

ASSET PURCHASE AGREEMENT

by and among

STEDT HYDRAULIC CRANE CORP.

as Seller,

and

RICHARD STEDT and DAVID STEDT,

as Stockholders,

and

IOWA MOLD TOOLING CO., INC.,

as Buyer

Dated as of December 19, 2001

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, is entered into as of December 19, 2001, by and among STEDT HYDRAULIC CRANE CORP., a Massachusetts corporation ("Seller"), RICHARD STEDT and DAVID STEDT (collectively, the "Stockholders") and IOWA MOLD TOOLING CO., INC., a Delaware corporation ("Buyer").

RECITALS:

WHEREAS, subject to the terms and conditions hereinafter set forth, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, substantially all of Seller's assets that are used in the conduct of Seller's business, and Seller desires to transfer to Buyer, and Buyer has agreed to assume, certain liabilities associated with Seller's business;

WHEREAS, the Stockholders, as owner of all the outstanding voting capital stock of Seller, will derive significant benefits from such transaction; and

WHEREAS, Buyer and the Stockholders are parties to a Goodwill Purchase Agreement (the "Goodwill Purchase Agreement") of even date herewith, pursuant to which Buyer and the Stockholders have also agreed to the sale and purchase of the Stockholders' personal goodwill in Seller.

NOW, THEREFORE, to induce the other Buyer and the Stockholders to execute and deliver the Goodwill Purchase Agreement, and in consideration of the premises and the mutual covenants hereinafter set forth, the sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I DEFINITIONS

The following terms used in this Agreement shall have the meaning set forth below:

Accounts Receivable. All accounts and notes receivable of Seller associated with or arising out of the Business other than accounts and notes receivable (i) from the Stockholders or an Affiliate of Seller or the Stockholders (ii) that, as of the Closing Date, (A) have not been paid within ninety (90) days of the date of invoice or (B) are payable by any Person who has other accounts payable that have not been paid within ninety (90) days of the date of invoice, except that the Chicago Receivable shall be purchased regardless of its term.

Acquired Assets. All of the business, assets, property, goodwill and rights of Seller as a going concern, of every nature, kind and description, tangible and intangible, wheresoever located and whether or not carried or reflected on the books and records of Seller as of the Closing Date (including all such rights, properties and assets acquired by

Seller between the date hereof and the Closing), including, without limitation, the following rights, properties and assets:

- (a) the Personal Property;
- (b) the Inventory;
- (c) the Intellectual Property;
- (d) the Contracts;
- (e) the Accounts Receivable;
- (f) the Permits;
- (g) the Books and Records; and
- (h) all claims of Seller against, refunds from advances or prepayments to, or deposits with, third parties arising out of the operation of the Business;

provided, however, that the Acquired Assets shall not include the Excluded Assets.

Affiliate. With respect to any Person, any other Person that is directly or indirectly controlling, controlled by or under common control with such Person or entity or any of its subsidiaries, and the term "control" (including the terms "controlled by" and "under common control with") means having, directly or indirectly, the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities or by contract or otherwise; provided that in the case of a Person who is an individual, such term also includes members of such specified Person's immediate family or household and/or any trust for the benefit of such Person and/or the immediate family or household of such Person.

Agreement. This Asset Purchase Agreement, including the exhibits attached hereto and the schedules delivered pursuant hereto.

Aselbekian Lease. A certain lease agreement dated as of June 7, 2000 by and among Seller (as tenant), and George Aselbekian, Trustee of Aselbekian Realty Trust, and Judith Ann Aselbekian d/b/a Aselbekian Machine (as landlords), relating to a portion of the land and building designated Barn at 137 Woodland Road, Southboro, MA 01772.

Assumed Liabilities. The obligations and liabilities of Seller referred to in Section 2.2.

Books and Records. All of Seller's customer or subscriber lists and records, accounts and billing records (including a copy of the detailed general ledger and the summary trial balances, where available), detailed continuing property records, equipment records, plans, blueprints, specifications, designs, drawings, surveys,

engineering reports, personnel records (where applicable) and all other documents, computer data and records (including records and files on computer disks or stored electronically) relating to the Business.

Business. The business of Seller on the date hereof including, without limitation, (i) the manufacture and distribution of catch basin cleaners and the sale of parts and service for catch basin cleaners, (ii) the distribution of material handling equipment and other rolling stock manufactured by others and (iii) the sale of associated parts and service.

CERCLA. The Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601, *et seq.*), as amended, and all rules, regulations, standards, guidelines and publications issued thereunder.

Chicago Receivable. An account receivable from TRI-ANGLE Metal Fabrication for an aggregate amount is \$324,713.78.

Closing. The Closing referred to in Article 8 hereof.

Closing Date. The date referred to in Article 8 hereof.

Closing Date Balance Sheet. The Closing Date Balance Sheet referred to in Section 2.2(a) hereof.

Code. The Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

Conditions. Any condition that results in, could result in, or otherwise relates to any Environmental Liability.

Contracts. All contracts in force and effect (including deposits related thereto), leases, agreements and purchase and sale orders of Seller related to the Business, including, without limitation, all of the contracts, leases, agreements and orders identified on Schedule 3.12.

Earn-Out. The Earn-Out as defined and payable by Buyer to the Stockholders under the Goodwill Purchase Agreement.

Employee Benefit Plan. Any plan, agreement, arrangement or commitment that is an employment or consulting agreement, executive or incentive compensation plan, bonus plan, deferred compensation agreement, employee pension, profit sharing, savings or retirement plan, employee stock option or stock purchase plan, group life, health, disability, sick pay or accident insurance or other employee benefit plan, agreement, arrangement or commitment, including, without limitation, severance, holiday, vacation, Christmas or other bonus plans (including, but not limited to, employee benefit plans, as defined in Section 3(3) of ERISA), maintained for the benefit of employees of Seller or with respect to which Seller makes or has any obligation to make contributions.

Employees. The current employees of Seller identified on Schedule 3.17.

Environmental Laws. All Laws that address, are related to, or are otherwise concerned with environmental, health or safety issues (including occupational safety and health).

Environmental Liabilities. Any obligations or liabilities (including any notices, claims, complaints, suits or other assertions of obligations or liabilities) that are:

- (a) related to environmental, health or safety issues (including on-site or off-site contamination by Pollutants of surface or subsurface soil or water, and occupational safety and health); and
- (b) based upon or related to (i) any provision of past, present or future United States or foreign Environmental Law (including CERCLA and RCRA) or common law, or (ii) any judgment, order, writ, decree, permit or injunction imposed by any court, administrative agency, tribunal or otherwise.

The term "Environmental Liabilities" includes (without limitation): (A) fines, penalties, judgments, awards, settlements, losses, damages (including foreseeable and unforeseeable consequential damages), costs, fees (including attorneys' and consultants' fees), expenses and disbursements; (B) defense and other responses to any administrative or judicial action (including notices, claims, complaints, suits and other assertions of liability); and (C) financial responsibility for (1) cleanup costs and injunctive relief, including any Removal, Remedial or other Response actions, and natural resource damages, and (2) any other compliance or remedial measures.

Environmental Permit. Any Permit that is authorized pursuant to any Environmental Law.

ERISA. The Employee Retirement Income Security Act of 1974, as amended.

ERISA Affiliate. Any person, firm or entity (whether or not incorporated) that, by reason of its relationship with Seller, is required to be aggregated with Seller under Sections 414(b), (c) or (m) of the Code or that, together with Seller, is a member of a controlled group within the meaning of Section 4001(a) of ERISA.

Excluded Assets. Any (i) Retained Accounts Receivable, including, without limitation, accounts receivable, notes or other amounts owed to Seller by the Stockholders or any Affiliates of Seller or the Stockholders, (ii) \$40,000 in cash held for payment pursuant to a Settlement Agreement dated June 23, 2000 among the Company, the United States of America and the United States Agency for International Development, (iii) unrestricted cash owned by the Company and (iv) such of the assets on the Closing Date Balance Sheet listed or described on Schedule 1(a).

Financial Statements. The financial statements of Seller, dated September 30, 2000, 1999, 1998 and 1997, including the balance sheet and the related statements of

income, retained earnings and cash flows for the 12-month period then ended, each prepared by Seller and reviewed by Canby, Maloney & Co., Inc., and the financial statements of Seller, dated September 30, 2001, including the balance sheet and the related statements of income, retained earnings and cash flows for the 12-month period then ended.

GAAP. Generally accepted accounting principles as used in the United States, applied on a consistent basis.

Governmental Entity. Any public department, commission, board, bureau, agency, instrumentality, body or authority, including courts of competent jurisdiction, domestic or foreign.

Intellectual Property. All (i) letters patent, patents, patent applications, patent licenses, and all claims with regard thereto; (ii) owned software, software licenses and know-how licenses, trade names, common law and other trademarks, service marks, licenses of trademarks, trade names and/or service marks, trademark registrations and applications, service mark registrations and applications and copyright registrations and applications, including, without limitation, all rights in and to the use of the name "Stedt Hydraulic Crane Corp." and "Stetco"; (iii) interests in inventions, processes and trade secrets, whether reduced to practice or not, on which no application for letters patent has been filed but as to which Seller has a right or option to obtain an assignment or license by reason of an existing contract with or employment of the inventor; (iv) methods or processes, designs, technical data, product development data, research data, know-how, market reports, consumer investigations, product surveys, distribution methods, customer lists, trade secrets, notebooks and other intellectual property rights, whether or not secret and whether or not reduced to writing; and (v) all other factual and proprietary information, whether or not secret and whether or not reduced to writing, including, without limitation, all invention disclosures, data, analytic methods, acceptance or rejection criteria, whether or not capable of precise separate description, but that in any event alone or when accumulated give to the one acquiring it an ability to study, test, produce or market something that one otherwise would not have known to study, test, produce or market in the same way.

Inventory. All inventories of materials, supplies and store room contents, and other inventoried items that are owned by Seller and held for sale, use or consumption by the Business, whether located at the Leased Real Property or elsewhere.

Laws. All current and future United States and foreign federal, state and local laws, statutes, rules, regulations, ordinances, codes, requirements, rules of common law standards, guidelines, and the like, including any judicial and administrative interpretations thereof, and all judicial and administrative orders, consents, decrees, writs, injunctions and judgments.

Leased Real Property. The leased real estate identified in Section 3.9 herein.

Non-Government Approvals. The non-governmental approvals referred to in Section 2.8 herein.

Pension Plan. A pension plan subject to the minimum funding standards of Section 302 of ERISA or Section 412 of the Code, or a multiemployer plan subject to Title IV of ERISA.

Permits. All governmental permits, licenses, reviews, certifications, approvals, registrations, consents and any other authorizations that are advisable or required in order for, as applicable, Seller to own, maintain or operate the Business or to occupy the Leased Real Property.

