

ATTORNEY DOCKET NO.  
04856.86027

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RECORDATION FORM  
TRADEMARK

04-17-2000



DEPARTMENT OF COMMERCE  
Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please

101321290

copy thereof.

1. Name of conveying party(ies): **RECEIVED**  
 McCulloch North America, Inc. **MAR 14 PM 12:12**  
 Individual  Association  
 General Partnership  Limited Partnership  
 Corporation-State: Maryland  
 Other \_\_\_\_\_  
 Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies):  
 Name: Jenn Feng Industrial Co., Ltd.  
 Internal Address: \_\_\_\_\_  
 Street Address: No. 19 Lane 118, Sec. 2  
Min Tsu Road, Ping Chang City  
Taoyuan, Taiwan, R.O.C.  
 City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_  
 Individual(s) citizenship: \_\_\_\_\_  
 Association: \_\_\_\_\_  
 General Partnership: \_\_\_\_\_  
 Limited Partnership: \_\_\_\_\_  
 Corporation-State: \_\_\_\_\_  
 Other Corporation of Taiwan  
 Additional name(s) & address(es) attached:  Yes  No  
 A domestic representative designation is attached:  Yes  No  
 (Designations must be a separate document from Assignment)

3. Nature of conveyance:  
 Assignment  Merger  
 Security Agreement  Change of Name  
 Other \_\_\_\_\_  
 Execution Date: October 15, 1999

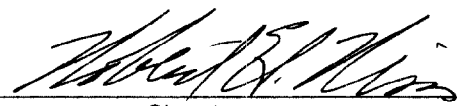
Also Enclosed: Purchase Agreement (9/22/99), pp. 1-8, 23-27, Schedule 1.01(hh) and Bankruptcy Court Order, Case No. 99-0074-TUC-JMM (10/4/99)

4. Application number(s) or registration number(s):  
 A. Trademark Application No(s). 75/365,536 B. Trademark Registration No(s). \_\_\_\_\_  
 Additional numbers attached?  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:  
 Name: Robert H. Resis  
 Address: BANNER & WITCOFF, LTD.  
Suite 3000  
Ten South Wacker Drive  
Chicago, Illinois 60606

6. Total number of applications and registrations involved: 1  
 7. Total fee (37 CFR §3.41): ..... \$ 40.00  
 Enclosed  
 Authorized to be charged to deposit account  
 8. Deposit Account No. 01-0850  
 (Attach duplicate copy of this page if paying by deposit account )

DO NOT USE THIS SPACE

9. Statement and signature.  
*To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.*  
Robert H. Resis  March 14, 2000  
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: ??

Mail documents to be recorded with required cover sheet information to:

04/17/2000 DNGUYEN 00000001 75365536

01 FC:481

40.00 OP

Commissioner of Patents and Trademarks  
Box Assignments  
Washington, D.C. 20231

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**DESIGNATION OF DOMESTIC REPRESENTATIVE**

Michael Jong, % McCulloch Corporation, whose postal address is 6885 East Southpoint Road, Suite 175, Tucson, Arizona 85706, U.S.A., is designated as applicant's representative on whom notices or process in proceedings affecting the application may be served.

## BILL OF SALE AND ASSIGNMENT

This BILL OF SALE AND ASSIGNMENT dated as of this 15 day of October, 1999, is made and entered into by McCULLOCH CORPORATION, a Delaware corporation ("Corp."), and McCULLOCH NORTH AMERICA, INC., a Maryland corporation ("McCulloch NA" and together with Corp., "Seller") and JENN FENG INDUSTRIAL CO., LTD., a limited company organized under the laws of Taiwan ("Purchaser").

WHEREAS, McCulloch NA and Corp. are debtors-in-possession in Case Nos. 99-0074-TUC-JMM and 99-0097-TUC-JMM, respectively, under Chapter 11 of Title 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Arizona (Tucson Division) (the "Court"), which cases are being jointly administered.

WHEREAS, Seller and Purchaser have entered into a Purchase Agreement dated as of September 22, 1999 (the "Agreement"), which provides for the sale of certain assets to Purchaser pursuant to 11 U.S.C. §363 free and clear of all liens, claims, encumbrances, and interests and which Agreement and sale have been approved by the Court.

NOW, THEREFORE, for the purpose of effecting such sale pursuant to the provisions of the Agreement and in consideration of the payment made to Seller as provided in the Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Seller, Seller and Purchaser hereby confirm and agree as follows.

1. Definitions. Any capitalized word that is used herein as a defined term and which is not defined herein, but which is defined in the Agreement, shall have the meaning ascribed to it in the Agreement.
2. Sale and Assignment of the Acquired Assets. Pursuant to the Court's order approving the sale of the Acquired Assets to Purchaser free and clear of all liens, claims, encumbrances, and interests, including, without limitation, free and clear of claims arising for or on account of successor liability, Seller hereby sells, conveys, assigns, transfers and delivers to Purchaser, its successors and assigns, forever, its entire right, title and interest in and to the following:
  - (a) The Acquired Contracts as shown on Exhibit "1" attached hereto;
  - (b) The Asset Books and Records;
  - (c) The Intangible Property, including, without limitation, the McCulloch Patents shown on Exhibit "2" attached hereto and the McCulloch Trademarks shown on Exhibit "3" attached hereto;
  - (d) The Jenn Feng Agreements; and

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(e) The Tangible Personal Property as shown on Exhibit "4" attached hereto.

3. Governing Law. THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE UNITED STATES OF AMERICA (INCLUDING THE BANKRUPTCY CODE), IT BEING THE INTENT OF THE PARTIES THAT FEDERAL LAW SHALL GOVERN THE RIGHTS AND DUTIES OF THE PARTIES HERETO WITHOUT REGARD TO THE APPLICATION OF ANY PROVISION OF STATE LAW. TO THE EXTENT THAT FEDERAL LAW WOULD APPLY THE LAW OF ANY STATE AS THE FEDERAL RULE FOR THE PURPOSES OF THIS AGREEMENT, THE PARTIES AGREE THAT THE LAWS OF THE STATE OF ARIZONA SHALL BE USED TO SUPPLEMENT APPLICABLE FEDERAL LAW.

THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE BANKRUPTCY COURT. PURCHASER AND SELLER WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION.

