

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Asset Purchase and Sale Agreement
CONVEYING PARTY DATA	
Name	Execution Date
Wesley B. Huisinga	11/30/2006
RECEIVING PARTY DATA	
Name:	Wayne Industrial Holdings, LLC
Street Address:	701 Performance Drive
City:	Cedar Falls
State/Country:	IOWA
Postal Code:	50613
PROPERTY NUMBERS Total: 8	
Property Type	Number
Patent Number:	6234739
Patent Number:	6398478
Patent Number:	6752600
Patent Number:	7472937
Patent Number:	6959466
Patent Number:	6892414
Patent Number:	7024719
Application Number:	12266316
CORRESPONDENCE DATA	
Fax Number:	(314)480-1505
Phone:	314-480-1500
Email:	tracey.paterson@huschblackwell.com
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>	
Correspondent Name:	Bob Haldiman/Husch Blackwell LLP
Address Line 1:	190 Carondelet Plaza

CH \$320.00 6234739

Address Line 2: Suite 600
Address Line 4: St. Louis, MISSOURI 63105

ATTORNEY DOCKET NUMBER: 460880.3

NAME OF SUBMITTER: Robert C. Haldiman

Total Attachments: 36

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ASSET PURCHASE AND SALE AGREEMENT

This ASSET PURCHASE AND SALE AGREEMENT ("Agreement"), made as of November 30, 2006, between Wayne Industrial Holdings, LLC ("Buyer") and Wesley B. Huisinga, as Trustee of the Chapter 7 Bankruptcy Estate of Wayne Engineering Corporation ("Seller"), Case No. BK 05-03394.

WITNESSETH:

WHEREAS, Wayne Engineering Corporation, an Iowa corporation ("Wayne"), is the owner of the Purchased Assets, as defined in Section 2.1, and Wayne is currently engaged in the business of engineering and manufacturing refuse collection vehicles and equipment ("Seller's Business"); and

WHEREAS, Wayne filed a voluntary petition under Chapter 11 of the Bankruptcy Code, which was subsequently converted to a case under Chapter 7 of the Bankruptcy Code and Seller is the Trustee of Wayne's Chapter 7 Bankruptcy Estate; and

WHEREAS, Seller desires to sell the Purchased Assets to Buyer, and Buyer desires to purchase the Purchased Assets from Seller, all on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged by each of the parties hereto, the parties, intending to be legally bound, agree as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

1.1 **Definitions.** The following terms shall have the indicated definitions:

"Bankruptcy Case" shall mean that Chapter 11 bankruptcy case filed by Wayne and subsequently converted to Chapter 7, wherein Seller is the Trustee, pending in the Bankruptcy Court, as Case No. BK 05-03394.

"Bankruptcy Code" means the United States Bankruptcy Code, Title 11, United States Code, as amended.

"Bankruptcy Court" means the United States Bankruptcy Court for the Northern District of Iowa.

"Bill of Sale" shall mean the Bill of Sale from Seller to Buyer conveying the Purchased Assets, substantially in the form of Exhibit "A," attached hereto and incorporated herein by this reference.

"Closing" shall mean the closing of the purchase of the Purchased Assets by Buyer under this Agreement to be held at 1:00 p.m., local time, on the Closing Date, at the offices of Wesley B. Huisinga, Trustee, at Suite 500, 115 3rd Avenue SE, Cedar Rapids, Iowa 52406, or at such other place as the Seller and Buyer may in writing agree.

"Closing Date" shall mean the date of the Closing, which date shall be after entry of the Sale Order, but in no event later than December 15, 2006, provided however, the parties shall use their best efforts to close as soon after entry of the Sale Order as practicable.

"Encumbrances" shall mean any charge, claim, interest, lien, option, mortgage, restriction, pledge, security interest or imposition, claim and demand of any type, nature, or description, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership.

"Environmental Laws" shall mean any and all present and future laws (whether common or statutory), compacts, treaties, and conventions, and all present and future rules, regulations, orders, decrees, judgments, injunctions, promulgated or entered under any of the foregoing by any Governmental Authority relating to public or employee health and safety, pollution or protection of the environment, including without limitation, common law claims and theories of liability in negligence, trespass, nuisance, or any other common law theory, CERCLA, RCRA, the Federal Safe Drinking Water Act, the Federal Water Pollution Control Act, the Emergency Planning and Community Right-to-Know Act, the Clean Air Act, the Oil Pollution Act, the Toxic Substances Control Act, and any and all other federal, state, and local laws, rules, regulations and orders relating to reclamation of land, wetlands and waterways or relating to use, storage, emissions, discharges, cleanup, releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances on or into the workplace or the environment (including without limitation, ambient air, oceans, waterways, wetlands, surface water, ground water (tributary and non-tributary), land surface or subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation or handling of pollutants, contaminants, chemicals, or industrial, toxic, hazardous or similar substances, as all of the foregoing may be amended, supplemented and reauthorized from time to time. As used herein, the term "release" shall have the meaning specified in CERCLA, and the term "disposal" or "disposed" shall have the meaning specified in RCRA. In the event CERCLA, RCRA or any other applicable Environmental Law is amended so as to broaden the meaning of any terms defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment; and to the extent that applicable state or local laws establish a meaning for "hazardous substance," "release," "solid waste," "hazardous wastes," or "disposal" that is broader than that specified in CERCLA, RCRA or any other applicable Environmental Law, such broader meaning shall apply.

"Excluded Liabilities" shall have the meaning set forth in Section 5.2 below.

"Governmental Authority" shall mean any federal, state, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or any court, in each case whether of the United States, any of its possessions or territories, or of any foreign nation.

"Law or Laws" shall mean any federal, state, local or other law or governmental requirement of any kind, and the rules, regulations and orders promulgated thereunder, including the Bankruptcy Code.

"Leases" shall have the meaning set forth in Section 9.1(h) below.

"Material Adverse Effect" shall mean a material adverse effect (or any development which, insofar as reasonably can be foreseen, is reasonably likely to have a material adverse effect), on the Seller's Business or the Purchased Assets.

"Petition Date" shall mean July 18, 2005.

"Purchase Price" shall be the amount paid for the Purchased Assets as set forth in Section 4.1 of this Agreement.

"Required Consents" shall mean those consents required from parties to the Contracts, any Governmental Authority or other third parties that are necessary or required in order to give effect to the transactions contemplated herein.

"Sale Order" shall have the meaning set forth in Section 9.1(c) below.

1.2 Interpretation. Unless the context requires otherwise, all words used in this Agreement in the singular number shall extend to and include the plural, all words in the plural number shall extend to and include the singular and all words in any gender shall extend to and include all genders. The specificity of any representation or warranty contained herein shall not be deemed to limit the generality of any other representation or warranty contained herein. When a reference is made in this Agreement to Sections, Exhibits or Schedules, such reference shall be to a Section of or Exhibit or Schedule to this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. No provision of this Agreement shall be construed to require Buyer, Seller or any of their respective affiliates to take any action that would violate any applicable law (including common law), rule or regulation.

ARTICLE II ASSETS TO BE PURCHASED

2.1 The Purchased Assets. Seller agrees to sell, convey, transfer, assign and deliver to Buyer free and clear of any and all Encumbrances, all of Sellers' right, title and interest in all

real, personal, tangible, or intangible assets used or useable in Seller's Business, other than the Excluded Assets as defined in Article III below (the "Purchased Assets"), including but not limited to the following:

(a) Cash and Cash Equivalents. All cash and cash equivalents of Seller as of the Closing Date, but specifically excluding (1) the Pension DB Plan Trustee Funds identified on Wayne's balance sheet as a negative liability; and (2) the balance in the bank account identified as the Trustee Account on Wayne's balance statement (the "Trustee Account"), provided the balance in the Trustee Account shall not be nor shall it have been more than Two Hundred Thousand Dollars (\$200,000.00) from October 5, 2006 through Closing, and further provided that Seller shall not deposit any funds into the Trustee Account from the date of this Agreement through the Closing Date.

(b) Inventory. All inventory of Seller's Business as of the Closing Date, including finished goods, work-in-process and raw materials (the "Purchased Inventory").