Person. An individual, a corporation, a partnership, a limited liability company, an association, a trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

Personal Property. All of the equipment, furniture, replacement and spare parts, and other similar personal property, whether located on the Leased Real Property or elsewhere, that is (i) listed on Schedule 3.8(a) or Schedule 3.8(b), as such exists on the date of this Agreement or (ii) is otherwise owned by Seller, and all additions thereto made by Seller in the ordinary course of business prior to the Closing Date.

Pollutant. Any "hazardous substance" and any "pollutant or contaminant" as those terms are defined in CERCLA; any "hazardous waste" as that term is defined in RCRA; and any "hazardous material" as that term is defined in the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), as amended (including as those terms are further defined, construed, or otherwise used in rules, regulations, standards, guidelines and publications issued pursuant to, or otherwise in implementation of, said Environmental Laws); and including, without limitation any petroleum product or byproduct, solvent, flammable or explosive material, radioactive material, asbestos, polychlorinated biphenyls (PCBs), dioxins, dibenzofurans, heavy metals, and radon gas; and including any other substance or material that is reasonably determined to present a threat, hazard or risk to human health or the environment.

RCRA: The Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), as amended, and all rules, regulations, standards, guidelines and publications issued thereunder.

Removal, Remedial and Response actions. The types of activities covered by CERCLA, RCRA, and other comparable Environmental Laws, and whether the activities are those that might be taken by a government entity or those that a government entity of any other Person might seek to require of waste generators, handlers, distributors, processors, users, storers, treaters, owners, operators, transporters, recyclers, reusers, disposers, or other persons under "removal", "remedial", or other "response" actions.

Retained Accounts Receivable. The accounts and notes receivable of Seller described in clauses (i), (ii) and (iii) of the definition of "Accounts Receivable."

Retained Liabilities. The obligations and liabilities of Seller referred to in Section 2.3.

Subordinated Promissory Notes. The Subordinated Promissory Notes to be delivered by Buyer under the Goodwill Purchase Agreement, substantially in the form set forth as an exhibit thereto.

Tax Affiliates. The affiliated, consolidated, combined, unitary or other groups (within the meaning of applicable federal, state or local income tax law) of which a particular corporation is or was a member.

Taxes. All taxes, charges, fees, levies or other assessments, domestic or foreign, including, without limitation, all net income, gross income, gross receipts, sales, use, *ad valorem*, transfer, franchise, profits, license, withholding, payroll, employment (including withholding, payroll and employment taxes required to be withheld with respect to income paid to employees), excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), capital stock, social security (or similar), unemployment, disability, registration, value added, alternative or add-on minimum, real property, personal property or other taxes, customs, duties, fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts imposed by any taxing authority (domestic or foreign).

Tax Returns. All returns, declarations, reports, claims for refund, statements and other documents required or permitted to be filed with any Governmental Entity in respect of any Tax and "Tax Return" shall mean one of the foregoing Tax Returns.

Undisclosed Liability. Any liability or obligation of Seller, whether liquidated or contingent, known or unknown, as of the Closing Date that is not fully reflected or reserved against in the Financial Statements or fully disclosed in a Schedule to this Agreement. For purposes of this definition, the term "liabilities" shall include, without limitation, any direct or indirect indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost, expense, obligation or responsibility, known or unknown, fixed or unfixed, choate or inchoate, liquidated or unliquidated, secured or unsecured.

UST. An underground storage tank, including as that term is defined, construed or otherwise used in any applicable Environmental Laws.

Welfare Plan. Any Employee Benefit Plan that is an "employee welfare benefit plan" as such term is defined in Section 3(l) of ERISA.

ARTICLE II

PURCHASE AND PAYMENT OF PURCHASE PRICE

2.1. Purchase and Sale. On the terms and subject to the conditions set forth herein, Seller agrees to sell, assign, transfer, convey and deliver to Buyer, and Buyer agrees to purchase and acquire, at the Closing, from Seller, all right, title and interest of Seller in and to all of the Acquired Assets.

2.2. Assumption of Liabilities. Subject to the terms and conditions set forth in this Agreement, Buyer agrees to assume and pay, discharge or perform, as appropriate, at the Closing, and thereafter, the following liabilities and obligations of Seller (collectively, the "Assumed Liabilities"):

(a) the balances as of the Closing of the liability accounts of Seller listed or described on Schedule 2.2(a) (collectively, the "Balance Sheet Payables"), but only if and to the extent the same are accrued or reserved for as such on the balance sheet of Seller as of the Closing Date (the "Closing Date Balance Sheet") and have not been paid or discharged prior to the Closing hereunder;

(b) all amounts outstanding and payable by Seller as of the Closing Date under that certain Promissory Note dated July 18, 2000 to Judith Ann Aselbekian in the original principal amount of \$341,778.45 (the "Aselbekian Note"); and

(c) all liabilities and obligations of Seller in respect of the Aselbekian Lease that relate to benefits thereunder that are realized or delivered or that otherwise arise on or after the Closing Date and obligations of Seller that arise thereunder before the Closing Date but only to the extent such obligations would be Assumed Liabilities under Section 2.2(a) above and, furthermore, Buyer shall not assume or agree to pay, discharge or perform any liabilities or obligations arising out of any breach by Seller of or its failure to perform under the Aselbekian Lease in accordance with its terms prior to the Closing (provided, however, that Buyer shall assume, discharge and perform any obligations of Seller that, under the terms of the Aselbekian Lease, are required to be discharged or performed after the Closing Date).

2.3. Liabilities Not Assumed. The obligations of Buyer under Section 2.2 are subject to whatever rights Buyer may have under this Agreement or otherwise for a breach by Seller or the Stockholders of any representation, warranty, covenant or agreement contained in this Agreement or to the right to be indemnified hereunder for certain events. Buyer shall have no liability whatsoever for any liabilities of Seller or the Stockholders that are not specifically assumed hereunder (the "Retained Liabilities"), including, without limitation:

(a) all liabilities or obligations of Seller relating to any of the Excluded Assets including, without limitation, all liabilities related to the \$40,000 in cash held for payment pursuant to a Settlement Agreement dated June 23, 2000 among the Company, the United States of America and the United States Agency for International Development and the circumstances giving rise thereto;

(b) all liabilities or obligations of Seller, the Stockholders or any consolidated group of which Seller or the Stockholders is a member relating to Taxes that are accrued or attributable to the Business for periods prior to the Closing Date;

(c) all liabilities or obligations of Seller, the Stockholders or any predecessor or Affiliate of Seller or the Stockholders in respect of claims, actions, suits, proceedings and investigations relating to or arising out of, directly or indirectly, the operation of the Business or the ownership or use of any of the Acquired Assets on or prior to the Closing Date, including, without limitation all obligations or liabilities to third parties for personal injury, property damage, consequential damages, punitive damages or incidental damages arising from any injury, event or damage occurring before, on or after the Closing Date caused by or as a result of any product shipped by Seller or any predecessor of Seller prior to the Closing;

(d) all liabilities or obligations paid or payable to third parties by Seller or the Stockholders arising solely in connection with the negotiation, preparation and execution of this Agreement and the consummation of the transactions contemplated hereby;

(e) except as expressly provided in Section 10.2, all liabilities or obligations of Seller with respect to employment or consulting agreements, vacation, pension, profit-sharing, welfare or benefit plans, medical, accident and health, life insurance, long-term disability and worker's compensation, commissions or compensation, termination, severance or other payments to employees, officers, directors or shareholders of Seller on or prior to the Closing Date;

(f) all liabilities or obligations of Seller with respect to continuation coverage under Section 4980B of the Code with respect to employees of the Business whose employment is not continued by, or is not hired by, Buyer;

(g) all liabilities or obligations of Seller or the Stockholders resulting from (i) a violation of the provisions of this Agreement by Seller or the Stockholders or (ii) a material violation of law or the willful misconduct or gross negligence of Seller or the Stockholders, unless in either case instructed or consented to by Buyer or otherwise required pursuant to this Agreement.

1.4. Purchase Price. The aggregate purchase price (the "Purchase Price") to be paid by Buyer for the Acquired Assets and the Assumed Liabilities, subject to adjustment as provided for in Sections 2.5, 2.6 and 2.7 herein, shall be \$1,791,500, less the amount due under the Aselbekian Note and the remaining capitalized amount due under the Aselbekian Lease as of the Closing. For purposes of Section 1060(a) of the Code, the Purchase Price shall be allocated among the Acquired Assets and the Assumed Liabilities as set forth on Exhibit 2.4.

2.5. Purchase Price Adjustment.

(a) The Purchase Price shall be increased by the positive amount, or decreased by the negative amount, by which the Closing Working Capital (as defined herein) differs from \$1,104,000 (such difference being, the "Closing

Working Capital Adjustment"). For purposes of determining the amount of the cash payment from Buyer to Seller at Closing (as further defined in Section 2.6(b) below, the "Closing Cash Payment"), the Closing Working Capital shall be estimated in accordance with Section 2.6 below. The Closing Working Capital shall be finally determined in accordance with Section 2.7 below.

(b) For purposes of this Agreement, the "Closing Working Capital" shall mean Seller's current assets minus Seller's current liabilities, as of the Closing Date determined in accordance with GAAP; provided, however, that in the determination of the Closing Working Capital no Excluded Assets or Retained Liabilities shall be included.

2.6. Determination of Closing Cash Payment.

(a) PriceWaterhouseCoopers, Buyer's audit firm, will conduct an audit of Seller as of October 24, 2001, and the balance sheet therefrom shall be used by Buyer to estimate the Closing Working Capital (the "Estimated Working Capital"). Buyer shall deliver such estimate to Seller not less than two (2) days prior to the Closing Date.

(b) The Closing Cash Payment shall be \$1,791,500 less the amount due under the Aselbekian Note and capitalized amount due under the Aselbekian Lease as of the Closing, plus or minus, as applicable, the difference between the Estimated Working Capital and \$1,104,000 (the "Estimated Working Capital Adjustment").

2.7. Post-Closing Purchase Price Adjustment.

(a) PriceWaterhouseCoopers, at the direction of Buyer, shall determine within sixty (60) days of the Closing Date and provide notice thereof to Seller of (i) the actual Closing Working Capital Adjustment; (ii) the amount, if any, by which the Estimated Working Capital Adjustment is less than the Closing Working Capital Adjustment (an "Adjustment in Favor of Seller"); and (iii) the amount, if any, by which the Estimated Working Capital Adjustment is greater than the Closing Working Capital Adjustment (an "Adjustment in Favor of Buyer").

(b) In the event that Seller provides notice to Buyer no later than fifteen days (15) days after its receipt of notice pursuant to Section 2.7(a) that it disputes the determination of the actual Closing Working Capital, the Adjustment in Favor of Seller or the Adjustment in Favor of Buyer determined in accordance with the preceding sentence, the parties shall then meet and negotiate in good faith to resolve such dispute.