PURCHASER AND SELLER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. PURCHASER AND SELLER REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Bill of Sale and Assignment to be duly executed and effective as of the date first written above.

MCCULLOCH CORPORATION, a Delaware corporation

By 

Name Michael R. N'Appolina

Title President

MCCULLOCH NORTH AMERICA, INC., a Maryland Corporation

By 

Name Michael R. N'Appolina

Title President

JENN FENG INDUSTRIAL CO., LTD.

By 

Name \_\_\_\_\_

Title \_\_\_\_\_

PURCHASE AGREEMENT

dated as of September 22, 1999

by and among

JENN FENG INDUSTRIAL CO., LTD.

McCULLOCH CORPORATION

and

McCULLOCH NORTH AMERICA, INC.

This PURCHASE AGREEMENT dated as of September 22, 1999 is made and entered into by and among JENN FENG INDUSTRIAL CO., LTD., a limited company organized under the laws of Taiwan ("Jenn Feng"), McCULLOCH CORPORATION, a Delaware corporation ("Corp."), and McCULLOCH NORTH AMERICA, INC., a Maryland corporation ("McCulloch NA" and together with Corp., "Seller").

#### RECITALS:

WHEREAS, McCulloch NA is engaged in the business of research, development, manufacture, marketing, distribution and sale of gas and electric chainsaws, lawn trimmers, brush cutters, hedge trimmers and leaf blowers and in licensing intellectual property for use on or in connection with the research, development, manufacture, marketing, distribution, and sale of the power tools, electric lighting, and the products listed in this Recital; and

WHEREAS, Corp. is the parent company of McCulloch NA and, other than its ownership of McCulloch NA, does not and has not transacted any business; and

WHEREAS, Corp. and McCulloch NA are debtors and debtors-in-possession in Case Nos. 99-0097-TUC-JMM and 99-0074-TUC-JMM, respectively (collectively, the "Reorganization Case"), under Chapter 11 of Title 11 of the Bankruptcy Code currently pending in the United States Bankruptcy Court for the District of Arizona (Tucson Division), which cases are being jointly administered; and

WHEREAS, Jenn Feng desires to acquire from Seller and Seller desires to sell, transfer, convey and assign, to Jenn Feng all of Seller's right, title and interest in and to certain tangible and intangible personal property as more specifically described in this Purchase Agreement; and

WHEREAS, the parties hereto acknowledge that this Agreement and all other agreements between or among the parties in conjunction with this Purchase Agreement are subject to prior approval in the Reorganization Case.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

#### ARTICLE I

#### DEFINITIONS

1.01 Definitions. In addition to the capitalized terms defined above, whenever used in this Purchase Agreement, unless another meaning is expressly indicated, the following defined terms shall have the meanings ascribed to them below, all of which definitions are substantive terms of this Purchase Agreement:

- (a) "\$" and "Dollars" means the currency of the United States of America.

(b) **Acquired Assets**. Acquired Assets means all of the following: (i) the Acquired Contracts, (ii) the Asset Books and Records, (iii) the Intangible Property, (iv) the Jenn Feng Agreements, and (v) the Tangible Personal Property.

(c) **Acquired Contracts**" means those contracts and agreements set forth on Schedule 1.01(c) attached hereto, which schedule may be amended by the parties from time to time until the Closing Date.

(d) **Actions**" means any claim, action, suit, proceeding, arbitration or Governmental or Regulatory Authority investigation.

(e) **Affiliate**" means, with respect to any Person, any other Person that directly, or indirectly through one of more intermediaries, controls or is controlled by or is under common control with the Person specified.

(f) **Agreement**" means this Purchase Agreement, which includes and by this reference incorporates all of the exhibits and schedules attached to this Purchase Agreement, and all amendments and supplements to this Purchase Agreement.

(g) **Asset Books and Records**" means all files, documents, instruments, papers, books and records (in whatever form or media those items may exist) related to the Acquired Assets, including, but not limited to, all design, engineering, manufacturing, marketing, sales and distribution records and all certification documentation relating to UL, ANSI, and CUL, but specifically excluding all Excluded Books and Records.

(h) **Bankruptcy Code**" or **Code**" means the Bankruptcy Reform Act of 1978, as amended, and as codified in Title 11, United States Code.

(i) **Bankruptcy Court**" means the United States Bankruptcy Court for the District of Arizona, Tucson Division, or in the event of any withdrawal of reference or other exercise of original jurisdiction in the Reorganization Case, the United States District Court for the District of Arizona.

(j) **Bankruptcy Court Order**" means the order of the Bankruptcy Court in the Reorganization Case approving the sale of the Acquired Assets to Purchaser pursuant to the 363 Sale.

(k) **Bankruptcy Rules**" means the Federal Rules of Bankruptcy Procedure, as amended.

(l) **Benefits**" has the meaning set forth in Section 11.02(b).

(m) **Bill of Sale**" means a Bill of Sale and Assignment in substantially the form as the Bill of Sale and Assignment attached hereto as **Exhibit "A"** pursuant to which Seller shall assign, sell, convey, and transfer to Purchaser the Acquired Assets.



(n) "Business Day" means a day other than Saturday, Sunday or any day on which national banks located in the State of Arizona are authorized or obligated to close.

(o) "Closing" means the consummation of the sale by Seller and the purchase by Purchaser of the Acquired Assets, as provided for in this Agreement.

(p) "Closing Date" means the date on which the Closing occurs as provided in Section 4.01.

(q) "Due Diligence Period" has the meaning subscribed to it in Section 8.07.

(r) "Effective Date" means the date of entry of the Bankruptcy Court Order approving the sale of the Acquired Assets to Purchaser; provided, however, that no appeal of such order is filed within the time allowed by law. If the Bankruptcy Court specifically disapproves the sale of the Acquired Assets to Purchaser, then this Agreement shall be null and void ab initio. If an appeal is filed within the time allowed by law but no stay is entered, Purchaser may by notice to Seller elect to proceed with its purchase of the Acquired Assets and to have this Agreement effective as of the date of the entry of the Bankruptcy Court Order.

(s) "Estate(s)" means the respective bankruptcy estates of Corp. and McCulloch NA created under Section 541 of the Bankruptcy Code.