(c) Accounts Receivable. All of Seller's accounts receivable related, directly or indirectly, to Seller's Business as of the Closing Date and any other account, note receivable or similar debt obligation owing to Seller from any party (the "Purchased Receivables").

(d) Prepaid Expenses, Accounts and Deposits. All of Seller's prepaid expenses, accounts and deposits related to Seller's Business as of the Closing Date, including but not limited to, insurance policies of all kinds, payroll taxes, payroll funding, health insurance and/or related accounts or deposits, prepaid accounts payable, and any deposits with vendors or suppliers.

(e) Production Assets. All of the production assets used or usable in Seller's Business including, but not limited to: (i) that certain Strippit Brake Press and all assets, parts, accessories, assignable certificates, licenses and operating leases related to such Strippit Brake Press; (ii) all manufacturing molds, patterns and tooling; (iii) all production and packaging equipment; (iv) all owned or leased vehicles and trailers; (v) all manufacturing or engineering drawings, plans, specifications, blue prints and designs; (vi) all demo units; and (vii) all trade secrets, customer lists, supplier lists, confidential information, confidentiality agreements, rights to inventions, know-how, methods of manufacturing, licenses, and all royalty agreements and rights to manufacture the products currently manufactured by Seller and specifically including "Cargomaster" and all rights to manufacture products not currently under production, including but not limited to the new automated sidearm and the PowerLynx and derivatives thereof (the "Production Assets").

(f) Real Property; Fixed Assets. All of Seller's real property, whether owned or leased, including all land, buildings, structures, improvements, easements, appurtenances, privileges relating thereto (the "Real Property"), and all furnishings,

fixtures, equipment, computer equipment, software, signs, supplies, leasehold improvements and any other items of tangible personal property (the "Fixed Assets").

(g) Intellectual Property: Goodwill. All intellectual property, patents, patents pending and applications, all royalty agreements, all trademarks, all trade names, all copyrights, and all other intellectual property used or usable in Seller's Business, and all goodwill associated therewith (the "Intellectual Property").

(h) Contracts; Permits. The rights of Seller under those contracts, agreements, leases, licenses, relationships and commitments, written or oral, specifically set forth on Schedule 2.1(h) hereto, to which Wayne and/or Seller are a party or by which they are bound, including, but not limited to Wayne and/or Seller's non-compete and non-disclosure agreements with suppliers to Seller's Business (the "Contracts") and all certificates, licenses, permits, and governmental authorizations, registrations and approvals or similar rights required or used in the conduct of Seller's Business (the "Permits") (such Contracts and Permits, together referred to as the "Assumed Contracts"), as set forth on SCHEDULE 2.1(h).

(i) Name. All rights of Wayne and/or Seller to use the name "Wayne Engineering Corporation" or any derivation thereof, and all goodwill associated therewith.

(j) Other Related Property. All of Seller's rights to books and records, files, network systems, administrative passwords, website, 800#'s, manuals and procedures from Seller's Business and all orders, open orders (booked or not yet booked), sales in "pipeline" and all backlog or back orders.

(k) Leases. All of Seller's rights in that equipment and software that is the subject of the Leases.

(l) Insurance Proceeds. All of Seller's rights to any proceeds from any insurance coverage or insurance payments for any loss or damage to or associated with the Purchased Assets.

(m) General Intangibles. All of Seller's rights in and to any and all general intangibles, accounts, chattel paper and instruments.

(n) Causes of Action. All of Wayne's and/or Seller's claims, causes of action, choses in action, rights of recovery or setoff of any kind with respect to the Purchased Assets or Assumed Liabilities.

2.2 Subject to the terms and conditions of this Agreement, Seller agrees to sell to Buyer the Purchased Assets hereunder. Except for the Excluded Assets set forth in Article III, the Purchased Assets constitute all assets used or usable by Seller in connection with the operation of Seller's Business.

ARTICLE III EXCLUDED ASSETS

Seller shall not sell, convey, transfer or assign to Buyer, and Buyer shall not purchase or acquire from Seller, any of the assets described below (the "Excluded Assets"), and Buyer shall not assume any liability or obligation directly or indirectly related thereto:

3.1 Trustee Account. Cash or cash equivalents in the Trustee Account, provided the balance thereof is less than Two Hundred Thousand Dollars (\$200,000.00) as of the Closing Date.

3.2 Pension Assets. All of Seller's tangible and intangible pension assets, including Pension DB Plan Trustee Funds identified on Wayne's balance sheet as a negative liability.

3.3. Causes of Action. All claims, causes of action, choses in action, rights of recovery and rights of recoupment or setoff against any person solely arising out of or relating to Excluded Assets.

3.4 Avoidance Actions. All avoiding power claims and causes of action set forth in Sections 542 through 553 of the Bankruptcy Code, except rights of setoff or recoupment with respect to the Purchased Assets.

ARTICLE IV PRICE AND CONSIDERATION; CLOSING

4.1 Purchase Price. Subject to the terms and conditions hereof, in reliance upon the representations and warranties of Seller and the covenants of Seller herein set forth, the Purchase Price for the Purchased Assets shall be an amount in cash equal to Six Million Two Hundred Thousand Dollars (\$6,200,000.00), subject to adjustment as set forth in Section 4.3, plus assumption of Assumed Liabilities pursuant to Section 5.1 hereof and as specifically limited therein (the "Purchase Price").

4.2 Payment of Purchase Price. The Purchase Price shall be payable in accordance with the following provisions:

(a) Buyer shall deposit by wire transfer the sum of Two Hundred Thousand Dollars (\$200,000.00) with Seller as an earnest money deposit (the initial deposit, together with all interest accrued thereon, is referred to as the "Deposit"). The Deposit shall be held in escrow until the earlier of (i) Closing of the sale pursuant to this Agreement in which case the Deposit shall be applied toward the Purchase Price; or (ii) if this sale is not approved by the Bankruptcy Court, or if another bidder outbids Buyer, the Deposit shall be returned to Buyer no later than December 24, 2006. If the sale contemplated by this Agreement fails to close solely by reason of breach by the Buyer, the Deposit shall be retained by Seller as liquidated damages, provided the retention of the Deposit by Seller shall be the sole and exclusive remedy available to Seller or any

other party in the event thereof. In all other cases and circumstances, the Deposit shall be returned to Buyer no later than December 24, 2006.

(b) At the Closing, Buyer shall pay to the Trustee by wire transfer the Purchase Price (less the Deposit), subject to the Purchase Price Adjustment.

4.3 Purchase Price Adjustment. The Purchase Price shall be adjusted at Closing based upon the actual amount of Net Working Capital¹, available to Buyer at Closing ("Closing NWC"). In the event the Closing NWC is greater than Seven Million Four Hundred Twenty Two Thousand Six Hundred Eighty Dollars (\$7,422,680.00) ("Target NWC"), the Purchase Price shall be increased dollar for dollar by any and all amounts by which the Closing NWC exceeds the Target NWC. Likewise, in the event the Closing NWC is less than Seven Million One Hundred Ninety Seven Thousand Six Hundred Eighty Dollars (\$7,197,680.00) ("Proposed Closing NWC"), the Purchase Price shall be decreased dollar for dollar by any and all amounts by which the Closing NWC is less than the Proposed Closing NWC, but in no event shall such downward adjustment in the Purchase Price be greater than Two Hundred Fifty Thousand Dollars (\$250,000.00). In the event the Closing NWC is less than the Target NWC, but greater than the Proposed Closing NWC, there shall be no adjustment in the Purchase Price.

4.4 Allocation of Purchase Price. The Purchase Price shall be allocated among the Purchased Assets in accordance with SCHEDULE 4.4 attached hereto, and the parties shall prepare and file any required tax forms consistent with this allocation.

4.5 Transfer Documents. Seller is selling, assigning, transferring and conveying the Purchased Assets to Buyer by deeds, bills of sale, assignments and such other applicable title transfer documents as may be required to sell, assign, transfer and convey marketable title thereto, or a valid and subsisting leasehold estate in any Purchased Assets held under a lease and is further delivering to Buyer control and possession of all the Purchased Assets.