(c) In the event that Buyer and Seller are not able to resolve such dispute within forty five (45) days after the date of Buyer's receipt of the notice from Seller referred to in Section 2.7(b), then either Seller or Buyer may refer the issues in dispute to an internationally recognized firm of public accountants (other

than PriceWaterhouseCoopers) as Seller and Buyer shall agree upon and the resolution of such issues by such firm shall be final and binding on all parties. The parties shall submit their positions on the dispute to the public accounting firm within thirty (30) days after referral, and such public accounting firm shall decide the dispute within thirty (30) days after submission to it. The fees and expenses of such public accounting firm shall be paid one-half by Buyer and one-half by Seller, unless the Final Payment (as defined herein) is greater than \$100,000, in which case the party making the Final Payment shall pay all such fees and expenses.

(d) On the applicable date referred to in Section 2.7(e), either (i) Buyer shall pay to Seller the amount of any Adjustment in Favor of Seller or (ii) Seller shall pay to Buyer the amount of any Adjustment in Favor of Buyer. Any such payment is hereinafter referred to as the "Final Payment."

(e) Any Final Payment shall be made by wire transfer of immediately available funds within five business days after its final determination in accordance with this Section 2.7, to an account specified by the party to receive the Final Payment. Any Final Payment shall include simple interest at the rate of 8% per annum from the Closing Date to the date of payment.

2.8. Third Party Consents. To the extent that Seller's rights under any agreement, contract, commitment, lease, license, permit, authorization or other Acquired Asset to be assigned to Buyer hereunder may not be assigned without the consent of another Person that is not obtained by the Closing Date, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful. Seller represents and warrants that attached hereto as Schedule 2.8 is a complete and accurate list of all such consents that are necessary for arrangements other than purchase orders or supply agreements with customers (collectively, "Non-Government Approvals"). Seller covenants and agrees to use its best efforts to obtain all such Non-Governmental Approvals as promptly as possible prior to or after the Closing. If any Non-Governmental Approvals shall not be obtained or if any attempted assignment would be ineffective or would impair Buyer's rights in and to the Acquired Asset in question so that Buyer would not in effect acquire the benefit of all such rights, Seller, to the maximum extent permitted by law, shall act as Buyer's agent in order to obtain for Buyer the benefits thereunder and shall cooperate, to the maximum extent permitted by law, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE SELLER AND THE
STOCKHOLDERS

Seller and the Stockholders, jointly and severally, represent and warrant to Buyer as of the date hereof as follows:

3.1. Organization and Good Standing. Seller:

(a) is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts;

(b) is qualified to do business and is in good standing in all states in which its ownership of property or conduct of business requires such qualification and in which the consequences of a failure to qualify would have a material adverse effect on its business or properties; and

(c) has the power and authority to carry on the business in which it is engaged, to own, operate and lease its assets and properties and to performs its obligations hereunder.

Schedule 3.1 contains a true and complete list of the states and foreign countries in which Seller is qualified to do business as a foreign corporation. Other than as shown on Schedule 3.1, Seller owns no shares of any corporation and has no ownership or other investment interest, either of record, beneficially, or equitably, in any association, partnership, joint venture or other legal entity.

3.2. Due Authorization. Seller has full corporate power and authority to execute and deliver this Agreement and all other agreements, certificates and instruments contemplated hereby and to perform its obligations hereunder and thereunder. The execution, delivery and performance by Seller of this Agreement and all other agreements, certificates and instruments contemplated hereby has been duly authorized by all necessary corporate action on the part of Seller. This Agreement has been duly and validly executed and delivered by Seller and the Stockholders and constitutes the valid and binding obligations of Seller and the Stockholders, respectively enforceable against each of them in accordance with its terms, except insofar as enforceability is limited by bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally.

3.3. Government Approvals. No consent, approval or authorization of, or waiver by, or notification to or filing with, any governmental, administrative or self-regulatory body or authority, domestic or foreign (collectively, "Governmental Approvals"), having jurisdiction in each case over Seller is required in connection with (i) the execution, delivery or performance by Buyer, Seller or the Stockholders of this Agreement or any other agreement, certificate or instrument contemplated hereby and (ii) the consummation by Buyer, Seller, and the Stockholders of the transactions contemplated by this Agreement and all other agreement, certificates and instruments contemplated hereby.

3.4. No Violation. The execution and delivery of this Agreement and all other agreements, certificates and instruments contemplated hereby does not, and the consummation of the transactions contemplated hereby and thereby and the compliance with the terms hereof will not, conflict with or result in any default (with or without notice or lapse of time, or both, or as a result of a cross default provision) under, or give

rise to a right of termination or cancellation, or accelerate any obligation or forfeit any benefit under, or result in the creation of any lien, claim, encumbrance, security interest, charge or restriction of any kind upon any of the Acquired Assets under any provision of (i) the Business Corporation Act of the Commonwealth of Massachusetts, (ii) the Articles of Incorporation (or other charter documents) or the Bylaws of Seller, (iii) any note, bond, mortgage, indenture, deed of trust, license, lease, contract, commitment or agreement to which Seller or the Stockholders are a party or by which any of the respective properties or assets of Seller or the Stockholders are bound (and any waiver or approval necessary with regard to such matters is a Non-Governmental Approval), or (iv) any Law applicable to Seller or the property or assets of Seller.

3.5. Title to Acquired Assets. Seller has good, valid and marketable title to the Acquired Assets, free and clear of all liens, claims, encumbrances, security interests, options, charges and restrictions of any kind other than as shown on Schedule 3.5. Upon delivery to Buyer at the Closing, good, valid and marketable title to the Acquired Assets will pass to Buyer, free and clear of all liens, claims, encumbrances, security interests, options, charges and restrictions of any kind other than as shown on Schedule 3.5.

3.6. Financial Statements.

(a) The Financial Statements (i) are in accordance with the books and records of Seller; (ii) are complete and correct and present fairly the financial condition of Seller as of the respective dates indicated and the results of operations for the respective periods indicated; (iii) have been prepared in accordance with GAAP; (iv) reflect adequate reserves for all known liabilities and reasonably anticipated losses; and (v) are attached hereto as Schedule 3.6.

(b) The accounts receivable shown on the Financial Statements or acquired by Seller after the date thereof and prior to the date hereof have been, and all accounts receivable acquired after the date hereof and prior to the Closing Date will be, acquired or created only in the ordinary course of business and represent or will represent bona fide transactions completed in accordance with the terms and provisions contained in any documents related thereto. There are no setoffs, counterclaims or disputes asserted or conditions precedent to payment therefor with respect to any such account receivable, no discount or allowance from any such account receivable has been made or agreed to, except discounts for prompt payment granted in the ordinary course of business and reflected in documents evidencing such accounts. Not later than two (2) days prior to the Closing Date, Seller shall furnish to Buyer a complete aged listing (showing account debtor and outstanding account balance) of all accounts receivable of Seller as of that date.

(c) There are no Undisclosed Liabilities.

3.7. Tax Matters.

(a) Seller, the Stockholders and each of their respective Tax Affiliates at or before the Closing will pay and discharge in all material respects, all Taxes related to the Business to be paid and then currently due. As of September 30, 2001, the books and records of Seller included and as of the Closing will include, accruals or reserves (other than in respect of deferred income taxes) that, in the aggregate, are adequate for the payment of all unpaid Taxes for all periods or portions thereof ending as of September 30, 2001 and as of the Closing.

(b) Seller, the Stockholders and each of its Tax Affiliates has properly completed and duly filed, and through the Closing will so file (subject to extensions allowed to or obtained), all Tax Returns then required to be filed by it under applicable Law in respect of any Taxes related to the Business. All such Tax Returns filed or to be filed by Seller, the Stockholders or their respective Tax Affiliates are accurate in all material respects.

(c) Neither Seller, the Stockholders nor their respective Tax Affiliates has (i) received notice (or been advised by a representative of any taxing authority of any unresolved issue likely to result in a notice) of any Tax deficiency outstanding, proposed or assessed against it or any of them; (ii) executed any waiver of any statute of limitations on the assessment or collection of any Tax related to the Business; (iii) filed a consent under § 341(f) of the Code or agreed to have § 341(f)(2) of the Code apply; (iv) disclosed on its or any of their Federal Income Tax returns, reports or filings, for any tax period that remains open, a position taken therein that could be subject to a substantial understatement of Federal Income Tax within the meaning of § 6662 of the Code, or any predecessor provision thereto; (v) made any payment, and is not obligated to make any payments that will not be deductible under § 280G of the Code; (vi) been a party to any income Tax allocation or income Tax sharing agreement, for any Tax period that remains open, other than the obligation or practice to reimburse Seller for a share of Taxes incurred by the Tax Affiliate that includes Seller; (vii) participated in an international boycott within the meaning of § 999 of the Code; (viii) agreed to make, or is it required to make, any adjustment under § 481(a) of the Code by reason of a change in accounting method; (ix) acquired any asset that is "tax exempt use property" within the meaning of § 168(h) of the Code; or (x) incurred any material lien for Taxes upon, pending against or, to the knowledge of Seller or a Stockholders, threatened against any tangible asset of Seller, for which a reserve therefor has not been established on the books of Seller.

(d) To the knowledge of Seller and the Stockholders, no consolidated or combined Tax Affiliate of which Seller has at any time been a party has executed a waiver of any statute of limitations on the assessment or collection of any Tax with respect to Seller for any Tax period that remains open.

3.8. Personal Property.

(a) Schedule 3.8(a) contains a true and correct list of all machinery, vehicles and equipment owned by Seller. Except as set forth on Schedule 3.8(a), Seller has good and marketable title to all of its machinery, vehicles and equipment free and clear of all liens, claims, charges, security interests and other encumbrances of any kind or nature.

(b) Schedule 3.8(b) contains a true and correct description of all leases for machinery, vehicles, equipment or other items of personal property used or employed by Seller. Each of the leases set forth on Schedule 3.8(b) is now, and will be on the Closing Date, in full force and effect and there are not now, and will not be on the Closing Date, any existing defaults or events of default, real or claimed, or events that with notice or lapse of time or both would constitute defaults, the consequence of which, severally or in the aggregate, would have a material adverse effect on the business or financial condition of Seller.

(c) All items of inventory, machinery and equipment, furniture and leasehold improvements owned or leased by Seller included in the Financial Statements or acquired by Seller after the date thereof and prior to the Closing Date, are in good operating condition and in a state of reasonable maintenance and repair and conform to all applicable Laws relating to their construction, use and operation, and all such inventory, machinery and equipment, furniture and leasehold improvements are considered adequate and usable for the continued operation of the Business as the same is presently conducted. Except for leased items that are listed on a schedule hereto, no Person other than Seller owns any vehicles, equipment or other tangible assets or properties situated on the premises owned, leased or otherwise maintained by Seller.