(t) "Excluded Assets" means: (1) Seller's real property holdings or rights; (2) all of Seller's inventories of finished goods, work-in-progress, parts, components and raw materials (which shall not be deemed to include product samples); (3) all cash, cash accounts, accounts receivable and loans receivable of Seller, including the proceeds thereof; (4) the stock of McCulloch S.A. de C.V., and any other subsidiary of Seller, including, but not limited to, the stock of McCulloch Forst-und Gartengerate GmbH, a German corporation which is in the process of dissolving, and the stock of McCulloch Overseas Limited, a Barbados corporation; (5) all claims, rights, and causes of action assertable by Seller or their Estates pursuant to Sections 510, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, or 553 of the Bankruptcy Code, including, but not limited to, any insurance claims and any claims, rights, and defenses which Seller may have to any claims asserted by any creditor in the Reorganization Case, whether or not such claims, rights, causes of action or defenses are asserted or pending on the Closing Date; (6) the furniture and furnishings currently located at McCulloch NA's facilities in Hermosillo, Mexico and Lake Havasu City, Arizona; (7) all insurance policies and proceeds (although the foregoing shall not preclude Purchaser from recovering against the policies or proceeds as part of a claim or action); (8) such computer equipment as Seller may desire to retain (notwithstanding Schedule 1.01(yy) hereto) in order to access and make use of the Excluded Books and Records; (9) the Excluded Books and Records, subject however to the rights of access granted to Purchaser under Section 14.05 of this Agreement; and (10) any tangible personal property not specifically transferred to Purchaser under the terms of this Agreement. Excluded Assets are not included in the sale of the Acquired Assets.

(u) **"Excluded Books and Records"** means (1) all financial and accounting books and records, including, without limitation, all ledgers, journals, financial statements, balance sheets, audit records, tax returns and related work papers, all documents, and papers evidencing or regarding the accounts payable and accounts receivable of Seller, and all correspondence with any creditor of the Seller, whether or not such creditor has filed a claim in the Reorganization Case; (2) all corporate governance books and records including, without limitation, articles of incorporation, by-laws, minute books, and board resolutions; (3) all computer files, computer programs, and computer retrieval programs unrelated to design, engineering, manufacturing, sales, or distribution of Products; (4) all books and records relating to the real property interests and holdings of Seller including, without limitation, architectural plans, title documents, and environmental studies and plans; (5) all books and records that relate to personnel, human resources, pension, employee benefit and workers compensation; (6) all files related to any currently pending or threatened litigation or claims involving McCulloch, and (7) all books and records that evidence, regard or relate to any of the Excluded Assets.

(v) **"Final Order"** means an order of the Bankruptcy Court as to which (i) any appeal that has been taken has been finally determined or dismissed; (ii) the time for appeal has expired and no appeal has been timely filed; or (iii) if an appeal, reargument, certiorari, or rehearing thereof has been sought or is still timely, such order has not been stayed and Purchaser is prepared to close and fund pursuant to that order.

(w) **"Governmental or Regulatory Authority"** means any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision.

(x) **"Intangible Property"** means the McCulloch Patents, the McCulloch Trademarks, all trade names and trade name rights, service names and service name rights, brand names, goodwill, operating and applications computer software (including object and source codes), and related documentation, databases, know how, technical knowledge (including all rights, title and interest to any invention developed or documentation prepared by Battelle Memorial Institute), trade secrets, secret formulas, customer and supplier lists, business and marketing plans, inventions, copyrights and copyright rights (including but not limited to any copyrights relating to the items described in Schedule 1.01(x) attached hereto), and all rights, title and interest in and to the Web page developed and documentation prepared by The River Internet Access Company.

(y) **"Inventory"** means the raw material, work-in-process and the finished goods of the Seller.

(z) **"Jenn Feng Agreements"** means the License Agreement, dated June 30, 1999, and the Independent Sales Representative Agreement, dated July 24, 1999, each of which were entered into by and between Jenn Feng and McCulloch NA.

(aa) **"Knowledge of Seller"** means the present actual knowledge, without specific investigation or inquiry, of Michael D'Appolonia, the Chief Executive Officer of Seller.

(bb) "Laws" means all laws, statutes, rules, regulations, ordinances and other pronouncements having the effect of law of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision or of any Governmental or Regulatory Authority.

(cc) "Licenses" means all licenses, permits, certificates of authority, authorizations, approvals, registrations, franchises and similar consents granted or issued by any Governmental or Regulatory Authority.

(dd) "Lien" means any mortgage, pledge, security interest, lien or other encumbrance.

(ee) "Loss" means any and all damages, fines, penalties, deficiencies, losses, expenses (including without limitation reasonable fees of attorneys), liens and other obligations.

(ff) "Material Adverse Effect" means any event, change, effect, occurrence or state of facts that has had or is reasonably expected to have a material adverse effect on the Acquired Assets; provided, however, that any adverse effect arising out of or resulting from (a) the Reorganization Case or compliance by Seller with orders of the Bankruptcy Court or applicable obligations under the Bankruptcy Code of a debtor or debtor-in-possession in bankruptcy proceedings or (b) the entering into of this Agreement or the consummation of the transactions contemplated hereby, shall not, in and of itself, constitute a Material Adverse Effect.

(gg) "McCulloch Patents" means all of Seller's Patents. The McCulloch Patents include, but are not limited to those Patents listed on Schedule 1.01(gg) hereto.

(hh) "McCulloch Trademarks" means all of Seller's Trademarks. The McCulloch Trademarks include, but are not limited to those Trademarks set forth in Schedule 1.01(hh) and the goodwill associated therewith.

(ii) "Order" means any writ, judgment, decree, injunction or similar order of any Governmental or Regulatory Authority (in each such case whether preliminary or final).

(jj) "Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice.

(kk) "Patent" or "Patent Rights" means one or more of all rights throughout the world to and under all new and useful inventions, discoveries, designs, technology and art and all other patentable subject matter, including, but not limited to, all improvements thereof and know-how related thereto, and all applications for and the right to make applications for any applicable letters Patent, all applications for any applicable letters Patent, any applicable letters Patents that have issued or that will issue therefrom and all re-examinations, reissues, extensions, renewals, divisions and continuations (including continuations-in-part) thereof, for the full term thereof or the longest period provided at law, including, without limitation, the right to (i) sue for (and otherwise assert claims for) and recover past, present and future damages and obtain any and all other remedies available at law or equity for any past, present or future infringement thereof, (ii) seek protection therefor, including, without limitation, the right to file patent applications in the Territory, and (iii) to claim all rights and priority thereunder to

the extent, if any, that Seller is entitled to claim any such rights notwithstanding the other provisions hereof.