4.6 Deliveries at Closing.

(a) By Seller to Buyer. At the Closing, Seller shall deliver to Buyer the following items, each (where applicable) properly executed and dated as of the Closing Date and in form and substance reasonably satisfactory to Buyer:

(i) Bills of Sale and other necessary documentation to transfer the Purchased Assets;

(ii) Assignments of Contracts, as identified on SCHEDULE 2.1(h);

¹ Net Working Capital as used herein shall mean Total Cash less Trustee Account; plus Total Accounts Receivable; plus Total Inventory (less chassis - no MSO); plus Prepaid Insurance; less Accounts Payable Post-Petition; less Accounts Payable Unvouched; as such terms are used in Wayne's balance sheet and general ledger of August 25, 2006. Net Working Capital shall be calculated in accordance with the attached Exhibit "B."

(iii) Assignments of Permits, as of the Closing Date, that are transferable from Seller to Buyer, as identified on SCHEDULE 4.6(iii);

(iv) Court Officer Deed conveying title to the Real Property;

(v) Written abstracts of title to the Real Property extended to the date of Closing, together with a written attorneys opinion certifying title;

(vi) Real Estate Transfer – Declaration of Values in the form required by Iowa law for the Real Property;

(vii) Real Estate Transfer – Groundwater Hazard Statements in the form required by Iowa law for the Real Property; and

(viii) All Required Consents and other consents, approvals and waivers from Governmental Authorities and other parties required to be obtained by Seller and necessary to permit Seller to transfer or assign the Purchased Assets to Buyer as contemplated hereby, as identified on SCHEDULE 4.6(viii).

(b) By Buyer to Seller. At the Closing, Buyer shall deliver to Seller the following items, each (where applicable) properly executed and dated as of the Closing Date and in form and substance reasonably satisfactory to Seller:

(i) The Purchase Price (less the Deposit) by wire transfer; and

(ii) Any consents, approvals and waivers from Governmental Authorities and other parties required to be obtained by Buyer and necessary to permit Seller to transfer or assign the Purchased Assets to Buyer as contemplated hereby.

ARTICLE V ASSUMPTION AND EXCLUSION OF LIABILITIES

5.1 Assumed Liabilities. Seller acknowledges and agrees that Buyer is not and will not assume any liability or obligation of any kind of Seller or Wayne, or any obligation relating to Seller's Business or the use of the Purchased Assets or performance by Wayne or Seller under the Assumed Contracts prior to Closing, whether absolute or contingent, accrued or unaccrued, asserted or unasserted, known or unknown, or otherwise, except that, at Closing, Buyer shall assume the following liabilities, provided, however, all Assumed Liabilities set forth in paragraphs 5.1(a), (b), and (e) below, in the aggregate, shall not exceed Eight Hundred Seventy Thousand Dollars (\$870,000.00):

(a) all post-petition accounts payable, including inventory received but not vouched, of Wayne and/or Seller related to Seller's Business that were incurred in the ordinary course of Seller's Business, net of pre-paid expenses and deposits;

- (b) post-petition accrued payroll, vacation pay, employee health plan run-off, and bonuses, including payroll taxes, that relate to the period commencing on the Petition Date and accrued through Closing;
- (c) obligations and liabilities due or that may become due under Wayne's and/or Seller's post-Petition Date warranties issued to the customers of Seller's Business;
- (d) obligations and liabilities of Wayne and/or Seller that occur, arise out of or are related to the ownership and operation of Seller's Business by Buyer and the Purchased Assets on and after the Closing Date;
- (e) property taxes due and payable after the Closing Date relating to Real Property included in Purchased Assets; and
- (f) Those other obligations and liabilities specifically set forth and identified on Schedule 5.1(f).

5.2. Excluded Liabilities. Under no circumstances shall Buyer assume or be obligated to pay, and Buyer shall not be or become liable for, and the Purchased Assets shall not be subject to, any of the Excluded Liabilities, including but not limited to the following liabilities which shall be and remain liabilities of Seller:

- (a) any and all liabilities and obligations other than the Assumed Liabilities;
- (b) any and all liabilities and obligations associated with any Excluded Assets;
- (c) any and all liabilities and obligations arising under any contract or commitment which relates to the Purchased Assets which is executory and unexpired as of the Closing Date and which is not identified on Schedule 2.1(h) hereto, including, without limitation, any and all liabilities and obligations due or required to be preformed prior to the Closing Date under any of the Contracts identified on Schedule 2.1(h) hereto;
- (d) any and all liabilities and obligations associated with any and all indebtedness of Seller not included in the Assumed Liabilities;
- (e) any and all liabilities and obligations, including, without limitation, any liabilities and obligations under Environmental Laws, arising out of or in connection with acts, errors, omissions or circumstances which existed or occurred, or arise from events that existed or occurred, prior to the Closing Date;
- (f) any and all penalties, fines, settlements, interest, costs and expenses arising out of or incurred as a result of any actual or alleged violation by Seller of any Laws, including, without limitation, any Environmental Laws;
- (g) any and all liabilities: (i) for administrative claims incurred in connection with the Bankruptcy Case; (ii) incurred in the negotiation and preparation of this Agreement; (iii) relating to the Bankruptcy Case to the extent incurred by Seller, and including those related to legal counsel, accounting, brokerage and investment advisors

fees and disbursements; and (iv) relating to any pending shareholder claims or proceedings;

(h) any and all sales taxes, use taxes, transfer taxes, intangible taxes, documentary charges, recording fees or similar taxes, charges, fees or expenses (collectively, "Sales Taxes") that may become payable in connection with the consummation of the purchase and sale of the Purchased Assets as contemplated herein;

(i) any and all liabilities and obligations arising out of or in connection with Seller's Pension Defined Benefit Plan or any other ERISA retirement plan, including, but not limited to any pension, profit sharing plan, stock bonus plan, defined benefit plan, defined contribution plan or employee pension benefit plan, all as defined under the Internal Revenue Code and ERISA; and

(j) other than as specifically provided in Section 5.1(b) of this Agreement, any and all liabilities and obligations arising out of or in connection with Seller's and/or Wayne's Retiree Medical Program as described in Sections 8.04 and 8.05 of the Collective Bargaining Agreement between Wayne Engineering Corporation and United Automobile, Aerospace and Agricultural Implement Workers of America, Local 838.

ARTICLE VI SELLER'S WARRANTIES AND REPRESENTATIONS

Seller hereby represents and warrants to Buyer that the following statements are true and complete as of the date hereof and will be true and complete as of the Closing Date.

6.1 Title to and Condition of Assets. Seller has, and at the Closing, Seller shall convey to Buyer good, valid and indefeasible title to the Purchased Assets, free and clear of all Encumbrances. To the best of Seller's knowledge, information and belief, no asset, other than the Purchased Assets, is necessary for the operation of the Seller's Business.

6.2 Sale Free and Clear. Pursuant to the Sale Order, at the Closing the Seller will sell, assign, transfer, convey and deliver, as the case may be, to the Buyer the Purchased Assets, and the Purchased Assets will be free and clear of all Encumbrances.

6.3 Exclusion of Warranties; Survival. Except for the specific representations and warranties set forth above, the Purchased Assets are being sold on an "as is, where is," basis and Seller makes no warranties, express or implied, of merchantability or fitness with respect to the Purchased Assets which extend beyond the aforesaid specific representations and warranties.

ARTICLE VII BUYER'S WARRANTIES AND REPRESENTATIONS

Buyer represents and warrants to Seller that the following statements are true and complete as of the date hereof and will be true and complete as of the Closing Date:

7.1 Status of Buyer. Buyer is a Nevada limited liability company and has full power to enter into this Agreement and to perform its obligations hereunder.

7.2 Authorization, Execution and Delivery. The execution, delivery and performance by Buyer of this Agreement, and of all of the documents and instruments required hereby from Buyer, are within the power of Buyer and have been duly authorized by all necessary action of Buyer. This Agreement has been duly executed and delivered by Buyer.

7.3 Financing. Buyer has adequate financing to enable it to fulfill its obligations under this Agreement. Buyer acknowledges and agrees that Buyer's obligations under this Agreement are not contingent on obtaining adequate financing, provided however, retention of the Deposit by Seller as liquidated damages shall be the sole and exclusive remedy available to Seller or any other party in the event of any breach of Buyer's representations and warranties contained in this Article VII.