3.9. Real Property. There is no real property owned by Seller. Schedule 3.9 contains a true and correct legal description of all real property leased by Seller (the "Leased Real Property") and all other real properties managed, controlled or operated by Seller, with true and correct copies of all leases, contracts or similar documents concerning such Leased Real Property attached to Schedule 3.9. Each of the documents disclosed in said Schedule is now, and on the Closing Date will be, in full force and effect and there are not now, and will not be on the Closing Date, any existing defaults or events of default, real or claimed, or events that with notice or lapse of time or both would constitute defaults, the consequences of which, severally or in the aggregate, would have a material adverse effect on the businesses or financial condition of Seller. Each of the documents is free and clear of any mortgages or liens, and is not subject to any deeds of trust, assignments, subleases, or rights of any third parties other than the lessor thereof.

3.10. Insurance. Schedule 3.10 contains a true and correct list and brief description of the policies of fire, liability and other forms of insurance owned or held by Seller or in which Seller is a named insured. There are no unpaid outstanding premiums or claims, and there are no provisions for retroactive or retrospective premium

adjustments, except as shown on Schedule 3.10. The properties and business of Seller of an insurable nature are insured to the extent and against such risks customarily insured against by corporations of similar size and in similar businesses. All policies listed on Schedule 3.10 will be outstanding and duly in force at the Closing Date. Seller is not now and on the Closing Date will not be in default regarding the provisions of any such policy and has and shall not have failed to give any notice or present any material claim thereunder in due and timely fashion. Seller has not received any notice from any of its insurers that any insurance premiums will be increased in the future or that any insurance coverage listed on Schedule 3.10 will not be available in the future on substantially the same terms as are now in effect. There are no "outstanding" claims under any such policy that have gone unpaid for more than forty-five (45) days, or as to which the insurer has disclaimed liability.

3.11. Inventories. The Inventories of Seller are valued at cost (on a last-in first-out basis) or market, whichever is lower. Such Inventories are in the physical possession and control of Seller at its facilities or in transit from suppliers of Seller. The Inventories are accurately reflected on the Financial Statements.

3.12. Agreements, Plans, Arrangements, etc. Schedule 3.12 contains a list of the Contracts that are not described in any other Schedule or Exhibit including, without limitation:

- (a) written or oral contracts for the employment of any officer, employee, director or consultant;
- (b) written or oral collective bargaining agreements with any labor union;
- (c) written or oral contracts for the purchase, sale, production or supply, whether on a continuing basis or otherwise, of goods or services of any type that have a pay-out of \$5,000 or more per year;
- (d) vendor contracts that have a pay-out of \$5,000 or more per year;
- (e) written or oral leases under which Seller is the lessor;
- (f) any written or oral contract or agreement under the terms of which Seller is obligated in any way to provide funds or is required to guarantee or assume any debt or obligation of any other Person, except endorsements made in the ordinary course of business in connection with the deposit of items for collection;
- (g) representative or sales agency agreement, contract or commitment;
- (h) note, debenture, bond, conditional sale or equipment trust agreement, letter of credit agreement, loan agreement or other contract or commitment for the borrowing or lending of money (including, without

limitation, loans to or from officers, directors, shareholders, or any members of their immediate families), agreement or arrangement for a line of credit; and

(i) agreement, contract or commitment for any charitable or political contribution.

Except as set forth on Schedule 3.12, each of the Contracts is valid and enforceable in accordance with its terms and may be freely and fully transferred to Buyer, the parties thereto are in compliance with the provisions thereof, no party is in default in the performance, observance or fulfillment of any material obligation, covenant or condition contained therein and no event has occurred that, with or without the giving of notice or lapse of time, or both, would constitute a default thereunder; furthermore, except as may be disclosed on the Schedules, no such Contract, in the reasonable opinion of either the Stockholders or Seller, contains any contractual requirement with which there is a reasonable likelihood Seller or any other party thereto will be unable to comply.

3.13. Corporate Records. Schedule 3.13 contains a true and correct copy of (i) the Articles of Incorporation of Seller and all amendments thereto certified by the appropriate state official; and (ii) the Bylaws of Seller and all amendments thereto. The minute books of Seller are current and contain correct and complete copies of all charter documents of Seller, including all amendments thereto and restatements thereof, and of all minutes of meetings, resolutions and other actions and proceedings of its stockholders and boards of directors and all committees thereof, duly signed by the Secretary or an Assistant Secretary, all directors or all stockholders, and the stock record books of Seller are also current, correct and complete and reflect the issuance of all of the shares of capital stock of Seller to the Stockholders.

3.14. Litigation. There are no actions, suits, investigations or proceedings pending or, to Seller's or the Stockholders' knowledge, threatened, at law or in equity, by or before any court or governmental department, agency or instrumentality, (i) against or affecting Seller, its assets, or any of its officers or directors as such, (ii) that seek to enjoin or obtain damages in respect of the transactions contemplated hereby, or (iii) with respect to which there is a reasonable likelihood of a determination that would prevent Seller from consummating the transactions contemplated hereby (collectively, the "Proceedings"). To the best of Seller's and the Stockholders' knowledge, there is no basis for any Proceeding that, if adversely determined against Seller or the Stockholders, or any of Seller's officers or directors as such, or any other person, could reasonably be expected to result in a material adverse effect on the business or financial condition of Seller. There are presently no outstanding judgments, decrees or orders of any court or any governmental or administrative agency against or affecting Seller.

3.15. Compliance with Laws. Seller is in compliance with, and is not in default under, any Laws applicable to their businesses and Seller is not subject to any judgment, order, writ, injunction, or decree that materially and adversely affects, or might in the future reasonably be expected to materially and adversely affect, their businesses, operations, prospects, properties, assets or condition (financial or otherwise). Seller is not now and on the Closing Date will not be in default concerning any judgment, order

writ, injunction or decree of any federal, state, or municipal court or other Governmental Entity, and there is no investigation pending or threatened against or affecting Seller by any Governmental Entity.

3.16. Employee Benefit Plans. Except as set forth on Schedule 3.16(a), Seller has no, and has never had, any ERISA Affiliates. With respect to the Employee Benefit Plans:

(a) Schedule 3.16(a) includes a complete, current and correct list of all Employee Benefit Plans. There are no liabilities, including fines and penalties, with respect to any Employee Benefit Plans previously maintained or contributed to by Seller or to which Seller previously had an obligation to contribute. Seller has no formal plan or commitment, whether legally binding or not, to create any additional Employee Benefit Plan or to modify or change any existing Employee Benefit Plan that would affect any current employee, director or consultant, or former employee, director or consultant, of Seller.

(b) Seller has delivered the following documents to Buyer with respect to each Employee Benefit Plan: correct and complete copies of the plan documents (including all amendments thereto); the most recent summary plan description or other plan description, all modifications and updates thereto, and, all material communications to the employees delivered within the last three (3) years; the most recent IRS determination letter or opinion letter if the Employee Benefit Plan is intended to be qualified under the Code and all material communications to or from the IRS or any other governmental or regulatory authority relating to the Employee Benefit Plan; the two most recent Form 5500 Annual Reports, actuarial reports, if any, and financial statements, if any; and all related trust agreements, insurance contracts and other funding agreements.

(c) Each Employee Benefit Plan has been maintained, operated and administered in accordance with its terms and all applicable Laws, except where a failure to operate in accordance with its terms or applicable Laws would not be reasonably expected to have a material adverse effect on Seller. All required reports and descriptions (including Form 5500 Annual Reports, Summary Annual Reports, PBGC-1's, and summary plan descriptions) have been filed or distributed timely with respect to each Employee Benefit Plan. The requirements of Parts 6 and 7 of Subtitle B of Title I of ERISA and of sections 4980B and 4980D of the Code have been met with respect to each Employee Benefit Plan that is a Welfare Plan.

(d) Each Employee Benefit Plan that is a Welfare Plan and that is funded through an insurance contract is listed in Schedule 3.16(d). All premiums or other payments for all periods ending on or before the Closing Date will have been paid or accrued on the Closing Date Balance Sheet with respect to each Employee Benefit Plan that is a Welfare Plan.

or audits that have been concluded that resulted in any liability of Seller that has not been fully discharged. There is no judgment, decree, injunction, rule or order of any court, government body, commission, agency or arbitrator outstanding against or in favor of any Employee Benefit Plan or any fiduciary thereof (other than rules of general applicability).

(k) No lien has been filed by any Person and no lien exists by operation of law or otherwise on any asset relating to, or as a result of, the operation or maintenance of any Employee Benefit Plan.

(l) No Welfare Plan is a "multiple employer welfare arrangement" (as defined in Section 3(40)(A) of ERISA) or a single employer plan that has two or more contributing sponsors, at least two of whom are not under common control, within the meaning of Section 4063(a) of ERISA.

(m) Seller does not have any current or future obligation or liability with respect to any Employee Benefit Plan pursuant to the provisions of a collective bargaining agreement.

(n) Seller has not participated in any voluntary compliance or self-correction program established by the IRS, or entered into a closing agreement with the IRS with respect to the form or operation of any Employee Benefit Plan.

(o) Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will result in, or is a precondition to, (i) any employee, director or consultant of Seller becoming entitled to severance pay or any similar payment, (ii) the acceleration of the time of payment or vesting, or an increase in the amount of, any compensation due to any employee, director or consultant of Seller, or (iii) the renewal or extension of the term of any agreement regarding the compensation of any employee, director or consultant of Seller.

(p) Except as set forth in this Agreement, each Employee Benefit Plan to be assigned by Seller may be amended or terminated without liability to Seller (other than with respect to benefits accrued or claims incurred prior to the effective date of the amendment or termination). No amounts payable under the Employee Benefit Plans will fail to be deductible for federal income tax purposes under Section 162(m) or 280G of the Code.

(q) Each Person who performs services for Seller has been, and is, properly classified by Seller as an employee or independent contractor.

(r) No Employee Benefit Plan provides benefits, including, without limitation, death or medical benefits (whether or not insured), with respect to any current employee, director or consultant, or former employee, director or consultant, of Seller after retirement or other termination of service (other than (i) coverage mandated by applicable Law, (ii) death benefits or retirement benefits under any "employee pension benefit plan" (as defined in Section 3(2) of ERISA), (iii) deferred compensation benefits accrued as liabilities on the books of

ORDINARY COURSE OF BUSINESS CONSISTENT WITH PAST PRACTICE, OR FAILURE TO PAY OR
discharge when due any liabilities of which the failure to pay or discharge has

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(e) Except as disclosed in Schedule 3.18, there are no liens, encumbrances, defaults, equitable interests, covenants, deed restrictions, notice or registration requirements, or other limitations applicable to the Leased Real Property, based upon any Environmental Laws.

(f) There are no USTs located in, at, on, or under the Leased Real Property.

(g) There are no locations at which Pollutants have been discharged, emitted, spilled, released, disposed, abandoned, placed, or otherwise come to be, in, at, on, under, a part of, or otherwise related to the Leased Real Property.