(ll) "Patent Assignment" means an assignment substantially in the form attached hereto as Exhibit "B" pursuant to which Seller shall assign, sell, convey, transfer and grant to Purchaser all of Seller's worldwide right, title and interest in and to the McCulloch Patents so that Purchaser will, among other things, have the right to make, have made, use and sell the inventions of the McCulloch Patents for the full term of any applicable letters Patent and in perpetuity or the longest period otherwise provided at law with respect to all other Patent Rights associated with the McCulloch Patents and including the right to sue and otherwise assert claims for and recover any and all past claims.

(mm) "Person" means any natural person, corporation, general partnership, limited partnership, limited liability company, proprietorship, other business organization, trust, union, association or Governmental or Regulatory Authority.

(nn) "Petition Date" means January 12, 1999.

(oo) "Production Equipment" means all of Seller's tooling and manufacturing assembly fixtures, drawings, specifications, trade secrets and other items used in the manufacture of Seller's gasoline-powered products of McCulloch in North America, and the related production machinery and equipment still owned by McCulloch as of the date hereof.

(pp) "Products" means any products previously offered for sale by Seller including, but not limited to, gas and electric chainsaws, lawn trimmers, brush cutters, hedge trimmers and leaf blowers.

(qq) "Prohibited Business" means the business of developing, manufacturing, marketing and distributing gasoline-powered and electric portable outdoor equipment and power tools as well as non-powered garden tools and accessories for retail consumers and professional users.

(rr) "Purchase Price" has the meaning ascribed to it in Section 4.02.

(ss) "Purchase Price Holdback" has the meaning ascribed to it in Section 4.02.

(tt) "Purchaser" means Jenn Feng or any permitted assignee of Jenn Feng under this Agreement.

(uu) "Representatives" has the meaning ascribed to it in Section 7.01.

(vv) "Restrictive Covenants" has the meaning ascribed to it in Section 11.02.

(ww) "Sale Hearing" means the hearing in the Reorganization Case held by the Bankruptcy Court to conduct the 363 Sale and to approve the sale of the Acquired Assets in accordance with this Agreement.

(xx) "Section 365 Contracts" has the meaning set forth in Section 2.01 hereof.

(yy) "Tangible Personal Property" means the furniture, personal property, machinery, apparatus, equipment supplies, dies, rigs, molds, patterns, drawings, product samples, marketing materials, the Production Equipment, and other tangible personal property listed on Schedule 1.01(yy) hereto, which Schedule may be amended by the parties from time to time until the Closing Date.

(zz) "Territory" means United States, Mexico, and Canada and all of the possessions and territories thereof.

(aaa) "Telephone Numbers" means those telephone numbers of Seller that are listed on Schedule 1.01(aaa) hereto.

(bbb) "Trademarks" or "Trademark Rights" means one or more trademarks, service marks, designs or logotypes, in any and all forms, and all registrations and applications for registrations in any country in the world, including without limitation the right to (i) sue for (and otherwise assert claims for) and recover damages and obtain any and all other remedies available at law or equity for any past, present or future infringement thereof, (ii) seek protection therefor, including, without limitation, the right to seek and obtain trademark and service mark registrations, and (iii) to claim all rights and priority thereunder to the extent, if any, that Seller is entitled to claim any such rights notwithstanding the other provisions hereof.

(ccc) "Trademark Assignment" means an assignment substantially in the form attached hereto as Exhibit "C" pursuant to which Seller shall assign, sell, convey, transfer and grant to Purchaser all of Seller's right, title and interest in and to the McCulloch Trademarks.

(ddd) "Transfer Taxes" means any sales, transfer, recording, and other similar taxes and fees.

(eee) "363 Sale" shall mean a public auction sale of the Acquired Assets conducted by the Bankruptcy Court in the Reorganization Case pursuant to Code §363(f) and sale terms and procedures approved by the Bankruptcy Court and pursuant to which the Bankruptcy Court shall authorize and approve the sale of the Acquired Assets to the bidder presenting the highest and/or best bid as determined by the Bankruptcy Court. The Acquired Assets shall be sold pursuant to the 363 Sale free and clear of all Liens, claims, interests, and encumbrances to the maximum extent permitted by law including, without limitation, free and clear of all claims that could have been asserted against the successful purchaser of the Acquired Assets on the basis of successor liability.

Unless the context of this Agreement otherwise requires, (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement; and (iv) the terms "Article" or "Section" refer to the specified Article or Section of this Agreement. All accounting terms used herein and not expressly defined herein shall have the meanings given to them under generally accepted accounting principles in the United States of America, consistently applied throughout the specified period. Any representation or warranty contained

herein as to the enforceability of a contract shall be subject to the effect of any bankruptcy, insolvency, reorganization, moratorium or other similar law affecting the enforcement of creditors' rights generally and to general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

## ARTICLE II

### ACQUIRED CONTRACTS

2.01 Assumption and Assignment of Section 365 Contracts. The parties acknowledge that certain of the Acquired Contracts may be executory contracts or unexpired leases subject to the requirements of Section 365 of the Code (the "Section 365 Contracts"). To the extent permitted by Section 365 of the Code, Seller agrees to promptly seek and diligently pursue Bankruptcy Court approval to assume the Section 365 Contracts, and to assign the Section 365 Contracts to Purchaser at Closing. To the extent required by the Code, Purchaser agrees to provide evidence of adequate assurance of its future performance of the Section 365 Contracts. If Section 365 of the Code precludes assumption and assignment of any Section 365 Contracts, such precluded Section 365 Contracts shall be deemed Excluded Assets and there shall be no adjustment to the Purchase Price on account thereof.

2.02 Assignment of Intellectual Property Agreements. The parties acknowledge that certain of the Acquired Contracts may be intellectual property agreements that are not assignable without the consent of the other party thereto. Seller agrees to promptly seek the requisite consent of the assignment of such contracts to Purchaser in order to assign such contracts to Purchaser. The foregoing shall not impose upon the Debtors any obligation to expend any money to purchase the consent of the other party to the contract. If the Debtors are unable to obtain the required consent and cannot assign such contracts, such precluded contracts shall be deemed Excluded Assets and there shall be no adjustment to the Purchase Price on account thereof provided, however, that if the contracts are not assignable Purchaser shall have the right and option at any time prior to Closing to terminate this Agreement. To the extent that Seller may sub-license under any such non-assignable agreements then at the option of Purchaser Seller shall enter into a sub-license with Purchaser.