ARTICLE VIII COVENANTS

8.1 Conduct of Seller Prior to Closing. From the date hereof through the Closing Date, Seller shall conduct Seller's Business in the ordinary course and in accordance with past practice of Seller during the 6 months immediately preceding this Agreement and shall not take any action inconsistent therewith, except as otherwise mandated by Bankruptcy Court Order, permitted by this Agreement or consented to by Buyer in writing. Further, from the date hereof through the Closing Date, Seller shall pay from the cash and cash equivalents of Seller, only those expenses and costs which are ordinary course for Seller's Business, including but not limited to contractual lease payments (not to exceed Three Thousand Three Hundred Forty Five Dollars and Sixty Eight Cents (\$3,345.68) per month) and shall not include payment of any professionals employed pursuant to Sections 327 and 329 of the Bankruptcy Code, except for the fees and expenses of Greentree Partners Consulting LLC, in an amount not to exceed Five Thousand One Hundred Twenty Five Dollars (\$5,125.00) per week, nor shall it include any payment or transfer of funds to (i) the Wayne Engineering Corporation Retirement Plan for Members of Local 838, a Defined Benefit Plan, (ii) the Wayne Engineering Corporation 401(k) Plan for Members of the Collective Bargaining Unit, a Defined Contribution Plan, (iii) the Wayne Engineering Corporation Office 401(k) Plan, a Defined Contribution Plan, or (iv) any other Qualified Retirement Plan or 401(k) plan.

8.2 Buyer's Deposit. In the event the Bankruptcy Court approves another prospective purchaser as the successful bidder, Seller shall, on the earlier of the Closing Date or December 24, 2006, deliver to Buyer via wire transfer the Deposit.

8.3 Access to Information. Between the date of this Agreement and the Closing Date, Buyer and its authorized representatives will be given full access at all reasonable times, and in a manner so as not to interfere with Seller's normal business operations, to: (a) Seller, together with Seller's legal advisors and accountants, and the Purchased Assets, and (b) all contracts, leases, books, records and other documents and data relating to the Purchased Assets. Seller shall also provide representatives of Buyer with reasonable access upon request to all personnel

of Seller and to Seller's premises; provided, however, that any such access shall be conducted in a mutually satisfactory manner that is intended to preserve the confidentiality of the transactions contemplated herein prior to Closing.

8.4 Employee Retirement or Pension Plans. Seller and Buyer agree that the liability for benefits accrued and claims incurred under any employee retirement or pension plan of any kind or nature of Seller shall remain the responsibility of Seller and/or Wayne. Seller and Buyer agree that Buyer shall have no liability under any of Seller's and/or Wayne's employee retirement or pension plans, including, without limitation, benefits accrued or claims incurred under any pension, profit sharing, stock bonus, defined benefit, defined contribution or employee pension benefit plans (as such terms are defined under the Internal Revenue Code and ERISA), or with respect to the administration of such plans.

8.5 Trustee Account. Seller agrees and covenants that the balance of funds in the Trustee Account shall not be nor shall it have been more than Two Hundred Thousand Dollars (\$200,000.00) from October 5, 2006 through Closing, and further Seller agrees and covenants that he will not deposit any funds into the Trustee Account from the date of this Agreement through the Closing Date.

8.6 Asset Protection. Seller shall have secured the Purchased Assets, excluding goodwill and other intangible assets, from any material harm, dissipation or usurpation by any party.

ARTICLE IX CONDITIONS TO CLOSING

9.1 Conditions Precedent to Obligations of Buyer. Each and every obligation of Buyer to be performed on the Closing Date shall be subject to the satisfaction, or waiver by Buyer, prior to or at the Closing of the following express conditions precedent:

(a) The representations and warranties of Seller contained in Article VI hereof shall be true and correct in all respects (as to representations and warranties qualified or limited by the term "Material Adverse Effect," the word "material" or phrases of like import) and in all material respects (as to representations and warranties not so limited or qualified) when made and at and as of the Closing with the same force and effect as if those representations and warranties had been made at and as of such time, except (i) to the extent such representations and warranties speak as of a specified earlier date and (ii) as otherwise contemplated or permitted by this Agreement;

(b) Seller shall, in all material respects, have performed all obligations and complied with all covenants necessary to be performed or complied with by it on or before the Closing;

(c) The Bankruptcy Court shall have entered the Sale Order which, among other things, (i) determines that this Agreement was proposed by Buyer in good faith and represents the highest and best offer for the Purchased Assets and should be approved,

(ii) determines that Buyer is a good faith purchaser under Section 363(m) of the Bankruptcy Code and that the provisions of Section 363(n) of the Bankruptcy Code have not been violated, (iii) authorizes and directs Seller to sell the Purchased Assets to Buyer pursuant to this Agreement and Sections 363 and 365 of the Bankruptcy Code, free and clear of all liens, claims, interests, liabilities and Encumbrances (including any and all "interests" in the Purchased Assets within the meaning of Section 363(f) of the Bankruptcy Code), other than the Assumed Liabilities, such that Buyer shall not incur any liability as a successor to the Seller, (iv) authorizes and directs Seller to execute, deliver, perform under, consummate and implement, this Agreement, together with all additional instruments and documents that may be necessary or desirable to implement the foregoing, and (v) determines that Buyer is not a successor to Seller, or otherwise liable for any Excluded Liability, and permanently enjoins each and every holder of an Excluded Liability from commencing, continuing or otherwise pursuing or enforcing any remedy, claim or cause of action against Buyer relative to such Excluded Liability (the "Sale Order").

(d) Seller shall have promptly made any filings, taken all actions and used best efforts to obtain any and all Required Consents required to be obtained by Seller necessary or appropriate for consummation of the sale of the Purchased Assets, subject to his obligations to comply with any order of the Bankruptcy Court.

(e) Due and proper notice of the motions for the Sale Procedures Order and the Sale Order and the relief sought therein shall have been provided by Seller to creditors and parties-in-interest, consistent with the requirements of the Bankruptcy Code and the Bankruptcy Court.

(f) The Pension Benefit Guaranty Corporation shall have assumed any and all of Wayne's and/or Seller's pre-Closing Date pension liabilities or the Sale Order entered by the Bankruptcy Court shall specifically declare that Buyer shall have no liability for any pre-Closing Date pension liabilities and shall be held harmless thereon.

(g) Seller shall have continued to operate Seller's Business and affairs in the ordinary course of business from the date of this Agreement through the Closing Date, and no event or change shall have occurred which has a Material Adverse Effect upon Seller's Business or the Purchased Assets.

(h) Subsequent to entry of the Sale Order, but prior to the Closing Date, Seller shall have purchased or bought-out Wayne's and/or Seller's interests in those certain equipment leases between Wayne and Sterling Bank and Lakeland Bank, together with Wayne's and/or Seller's interests in that certain engineering software lease between Wayne and Heartland Business Credit (collectively, "the Leases"), and Seller shall have all right, title and interest therein to enable it to transfer the subject equipment and software to Buyer at Closing, free and clear of all Encumbrances.

9.2 Conditions Precedent to Obligations of Seller. Each and every obligation of Seller to be performed on the Closing Date shall be subject to the satisfaction, or waiver by Seller, prior to or at the Closing of the following express conditions precedent:

(a) The representations and warranties of Buyer contained in Article VII hereof shall be true and correct in all respects (as to representations and warranties qualified or limited by the term "Material Adverse Effect," the word "material" or phrases of like import) and in all material respects (as to representations and warranties not so limited or qualified) when made and at and as of the Closing with the same force and effect as if those representations and warranties had been made at and as of such time, except (i) to the extent such representations and warranties speak as of a specified earlier date and (ii) as otherwise contemplated or permitted by this Agreement;

(b) Buyer shall, in all material respects, have performed all obligations and complied with all covenants necessary to be performed or complied with by it on or before the Closing; and

(c) The conditions set forth in Section 9.1(c) shall have been satisfied and the Bankruptcy Court shall have entered a Sale Order in form and substance reasonably acceptable to Seller.

ARTICLE X OTHER MATTERS

10.1 Cooperation With Respect to Closing, Tax and Securities Matters. Seller agrees to cooperate with Buyer, and Buyer agrees to cooperate with Seller, to the extent necessary in connection with the providing of information and documents and the filing, pursuant to any provision of the Law or regulations thereunder, of any information return or other document relating to Buyer's purchase of the Purchased Assets, any of the other transactions contemplated by this Agreement and the termination and winding down of the Seller's business or the closing of the Bankruptcy Case.