(h) Except as disclosed in Schedule 3.18, there are no Conditions in, at, on, under, a part of, or otherwise related to the Leased Real Property involving the presence of any Pollutant.

(i) Except as disclosed in Schedule 3.18, to the knowledge of the Company and the Stockholders, there are no PCBs, lead paint, asbestos (of any type or form), or materials, articles or products containing PCBs, lead paint or asbestos, located in, at, on, under, a part of, or otherwise related to the Leased Real Property (including, without limitation, any building, structure, or other improvement that is a part of the Leased Real Property); and all of the PCBs, lead paint, asbestos, and materials, articles and products containing PCBs, lead paint or asbestos identified in Schedule 3.18 are in full compliance with all Environmental Laws.

(j) Except as disclosed in Schedule 3.18, no on-site sources of water for human consumption or other human contact in or at the Leased Real Property, and no subsurface waters under the Leased Real Property, contain a Pollutant at a level exceeding a level that is established or recommended in Environmental Laws.

3.19. Absence of Changes of Events. Since December 31, 2000, there has not been any material adverse change in the businesses, assets, condition (financial or otherwise) or results of operations of Seller. Since December 31, 2000, the business of Seller has been conducted in the ordinary course and in substantially the same manner as presently conducted. Since December 31, 2000, Seller has not:

(a) declared, set aside or paid any dividend or made or agreed to make any other distribution or payment in respect of its capital shares or redeemed, purchased or otherwise acquired or agreed to redeem, purchase or acquire any of its capital shares;

(b) incurred any liabilities, other than liabilities incurred in the ordinary course of business consistent with past practice, or discharged or satisfied any lien or encumbrance, or paid any liabilities, other than in the

Seller, (iv) the right to exercise stock options or stock purchase rights after termination of service, or (v) benefits, the full cost of which is borne by the current or former employee, director or consultant (or his beneficiary)).

1.17. Employee and Labor Relations. Set forth on Schedule 3.17 attached hereto is a list of current employees of Seller and the current annual salaries and benefits of all exempt employees of Seller and the current hourly wage rates or annual salaries and benefits of all non-exempt employees of Seller. Except as set forth on Schedule 3.17, (i) there are no pending disputes, grievances or other disagreements between Seller and any employee and the relations between Seller and its employees are good, (ii) no union organizational campaign is in progress with respect to the employees of Seller or any of their subsidiaries and no question concerning representation exists respecting such employees, (iii) Seller is in compliance in all material respects with all applicable Laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and is not engaged in any unfair labor practice, (iv) there is no unfair labor practice charge or complaint against Seller pending, or, to the best knowledge of Seller or the Stockholders, threatened, and (v) (A) no charges with respect to or relating to Seller or any of its subsidiaries are pending before the Equal Employment Opportunity Commission or any state, local or foreign agency responsible for the prevention of unlawful employment practices and (B) neither Seller nor the Stockholders have received written notice of the intent of any Federal, state, local or foreign agency responsible for the enforcement of labor or employment laws to conduct an investigation with respect to or relating to Seller and no such investigation is in progress.

3.18. Environmental Matters.

(a) Except as disclosed in Schedule 3.9 or Schedule 3.18, there are no real properties that Seller formerly owned, leased, managed, controlled or operated.

(b) With respect to the Leased Real Property and the real properties' deed used as Schedule 3.18 as having been formerly owned, leased, managed, controlled or operated by seller, and, and except as disclosed in Schedule 3.18, (i) neither Seller, nor any prior owner or operator, has incurred in the past, or is now subject to, any Environmental Liabilities, and (ii) these are no conditions that could be the basis for Environmental Liabilities involving Seller, any successor or assign of Seller, or Buyer.

(c) With respect to the Leased Real Property and except as disclosed in Schedule 3.18, Seller has obtained, possesses, and is in full compliance with all Environmental Permits.

(d) Except as disclosed in Schedule 3.18, all of the Leased Real Property is in full compliance with all Environmental Laws.

caused or will cause any material damage or risk of material loss to it or its assets or properties;

(c) sold, assigned or transferred any of its assets or properties except in the ordinary course of business consistent with past practice;

(d) created, incurred, assumed or guaranteed any indebtedness for money borrowed, or mortgaged, pledged or subjected to any lien, pledge, mortgage, security interest, conditional sales contract or other encumbrance of any nature whatsoever any of its assets or properties, other than the liens, if any, of current taxes not yet due and payable;

(e) made or suffered any amendment or termination of any material agreement, contract, commitment, lease or plan to which it is a party or by which it is bound, or cancelled, modified or waived any debts or claims held by it, other than in the ordinary course of business consistent with past practice, or waived any rights of substantial value, whether or not in the ordinary course of business;

(f) suffered any damage, destruction or loss, whether or not covered by insurance, (i) materially and adversely affecting its business, operations, assets, properties or prospects or (ii) of any item carried on its books of account at more than \$5,000, or suffered any repeated, recurring or prolonged shortage, cessation or interruption of supplies or utility services required to conduct its business and operations;

(g) received notice or had knowledge of any actual or threatened labor trouble, labor organizing effort, strike or other occurrence, event or condition or any similar character that has had or might have an adverse effect on its business, operations, assets, properties or prospects;

(h) made any capital expenditure or capital addition or betterment except such as may be involved in ordinary repair, maintenance and replacement of its assets;

(i) increased the salaries or other compensation of, or made any advance (excluding advances for ordinary and necessary business expenses) or loan to, any of its shareholders, directors, officers or employees, or made any increase in, or any addition to, other benefits to which any of its shareholders, directors, officers or employees may be entitled;

(j) changed any of the accounting principles followed by it or the methods of applying such principles; or

(k) entered into any transaction other than as contemplated by this Agreement or in the ordinary course of business consistent with past practice.

3.20. Permits. Seller possesses and is in full compliance with all Permits. Each of the Permits is set forth on Schedule 3.20 attached hereto. Except as set forth on

Schedule 3.20, each of the Permits is in full force and effect; Seller is not in default of any provisions thereof; Seller has not received any written notice of any threatened cancellation, modification or non-renewal thereof; and neither Seller nor the Stockholders have knowledge of any basis for any such cancellation, modification or non-renewal, or of any investigation that could result in any such cancellation, modification or non-renewal; and each of the Permits may be freely transferred to Buyer.

3.21. Business Prospects. Neither Seller nor the Stockholders have any knowledge of, or belief in the possible occurrence of, any event(s) or circumstance(s), including, without limitation, any proposed laws, rules, regulations or ordinances, that might adversely affect the Business or its properties, assets, liabilities, operations or prospects subsequent to the date hereof.

3.22. Intellectual Property.

(a) Seller owns no right, title and interest whatsoever in and to any Intellectual Property (nor any exclusive right to use or license the same), whether or not registered with, filed in or issued by, as the case may be, the United States Patent and Trademark Office or any other government entity.

(b) Except for Intellectual Property generally available through "shrink-wrap" licenses, there is no Intellectual Property owned by third parties that is licensed to Seller.

(c) There is no Intellectual Property (other than Intellectual Property licensed through shrink-wrap licenses) necessary to conduct the business and operations of Seller as presently conducted. There exists no pending or threatened claim asserting any infringement by Seller of any Intellectual Property. To the knowledge of Seller and the Stockholders, there is no basis for any such claim of infringement by any Person with regard to any Intellectual Property.

3.23. Accuracy of Information. No representation or warranty by Seller or the Stockholders in this Agreement or in any document delivered or to be delivered by Seller or the Stockholders pursuant hereto, and no statement, list, certificate or instrument furnished or to be furnished to Buyer pursuant hereto or in connection with the negotiation, execution or performance of this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit to state any fact necessary to make any statement herein or therein not misleading. Neither Seller nor the Stockholders have knowledge of any fact of material adverse significance to the assets, properties, businesses, operations, financial condition or earnings of Seller that is not disclosed in this Agreement, the Exhibits and the Schedules attached hereto or the Financial Statements.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE BUYER

4.1. Organization and Good Standing. Buyer:

(a) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware;

(b) is qualified to do business and is in good standing in all states in which its ownership of property or conduct of business requires such qualification and in which the consequences of a failure to qualify would have a material adverse effect on its business or properties; and

(c) has the power and authority to carry on the business in which it is engaged, to own, operate and lease its assets and properties and to perform its obligations hereunder.

4.2. Due Authorization. Buyer has full corporate power and authority to execute and deliver this Agreement and all other agreements, certificates and instruments contemplated hereby and to perform its obligations hereunder and thereunder. The execution, delivery and performance by Buyer of this Agreement and all other agreements, certificates and instruments contemplated hereby has been duly authorized by all necessary corporate action on the part of Buyer. This Agreement has been duly and validly executed and delivered by Buyer and constitutes the valid and binding obligations of Buyer, enforceable against Buyer in accordance with its terms, except insofar as enforceability is limited by bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally.

4.3. Consents, Approvals, etc. No consent, approval or authorization of, or waiver by, or notification to or filing with, any governmental, administrative or self regulatory body or authority, domestic or foreign, having jurisdiction, in each case, over Buyer is required in connection with (a) the execution, delivery or performance by Buyer of this Agreement or any other agreement, certificate or instrument contemplated hereby, or (b) the consummation by Buyer of the transactions contemplated by this Agreement and all other agreements, certificates and instruments contemplated hereby.

4.4. No Violation. The execution, delivery and performance by Buyer of this Agreement and all other agreements, certificates and instruments contemplated hereby does not and the consummation of the transactions contemplated hereby and thereby will not with or without the giving of notice or the lapse of time, or both, or as a result of a cross default provision (a) violate any judgment order, writ or decree of any court applicable to Buyer or (b) result in the breach of or conflict with any term, covenant condition or provision of, result in the modification or termination of, constitute a default under, or result in the creation or imposition of any lien, other than permitted liens, upon any of the assets or properties of Buyer pursuant to, the Certificate of Incorporation or the Bylaws of Buyer or any material contract, agreement, note, mortgage, indenture or other instrument to which Buyer is a party or by which any of its assets or properties is bound.

