's Shareholder, Board of directors and any committees thereof; (c) AirCel's stock ledger and journal reflecting all stock issuances and transfers through the effective date of this Agreement; (d) all shareholder agreements of any nature applicable to any current or future outstanding shares of AirCel capital stock; and (e) all permits, orders and consents issued by any regulatory agency with respect to AirCel, or any securities of AirCel, and all applications for such permits, orders and consents, except as set forth in the Disclosure Schedule.

3.18 No Brokers. AirCel and Shareholders are not obligated for the payment of fees or expenses of any investment banker, broker or finder in connection with the origin, negotiation or execution of this Agreement or in connection with the Purchase or any other transaction contemplated by this Agreement.

3.19 Full Disclosure. Neither this Agreement, the Disclosure Schedule or the Exhibits hereto or thereto, nor any of the certificates or documents to be delivered by AirCel to Purchaser under this Agreement, contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein and therein, in light of the circumstances under which such statements were made, not misleading.

3.20 Books and Records. Set forth in Section 3.20 of the Disclosure Schedule is a true and complete list and description of all banks or other financial institutions (including brokerage firms and money market mutual funds) in which AirCel keeps accounts, deposits, or cash balances or safety deposit boxes, including addresses, account and identification numbers, and the names of all persons who have the authority to draw on such deposits, accounts or balances or who have access to such boxes. The books, records and accounts of AirCel (a) are in all material respects true, complete and correct, (b) have been maintained in accordance with good business practices on a basis consistent with prior years, (c) are stated in reasonable detail and accurately and fairly reflect the transactions and dispositions of the assets of AirCel and (d) accurately and fairly reflect the basis for the Financial Statements.

3.21 Insurance. AirCel has maintained fire and casualty and general liability insurance in amounts consistent with similarly situated businesses. A complete and accurate list of all insurance policies maintained by AirCel is set forth in Section 3.21 of the Disclosure Schedule, and true and accurate copies of such policies have been provided to Purchaser.

3.22 Subsidiaries. AirCel does not have and has never had any subsidiaries and does not directly or indirectly own any equity interest in, or any interest convertible into or exchangeable for any equity interest in any corporation, partnership, joint venture or other business association or entity.

3.23 Creditors. AirCel hereby warrants that all of the creditors of AirCel, regardless of amount, are listed in Section 3.23 of the Disclosure Statement.

3.24 Condition of Personal Property.

(a) All of AirCel's tangible personal property, equipment, fixtures and inventories used in its business are in good condition, reasonable wear and tear excluded, or in reasonably repairable condition, are suitable for the purposes for which they are being used.

(b) The plant, machinery and equipment described in Section 3.24(a) above and used by AirCel in the ordinary course of its operations are sufficient in quantity and quality for each current employee to effectively and efficiently perform his respective jobs and are in good repair, well maintained, and in good and satisfactory operating condition. All of the buildings used by AirCel are, to AirCel's knowledge, in good repair, well maintained, and in good and satisfactory operating condition.

3.25 Real Property Leases. Exhibit B sets forth the only lease of real property to which AirCel is a party or to which any real property utilized in the business and/or operations of AirCel is subject, or any current understanding or obligation to enter into or otherwise regarding any such arrangement. All of the buildings, fixtures and leasehold improvements used by the AirCel in its business are located at 323 Crisp Circle, Maryville, Tennessee. All zoning and all other applicable laws to which such real property is subject permit the presently existing improvements and the continuation of AirCel's business to the extent it is presently being conducted on such property. All improvements located on, and the use presently made of, all real property occupied by AirCel complies in all material respects with all applicable fire, environmental, occupational safety and health standards established by law or regulation. No condition, law, statute, rule or regulation of any governmental authority presently in effect materially precludes or restricts AirCel's continuation of the present use of such properties. AirCel owns no real property, but the Lease Agreement attached as Exhibit B contains an option to purchase the real property, and the exercise of the option is required pursuant to Section 1.2 of this Agreement.