10.2 Records. From and after the Closing Date, Buyer will authorize and permit Seller and its representatives to have access during normal business hours, upon reasonable notice and for reasonable purposes and in such manner as will not unreasonably interfere with the conduct of Seller's business (as being conducted by Buyer), to a copy of Seller's books and records related to Seller's Business for the period prior to the Closing. Buyer and Seller agree to maintain all books, records, files, documents and other correspondence related to such business prior to the Closing in accordance with their respective normal document retention practices after the Closing.

10.3 Further Assurances. In case at any time after the Closing Date any further action is necessary or desirable to carry out the purposes of this Agreement, each of the parties to this Agreement will take, without additional consideration, such further action (including the

execution and delivery of such further instruments and documents) as the other party reasonably may request.

ARTICLE XI TERMINATION

11.1 Termination. This Agreement may be terminated and the transactions contemplated herein may be abandoned at any time prior to Closing:

- (a) by mutual written consent of Buyer and Seller;
- (b) by Seller if at any time following Seller becoming aware that Buyer has breached any representation, warranty or covenant contained in this Agreement in any material respect, if Seller has notified Buyer of the breach and the breach has continued without cure for a period of three (3) days after the notice of breach;
- (c) by Buyer if at any time following Buyer becoming aware that Seller has breached any representation, warranty or covenant contained in this Agreement in any material respect, or if the Purchased Assets have, at any time prior to Closing, suffered any Material Adverse Effect, if Buyer has notified Seller of the breach and the breach has continued without cure for a period of three (3) days after the notice of breach;
- (d) by Buyer or Seller, if the Bankruptcy Court enters a sale order approving the sale of the Purchased Assets to any party that is not the Buyer;
- (e) by Buyer or Seller if the Closing shall not have occurred by December 15, 2006, provided such date may be extended by mutual written agreement of Buyer and Seller without Bankruptcy Court approval;
- (f) by Buyer if the Bankruptcy Court enters an order dismissing the Bankruptcy Case or does not approve the sale motion by December 6, 2006; or;
- (g) by Buyer or Seller if any court of competent jurisdiction in the United States or other United States governmental body shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated herein and such order, decree, ruling or other action shall have become final and nonappealable.

11.2 Effect of Termination.

- (a) Upon the termination of this Agreement in accordance with Section 11.1 hereof, Buyer and Seller shall be relieved of any further obligations or liability under this Agreement other than obligations for breaches of this Agreement occurring prior to such termination.

(b) Upon any termination pursuant to Section 11.1(b), Seller shall be entitled to retain the Deposit. This shall constitute the sole and exclusive remedy available to Seller or any other party upon such termination.

(c) Upon the termination of this Agreement pursuant to Sections 11.1(a), (c), (d), (e), (f), and/or (g), Seller shall within three (3) days, refund to Buyer via wire transfer the Deposit.

(d) Failure to exercise any termination right under Section 11.1 in a timely manner shall not waive such termination right, which shall continue unimpaired until the Closing has occurred.

(e) Notwithstanding anything to the contrary contained herein, the provisions of this Section 11.2 shall survive any termination of this Agreement.

ARTICLE XII NOTICES

All communications, notices and disclosures required or permitted by this Agreement shall be in writing and shall be deemed to have been given when delivered personally or by messenger or by overnight delivery service, or when mailed by registered or certified United States mail, postage prepaid, return receipt requested, or when received via telecopy, telex or other electronic transmission, in all cases addressed to the person for whom it is intended at his address set forth below or to such other address as a party shall have designated by notice in writing to the other party in the manner provided herein:

(a) If to Seller, to: Wayne Engineering Corporation
c/o Wesley B. Huisinga, Esq., Trustee
Shuttleworth & Ingersoll, P.C.
115 3rd Ave., SE, Ste 500
Cedar Rapids, IA 52406
Fax: (319) 365-8725

With Copy to: Steve Michalicek
Greentree Partners Consulting, LLC
211 First Ave., SE
Cedar Rapids, IA 52401
Fax: (319) 368-8011

(b) If to Buyer, to: Wayne Industrial Holdings, LLC
c/o Lary G. Lamoreux, PC
519 S. Decatur Blvd.
Las Vegas, NV 89107
Fax: (702) 877-0329

ARTICLE XIII MISCELLANEOUS

13.1 Entire Agreement; Amendment. This Agreement and the documents referred to herein and to be delivered pursuant hereto constitute the entire agreement between the parties pertaining to the subject matter hereof, and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein or therein. No amendment, supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

13.2 Expenses. Other than as provided in Section 8.1 of this Agreement, each of the parties hereto shall pay the fees and expenses of their respective counsel, accountants and other experts and the other expenses incident to the negotiation and preparation of this Agreement and consummation of the transactions contemplated hereby.

13.3 Governing Law; Consent to Jurisdiction. This Agreement shall be construed and interpreted according to the laws of the State of Iowa, without regard to the conflicts of law rules thereof. Each of the parties hereto, in respect of itself and its properties, agrees to be subject to (and hereby irrevocably submits to) the exclusive jurisdiction of the United States Bankruptcy Court for the Northern District of Iowa, in respect of any suit, action or proceeding arising out of or relating to this Agreement or the transactions contemplated herein, and irrevocably agrees that all claims in respect of any such suit, action or proceeding shall be heard and determined in said Court. Each of the parties hereto irrevocably waives, to the fullest extent it may effectively do so under applicable Law, any objection to the laying of the venue of any such suit, action or proceeding brought in said court and any claim that any such suit, action or proceeding brought in said court has been brought in an inconvenient forum. Either party hereto may make service on the other party by sending or delivering a copy of the process to the party to be served at the address and in the manner provided for the giving of notices as set forth herein.

13.4 Remedies. Notwithstanding anything else to the contrary contained herein, if Seller terminates this Agreement pursuant to Section 11.1(b), Seller shall be entitled to the Deposit as liquidated damages and not as a penalty. In the event the Closing is not held, Seller's right to the Deposit shall be the sole and exclusive remedy for any damages arising out of or related to this Agreement or the transactions contemplated hereby.

13.5 Assignment. This Agreement and each party's respective rights hereunder may not be assigned by operation of Law or otherwise at any time except as expressly set forth herein without the prior written consent of the other party; provided that Buyer may assign its rights and obligations to one or more affiliates or designees, but no such assignment shall relieve Buyer of its obligations hereunder if any such assignee does not perform such obligations.

13.6 Counterparts; Headings. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but the same Agreement.

13.7 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to either party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner, to the end that the transactions contemplated hereby are fulfilled to the extent possible.

13.8 No Reliance. Except as specifically set forth herein, no third party is entitled to rely on any of the representations, warranties and agreements contained in this Agreement; Buyer and Seller assume no liability to any third party because of any reliance on the representations, warranties and agreements of Buyer and Seller contained in this Agreement.

13.9 Exhibits. Nothing in the Exhibits and Schedules hereto shall be deemed adequate to disclose an exception to a representation or warranty made herein, unless such Exhibit or Schedule identifies the exception with reasonable particularity and discloses the relevant facts in reasonable detail. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be deemed adequate to disclose an exception to a representation or warranty made herein (unless the representation or warranty has to do with the existence of the document or other item itself).

13.10 Facsimile Execution. This Agreement may be executed by facsimile signature, which signature shall be binding upon and admissible in any action against the party so executing as if an original signature.

Signature Page to Purchase Agreement between Wayne Industrial Holdings, LLC, a Nevada limited liability company, ("Buyer") and Wesley B. Huisinga, as Trustee of the Chapter 7 Bankruptcy Estate Wayne Engineering Corporation, an Iowa corporation ("Wayne"), Case No. BK 05-03394 ("Seller").