**ARTICLE V
COVENANTS OF THE PARTIES**

5.1. Conduct of the Business. From the date hereof until Closing, Seller will, and the Stockholders will cause Seller to:

(a) operate the Business only in the ordinary course and substantially the same manner as they have been operated in the past and will not sell any of its assets except for sales in the ordinary course of business;

(b) not (i) declare, set aside or pay any dividend or other distribution or payment in cash, securities or property in respect of shares of Seller's capital stock, or (ii) issue, repurchase or redeem or commit to issue, repurchase or redeem, any shares of Seller's capital stock, any options or other rights to acquire such stock or any securities convertible into or exchangeable for such stock;

(c) not (i) incur any amount of long or short-term debt for money borrowed, (ii) guarantee or agree to guarantee the obligations of others, or (iii) incur any other liabilities other than those incurred in the ordinary course of business consistent with past practice;

(d) keep in full force and effect insurance covering Seller's assets and businesses comparable in amount and scope of coverage to that now maintained;

(e) maintain Seller's tangible assets and related assets in good condition and working, ordinary wear and tear excepted;

(f) use their best efforts to retain Seller's employees so that such employees will remain available to Buyer on and after the Closing and maintain the business by maintaining existing relationships with suppliers, customers and others having business dealings with Seller and otherwise to preserve the goodwill of the business so that such relationships and goodwill will be preserved on and after the Closing;

(g) not merge with or into any other entity or sell, assign, transfer, pledge or encumber any part of Seller's assets or agree to do any of the foregoing other than in the ordinary course of business;

(h) not enter into any other commitment that is material, and not permit any amendment or termination of any material contract or commitment;

(i) not waive any rights of value or rights that would otherwise accrue to Seller after the Closing;

(j) except for regularly scheduled salary reviews and increases, not increase or commit to increase the salaries of, or make or commit to make any bonus or similar payments to or establish or commit to establish any benefit plans for, any of Seller's directors, officers or employees or enter into or commit to

enter into or modify or commit to modify any employment, consulting or similar contracts with any such persons or agree to do any of the foregoing;

(k) use their best efforts to complete the transactions contemplated hereby and obtain the satisfaction of the conditions specified herein;

(l) promptly notify Buyer of any default under any contract or with respect to any commitment, the threat or commencement of any litigation or other proceeding affecting Seller, or any development that occurs before the Closing that could in any way materially affect it, its assets or its business;

(m) use their best efforts to obtain any consents or approvals required under any contracts or otherwise that are necessary to complete the transactions contemplated hereby or to avoid a default under any such contracts; and

(n) comply with all Laws applicable to it and to the conduct of the Business.

5.2. Access to Information. Subject to applicable Law, Seller and the Stockholders will give Buyer and its lenders, and their respective counsel, financial advisors, auditors and other authorized representatives reasonable access during business hours to the offices, properties, books and records of Seller and will instruct the employees, counsel and financial advisors of Seller to cooperate with Buyer and its lenders, and their respective counsel, financial advisors, auditors and other authorized representatives in their investigation of Seller; provided that any investigation pursuant to this section shall be conducted on commercially reasonable prior notice and in such manner as not to interfere unreasonably with the conduct of the business of Seller. Without limiting the foregoing, Buyer will be entitled to contact and enter into negotiation with members of management of Seller regarding employment and other matters related to periods following the Closing.

5.3. Efforts; Further Assurances.

(a) Subject to the terms and conditions of this Agreement, each party will use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable Law to consummate the transactions contemplated by this Agreement, including, without limitation, preparing and making any filings required to be made under applicable Law. Each of the parties shall furnish to the other parties such necessary information and reasonable assistance as such other party may request in connection with the foregoing.

(b) In case at any time after the Closing Date any further action is necessary or desirable to carry out the purposes of this Agreement, Seller, the proper officers and/or directors of Seller and Buyer shall on the written request of any of them take all such necessary or desirable action. Without limiting the foregoing, Seller and the Stockholders, from time to time after the Closing, at Buyer's request, will execute, acknowledge and deliver to Buyer such other

instruments of conveyance and transfer and will take such other actions and execute and deliver such other documents, certifications and further assurances as Buyer may require in order to vest more effectively in Buyer, or to put Buyer more fully in possession of any of the Acquired Assets, or to better enable Buyer to complete, perform or discharge any of the liabilities or obligations assumed by Buyer at the Closing.

(c) In the event that at any time, any order, decree or injunction shall be entered that prevents or delays the consummation of any of the transactions contemplated by this Agreement, each party shall promptly use its best efforts to cause such order, decree or injunction to be reversed, vacated or modified in order to permit such transactions to proceed as expeditiously as possible.

5.4. Permits. Upon Buyer's request, Seller will use its best efforts to assist Buyer in obtaining any Permits necessary for Buyer's operation of the Business consistent with past practice after the Closing Date. In furtherance thereof, to the extent legally permissible, Seller will allow Buyer to utilize any Permits issued to Seller but not transferable to Buyer for a period of six (6) months following the Closing Date.

5.5. Cooperation in Litigation. Each party hereto will fully cooperate with the others in the defense or prosecution of any litigation or proceeding already instituted or that may be instituted hereafter against or by such party relating to or arising out of the conduct of the Business prior to or after the Closing Date (other than litigation arising out of the transactions contemplated by this Agreement). The party requesting such cooperation shall pay the out-of-pocket expenses (including legal fees and disbursements) of the party providing such cooperation and of its officers, directors, employees and agents reasonably incurred in connection with providing such cooperation, but shall not be responsible to reimburse the party providing such cooperation for such party's time spent in such cooperation or the salaries or costs of fringe benefits or similar expenses paid by the party providing such cooperation to its officers, directors, employees and agents while assisting in the defense or prosecution of any such litigation or proceeding.

5.6. Books and Records. Buyer and Seller agree to retain for a period of five (5) years or longer as otherwise required by law after the Closing Date, any and all Books and Records (hard copy, electronic or otherwise) related to the Business for all periods through the Closing Date or related to the transactions contemplated hereby. Notwithstanding the foregoing, either party may notify the other of its desire to discontinue retention of specified documents in accordance with applicable record retention requirements during such period upon thirty (30) days' written notice and such party may elect to assume custody thereof. In the event any party needs access to such Books and Records for purposes of verifying any representations and warranties contained in this Agreement, responding to inquiries from governmental entities, indemnifying, defending and holding harmless other parties hereto, in accordance with applicable provisions of this Agreement or any other legitimate business purpose, each party will allow representatives of the other parties access to such books and records upon reasonable notice during regular business hours for the sole purpose of obtaining information for use as aforesaid and will permit such other party to make such extracts

and copies thereof as may be necessary or convenient and, if required for such purpose, to have access to and possession of original documents.

5.7. Tax Report.

(a) Seller and Buyer shall jointly report this purchase and sale of all the Acquired Assets in accordance with the provisions of Internal Revenue Code Section 1060(a). Seller and Buyer shall cooperate with each other to take all actions necessary and appropriate (including executing and filing such forms, returns, elections, schedules and other documents as may be required) to effect and preserve the timely filing of Federal tax Form 8594, Asset Acquisition Statement, with both Seller's and Buyer's income tax return for the year in which the sale date occurred. Both Buyer and Seller shall be responsible for preparing each respective entity's Form 8594 in conformity with the agreed-upon allocation of the sales price among the Acquired Assets as set forth in Exhibit 2.4.

(b) Both Seller and Buyer shall report the asset acquisition and all necessary allocations consistently on each entity's respective Form 8594, and shall take no income tax position inconsistent therewith in any taxing authority or otherwise.

5.8. Seller Name Change and Winding Up. Simultaneously with the Closing, Seller will change its corporate name to a name that does not include "Stedt," "Hydraulic Crane" or "Stetco" or any words confusingly similar thereto. Seller will, and the Stockholders will cause Seller to, as soon as practicable after the Closing Date (subject to its obligations under Section 5.4 above), (i) promptly wind up its affairs, and (ii) not engage in any new business activity or other business activity unrelated to the winding up of its affairs.

5.9. Consulting and Non-Competition Agreement. In order to protect Buyer's investment in the Business, at the Closing, Richard Stedt shall execute and deliver to Buyer an agreement to provide consulting services to Buyer and not to compete with Buyer and the Business in substantially the form attached as an Exhibit to the Goodwill Purchase Agreement (the "Consulting Agreement"), on the terms and conditions provided therein.

5.10. Employment Agreement. In order to protect Buyer's investment in the Business, at the Closing, David Stedt shall execute and deliver to Buyer an employment agreement with Buyer in substantially the form attached as an Exhibit to the Goodwill Purchase Agreement (the "Employment Agreement"), on the terms and conditions provided therein.

5.11. Environmental Remediation and Compliance. At Seller's cost, existing environmental remediation work being undertaken by AJS Environmental, Inc. at the Leased Real Property shall be completed in such a manner as to result in a completed site closure in full compliance with Environmental Laws (including the Massachusetts Contingency Plan), and with no qualifications for future use of the Leased Real Property.

In the event that such work is not completed within nine months of the Closing Date, Buyer shall have the right to assume responsibility for completing such work and to deduct all costs incurred as a result thereof from the amount due under the Subordinated Promissory Notes. In addition, Seller will cause the prompt installation of GAC filter units at the Leased Real Property, and will take any other steps necessary to ensure compliance with Environmental Laws concerning wastewater and stormwater discharges.

5.12. Balance Sheet Payables and Retained Accounts Receivables. Seller agrees to promptly remit to Buyer all relevant invoices and bills it receives after the Closing for the payment of any Balance Sheet Payables assumed by Buyer. Buyer shall remit to Seller, by the tenth (10th) day following the date of collection, any payments it may receive after the Closing which constitute payments of Retained Accounts Receivable.

ARTICLE VI
CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE BUYER

The obligations of Buyer to purchase the Acquired Assets and assume the Assumed Liabilities at the Closing are subject to the satisfaction or, where permissible, waiver, on or before the Closing Date, of each of the following conditions:

6.1. Accuracy of Representations and Warranties. The representations and warranties of Seller and the Stockholders contained in this Agreement shall be true and correct in all material respects as of the Closing Date, and Seller and the Stockholders shall have complied in all material respects with all their covenants contained in this Agreement to be performed and complied with by any of them on or before the Closing Date. At the Closing, Seller and the Stockholders shall deliver to Buyer a certificate, dated as of the Closing Date, certifying as to the foregoing matters.

6.2. No Prohibition. No Law shall be in effect that prohibits Buyer from consummating the transactions contemplated hereby.

6.3. Consents and Approvals. All Governmental Approvals and Non-Governmental Approvals (including third party consents or approval required pursuant to the terms of any contract) required in connection with the transactions contemplated hereby shall have been obtained on terms that are not reasonably likely to adversely affect the businesses, financial condition, results of operations, assets, liabilities or prospects of Buyer.

6.4. No Litigation. There shall not be any material action, suit or proceeding pending or threatened that seeks to prohibit the consummation of the transactions contemplated thereby.

6.5. Actions, Proceedings, etc. All actions, proceedings, instruments and documents required to carry out the transactions contemplated by this Agreement shall be reasonably satisfactory to Buyer.

6.6. Material Adverse Change. From and after the date hereof to the Closing, there shall not have occurred any material adverse change with respect to the business.

assets, condition (financial or otherwise) or results of operations of Seller. At the Closing, Seller shall deliver to Buyer a certificate, dated as of the Closing Date, certifying as to the foregoing matter.

6.7. Name Change. Seller shall have changed its corporate name to a name consistent with the terms of Section 5.8 hereof.

6.8. Audit Delivery. The audit contemplated by Section 2.6(a) shall have been completed and shall be satisfaction to Buyer.