3.26 Environmental Matters.

(a) Except as disclosed in Section 3.26 of the Disclosure Schedule, no underground storage tanks and no amount of any substance that has been

designated by any Governmental Entity or by applicable state law to be radioactive, toxic, hazardous or otherwise a danger to health or the environment, including, without limitation, PCBs, asbestos, petroleum, urea-formaldehyde and all substances listed as hazardous substances pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, or defined as a hazardous waste pursuant to the United States Resource Conservation and Recovery Act of 1976, as amended, and the regulations promulgated pursuant to such laws (a "**Hazardous Material**"), is present, as a result of the actions of AirCel, or as of result of any actions of any third party or otherwise, in, on or under any property, including the land and the improvements, ground water and surface water thereof, that AirCel has at any time owned, operated, occupied or leased.

(b) At no time prior to Closing has AirCel transported, stored, used, manufactured, disposed of, released or exposed its employees or others to Hazardous Materials in violation of any law in effect on or before the Effective Time, nor has AirCel disposed of, transported, sold or manufactured any product containing a Hazardous Material (collectively "**Hazardous Materials Activities**") in violation of any rule, regulation, treaty or statute promulgated by any Governmental Entity to prohibit, regulate or control Hazardous Materials or any Hazardous Materials Activities.

(c) AirCel holds all environmental approvals, permits, licenses, clearances and consents (the "**Environmental Permits**") necessary for the conduct of AirCel's Hazardous Material Activities and other business activities of AirCel that are material to such activities or where the failure to have such Environmental Permits would result or be expected to result in a Material Adverse Effect on AirCel.

(d) No action, proceeding, revocation proceeding, amendment procedure, writ, injunction or claim is pending or threatened concerning or relating to AirCel, any Environmental Permit or any Hazardous Materials Activity of AirCel. AirCel is not aware of any fact or circumstance that could involve AirCel in any environmental litigation or impose upon AirCel any environmental liability that would have a Material Adverse Effect on AirCel.

(e) Except as disclosed in Section 3.26 of the Disclosure Schedule, there is not, and never has been, any asbestos, silica, mixed dust, polychlorinated biphenyl, methylene chloride, trichloroethylene, 1,2-transdichloro-ethylene, dioxins, dibenzofurans or other similar hazardous materials (collectively "**Prohibited Materials**") present at any property now or previously owned, leased or used by AirCel or any of its predecessors-in-interest.

(f) No claim demand, or notice has been filed or received, nor any legal proceeding commenced alleging liability of AirCel or any of its predecessors-in-interest in connection with use, handling, sale or distribution of Prohibited Materials (or any combination thereof).

(g) Except as disclosed in Section 3.26 of the Disclosure Schedule, neither AirCel nor any of its predecessors-in-interest has ever previously utilized a Prohibited Material as a raw material, component or otherwise in connection with any of its products, services or business.

(h) AirCel has no liabilities, damages, costs or fines that arise out of or otherwise relate to Prohibited Materials.

3.27 Preparation of Disclosure Schedule. It is acknowledged by the parties that, at the request of Shareholders, representatives of Purchaser have assisted Shareholders and AirCel in assembling certain materials contained in the Disclosure Schedule. Notwithstanding such assistance, no responsibility has been or is assumed by Purchaser or by any employee, officer, director, shareholder, person, firm, agent, attorney, or representative acting or purporting to act on behalf of Purchaser concerning the accuracy or completeness, methodology of preparation or otherwise concerning the contents of the Disclosure Schedule. Purchaser has requested AirCel and Shareholders to fully disclose all exceptions to the warranties and representations contained in the Agreement on the Disclosure Schedule, and any such exceptions that may have been disclosed orally shall not be deemed adequately disclosed unless disclosed in writing on the Disclosure Schedule.

4. **REPRESENTATIONS AND WARRANTIES OF PURCHASER.** Purchaser hereby represents and warrants to the Shareholder and AirCel as follows:

4.1 Organization of Purchaser. Purchaser is a corporation duly organized and validly existing under, and by virtue of, the laws of the State of Delaware and is in good standing under such laws. Purchaser has the requisite corporate power and authority to own and operate its properties and assets, and to carry on its business as presently conducted.