## ARTICLE III

### PURCHASE AND SALE OF THE ACQUIRED ASSETS

3.01 Transfer of the Acquired Assets at Closing. Upon the terms and subject to the conditions set forth in this Agreement, Seller hereby agrees to sell and convey to Purchaser and Purchaser agrees to purchase from Seller, the Acquired Assets on the Closing for and in consideration of the Purchase Price.

3.02 Conduct of 363 Sale. The sale of the Acquired Assets shall be accomplished pursuant to the 363 Sale. Except for liabilities under Acquired Contracts being assumed and assigned to Purchaser pursuant to the terms of this Agreement, the Acquired Assets shall be sold free and clear of any and all other Liens, interests (as used in Section 363 of the Code), claims, or encumbrances of any type or nature, to the maximum extent permitted by the Code, including, without limitation, all claims

hereunder may be assigned by any party hereto without the prior written consent of the other party hereto and any attempt to do so will be void. This Agreement is binding upon, inures to the benefit of and is enforceable by the parties hereto and their respective successors and permitted assigns.

14.10 Headings. The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

14.11 Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law applicable hereto, and if the rights or obligations of any party hereto under this Agreement will not be materially and adversely affected thereby, (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

14.12 Governing Law. THE VALIDITY OF THIS AGREEMENT AND ALL OTHER DOCUMENTS EXECUTED AND DELIVERED HERewith, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, AND THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE UNITED STATES OF AMERICA (INCLUDING THE BANKRUPTCY CODE), IT BEING THE INTENT OF THE PARTIES THAT FEDERAL LAW SHALL GOVERN THE RIGHTS AND DUTIES OF THE PARTIES HERETO WITHOUT REGARD TO THE APPLICATION OF ANY PROVISION OF STATE LAW. TO THE EXTENT THAT FEDERAL LAW WOULD APPLY THE LAW OF ANY STATE AS THE FEDERAL RULE FOR THE PURPOSES OF THIS AGREEMENT, THE PARTIES AGREE THAT THE LAWS OF THE STATE OF ARIZONA SHALL BE USED TO SUPPLEMENT APPLICABLE FEDERAL LAW.

THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE BANKRUPTCY COURT. PURCHASER AND SELLER WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 14.12.

PURCHASER AND SELLER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. PURCHASER AND SELLER REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY

WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

14.13 Additional Instruments and Actions. The parties hereto expressly agree to execute any further or additional instruments and documents as may be necessary or required and/or to perform any other act necessary to effectuate or carry out the purposes of this Agreement. All further instruments and documents shall be in form and substance reasonably satisfactory to each party.

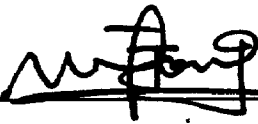
14.14 Consent to Jurisdiction and Service of Process. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the Bankruptcy Court and each party agrees that any action, suit or proceeding shall be brought only in the Bankruptcy Court which shall be the exclusive and only proper forum for adjudicating any action, suit or proceeding.

14.15 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[SIGNATURE(S) ON FOLLOWING PAGE(S)]  
[SIGNATURE PAGE TO PURCHASE AGREEMENT]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each party hereto as of the date first above written.

JENN FENG INDUSTRIAL CO., LTD., a limited company organized under the laws of Taiwan


By   
Its President and Chief Executive Officer



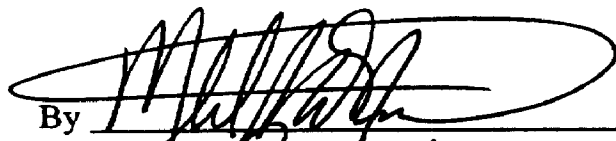
[SIGNATURE PAGE TO PURCHASE AGREEMENT]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each party hereto as of the date first above written.

McCULLOCH NORTH AMERICA, INC., a Maryland corporation

By   
Its President

McCULLOCH CORPORATION, a Delaware corporation

By   
Its President

LIST OF SCHEDULES

<u>Schedule No.</u>	<u>Description</u>
1.01(c)	List of Acquired Contracts
1.01(x)	List of Intangible Property
1.01(gg)	List of McCulloch Patents
1.01(hh)	List of McCulloch Trademarks
1.01(yy)	List of Tangible Personal Property
1.01(aaa)	List of Telephone Numbers
5.03	Seller Governmental Approvals and Filings
6.03	Purchaser Conflicts
6.04	Purchaser Governmental Approvals and Filings

LIST OF EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
A	Form of Bill of Sale and Assignment
B	Form of Patent Assignment
C	Form of Trademark Assignment

SCHEDULE (1.01(h))