6.9. Lease for Property. Richard Stedt, in his capacity as Trustee for RBS Realty Trust, shall have executed and delivered a Lease Agreement with Buyer relating to the demise of the land and building at 27 Washington Street, Westborough, Massachusetts, substantially in the form of Exhibit 6.9 hereto (the "Lease").

ARTICLE VII

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE SELLER

The obligations of Seller to sell the Acquired Assets at the Closing are subject to the satisfaction or, where permissible, waiver by Seller, on or before the Closing Date, of each of the following conditions:

7.1. Accuracy of Representations and Warranties. The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects, and Buyer shall have complied in all material respects with all its covenants contained in this Agreement to be performed and complied with by it on or before the Closing Date. At the Closing, Buyer shall deliver to Seller a certificate of Buyer, dated as of the Closing Date, certifying as to the foregoing matters.

7.2. No Prohibition. No Law shall be in effect that prohibits Seller or any of its subsidiaries from consummating the transactions contemplated hereby.

7.3. Consents and Approvals. All Governmental Approvals required in connection with the transactions contemplated hereby shall have been obtained.

7.4. Actions, Proceedings, etc. All actions, proceedings, instruments, and documents required to carry out the transactions contemplated by this Agreement shall be reasonably satisfactory to Seller.

7.5. Litigation. There shall not be any material action, suit, or proceeding pending or threatened that seeks to prohibit the consummation of the transactions contemplated by this Agreement.

7.6. Lease for Property. Buyer shall have executed and delivered the Lease.

ARTICLE VIII

CLOSING

8.1. Place and Time. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Arnold & Porter, 555-12th Street, N.W., Washington, D.C. on December 19, 2001 or, thereafter after satisfaction or waiver of all the conditions precedent to Closing set forth in Articles VI and VII hereof, upon ten (10) days written notice by any party to the other parties hereto, or on such other date as the parties may mutually agree. The date and time of Closing are herein referred to as the "Closing Date." All transactions shall be deemed to have occurred at 12:01 a.m. on the Closing Date.

8.2. Deliveries at the Closing.

- (a) At the Closing, Buyer shall deliver the following to Seller:
- (i) the Closing Cash Payment by wire transfer of immediately available funds to an account designated by Seller in writing not later than two (2) business days before the Closing Date;
 - (ii) an undertaking whereby Buyer will assume and agree to pay, discharge or perform, as appropriate, the Assumed Liabilities;
 - (iii) certified copies of resolutions duly adopted by Buyer constituting all necessary corporate authorization for the consummation by Buyer of the transactions contemplated by this Agreement;
 - (iv) executed counterparts of the Goodwill Purchase Agreement, Employment Agreement, the Consulting Agreement and the Subordinated Promissory Notes;
 - (v) the certificate required by Section 7.1;
 - (vi) certificates of incumbency for all relevant officers or directors of Buyer executing this Agreement and any other documents pursuant to this Agreement;
 - (vii) an opinion or opinions of counsel to Buyer substantially in the form of and as to those matters referenced in Exhibit 8.2(a)(vii) hereto; and
 - (viii) such other documents, instruments, certificates and writings as reasonably may be requested by Seller at least two (2) business days prior to the Closing.

(b) At the Closing, Seller and the Stockholders (as applicable) shall deliver the following to Buyer:

- (i) such full covenant and general bills of sale, covenants of warranty, assignments, endorsements, consents and other good and sufficient instruments and documents of conveyance and transfer in a form satisfactory to Buyer and its counsel, as shall be necessary and effective to convey, transfer and assign to, and vest in, Buyer all of Seller's right, title and interest in and to the Acquired Assets and any owned real property, including, without limitation (A) good and valid leasehold interests in all of the Acquired Assets leased by Seller and (B) all Seller's rights under all agreements, contracts, commitments, leases, plans, quotations, proposals, licenses, permits, authorizations, software, know-how, instruments, and accounts receivable documents that are included in the Acquired Assets;
- (ii) the certificates required by Sections 6.1 and 6.6;
- (iii) certified copies of resolutions duly adopted by Seller constituting all necessary corporate authorization for the consummation by Seller of the transactions contemplated by this Agreement;
- (iv) certificates of incumbency for all relevant officers or directors of Seller executing the Agreement and any other documents pursuant to this Agreement;
- (v) certified copies of the Articles of Incorporation and the Bylaws of Seller and evidence of good standing of each in its respective jurisdiction of incorporation and in each jurisdiction where each is qualified to transact business as a foreign corporation;
- (vi) an opinion or opinions of counsel to Seller and the Stockholders substantially in the form of and as to those matters referenced in Exhibit 8.2(b)(vi) hereto;
- (vii) executed counterparts of the Goodwill Purchase Agreement, Employment Agreement and the Non-compete Agreement; and
- (viii) such other documents, instruments, certificates and writings as reasonably may be requested by Buyer at least two (2) business days prior to the Closing.

ARTICLE IX
INDEMNIFICATION

9.1. Obligation of Seller and the Stockholders to Indemnify. Seller and the Stockholders hereby jointly and severally agree to indemnify, defend and hold harmless Buyer, its successors and assigns from and against any and all claims, damages, losses, liabilities, deficiencies, actions, suits, proceedings, costs or legal expenses (collectively, "Damages") arising out of or resulting from:

(a) any breach of a representation, warranty or covenant by Seller or the Stockholders contained in this Agreement or any certificate or agreement delivered by Seller or the Stockholders pursuant hereto, including, without limitation, the Goodwill Purchase Agreement, the Consulting Agreement and the Employment Agreement;

(b) except as expressly assumed by Buyer pursuant to Section 2.2 hereof, events occurring in the course of or relating to the Business prior to Closing that are not disclosed in this Agreement or in the Financial Statements delivered to Buyer prior to Closing pursuant to this Agreement;

(c) the Retained Liabilities; and

(d) any and all costs and expenses (including reasonable attorneys' fees) related to the foregoing.

9.2. Obligation of Buyer to Indemnify. Buyer shall indemnify, defend and hold harmless Seller and the Stockholders and their respective successors and assigns from and against all Damages arising out of or resulting from:

(a) any breach of a representation, warranty or covenant of Buyer contained in this Agreement or in any certificate or agreement delivered by Buyer pursuant hereto; and

(b) to the extent not contrary to any other provision of this Agreement, any and all losses arising out of or relating to the conduct of the Business after the Closing.

9.3. Survival of Representations and Warranties. The representations and warranties of the parties hereto shall survive the Closing for a period of five (5) years.

9.4. Method of Asserting Claims. All claims for indemnification by a party entitled to be indemnified hereunder (an "Indemnitee") by another party hereto (an "Indemnitor") shall be asserted and resolved as follows:

(a) In the event that any claim or demand for which an Indemnitee may claim indemnity is asserted against or sought to be collected from an Indemnitor by a third party, the Indemnitee shall promptly notify the Indemnitor and in any event within twenty (20) days following the receipt by the Indemnitee of such claim or demand, specifying the nature of such claim or demand and the amount or the estimated amount thereof to the extent then feasible (which estimate shall not be conclusive of the final amount of such claim and demand)

(the "Claim Notice"). Failure of an Indemnitee to so notify an Indemnitor within such 20-day period shall not relieve an Indemnitor of its obligation to indemnify the Indemnitee for such claim or demand except and only to the extent that the delay in giving notice of such claim or demand in fact materially prejudices (i) the defense of such claim or demand where the Indemnitor has the right to control such defense or (ii) participation in the defense of such claim or demand where the Indemnitor has a right of participation. Any party hereto against whom a claim or demand is asserted by a third party shall, without prejudice to any right of indemnification hereunder, appropriately respond to such claim or demand (whether by answer, denial, request for extension of time or other action) to such claim or demand within any applicable time period, so as to preserve any rights or remedies it or any other party may have against the Person making such claim or demand.

(b) An Indemnitor shall have twenty (20) days from the date on which the Claim Notice is duly given (the "Notice Period") to notify an Indemnitee (i) whether or not it disputes the liability of the Indemnitor to the Indemnitee hereunder with respect to such claim or demand and (ii) whether or not the Indemnitor desires, at its sole cost and expense, to defend the Indemnitee against such claim or demand. If an Indemnitor does not notify an Indemnitee within the Notice Period that it disputes its liability to the Indemnitee, the Indemnitor shall be liable for the amount of any resulting losses.

(c) In the event an Indemnitor notifies an Indemnitee within the Notice Period that it desires to defend the Indemnitee against such a claim against or demand from the Indemnitee, then except as hereinafter provided the Indemnitor shall defend, at its sole cost and expense, the Indemnitee by appropriate proceedings, shall use its best efforts to settle or prosecute such proceedings to a final conclusion in such a manner as to avoid any risk of the Indemnitee becoming subject to any injunctive or other equitable order or relief or to liability for any other matter, and shall control the conduct of such defense; provided, however, that the Indemnitor shall not, without the prior written consent of the Indemnitee, consent to the entry of any judgment against the Indemnitee or enter into any settlement or compromise that does not include, as an unconditional term thereof, the giving by the claimant or plaintiff to the Indemnitee of a release, in form and substance reasonably satisfactory to the Indemnitee, from all liability in respect of such claim or litigation. If the Indemnitee desires to participate in, but not control, any such defense or settlement, it may do so at its sole cost and expense.

(d) Prior to an Indemnitor's settling any claim or demand the defense of which it has assumed control, the Indemnitor shall obtain the Indemnitee's approval, confirmed in writing in accordance with the notice provisions hereof, which approval shall not be unreasonably withheld or delayed. If an Indemnitee notifies an Indemnitor of its disapproval of such settlement, the Indemnitee shall thereupon become liable, from and after the date of its disapproval, for the amount of any award, judgment, costs or expenses (including attorney fees) in

excess of the proposed settlement amount and shall have the right to elect to control the defense of such claim at its sole cost and expense.

(e) In the event an Indemnitee should have a claim against an Indemnitor hereunder that does not involve a claim or demand being asserted against or sought to be collected from the Indemnitee by a third party, the Indemnitee shall promptly send a Claim Notice with respect to such claim to the Indemnitor. If the Indemnitor does not notify the Indemnitee within the Notice Period that it disputes such claim, the Indemnitor shall be liable for the amount of any resulting losses.

(f) Following indemnification as provided for hereunder, to the extent permitted by law, the Indemnitor shall be subrogated to all rights of the Indemnitee with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made.

(g) Buyer shall be entitled to collect any amounts to which it is entitled hereunder by deducting such amounts from payments it would otherwise be required to make under the Earn-Out or the Subordinated Promissory Notes, provided that if such amounts are deducted from the Subordinated Promissory Notes, such amounts shall be deducted *pro rata* from such instruments.