4.2 Authority of Purchaser. Purchaser has all requisite corporate power to enter into and perform this Agreement, and all corporate actions on the part of Purchaser, its directors and shareholders necessary for the authorization, execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein, have been taken or will be taken prior to the Closing. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not conflict with or result in any violation of or default under any provision of Purchaser's Articles of Incorporation or Bylaws or any judgment, order or decree of any court or government authority binding upon Purchaser or any material agreement to which Purchaser is a party. When executed, delivered and performed in accordance with its terms, this Agreement will constitute the valid and binding obligation of Purchaser enforceable in accordance with its terms, subject to the laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief and equitable remedies.

4.3 Investment Intent. Purchaser is acquiring the Stock for investment for its own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933, as amended.

5. **CONDITIONS TO CLOSING OF PURCHASER.** The obligations of Purchaser under this Agreement are subject to the satisfaction of each of the following conditions at or prior to the Closing, unless (and to the extent) waived by Purchaser:

5.1 **Authorizations; Consents.** AirCel and Shareholders shall have obtained (a) all necessary consents, novations, authorizations, permits and approvals required by any federal, state or foreign law, regulation or judicial or administrative order, and (b) all consents of third parties which, by law or under any contract or agreement to which AirCel and/or Shareholders are a party or by which it is bound, are necessary to consummate the transactions contemplated hereby with such contract or agreement remaining in full force and effect following the Closing (including, without limitation, any consent of a spouse necessary to release any community property interest in the Stock).

5.2 **Due Diligence.** Purchaser and its agents shall have completed their due diligence investigation of AirCel's affairs to their reasonable satisfaction.

5.3 **Termination of Options and Rights.** All outstanding options and other rights to purchase securities of AirCel shall have terminated.

5.4 **Consulting Agreement and Employment Agreement.** Robert Olson shall have executed and delivered a consulting agreement (the "**Consulting Agreement**") and Mahmoud Zarif shall have executed and delivered a employment agreement (the "**Employment Agreement**").

5.5 **Proceedings and Documents.** All action taken in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions shall be reasonably satisfactory in substance and form to Purchaser and its counsel.

5.6 **Opinion Letter.** Shareholders' and AirCel's counsel shall deliver an unqualified legal opinion addressed to Purchaser that Shareholders and AirCel are duly authorized to enter into this Agreement, that this Agreement is enforceable in accordance with its terms and that AirCel is duly incorporated, validly existing and in good standing under the laws of the State of Tennessee.

5.7 **Board of Directors and Officers of AirCel.** AirCel, its board of directors and Shareholders shall have taken all action necessary to provide that the board of directors and officers of AirCel have all tendered their resignations effective as of the Closing.

5.8 **Curtis Toledo.** Purchaser shall have obtained written assurance from Curtis Toledo of the intent of Curtis Toledo to enter into a significant business relationship with AirCel.

5.9 **Covenants Not To Compete.** Shareholder Covenants Not To Compete shall be executed and delivered to Purchaser at Closing substantially in the form and substance attached hereto as **Exhibits C,D& E.**

5.10 **Property.** On or prior to the Closing Date, Purchaser shall have received such inspections, reviews, surveys or other investigations including acceptable geotechnical and engineering studies of the Property as Purchaser shall deem the results of necessary or

appropriate, each and all of which shall be satisfactory to Purchaser in Purchaser's sole discretion, and the status of title to the Property, and all covenants, restrictions and easements relative thereto, shall be acceptable to Purchaser in its sole discretion.

5.11 Oil Spill. The oil spill identified in Section 3.26(a) of the Disclosure Schedule shall be remedied to the satisfaction of Purchaser prior to Closing, with the resulting costs of said clean-up in an amount not to exceed Ten Thousand Dollars (\$10,000.00) shared equally by Purchaser and Shareholder.