**List of McCulloch Trademarks**

ACTIVE REGISTERED TRADEMARKS - MCCULLOCH

09/01/99 11:22:02

Int	Ref.	Country	Trademark	Class	Registration No.	Reg. Date	Status
28080	MC004	CANADA	TRIM-MAC	0	0000443178	5 26 95	
28080	MC004	UNITED STATES	TRIM MAC	07	0001817347	1 18 94	U
28080	MC009	CANADA	TIMBER BEAR & DESIGN	7	0000406405	12 18 92	
28080	MC009	UNITED STATES	TIMBERBEAR	07	0001765549	4 20 93	
28080	MC010	CANADA	PRO-SCAPER	01	0000389624	10 25 91	
28080	MC010	UNITED STATES	PRO-SCAPER	07	0001643378	5 7 91	U
28080	MC012	CANADA	TITAN	07	0000381879	3 22 91	
28080	MC012	UNITED STATES	TITAN	07	0001540143	5 23 89	
28080	MC016	CANADA	MACCAT & DESIGN	0	0000461117	8 16 96	
28080	MC016	UNITED STATES	MAC CAT & DESIGN	07	0001691175	6 9 92	U
28080	MC020	UNITED STATES	MC LOGO - SAWTOOTH DESIGN	07	0001018714	8 26 75	
28080	MC022	UNITED STATES	MCCULLOCH	04	0000888725	4 7 70	
28080	MC023	CANADA	MCCULLOCH	00	0000153492	10 6 67	
28080	MC023	UNITED STATES	MCCULLOCH	00	0000546637	8 14 51	
28080	MC024	UNITED STATES	MINI MAC	07	0000921077	9 28 71	
28080	MC025	CANADA	EAGER BEAVER & DESIGN	7	0000302661	5 10 85	
28080	MC025	UNITED STATES	EAGER BEAVER	07	0001272384	4 3 84	
28080	MC026	UNITED STATES	EAGER BEAVER	07	0001372138	11 26 85	
28080	MC027	CANADA	EAGER BEAVER & DESIGN	7	0000302660	5 10 85	
28080	MC027	UNITED STATES	EAGER BEAVER AND DESIGN	07	0001331685	4 23 85	
28080	MC028	UNITED STATES	EAGER BEAVER BY MCCULLOCH	07	0001375474	12 17 85	
28080	MC029	UNITED STATES	EAGER BEAVER BY MCCULLOCH & DESIGN	07	0001377881	1 14 86	
28080	MC030	CANADA	MAC	07	0000322775	1 16 87	
28080	MC030	UNITED STATES	MAC	07	0001372139	11 26 85	
28080	MC031	UNITED STATES	ELECTRAMAC	7	0001331689	4 23 85	
28080	MC032	UNITED STATES	CHAIN BRAKE (AND DESIGN)	07	0001310798	12 25 84	

ACTIVE REGISTERED TRADEMARKS - MCCULLOCH

09/01/79 11:22:02

Der	Ref.	Country	Trademark	Class	Registration No.	Reg. Date	Status
28080	MC083	UNITED STATES	AUTO-SHARP	07	0001343B14	6 25 85	
28080	MC034	UNITED STATES	AIR STREAM	07	0001467768	12 1 87	
28080	MC037	UNITED STATES	MCCULLOCH	15	0000756262	9 3 63	
28080	MC052	CANADA	ONE SHOT	4	0000409414	3 12 93	
28080	MC052	UNITED STATES	ONE SHOT	04	0001678188	3 10 92	U
28080	MC053	CANADA	PRO MAC	07	0000419496	11 12 93	
28080	MC053	UNITED STATES	PRO MAC	07	0001660536	10 15 91	
28080	MC062	CANADA	POWER MAC	07	0000404071	10 23 92	
28080	MC062	UNITED STATES	POWER MAC	07	0001663959	11 12 91	
28080	MC066	CANADA	SILVER EAGLE	07	0000467579	12 12 96	
28080	MC071	UNITED STATES	TIMBER BEAR AND DESIGN	7	0001849787	8 16 94	U
28080	MC072	UNITED STATES	MCCULLOCH MAC CAT & DESIGN	7	0001805113	11 16 93	U
28080	MC073	CANADA	MINI PRO	07	0000410710	4 9 93	
28080	MC086	CANADA	MC LOGO - SAWTOOTH DESIGN	07	0000215714	8 27 91	
28080	MC086	UNITED STATES	MC (STYLIZED)	07	0001717522	9 22 92	
28080	MC100	CANADA	MCCULLOCH	7	0000417565	10 1 93	
28080	MC100	UNITED STATES	MCCULLOCH	7	0001717506	9 22 92	
28080	MC119	UNITED STATES	MADCAT	7	0001759486	3 23 93	
28080	MC350	CANADA	PRESERVE	01	0000439557	2 17 95	
28080	MC350	UNITED STATES	PRESERVE	1	0001948603	1 16 96	
28080	MC354	UNITED STATES	EMER BEAVER	7	0001846511	7 26 94	
28080	MC610	UNITED STATES	MCCULLOCH MAC VAC	9	0001971426	4 30 96	
28080	MC620	UNITED STATES	CHAIN BRAKE SAFETY & DESIGN	7	0002182729	8 18 98	U
28080	MC663	UNITED STATES	MITE E LITE	07	0000743706	1 15 63	
28080	MC77A	UNITED STATES	MCCULLOCH MOTORS MCC & DESIGN	07	0001908164	8 1 95	

ACTIVE REGISTERED TRADEMARKS - MCDULLOCH

Trademark	Class	Registration No.	Reg. Date	Status
MC LOGO (SAWTOOTH DESIGN)	7	0000418779	7 27 92	
SAWTOOTH	8	0000187897	11 15 84	
PRESERVE	01	0000453406	3 2 94	

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Out	Ref.	Country
28764	MC086	MEXICO
28764	MC20A	MEXICO
28764	MC550	MEXICO

\*\*\* END OF REPORT \*\*\*

PENDING TRADEMARK APPLICATIONS - MCCULLOCH

09/01/99	11:21:27	Our	Ref.	Country	Trademark	Class	Serial No.	Filing Date	Status
28080	MC643	UNITED STATES	REX RAPID EXCHANGE SYSTEM & DESIGN	7	0000365536	9	30	97	
28080	MC648	UNITED STATES	MCCULLOCH	07	0000000001	0	0	0	
28080	MC667	UNITED STATES	MCCULLOCH	11	0000000003	0	0	0	
28080	MC669	UNITED STATES	MCCULLOCH	07	0000000002	0	0	0	
28764	MC100	MEXICO	MCCULLOCH	7	0000128928	12	12	91	

\*\*\* END OF REPORT \*\*\*



1                   STREICH LANG  
2                   A PROFESSIONAL ASSOCIATION  
3                   Firm State Bar No. 00126000  
4                   ONE SOUTH CHURCH AVENUE  
5                   SUITE 1700  
6                   TUCSON, ARIZONA 85701-1621  
7                   TELEPHONE (520)770-8700  
8                   FACSIMILE (520)770-2222  
9                   E-MAIL sboswell@streich.com

6 Attorneys for Debtors

7 Susan G. Boswell, Esq. (AZ Bar #4791)  
8 Steven R. Haydon, Esq. (AZ Bar #10912)  
9 Nancy J. March, Esq. (AZ Bar #12802)

10                                   **IN THE UNITED STATES BANKRUPTCY COURT**  
11                                   **FOR THE DISTRICT OF ARIZONA**