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year that above written:

BUYER:

WAYNE INDUSTRIAL HOLDINGS, LLC

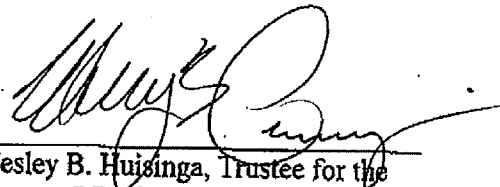
By: _____

Its: _____



MANAGER

SELLER:



Wesley B. Huisinga, Trustee for the
Chapter 7 Bankruptcy Estate of
Wayne Engineering Corporation

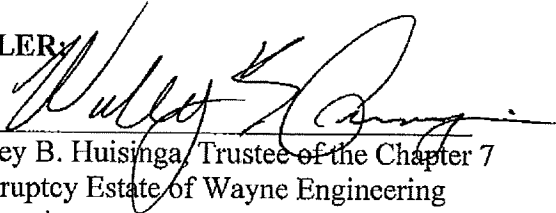
BILL OF SALE

This BILL OF SALE, dated December 7, 2006, is delivered by Wesley B. Huisinga, As Trustee of the Chapter 7 Bankruptcy Estate of Wayne Engineering Corporation ("Seller") to Wayne Industrial Holdings, LLC, a Nevada limited liability company ("Buyer").

1. **Capitalized Terms.** Capitalized terms used but not defined herein shall have the meanings for such terms that are set forth in that certain Asset Purchase and Sale Agreement dated as of November 30, 2006 (the "Asset Purchase Agreement"), by and between Seller and Buyer.
2. **Sale and Transfer of Assets.** For good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, and as contemplated by the Asset Purchase Agreement, Seller hereby sells, transfers, assigns, conveys, grants and delivers to Buyer, effective as of the Closing Date, all of Seller's right, title and interest in and to all of the Purchased Assets, including but not limited to all of Seller's rights in that equipment and software that is the subject of the Leases and including but not limited to all of Seller's rights in those assets listed on Exhibit A hereto.
3. **Further Actions.** Subject to the terms and conditions of the Asset Purchase Agreement, Seller covenants and agrees, at the request of Buyer, to take all steps reasonably necessary to establish the record of Buyer's title to the Purchased Assets and, at the request of Buyer, to execute and deliver further instruments of transfer and assignment and take such other action as Buyer may reasonably request to more effectively transfer and assign to and vest in Buyer each of the Purchased Assets.
4. **Terms of the Asset Purchase Agreement.** Seller acknowledges and agrees that the representations, warranties, covenants, and agreements contained in the Asset Purchase Agreement shall not be enlarged, modified, altered or superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Asset Purchase Agreement and the terms hereof, the terms of the Asset Purchase Agreement shall govern.
5. **Choice of Law.** This Bill of Sale shall be construed in accordance with, and governed in all respects by, the internal laws of the State of Iowa (without giving effect to principles of conflicts of laws).

IN WITNESS WHEREOF, Seller has executed this Bill of Sale under seal, as of the date set forth above.

SELLER:

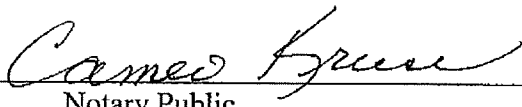

Wesley B. Huisinga, Trustee of the Chapter 7
Bankruptcy Estate of Wayne Engineering
Corporation

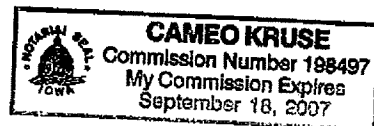
[SEAL]

State of Iowa)
) ss:
County of Linn)

On this 7th day of December, 2006, before me, a notary public in for said state, personally appeared Wesley B. Huisinga, Trustee of the Chapter 7 Bankruptcy Estate of Wayne Engineering Corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.


Notary Public



UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF IOWA

IN RE

WAYNE ENGINEERING CORPORATION

Debtor

CASE 05-03394

CHAPTER 7

**ORDER (I) AUTHORIZING THE SALE OF DEBTOR'S ASSETS FREE AND CLEAR
OF LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES TO THE SUCCESSFUL
BIDDER PURSUANT TO 11 U.S.C. §§105(a) AND 363(b), (f) AND (II) APPROVING
THE ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES
AND (III) GRANTING RELATED RELIEF**

Upon the Trustee's motion for entry of an order pursuant to 11 U.S.C. § §105(a), 363 and 365 authorizing and approving: (A) the sale of substantially all of the Debtor's assets free and clear of liens, Claims and encumbrances; (B) the assumption and assignment of executory contracts and unexpired leases; and (C) granting related relief, filed herein, on October 31, 2006 (Docket No. 184) (referred to herein as the "Sale Motion"), and the Trustee's motion for entry of an order under 11 U.S.C. § §105(a) and 363 and F.R.B.P. 2002, 6004, 6006 and 9014 approving bidding procedures, break up fee and the form and manner of notice of sale of certain assets, filed herein on October 31, 2006 (Docket No. 185) (referred to herein as the "Procedures Motion"); a hearing on the Sale Motion and the Procedures Motion, having been held before this Court on November 27, 2006; all objections raised with respect to said Motions having been resolved or overruled, and the Court having previously approved both the Sale Motion and the Procedures Motion, except for a final determination on the approval of the Break Up Fee and payment of professionals, by Order entered November 29, 2006

(Docket 208) (referred to herein as the "Initial Sale Order"); the Trustee having proceeded with an auction of the Purchased Assets¹ pursuant to notice, on December 6, 2006 and the Trustee now requesting the entry of a Final Order approving the sale of the Purchased Assets to the Successful Bidder at the auction, approval of the sale, bidding and auction process and other related relief as requested in the Sale Motion; the Court, having heard testimony and received evidence in support of the approval thereof and upon such testimony, the Sale Motion, the Procedures Motion, all prior proceedings held in the above-referenced case, and the arguments of counsel; and after due deliberation thereon and good cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:²

A. This Court has jurisdiction to hear and determine the Sale Motion and the Procedures Motion pursuant to 28 U.S.C. §§157 and 1334.

B. Venue of this case (the "Chapter 7 Case") in this district is proper pursuant to 28 U.S.C. §1409(a).

C. The Sale Motion and the Procedures Motion are core proceedings under 28 U.S.C. §157(b)(2)(A) and (N). The statutory predicates for the relief requested herein are sections 105(a) and 363(b), (f) and (m) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 6006 and 9014.

D. Pursuant to prior notice, a hearing was held before the Court on November 27, 2006 at 9:30 a.m., at which time the Court considered the Sale Motion, Procedures Motion and the sole timely objection thereto filed by Jacques Hopkins and

¹ Any capitalized term not otherwise defined in this Order shall have the meaning attributed to it in the Sale Motion, Procedures Motion and/or Asset Purchase Agreement.

² Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Bankruptcy Rule 7052.

Innisbrook Equity Group. Upon review of the motions and after considering the arguments of counsel and of the objector, the Court, on November 29, 2006, entered the Initial Sale Order approving the Sale Motion and the Procedures Motion except with respect to the approval of the Break Up Fee, for which ruling was deferred, and any objections to the Sale Motion and the Procedures Motion were thereby overruled in their entirety.

E. Pursuant to the bidding procedures approved by the Initial Sale Order, Wayne Industrial Holdings, LLC timely and properly submitted to the Trustee a Qualified Competing Bid to acquire the Purchased Assets upon the terms and conditions as set forth in the Sale Motion (the bid of Wayne Industrial Holdings, LLC, (hereinafter referred to as the "Qualified Competing Bidder"). In accordance with the Initial Sale Order, the Trustee conducted an auction on the morning of December 6, 2006 (the "Auction"), in which the stalking horse bidder, Wayne, LLC and the Qualified Competing Bidder participated. Pursuant to the bidding procedures previously approved by the Initial Sale Order and as confirmed herein, the Trustee concluded the Auction by accepting the highest and best offer for the Purchased Assets (the "Successful Bid") submitted by Wayne Industrial Holdings, LLC (hereinafter referred to as the "Successful Bidder") in the sum of Seven Million Four Hundred Thousand Dollars (\$7,400,000.00).

F. The Successful Bid submitted by Wayne Industrial Holdings, LLC is fair and reasonable and constitutes reasonable consideration and reasonably equivalent value under the Bankruptcy Code and applicable state law. Approval of the sale of the Purchased Assets in accordance with this Order is in the best interests of the Debtor's estate, its creditors and its equity holders. The terms and conditions and notice of the

Auction and sale were negotiated at arms-length and are fair and reasonable, and are hereby confirmed.