6. **CONDITIONS TO CLOSING OF SHAREHOLDERS.** The obligations of Shareholders under this Agreement are subject to the satisfaction of each of the following conditions at or prior to the Closing, unless (and to the extent) waived by Shareholders:

6.1 Payments. Purchaser shall have tendered payment and other consideration to Shareholders in accordance with the terms of Sections 2.2 of this Agreement.

6.2 Authorizations. Purchaser shall have obtained (a) all necessary consents, novations, authorizations, permits and approvals required by any federal, state or foreign law, regulation or judicial or administrative order, (b) any required consent of the shareholder(s) of Purchaser, and (c) all consents of third parties which, under any contract or agreement to which Purchaser is a party or by which it is bound, are necessary to consummate the transactions contemplated hereby with such contract or agreement remaining in full force and effect following the Closing.

6.3 Proceedings and Documents. All corporate and other actions taken in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions shall be reasonably satisfactory to AirCel and Shareholders.

7. **CONTINUATION AND SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION; LIABILITY.**

7.1 Continuation and Survival of Representations and Warranties. All of the representations and warranties of Shareholders, AirCel, and Purchaser set forth in this Agreement shall be true and correct in all material respects (if not qualified by materiality) and in all respects (if qualified by materiality) as of the date hereof and as of the Closing as though made on and as of the Closing, or in the case of representations and warranties made as of a specified date earlier than the Closing, shall have been true and correct in all material respects (if not qualified by materiality) and in all respects (if qualified by materiality) on and as of such date. Except as provided below, all representations and warranties shall survive the consummation of the transactions provided for in this Agreement and shall terminate thirty-six (36) months after the Closing Date; provided, however, (a) in the case of representations and warranties that terminate thirty-six (36) months after Closing Date, claims for indemnity with respect to breaches thereof may be made until the thirty-nine (39) month anniversary of the Closing Date, as long as the basis for any such claim arose from events that occurred no later than thirty-six (36) months after the Closing Date; (b) in the case of representations and warranties contained in Section 3.2, 3.3, 3.4, 3.18, and 4.2 such representations and warranties shall survive the Closing Date indefinitely; and (c) in the case of the representations and warranties contained in Sections 3.10, 3.16, and 3.26, such representations and warranties shall

survive the Closing Date until the 60th day following the expiration of the applicable statutory period of limitations, (giving effect to any waiver, mitigation or extension thereof), if later. Each representation and warranty contained herein is independent of all other warranties and representations contained herein (whether or not covering an identical or a related subject matter) and must be independently and separately complied with and satisfied. Exceptions or qualifications to any warranties or representations contained in the text thereof shall not be construed as exceptions or qualifications to any other warranty or representation. Neither the period of survival nor the liability of Shareholders or AirCel, on the one hand, or Purchaser, on the other hand, with respect to any representations and warranties made by such party in this Agreement shall be reduced or barred by any investigation made at any time before or after the Closing by or on behalf of such party. If written notice of a Loss (as defined in Section 7.2(a)) or a Shareholder Loss (as defined in Section 7.3(a)) has been given prior to the expiration of the survival period for the applicable representation and warranty (or, in the case of representations and warranties terminating thirty-nine (39) months from the Closing Date, by the thirty-nine (39) month anniversary of the Closing Date as provided above) by a party in whose favor such representations and warranties have been made to the party that made such representations and warranties, then the relevant representations and warranties shall survive as to such Loss or Shareholder Loss, until the Loss or Shareholder Loss has been finally resolved.

7.2 Indemnification by the Shareholder.

(a) Except as provided in subsections (b) and (c) of this Section 7.2, Shareholders agrees to indemnify and hold Purchaser and any of its parents, subsidiaries, officers, directors, agents, employees and representatives (collectively, the "**Indemnified Parties**" and each an "**Indemnified Party**") harmless against all claims, losses, liabilities, damages, deficiencies, costs, interest, penalties and expenses, including reasonable attorneys' fees and expenses of investigation (hereafter individually a "**Loss**" and collectively "**Losses**") incurred by any Indemnified Party as a result of (i) any inaccuracy of a representation or breach of any warranty contained herein or in any schedule, exhibit or other document delivered pursuant hereto by AirCel or by Shareholders, or (ii) any failure by AirCel or by Shareholders to perform or comply with any covenant contained herein or in any schedule, exhibit or other document delivered pursuant hereto. Losses against which Purchaser is indemnified hereunder shall be deemed to include Losses resulting from the allegation of facts by a third party (other than Purchaser or any affiliate thereof) which are found by a court of competent jurisdiction to constitute a breach of AirCel or the Shareholder's representations, warranties or covenants hereunder.