13 In re:	) Chapter 11
14 McCULLOCH CORPORATION, a Delaware	) Case No. 99-00074-TUC-JMM
15 corporation (fka McCulloch Holding, Inc.) (Tax	)
16 I.D. No. 86-0861957),	) JOINTLY ADMINISTERED
17 - and -	)
18 McCULLOCH NORTH AMERICA, INC., a	) ORDER AUTHORIZING AND
19 Maryland corporation (fka McCulloch	) APPROVING (1) SALE OF ASSETS
20 Corporation) (Tax I.D. No. 95-3832942),	) FREE AND CLEAR OF ALL LIENS,
21 Debtors.	) CLAIMS, INTERESTS AND
	) ENCUMBRANCES; AND (2)
	) ASSUMPTION AND ASSIGNMENT OF
	) EXECUTORY CONTRACTS

21                   This matter came before the Court for hearing on October 4, 1999 (the "Sale Hearing")  
22 pursuant to the "Debtors' Motion For, And Memorandum In Support Of, Order Authorizing And  
23 Approving (1) Sale Of Assets Free And Clear Of Liens, Claims, Interests, And Encumbrances And  
24 (2) Assumption And Assignment Of Executory Contracts" (the "Sale Motion") (Docket #649) filed by  
25 McCulloch Corporation and McCulloch North America, Inc., the debtors and debtors in possession in  
26 the above jointly administered Chapter 11 cases (collectively, the "Debtors" or "McCulloch"), and the

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1 "Debtors' Motion For, And Memorandum In Support Of, Order Authorizing And Approving T  
2 Assumption Of And Assignment of Executory Contracts" (the "Assumption Motion") (Docket #92  
3 filed by the Debtors. Subject to Court authorization and approval, the Debtors and Jenn Feng Industri  
4 Co., Ltd., a limited company organized under the laws of Taiwan ("Jenn Feng"), have entered into  
5 Purchase Agreement (the "Purchase Agreement") which provides for the sale of certain Assets (as define  
6 in the Purchase Agreement) to Jenn Feng or its Affiliate (as defined in the Purchase Agreement) free an  
7 clear of all liens, claims, encumbrances, and interests (including free and clear of all claims arising for c  
8 on account of successor liability), with all displaced liens attaching to the proceeds of the sale (th  
9 "Sale"). A form of the Purchase Agreement was filed with the Court pursuant to the Debtors' "Notic  
10 of Filing Purchase and Sale Agreement Between McCulloch North America, Inc. and Jenn Feng." Th  
11 Sale of the Assets to Jenn Feng is to include, among other things, prepetition executory contracts and  
12 unexpired leases of McCulloch that Jenn Feng has identified as contracts that it wishes to include in the  
13 Assets. Jenn Feng identified those contracts listed on Exhibit "1" attached hereto as prepetition  
14 executory contracts that it wishes to include in the Sale of the Assets (the "Acquired Contracts")  
15 Pursuant to the Sale Motion and §§105 and 363(b) and (f) of the Bankruptcy Code, and Bankruptcy  
16 Rules 6004 and 9014, McCulloch requested that, subject to higher and better bids at the Sale Hearing,  
17 the Court enter an Order authorizing and approving the Purchase Agreement and the Sale of the Assets  
18 to Jenn Feng or its Affiliate free and clear of all liens, claims, encumbrances, and interests (including free  
19 and clear of all claims arising for or on account of successor liability). In addition, in conjunction with  
20 the Sale and pursuant to the Sale Motion, the Assumption Motion and Sections 365(a) and (f) of the  
21 Bankruptcy Code, Bankruptcy Rule 6006 and Local Bankruptcy Rule 6006-1, McCulloch also requested  
22 that the Court authorize and approve the Debtors' assumption of the Acquired Contracts and the  
23 assignment of the Acquired Contracts to Jenn Feng or its Affiliate. Finally, in conjunction with the Sale  
24 Motion and the Sale, McCulloch also requested approval of a proposed allocation (the "Allocation") of  
25 the sale proceeds to each creditor who is determined to have a valid and perfected lien upon certain tools  
26 and other production equipment (the "Production Equipment") that make up a part of the Assets

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1 pursuant to possessory liens recognized by applicable state law (the "Possessory Lienholders") as suc  
2 proposed allocation is set forth in the Debtors' "Supplement to Debtors' Motion For Order Authorizin  
3 And Approving Sale Of Assets Free And Clear Of Liens, Claims, Interests and Encumbrances  
4 (Docket #1038) (the "Supplement"). This Court has considered: (i) the Sale Motion, the Assumption  
5 Motion, the Supplement, and all other pleadings filed in conjunction with the Sale Hearing; (ii) the  
6 Purchase Agreement; (iii) the arguments and presentations of all parties appearing at the Sale Hearing  
7 and (iv) the entire record of this case.

8 Based upon the foregoing and being fully advised in the premises, the Court finds and  
9 concludes as follows:

10 1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §1334. This  
11 matter is a core proceeding under 28 U.S.C. § 157(b)(2)(A),(N) and (O). This Court has authority to  
12 enter this Sale Order and to order the conveyance of the Assets and authorize the assumption and  
13 assignment of the Acquired Contracts pursuant to 28 U.S.C. §§1334 and 157(b)(2); 11 U.S.C. §§105,  
14 363 and 365; and Bankruptcy Rules 6004, 6006, and 9014.

15 2. The Court incorporates herein by this reference all findings and conclusions made  
16 by the Court on the record at the Sale Hearing.

17 3. The Assets are more particularly described in the Purchase Agreement. The sale  
18 of the Assets is to be on an "As Is, Where Is" basis. Moreover, the sale of the Assets is being undertaken  
19 and accomplished under 11 U.S.C. §363(b) and (f) and is to be free and clear of all liens, claims,  
20 encumbrances, and interests, including, without limitation, free and clear of all claims arising for or on  
21 account of successor liability.

22 4. The Sale Motion and the Assumption Motion were duly and properly noticed to  
23 all creditors and parties-in-interest entitled to notice under the Bankruptcy Code, the Federal Rules of  
24 Bankruptcy Procedure, and the Local Bankruptcy Rules. The forms of the Notice were sufficient to give  
25 all creditors and parties-in-interest notice of the matters which are the subject of the Sale Motion and the  
26 Assumption Motion including, but not limited to, that the Assets are to be sold to the highest and best

1 bidder pursuant to 11 U.S.C. §363 free and clear of all liens, claims, interests, and encumbrances  
2 (including free and clear of all claims arising for or on account of successor liability); and the forms  
3 the Notice are hereby approved. In addition, the Debtors advertised the Sale and called for higher bids.