M. All of the findings of fact and conclusions of law, as set forth in the Court's prior Order of November 29, 2006, are hereby confirmed and by this reference incorporated as findings of fact and conclusions of law in this Order.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

General Provisions

1. The Trustee is authorized to accept the bid of the Successful Bidder obtained at the Auction conducted December 6, 2006 and to consummate the sale of the Purchased Assets pursuant to the terms and conditions of the Asset Purchase Agreement executed by the Successful Bidder (hereinafter referred to as the "Final Purchase Agreement").

2. All objections to the Sale Motion and Procedures Motion or the Auction that have not been withdrawn, waived, or settled, including all reservations of rights included therein, which are not otherwise provided for by this Final Sale Order, are overruled on the merits. The terms, conditions, and notice of the Auction and the procedures for such Auction, including qualification of bidders, bid increments and the like, are likewise approved.

Approval of the Purchase Agreement with Successful Bidder

3. The sale of the Purchased Assets to Successful Bidder pursuant to the Final Purchase Agreement is hereby authorized under section 363(b) of the Bankruptcy

Code and the entry of the Trustee into the Final Purchase Agreement is hereby approved.

4. Upon entry of this Order, the Trustee is authorized and directed to execute and deliver, and empowered to fully perform under, consummate and implement, the Final Purchase Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement such agreements, and to take all further actions as may be reasonably requested by the Successful Bidder for the purpose of assigning, transferring, granting, conveying and conferring to the Successful Bidder, or reducing to possession, any or all of the Purchased Assets, or as may be necessary or appropriate to the performance of the obligations of the Trustee under the Final Purchase Agreement. All persons necessary to effect the transactions contemplated by the Final Purchase Agreement are hereby ordered to execute any and all documents necessary to effect such transactions. If any person fails to comply with the provisions of this paragraph 4 prior to the Closing date, such person (or persons, as the case may be) shall nonetheless be deemed bound to any and all documents necessary to effect the transactions contemplated under the Final Purchase Agreement.

5. On the Closing date, the Successful Bidder shall transmit the Purchase Price in good funds to the Trustee.

6. On or after the Closing date, the Trustee shall, and is hereby authorized and directed to, in his discretion, pay MTGLQ, the Small Business Administration and the Internal Revenue Service (hereinafter referred to as the "Secured Claims") either: (i) assuming sufficient sale proceeds to pay all administrative Claims, the full amount of their allowed Secured Claims, or (ii) their allowed Secured Claims, less either (a) the

reasonable and necessary costs and expenses of preserving and selling Debtor's assets, as hereinafter determined pursuant to 11 U.S.C. § 506(c), or (b) an amount as may be agreed to between the Trustee and the Secured Creditors. If, upon consummation and Closing of the sale, the Trustee determines that the sale proceeds will be insufficient to pay both the Secured Claims and the administrative costs in full, the Trustee may, in the absence of agreement from the Secured Creditors, seek a surcharge against the Secured Creditors' Claims, pursuant to 11 U.S.C. § 506(c).

Transfer of Debtor's Assets

7. Pursuant to 11 U.S.C. §§105(a), 363(b) and 363(f), the Purchased Assets shall be transferred to the Successful Bidder, in accordance with the Final Purchase Agreement, free and clear of all Claims (as defined in section 101(5) of the Bankruptcy Code), including Claims of equity security holders (as defined in Section 101(17) of the Bankruptcy Code), security interests, liens (as defined in section 101(37) of the Bankruptcy Code, and including but not limited to, mechanics', materialmen's and other consensual or statutory liens), obligations, mortgages, demands, guaranties, options, rights (including, but not limited to, rights of first refusal, rights of way and rights of recovery), contractual commitments, pledges, restrictions (including, but not limited to, any restriction on the use, transfer, receipt of income or other exercise of any attributes of ownership of the Purchased Assets and all debts arising in any way in connection with any acts of the Debtor), easements, encumbrances, personal injury Claims, covenants, defects, hypothecations, charges, indentures, loan agreements, instruments, leases, licenses, conditional sale or other title retention agreements, options, contracts, offsets, recoupment, rights of recovery, judgments, orders, and decrees of any court or

governmental entity, interests, successor, transferee, products liability, environmental, tax and other liabilities and Claims, mechanics' liens, financing statements, whether arising prior to or subsequent to the commencement of this case, whether arising in connection with the transactions authorized by this Final Sale Order, and whether imposed by agreement, understanding, law, equity or otherwise, whether secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, disputed or undisputed, or known or unknown (the foregoing collectively referred to as "Claims" herein), except as otherwise set forth in the Final Purchase Agreement. All such Claims released, terminated and discharged as to the Purchased Assets shall attach to the sale proceeds with the same validity, force and effect which they now have as against the Debtor, the estate or the Purchased Assets. The sole and exclusive right and remedy available to purported creditors, equity holders, including, without limitation, equity holders of the Debtor, and parties in interest shall be a right to assert Claims against the Debtor's estate. All persons and entities (including, but not limited to, the Debtor, creditors, equity holders, employees, former employees and shareholders, Pension Benefit Guaranty Corporation, administrative agencies, governmental departments, secretaries of state, federal, state and local officials) and their respective successors or assigns and any trustees thereof, shall be and are hereby permanently and forever barred, restrained and enjoined from commencing or continuing in any manner any action or other proceeding of any kind against the Successful Bidder and its successors or assigns as alleged successor or

otherwise, or against the Purchased Assets, with respect to any Claims of any kind and nature with respect to the Purchased Assets or with respect to the Debtor or the estate.

8. The Purchased Assets to be transferred to the Successful Bidder free and clear of all liens, Claims, interests and encumbrances include all Purchased Assets described in the Final Purchase Agreement, including but not limited to, the Debtor's real estate located in Black Hawk County, Iowa and specifically described as:

Lots 9 and 10, Cedar Falls Industrial Park Phase XIII

Among the Claims from which the Purchased Assets, including but not limited to, the real estate described above, shall be transferred free and clear, are the following specific Claims, liens and filings:

Mortgage from Wayne Engineering Corporation, to Firstar Bank Iowa, N.A., dated November 20, 1996, filed November 26, 1996 at 766 CLM 729 in the Office of the Black Hawk County Recorder

Assignment of Mortgage to MTGLQ Investors, LP, dated March 24, 2005 filed April 11, 2005 as Document No. 2005-23415 in the Office of the Black Hawk County Recorder

Mortgage from Wayne Engineering Corporation to Black Hawk Economic Development, Inc. dated December 9, 1997, filed December 17, 1997 at 801 CLM 211 in the Office of the Black Hawk County Recorder

Assignment of Mortgage to Small Business Administration dated December 10, 1997, filed December 17, 1997 at 311 CRA 257 in the Office of the Black Hawk County Recorder

Mortgage from Wayne Engineering, Inc. to Iowa Department of Economic Development dated December 16, 1996, filed December 31, 1996 at 769 CLM 162 in the Office of the Black Hawk County Recorder

Judgment in favor of Strippit, Inc. against Wayne Engineering Corporation in the amount of \$389,212.52 plus interest and court costs and accruing costs, said judgment filed November 19, 2004 in Black Hawk County Case No. LACV 093711

Assignment of Rents, Income and Profits from Wayne Engineering Corporation to Firstar Bank Iowa, N.A. filed November 26, 1996 at 302 CRA 38 in the Office of the Black Hawk County Recorder, assigned to MTGLQ Investors, LP on April 11, 2005 as Document No. 2005-23414 in the Office of the Black Hawk County Recorder

Financing Statement from Wayne Engineering Corporation to Black Hawk Economic Development, Inc. filed December 17, 1997 and recorded at 801 CLM 217 in the Office of the Black Hawk County Recorder

Financing Statement from Wayne Engineering Corporation to Firstar Bank Iowa, N.A. filed March 12, 2001 as 978 CLM 950 in the Office of the Black Hawk County Recorder, as assigned to MTGLQ Investors, LP, filed May 2, 2005 and recorded as Document No. 2005-25241 in the Office of the Black Hawk County Recorder

Foreclosure proceeding filed by US Bank National Association against Wayne Engineering Corporation, et al, filed June 10, 2004, indexed to *lis pendens* on June 15, 2004 in Black Hawk County Case No. EQCV 093558