(b) Notwithstanding anything herein to the contrary, (i) Shareholders will not be required to indemnify or hold harmless any Indemnified Party for Losses until indemnifiable Losses under 7.2(a) exceed a collective aggregate of Fifty Thousand Dollars (\$50,000.00) (the "**Basket Amount**"), after which Shareholders shall indemnify any Indemnified Party for all claims made, including the Basket Amount, (ii) Shareholders' aggregate liability hereunder, except with respect to Losses related to fraud, willful misrepresentation or deceit by AirCel or Shareholders or to Taxes owed thereby, shall be limited to the

Purchase Price, and (iii) the liability of Shareholders for Losses related to fraud, willful misrepresentation or deceit by AirCel or Shareholders, or relating to Taxes owed to any Governmental Entity based upon operations or activities on or prior to the Closing Date shall be unlimited and not counted toward the Purchase Price limitation in clause (ii).

(c) Notwithstanding anything herein to the contrary, Shareholders shall not be required to indemnify the Indemnified Parties for any Losses which are not the subject of a notice delivered in accordance with Section 7.4 below.

7.3 Indemnification by Purchaser.

(a) Except as provided in subsections (b) and (c) of this Section 7.3, Purchaser agrees to indemnify and hold Shareholders and any of their heirs and assigns (collectively, the "**Purchaser Indemnified Parties**" and each an "**Purchaser Indemnified Party**") harmless against all claims, losses, liabilities, damages, deficiencies, costs, interest, penalties and expenses, including reasonable attorneys' fees and expenses of investigation (hereafter individually a "**Shareholder Loss**" and collectively "**Shareholder Losses**") incurred by any Purchaser Indemnified Party as a result of (i) any inaccuracy of a representation or breach of any warranty contained herein or in any schedule, exhibit or other document delivered pursuant hereto by Purchaser, (ii) any failure by Purchaser to perform or comply with any covenant contained herein or in any schedule, exhibit or other document delivered pursuant hereto, (iii) any acts or omissions relating to the performance of due diligence by Purchaser, or (iv) the business of AirCel from and after the Closing. Indemnifiable Shareholder Losses hereunder shall be deemed to include Shareholder Losses resulting from the allegation of facts by a third party (other than Shareholder) which, if true, would constitute a breach of Purchaser's representations, warranties or covenants hereunder.

(b) Notwithstanding anything herein to the contrary, (i) Purchaser will not be required to indemnify or hold harmless any Purchaser Indemnified Party for Shareholder Losses until indemnifiable Shareholder Losses under 7.3(a) exceed the Basket Amount, after which Purchaser shall indemnify any Purchaser Indemnified Party for all claims made, including the Basket Amount, (ii) Purchaser's aggregate liability hereunder, except with respect to Shareholder Losses related to fraud, willful misrepresentation or deceit by Purchaser shall be limited to the Purchase Price, and (iii) the liability of Purchaser for Shareholder Losses related to fraud, willful misrepresentation or deceit by Purchaser shall be unlimited and not counted toward the Purchase Price limitation in clause.

(c) Notwithstanding anything herein to the contrary, Purchaser shall not be required to indemnify the Purchaser Indemnified Parties for any Shareholder Losses which are not the subject of a notice delivered in accordance with Section 7.4 below.