ARTICLE X

EMPLOYEE MATTERS

10.1. Employees. Buyer shall have the right but not the obligation to make offers of employment to each of the Employees on such terms of employment as shall be at the sole discretion of Buyer. Buyer shall have liabilities hereunder only to such of the Employees who accept employment with Buyer. Any severance or other payments payable to any Employee as a result of the transactions contemplated by this Agreement shall be the sole responsibility of Seller.

10.2. Liability to Employees.

(a) Other than accruals for vacation that are expressly assumed by Buyer as a Balance Sheet Payable, Seller shall be responsible for any and all wages, vacations, holidays, personal or sick leave pay, payroll expenses and other benefits under any Employee Benefit Plan becoming payable, or otherwise owed, to any of the Employees as a result of service prior to the Closing Date, personal or sick leave pay and payroll expenses earned prior to the Closing Date shall be deemed payable prior to Closing even if actual payment of such occurs after the Closing Date.

(b) Without limiting the foregoing, Seller shall retain the obligations to pay in accordance with the terms of the Employee Benefit Plan with respect to Employees: (i) covered medical and dental services received by Employees, or their eligible dependents, prior to the Closing date; or (ii) covered services

received by Employees, or their eligible dependents, on or after the Closing Date during a continuous hospital confinement that began prior to the Closing Date.

ARTICLE XI
MISCELLANEOUS

11.1. Termination.

(a) Anything contained herein to the contrary notwithstanding, this Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing Date:

- (i) by mutual written consent of Seller and Buyer;
- (ii) by Seller, if any of the conditions set forth in Article 7 hereof shall have become incapable of fulfillment, and shall not have been waived by Seller;
- (iii) by Buyer, if any of the conditions set forth in Article 6 hereof shall have become incapable of fulfillment, and shall not have been waived by Buyer; or
- (iv) by either party hereto, if the Closing does not occur on or prior to January 31, 2002.
- (v) In the event of termination by Seller or Buyer pursuant to this Section 11.1, written notice thereof shall forthwith be given to the other parties hereto and the transactions contemplated by this Agreement shall be terminated, without further action by either party.

(b) If this Agreement is terminated and the transactions contemplated hereby are abandoned as described in this Section 11.1, this Agreement shall become void and of no further force and effect except for obligations set forth in this Section 11.1. Nothing in this Section 11.1 shall be deemed to release either party from any liability for any breach by such party of the terms and provisions of this Agreement.

(c) In the event this Agreement is terminated in accordance with Section 11.1 and prior to the termination date, all of the conditions precedent to Closing set forth in Article VII shall have been satisfied and Buyer shall have provided written notice to Seller that it is ready, willing and able to proceed with the Closing, then on the termination date, Buyer shall be entitled to receive from Seller and Seller agrees to pay to Buyer an amount equal to all expenses incurred by Buyer and its Affiliates in connection with transactions contemplated hereby including research and due diligence, obtaining financing and the drafting, negotiation and delivery of this Agreement. The rights of Buyer under this

Section 11.1(c) shall be in addition to and not in lieu of any rights that Buyer may have as a result of Seller's breach of the terms and provisions of this Agreement.

11.2. Expenses. Whether or not the transactions contemplated hereby are consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, shall be paid by the party incurring such costs or expenses.

11.3. Taxes. Seller shall bear all sales, use, transfer, stamp, conveyance, value added or other similar taxes, duties, excises or governmental charges, and any interest, penalties or additions thereto, imposed by any governmental entity and all recording or filing fees, notary fees and other similar costs of Closing with respect to the transfer of the Acquired Assets or otherwise on account of this Agreement or the transactions contemplated hereby.

11.4. Amendments. No amendment to this Agreement shall be effective unless it shall be in writing and signed by all parties hereto.

11.5. Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or sent by prepaid telex, cable or facsimile, or sent postage prepaid, by registered, certified or express mail, or reputable overnight courier service and shall be deemed given when so delivered by hand, telexed, cabled or faxed, or if mailed, three (3) days after mailing (one business day in the case of express mail or overnight courier service), as follows:

if to Seller or the Stockholders:

Stedt Hydraulic Crane Corp.
4 Edgehill Road
Hopkinton, MA 01746
Attn: Richard B. Stedt
Fax:

with a copy to:

Hargraves, Karb, Wilcox & Galvani
P.O. Box 966
Framingham, MA 01701
Attn: Robert P. Jachowicz, Esq.
Fax: (508) 875-7728

if to Buyer:

Iowa Mold Tooling Co., Inc.
500 Highway 18 West
Garner, Iowa 50438
Attn: Mr. Richard Long, President
Fax: (515) 923-2424

with a copy to:

Arnold & Porter
555 Twelfth Street, N.W.
Washington, DC 20004
Attn: Samuel A. Flax, Esq.
Fax: (202) 942-5999

11.6. Interpretation. The headings contained in this Agreement, in any Exhibit or Schedule hereto and in the table of contents to this Agreement, are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

11.7. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to the other party.

11.8. Entire Agreement. This Agreement between Buyer, on the one hand, and Seller and the Stockholders on the other hand, contains the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understanding relating to such subject matter.

11.9. Brokers. Each party hereto hereby represents and warrants that no brokers or finders who have acted for such party in connection with this Agreement or the transactions contemplated hereby may be entitled to any brokerage fee, finder's fee or commission from another party in respect thereof.

11.10. Severability. If any provision of this Agreement or the application of any such provisions to any Person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

11.11. Consent to Jurisdiction. Seller, the Stockholders and Buyer hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the State of Iowa or in any federal court sitting therein and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon it by mail at the addresses specified in Section 11.5.

11.12. Governing Law. This Agreement shall be governed by and construed in accordance with the governmental laws of the State of Iowa applicable to agreements made and to be performed entirely within such state, without regard to the conflicts of law principles of such state.

11.13. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective legal representatives, successors and assigns; provided that neither this Agreement nor any of the rights hereunder may be assigned by any of the parties hereto without the consent of the other parties, except that

(a) Buyer may, at its election, assign its rights under this Agreement to any other direct or indirect subsidiary of Buyer (so long as the representations and warranties of Buyer made herein are equally true of such assignee and provided that Buyer shall guarantee the performance of such subsidiary) and (b) Buyer may collaterally assign its rights hereunder to a lender and such lender shall be entitled to rely upon the representations and warranties of Seller and the Stockholders made herein.

11.14. No Third-Party Beneficiaries. The parties hereto agree that there are no third-party beneficiaries of the provisions of this Agreement (other than assignees permitted pursuant to Section 11.12) and none of the provisions hereof shall be deemed to inure to the benefit of any Person not a party hereto.

SIGNATURES APPEAR ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in their respective corporate names as of the date first set forth above.

BUYER:

IOWA MOLD TOOLING CO., INC.

By: *Harry P. Blaine*
Name: *Harry P. Blaine*
Title: *Vice President - Finance*

SELLER:

STEDT HYDRAULIC CRANE CORP.

By: _____
Name:
Title:

THE STOCKHOLDERS:

David Stedt

Richard Stedt

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in their respective corporate names as of the date first set forth above.

BUYER:

IOWA MOLD TOOLING CO., INC.

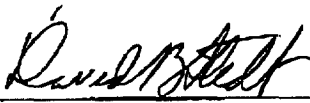
By: _____
Name:
Title:

SELLER:

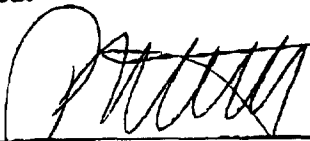
STEDT HYDRAULIC CRANE CORP.

By: _____
Name:
Title:

THE STOCKHOLDERS:



David Stedt



Richard Stedt

Exhibit 2.4**Allocation of Purchase Price**

<u>Assets</u>	<u>Fair Market Value</u>	<u>Allocation of Sales Price</u>
Class I	\$ -	\$ -
Class II	-	-
Class III	2,151,218	2,151,218
Class IV and V	-	419,884
Total	<u>\$ 2,151,218</u>	<u>\$ 2,571,102</u>

Class I Assets = cash accounts

Class II Assets = cd, stocks and securitites

Class III Assets = all tangible & intangible assets not considered Class I,II, IV or V such as receivables, and fixed assets

Class IV Assets = all amortizable section 197 assets except for goodwill

Class V Assets = section 197 assets such as goodwill and going concern value

Exhibit 6.9

Lease

Exhibit 8.2(a)(vii)
Opinion of Counsel to Buyer

Exhibit 8.2(a)(vii)
Opinion of Counsel to Seller

(e) Each Employee Benefit Plan intended to be qualified under Section 401(a) of the Code has been determined by the IRS to be so qualified, or if not determined to be so qualified each such Employee Benefit Plan may still be amended within the remedial amendment period to cure any qualification defect to the extent permitted by law, and each trust created thereunder intended to be exempt from federal income tax under Section 501(a) of the Code has been determined by the IRS to be so exempt, and no fact or event has occurred since the date of such determination by the IRS to adversely affect the qualified status of any such Employee Benefit Plan or the exempt status of any such trust. Each Employee Benefit Plan intended to satisfy the requirements of Section 125 or 501(c)(9) of the Code satisfies such requirements.

(f) No Employee Benefit Plan is a "defined benefit plan" (as defined in Section 3(35) of ERISA), a pension plan subject to the minimum funding standards of Section 302 of ERISA or Section 412 of the Code, or a "multiemployer plan" subject to Title IV of ERISA, and Seller has never contributed, or had an obligation to contribute, to a Pension Plan.

(g) Full payment has been made, or will be made in accordance with Section 404(a)(6) of the Code, of all amounts that Seller is required to pay under Section 412 of the Code or under the terms of each Employee Benefit Plan (including matching contributions), and all such amounts accrued through the Closing Date will be paid on or prior to the Closing Date or will be accrued on the Closing Date Balance Sheet in accordance with GAAP and in compliance with all other applicable legal requirements.

(h) Seller has not, and to Seller's and the Stockholders' knowledge, no other Person, including any "fiduciary" (as defined in Section 3(21) of ERISA) has engaged in any "prohibited transaction" (as defined in Section 4975 of the Code or Section 406 of ERISA) or any breach of any of the duties imposed on "fiduciaries" with respect to Employee Benefit Plans that could subject any of the Employee Benefit Plans (or their trusts), Seller, any trustee or administrator of any of the Employee Benefit Plans or any other entity that Seller may have an obligation to indemnify, to any material excise tax or penalty under ERISA or the Code or any other material liability.

(i) None of the assets of the Employee Benefit Plans are invested in any property constituting "employer real property" or "employer securities" (each as defined in Section 407(d) of ERISA) or are invested in any property, security or other ownership interest that is not publicly traded.

(j) There are no actions or claims pending or, to Seller's and Stockholders' knowledge, threatened, against Seller, any Employee Benefit Plan or the assets thereof, with respect to any Employee Benefit Plan (other than routine claims for benefits); there are no investigations or audits of any Employee Benefit Plan by any governmental authority currently pending, or, to Seller's and Stockholders' knowledge, threatened; and there have been no such investigations