4 5. The Sale Motion and the sale of the Assets is supported by the Official Committee  
5 of Unsecured Creditors. Moreover, no objections were filed to the Sale.

6 6. The Debtors' pre-petition secured lender, which has a lien upon the Assets, has  
7 consented to the sale.

8 7. Jenn Feng submitted the only bid for the Assets at the Sale Hearing and its bid  
9 consisted of the Purchase Price as set forth in the Purchase Agreement. The actual purchaser of the  
10 Assets will be Jenn Feng or its Affiliate.

11 8. Jenn Feng (or its Affiliate) is purchasing the Assets in good faith, as that term  
12 used in 11 U.S.C. §363(m), and for fair value, and shall be entitled to all of the protections provided  
13 such buyers pursuant to 11 U.S.C. §363.

14 9. The sale of the Assets to Jenn Feng (or its Affiliate) and Jenn Feng's agreement  
15 to purchase the Assets were conditioned upon the Court's approval of the Sale and all the terms and  
16 conditions of the Sale as set out in the Sale Motion and the Purchase Agreement. This Court finds that  
17 there are sound business reasons for the sale of the Assets on the terms and conditions set forth in the  
18 Sale Motion and the Purchase Agreement and the sale of the Assets is in the best interests of the Debtors  
19 their estates, and their creditors.

20 10. The requirements of 11 U.S.C. §363(f) have been satisfied.

21 11. The Allocation is fair and reasonable.

22 12. The assumption of the Acquired Contracts is necessary to the sale of the Assets  
23 and is in the best interest of the Debtors, their creditors and their estates. Moreover, the Debtors'  
24 decision to assume the Acquired Contracts is based on sound business judgment.

25 13. The requirements of 11 U.S.C. §365(a) and (f) have been satisfied. No party to the  
26 Acquired Contracts has objected to the assumption and assignment of the Acquired Contracts. There are

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1 no existing defaults under the Acquired Contracts that need to be cured, and Jenn Feng (or its Affiliat  
2 is ready, willing, and able to perform under the Acquired Contracts.

3 14. To whatever extent the foregoing findings and conclusions adjudicate factua  
4 matters, they are, and shall be deemed conclusively to be, findings of fact. To whatever extent that th  
5 foregoing findings and conclusions adjudicate legal matters, they are, and shall be deemed conclusivel  
6 to be, conclusions of law.

7 NOW, THEREFORE, pursuant to the foregoing findings and conclusions, and good caus  
8 appearing,

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

10 15. All of the foregoing findings and conclusions set forth above shall be, and hereby  
11 are, incorporated by this reference in the decree of this Sale Order as this Court's adjudications, as though  
12 fully restated herein.

13 16. The Sale Motion is granted and the sale of the Assets to Jenn Feng (or its Affiliate)  
14 on the terms and conditions set forth in the Sale Motion is hereby approved. In conjunction with such  
15 approval, and subject to finalization by the parties thereto, the Purchase Agreement, in substantially the  
16 form as filed with the Court, also is approved, and the Debtors shall be and hereby are authorized and  
17 directed to perform the Purchase Agreement and to sell the Assets pursuant to the terms and conditions  
18 set forth in the Purchase Agreement. Except as otherwise expressly provided herein, the sale of the  
19 Assets shall be upon the terms and conditions set forth in the Purchase Agreement.

20 17. The Assets are hereby sold to Jenn Feng (or its Affiliate) for the sum of  
21 \$7,500,000 upon the terms and conditions contained in the Purchase Agreement.

22 18. Jenn Feng (or its Affiliate) shall take title to the Assets free and clear of all liens,  
23 claims, interests or encumbrances, including, without limitation, all claims arising for or on account of  
24 successor liability. All liens, claims, interests and encumbrances against the Assets shall attach to the  
25 proceeds of the sale.

26

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1           19.     This Order shall effect a release of any liens, claims, interests and encumbranc  
2 against the Assets without the necessity of any further action by any creditor, and as such, this Order ma  
3 be recorded or filed with any appropriate governmental authority or agency.

4           20.     Each and every creditor holding a lien against any of the Assets is hereby ordere  
5 upon the request of McCulloch or Jenn Feng (or its Affiliate) to immediately execute and/or deliver suc  
6 documents and instruments as may be necessary, appropriate, or desirable to release, or to evidence th  
7 release, of its lien(s) against the Assets.

8           21.     Each Possessory Lienholder is hereby ordered to immediately turn over th  
9 Production Equipment to McCulloch upon request.

10          22.     The Allocation is hereby authorized and approved. Accordingly, each Possessor  
11 Lienholder shall be paid from the sale proceeds the sum of \$1,300 for each piece of Production  
12 Equipment in its possession and upon which it has a valid lien.

13          23.     To the extent that McCulloch disputes that any holder of a piece of Production  
14 Equipment is owed any proceeds from the sale of the Production Equipment, McCulloch shall hold th  
15 proceeds of the sale of that particular tool(s) pending resolution of the dispute or further order of thi  
16 Court.

17          24.     In the event of a dispute whether the holder of a tool is to be paid from th  
18 proceeds of the sale of the Production Equipment, and if this Court determines that the holder of a too  
19 does not have a right to payment from the proceeds of the sale of the Production Equipment, any suc  
20 proceeds shall be retained by McCulloch and shall be distributed to the Debtors' pre-pention securer  
21 lender.

22          25.     McCulloch is hereby authorized and directed to make payment to any Possessor  
23 Lienholder whose right to payment is not in dispute within ten (10) days after receipt of the sale proceed  
24 from Jenn Feng, provided, however, that such Possessory Lienholder has delivered or is in the proces  
25 of delivering to McCulloch possession of the Production Equipment which is in the possession of o  
26 under the control of such Possessory Lienholder.



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**Exhibit "1"**

**The Stanley Works  
New Britain, CT**

**09/01/94 Agreement between McCulloch Corporation and The Stanley Works**

**C.B.C. Municipal Equipment, Inc.  
420 Trans-Canada  
Longueuil, Quebec J4G 1N8  
Canada**

**12/10/93 Agreement between McCulloch Corporation and C.B.C. Municipal Equipment, Inc.**