7.4 Notice. Each party agrees to give the other party written notice of any claim or assertion of which it has knowledge concerning any liability as to which it may request

indemnification hereunder. Each party will cooperate with the other in determining the validity of any such claim or assertion. Upon obtaining knowledge of the institution of any action, proceeding, or other event that could give rise to a claim of indemnity pursuant to this Section 7, the Indemnified Party or Purchaser Indemnified Party, respectively, shall promptly give written notice to Shareholders or Purchaser, as the case may be, no later than thirty (30) days from the date that the party obtained such knowledge. If such claim or demand relates to a claim or demand asserted by a third party, the party that would have the indemnification obligation shall have the right at its expense to employ counsel to defend such claim or demand and shall have the right, but not the obligation, to participate, at its own expense, in the defense of any such claim or demand. So long as the party that would have the indemnification obligation is defending such claim or demand in good faith, the other party will not settle such claim or demand without the consent of the party that would have the indemnification obligation, which consent shall not be unreasonably withheld. The parties shall make available to each other all records and other materials reasonably required by it/him in contesting a claim or demand asserted by a third party against the party that would have the indemnification obligation and shall cooperate in the defense thereof.

7.5 Offset. All Losses for which the Indemnified Parties are entitled to indemnification shall first be offset against amounts then owed to the Shareholder under any agreement or obligations relating hereto, and only to the extent that Purchaser's payment obligations under this Agreement or any other agreement have been extinguished will Purchaser be able to recover Losses directly from Shareholders.

7.6 No Contribution. The parties acknowledge and agree that Shareholders shall have no right of contribution or indemnification from AirCel following the Closing for any Losses for which Shareholders are required to indemnify Purchaser hereunder.

8. COVENANTS.

8.1 Cooperation. Each Party hereto will fully cooperate with the other parties, their counsel and accountants in connection with any steps required to be taken as part of its obligations under this Agreement. Each party will use its best efforts to cause all conditions to this Agreement to be satisfied as promptly as possible and to obtain all consents and approvals necessary for the due and punctual performance of this Agreement and for the satisfaction of the conditions hereof. No party will undertake any course of action inconsistent with this Agreement or which would make any representations, warranties or agreements made by such party in this Agreement untrue or any conditions precedent to this Agreement unable to be satisfied at or prior to the Closing.

8.2 Further Acts. After the Closing Date, each party hereto, at the request of and without any further cost or expense to the other parties will take any further actions reasonably necessary or desirable to carry out the purposes of this Agreement.

8.3 Payment of Closing Year Income Taxes; Short Period Income Tax Returns. Shareholders will cause to be prepared and filed at their cost all tax returns for AirCel for all periods ending up to and including the Closing Date which are to be filed after the Closing Date. Shareholders will provide copies to AirCel of such tax returns within sixty (60) days following the Closing Date. Shareholders will include any income, gain, loss, deduction or other tax items

for such periods on their tax returns in a manner consistent with the Schedule K-1s prepared for such periods. AirCel shall not, and Shareholders shall cause AirCel not to, in any way alter its method of accounting for the periods up to and including the Closing Date from the current accounting method utilized by AirCel.

8.4 Tax Election Under 338(h)(10). At Purchaser's request, Shareholders and AirCel will join with Purchaser in making the election provided by Section 338(h)(10) of the Code in accordance with Treasury Regulation Section 1.338(h)(10)-1 with respect to the acquisition by Purchaser of the Stock (the "**338(h)(10) Election**"), and, if permissible, similar elections under any applicable state or local income tax laws. Shareholders shall cooperate in executing and filing all returns, reports, documents or elections required to be executed and filed. Final Financial Statements for the short year beginning January 1, 2006 and ending on the Closing Date will be prepared. Form 8023 will be completed and signed by Shareholders and Purchaser at Closing. Purchaser will file the executed Form 8023 with the Internal Revenue Service as required. The allocation of the purchase price as required for Form 8883 will be determined as soon as practical after the completion of the Purchase Date Balance Sheet, but no later than March 31, 2006. Purchaser and Shareholders will cause Form 8883 to be attached to the forms 1120 and 1120S, respectively, for the applicable tax year including the Closing Date, as required. Purchaser and Shareholders will file all tax returns (including amended returns and claims for refund) and information reports in a manner consistent with the agreed allocation.