Federal tax lien filed June 3, 2005 as Document No. 2005-28197 in the Black Hawk County Recorder's Office

All UCC filings with the Iowa Secretary of State, including but not limited to, the following:

<u>Secured Party/Claimant</u>	<u>Date of Filing</u>	<u>UCC Filing No.</u>
Firstar Bank, Cedar Rapids	2/19/1993	K438767
Firstar Leasing Services Corporation	9/11/1998	K947801
GE Capital/Colonial Pacific Leasing Corp	8/25/2000	P124487
Firstar Bank, N.A.	2/23/2001	P167522
U.S. Bank, N.A.	9/9/2002	P391273
Equipment Financing Group, Inc.	12/18/2003	P455202
Lakeland Bank	1/22/2004	P459428
Dallas Peterbilt, L.P.	4/12/2004	P468520
Dallas Peterbilt, L.P.	9/20/2004	P484052
U.S. Bank, N.A.	5/31/2010	P509202
MTGLQ Investors, L.P.	6/14/2005	P510565
Don's Truck Sales	11/11/2005	E712090
Midway Ford Truck Center, Inc.	3/15/2006	P533185
Federal Tax Lien	6/3/2005	F30965

9. The transfer of the Purchased Assets pursuant to this Final Sale Order shall not subject the Successful Bidder to any liability with respect to any obligations incurred in connection with, or in any way related to the Purchased Assets, prior to the date of Closing or by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based, in whole or in part, directly or indirectly, on any theory of law or equity, including, without limitation, any theory of equitable subordination or successor or transferee liability.

10. The transfer of the Purchased Assets to the Successful Bidder pursuant to the Final Purchase Agreement shall constitute a legal, valid and effective transfer of the Purchased Assets, and shall vest the Successful Bidder with all right, title, and interest of the Debtor and the estate in and to the Purchased Assets free and clear of all Claims.

Additional Provisions

11. The transaction contemplated by the sale is undertaken by the Successful Bidder in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the sale shall not affect the validity of the sale to the Successful Bidder, unless such authorization is duly stayed pending such appeal. The Successful Bidder is a purchaser in good faith (as that term is used in section 363(m) of the Bankruptcy Code) of the Debtor's Assets, and is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

12. The consideration provided by the Successful Bidder for the Purchased Assets under the sale shall be deemed to constitute reasonably equivalent value and fair consideration. The Sale is not a de facto merger or consolidation of the Successful

Bidder and the Debtor and the Successful Bidder is not entering into the transaction for the purpose of avoiding the Debtor's liabilities.

13. The consideration provided by the Successful Bidder for the Purchased Assets under the sale is fair and reasonable and was not controlled by an agreement among potential or actual bidders, and accordingly, may not be avoided under section 363(n) of the Bankruptcy Code.

14. If any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens*, or other documents or agreements evidencing any Claims in, against or upon the Purchased Assets prior to the date of Closing of the sale, in proper form for filing and executed by the appropriate parties, and has not executed termination statements, instruments of satisfaction, releases of all Claims which the person or entity has with respect to the Purchased Assets, then (a) the Trustee is hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Purchased Assets and (b) the Successful Bidder is hereby authorized to file, register, or otherwise record a certified copy of this Final Sale Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all Claims in, against, or upon the Debtor's Assets of any kind or nature whatsoever.

15. The Successful Bidder is not a successor to the Debtor or the estate by reason of any theory of law or equity. The Successful Bidder shall have no liability or responsibility for any liability or other obligation of the Debtor or the estate arising under or related to the Purchased Assets other than for payment of the Purchase Price, including the assumption of those liabilities specifically assumed by the Successful

Bidder pursuant to the terms of the Final Purchase Agreement. Without limiting the generality of the foregoing, and except as otherwise specifically provided for herein and in the Final Purchase Agreement, the Successful Bidder shall not be liable for any Claims, including any theory of successor or vicarious liability, of any kind or character whether known or unknown as of the date of Closing, now existing or hereafter arising, whether fixed or contingent, with respect to the sale, the Trustee, the Debtor or the estate or any obligations of the Trustee, the Debtor or the estate arising prior to the date of Closing, including but not limited to, liabilities arising, accruing, or payable under, out of, in connection with, or in any way relating to the Purchased Assets, or on account of any pre-Closing date pension, retirement plan or ERISA related liabilities.

16. Subject to the Final Purchase Agreement, this Sale Approval Order (a) is and shall be effective as a determination that, at Closing, all Claims existing as to the Purchased Assets prior to the date of the Closing have been and hereby are unconditionally released, discharged and terminated as to the Purchased Assets, and that the conveyance described in this Final Sale Order has been effected, (b) is and shall be effective to cause all Claims to attach to and be perfected in the proceeds of the sale of the Purchased Assets, in the order of their priority, with the same validity, force and effect which they now have as against the Purchased Assets, without the need to file any financing statements or other evidence of perfection, and (c) is and shall be binding upon and govern the acts of all entities including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities

who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Purchased Assets.

17. The Trustee, the Debtor or the Successful Bidder and any agent or representative of any of them, are each hereby authorized and empowered to serve upon all filing and recording officers a notice when filing or recording any instruments of transfer (including, without limitation, deeds, leases, and assignments, modifications and terminations of leases) in accordance with this Final Sale Order and the Final Purchase Agreement. All filing and recording officers are hereby directed to accept, file and record all instruments of transfer including, without limitation, deeds, leases to be filed and recorded pursuant to and in accordance with this Final Sale Order or the Final Purchase Agreement and the various documents related thereto.

18. This Court retains exclusive jurisdiction to (i) approve or reject material modifications to the Final Purchase Agreement, (ii) enforce and implement the terms and provisions of the Final Purchase Agreement, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith, (iii) compel delivery of the Purchased Assets to the Successful Bidder, (iv) resolve any disputes arising under or related to the Final Purchase Agreement and related agreements, except as otherwise provided therein, (v) enjoin the assertion of any Claims against the Successful Bidder or the Purchased Assets, and (vi) interpret, implement and enforce the provisions of this Final Sale Order.

19. As of the Closing, all agreements and all orders of this Court entered prior to the date hereof shall be deemed amended or modified solely to the extent required to permit the consummation of the transactions contemplated by this Final Sale Order and the Final Purchase Agreement.

20. The terms and provisions of the Final Purchase Agreement, together with the terms and provisions of this Final Sale Order, shall be binding in all respects upon the Successful Bidder, the Trustee, the Debtor, the Debtor's estate, any of Debtor's affiliates, successors and assigns, the Debtor's creditors, equity holders, and third parties, including, but not limited to persons asserting a Claim against or interest in the estate or any of the Purchased Assets to be sold to the Successful Bidder pursuant to the Final Purchase Agreement.

21. The Final Purchase Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the agreement of the parties thereto in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment or supplement is not material.

22. Upon Closing, the Trustee, the Debtor and its estate shall be deemed without further action or order of the Court to have released and discharged the Successful Bidder and its affiliates, and their respective officers, directors, members, managers, shareholders, representatives, agents, attorneys and professionals, of and from any causes of action, legal or equitable, suits, debts, covenants, contracts, agreements, judgments, executions, Claims, and demands whatsoever whether known or unknown, except for obligations arising hereunder or under the Final Purchase Agreement.

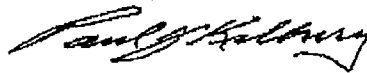
23. Upon Closing, the Successful Bidder shall be deemed without further action or order of the Court to have released and discharged the Trustee, the Debtor and its estate, and its affiliates, and their respective officers, directors, representative, agents, attorneys and professionals, of and from any causes of action, legal or equitable, suits, debts, covenants, contracts, agreements, judgments, executions, Claims, and demands whatsoever whether known or unknown, except for obligations arising hereunder or under the Final Purchase Agreement.

Effective Date of Order

24. Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), and as provided by Bankruptcy Rule 7062, this Final Sale Order shall be effective and enforceable immediately upon entry.

Dated and Entered:

December 6, 2006



Hon. Paul J. Kilburg
United States Bankruptcy Judge

Prepared by:
Wesley B. Huisinga
Chapter 7 Trustee
ID No.: 480682788