8.5 Confidentiality. Pending Closing, AirCel and Purchaser agree to keep the terms of this Agreement confidential. The disclosure of the terms of the Agreement to each party's respective lenders, investors, appraisors, advisors, consultants and attorneys, and governmental agencies or authorities, or as may be required in connection with Purchaser's SEC disclosure obligations or as otherwise required by law shall not be a violation of this Section. Notwithstanding anything contained in this Section 8.5, Purchaser shall have the right to issue a public announcement, press release or similar publicity with respect to this Agreement at such time and in such manner as Purchaser determines. Shareholders and Purchaser will consult with each other concerning the means by which AirCel's employees, customers, suppliers and others having dealings with AirCel will be informed of the transaction contemplated in this Agreement, and Purchaser will have the right to be present for any such communication.

8.6 S Corporation Status. AirCel and Shareholders will not revoke AirCel's election to be taxed as an S corporation within the meaning of Code §1361 and §1362. AirCel and Shareholders will not take or allow any action that would result in the termination of AirCel's status as a validly electing S corporation within the meaning of Code §1361 and §1362.

9. TERMINATION OF AGREEMENT.

9.1 Termination. This Agreement may be terminated by written notice promptly given to the other parties hereto, at any time prior to the Closing Date in accordance with the following conditions:

- (a) by mutual written consent of Purchaser and Shareholders; or
- (b) by (i) Purchaser if there shall have been a material breach of any representation, warranty, covenant or agreement on the part of the Shareholders

set forth in this Agreement, or (ii) Shareholders if there shall have been a material breach of any representation, warranty, covenant or agreement on the part of Purchaser set forth in this Agreement; or

(c) by either Purchaser or Shareholders if the Purchase Transaction shall not have been consummated on or before January 31, 2006;

(d) by Purchaser if any of the conditions specified in Article 5 has not been met or waived by Purchaser by the Closing Date.

9.2 Status of Agreement After Termination. Upon any termination of this Agreement pursuant to Section 9.1, this Agreement shall be void and have no effect, without any liability on the part of any party hereto or any shareholders, directors or officers thereof; provided, however, that such termination shall not relieve any party from liability for breach of any of its representations, warranties, covenants or agreements set forth in this Agreement prior to the date of termination. The provisions of Section 8.5 shall survive any termination of this Agreement.

10. MISCELLANEOUS.

10.1 Assignment. Rights hereunder shall not be assignable and duties hereunder shall not be delegable by any party without the written consent of the parties. Nothing contained in or implied from this Agreement is intended to confer any rights or remedies upon any person or entity, other than the parties hereto and their successors in interest and permitted assignees, unless expressly stated herein to the contrary.

10.02 Arbitration. Other than claims for equitable remedies, all claims, demands, disputes, controversies, differences or misunderstandings between or among the parties arising out of, or by virtue of, this Agreement shall be submitted to and determined by arbitration in accordance with this Section 10.02. In the event of such a claim, demand, dispute, controversy, difference or misunderstanding, between or among the parties, Purchaser, on the one hand, and affected Shareholders or AirCel on the other hand, shall attempt to mutually agree on a single arbitrator. If the parties to the matter are unable to agree on a single arbitrator, the parties shall each select one arbitrator, with such two arbitrators together selecting a third arbitrator who is neutral and unbiased, and who shall serve as the chairman of a panel of three arbitrators. If the parties are unable to agree upon the third arbitrator, or if one of the parties is unable to or fails to select an arbitrator in accordance with this Section 10.02, the American Arbitration Association ("AAA") shall be designated by any party to appoint such arbitrator(s) to arbitrate the matter in accordance with this Section 10.02. The matter shall be arbitrated under the rules of the AAA applicable to commercial arbitrations, such arbitration to be held in Cincinnati, Ohio. At any time before a decision of the arbitrator or arbitration panel has been rendered, the parties may resolve the dispute by settlement. If the arbitrator(s) resolve all disputes presented to them in the manner proposed by one of the parties, the fees and expenses of the arbitrator(s) shall be paid for by the other party. In all other events, the fees and expenses of the arbitrator(s) relating to the dispute shall be shared in the reverse proportion that the Shareholders and/or AirCel's position, on the one hand, and Purchaser's position, on the other hand, initially presented to the arbitrator(s) bears to the arbitrator's or arbitrators' award (*i.e.*, the position further from the arbitrator's or arbitrators' award shall bear the greater portion of the fees and expenses). The decision of the arbitrator or a majority of arbitrator(s) shall be the award of the arbitrator or panel

of arbitrators and shall be made in writing setting forth the award, the reasons for the decision and any dissenting opinion of the panel. Such decision shall be binding and conclusive on all parties, shall not be appealable and shall include a finding for payment of the costs of such arbitration. Judgment of a court of competent jurisdiction may be entered upon the award and may be enforced as such in accordance with the provisions of the award. This agreement to arbitrate shall be specifically enforceable.

10.3 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered, sent via overnight courier, or, if mailed, when mailed by United States certified or registered mail, prepaid, to the parties or their assignees at the following addresses (or at such other address as shall be given in writing by any party to the other):

Purchaser: Donaldson Company, Inc.
1400 West 94th Street
Bloomington, Minnesota 55431-2370
Attn: Norm Linnell

with a copy to: Mack A. Gentry, Esq.
Gentry, Tipton & McLemore, P.C.
P.O. Box 1990
Knoxville, Tennessee 37901

AirCel Corporation: 323 Crisp Circle
Maryville, Tennessee 37801

with a copy to: Joe H. Nicholson
Nicholson & Associates
609 Smithview Drive, Suite B
Maryville, Tennessee 37802

Robert Olson
1735 Peppertree Drive
Alcoa, Tennessee 37701

with a copy to: Joe H. Nicholson
Nicholson & Associates
609 Smithview Drive, Suite B
Maryville, Tennessee 37802

Mahmoud Zarif
12728 Ackley Circle
Knoxville, Tennessee 37922

with a copy to:

Joe H. Nicholson
Nicholson & Associates
609 Smithview Drive, Suite B
Maryville, Tennessee 37802

Jody Olson
1536 Moorgate Drive
Knoxville, Tennessee 37922

with a copy to:

Joe H. Nicholson
Nicholson & Associates
609 Smithview Drive, Suite B
Maryville, Tennessee 37802

10.4 Specific Performance, Etc. Each party's obligation under this Agreement is unique. The parties each acknowledge that if either party should default in its obligation under this Agreement it would be extremely impracticable or impossible to measure the resulting damages; accordingly, the nondefaulting party, in addition to any other available rights or remedies, may sue in equity for specific performance, and the parties each expressly waive the defense that a remedy in damages will be adequate.

10.5 Expenses. Expenses incurred by either party in connection with the execution and performance of this Agreement shall be the obligation of and shall be paid by such party.

10.6 Successors and Assigns. All covenants, representations, warranties and agreements of the parties contained herein shall be binding upon and inure to the benefit of the parties, their respective heirs, personal representatives, and permitted successors and assigns.

10.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

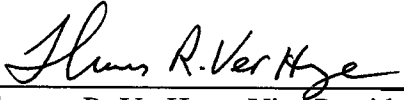
10.8 Captions and Headings. Captions and headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing it.

10.9 Integration. All Schedules and Exhibits provided for herein are a part of this Agreement. This Agreement, the other agreements and documents provided for in this Agreement comprise the entire agreement of the parties with respect to the subject matter hereof and thereof and supersede all earlier understandings of the parties, including without limitation, the Offer Letter dated November 3, 2005 among the parties.


10.10 Amendments. This Agreement, including the Disclosure Schedule and Exhibits and Schedules referred to herein, may be amended only by a written instrument executed by Purchaser and Shareholders or their respective successors or assignees.

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

DONALDSON COMPANY, INC.

By: 
Thomas R. VerHage, Vice President,
and Chief Financial Officer


AIRCEL CORPORATION

By: 
Title: President

SHAREHOLDERS:


Robert Olson


Mahmoud Zarif


Jody Olson