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RE 102384121 TRADEMARK

J.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Motion Picture & Events, Inc.

- Individual(s) Association General Partnership Limited Partnership Corporation-State North Carolina Other North Carolina

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: United Rentals(North America), Inc.

Internal Address: Five Greenwich Office Park

Street Address:

City: Greenwich State: CT Zip: 06830

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Delaware Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other ASSET purchase Agreement

Execution Date: 11/30/2000

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 2,384,328;

2,437,946 ;2,409,911

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Gregory E. Fisher, Esq.

Internal Address: Ober, Kaler, Grimes & Shriver

Street Address: 120 E. Baltimore Street

City: Baltimore State: MD Zip: 21202-1643

6. Total number of applications and registrations involved:

3

7. Total fee (37 CFR 3.41) \$ 90+120=210

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Gregory E. Fisher

Name of Person Signing

Signature

3/10/03

Date

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

54

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

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01 FC:0521 40.00 OP 02 FC:0522 50.00 OP 03 FC:0524 120.00 OP

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ASSET PURCHASE AGREEMENT

AMONG

UNITED RENTALS (NORTH AMERICA), INC.,

MOTION PICTURE & EVENTS, INC.,

AND

MICHAEL SATRAZEMIS AND DONNA SATRAZEMIS,

THE STOCKHOLDERS OF MOTION PICTURE & EVENTS, INC.

DATED AS OF NOVEMBER 30, 2000

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## EXHIBITS AND SCHEDULES

### Exhibits

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### Schedules

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Schedule 4.25	Other Businesses

# ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, dated as of November 30, 2000 (this "Agreement"), is by and among United Rentals (North America), Inc., a Delaware corporation (the "Purchaser"), Motion Picture & Events, Inc., a North Carolina corporation (the "Seller"), and Michael Satrazemis, a resident of the State of North Carolina, and Donna Satrazemis, a resident of the State of North Carolina (together with Michael Satrazemis, the "Stockholders").

## WITNESSETH:

WHEREAS, the Seller is engaged in the business of providing portable power and cable distribution, spot cooling and HVAC rentals and services for the film, television, special events production and industrial applications industries throughout the United States and Canada; and

WHEREAS, the Seller desires to sell to the Purchaser substantially all of the business and assets of the Seller, and the Purchaser desires to purchase such business and assets from the Seller and assume certain stated liabilities and obligations of the Seller in connection therewith, all in accordance with the terms hereof; and

WHEREAS, each of the Stockholders is a stockholder of the Seller and will derive substantial benefit from the sale of substantially all of the business and assets of the Seller to the Purchaser and, as such, is willing to enter into this Agreement; and

WHEREAS, certain terms used in this Agreement are defined in Section 9.1;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereby agree as follows:

## ARTICLE I

### SALE AND PURCHASE OF ASSETS

#### 1.1 Assets to be Sold and Purchased.

(a) Description of Assets. At the Closing, the Seller shall sell and convey to the Purchaser, and the Purchaser shall purchase and acquire from the Seller, all of the business and all of the assets of the Seller existing and owned by the Seller as of the close of business on the Closing Date, other than the Excluded Assets. The assets of the Seller to be purchased hereunder (which shall not include the Excluded Assets) are referred to herein as the "Assets" and shall include without limitation all of the following assets:

(1) all of the Seller's accounts receivable, except those accounts receivable listed in Schedule 1.1(b)(1) (the "Receivables");

[Asset Purchase Agreement]

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(2) all of the Seller's cash, cash equivalents, bank deposits and marketable securities (the "Cash");

(3) all of the Seller's equipment inventory held by the Seller for rent or lease to customers or used in the performance of services for customers (the "Equipment"), including the items of Equipment described on Schedule 1.1(a)(3);

(4) all of the Seller's inventories of supplies and spare parts and other personal property, other than Equipment, held for resale or consumption, whether expensed or capitalized (the "Inventory"), including the items of Inventory described on Schedule 1.1(a)(4);

(5) all of the Seller's rights to prepaid license fees and other deposits and prepaid expenses (the "Prepaid Expenses");

(6) all of the Seller's rights as tenant or licensee under any leases or licenses, including the leases and licenses described in Schedule 1.1(a)(6) (collectively, the "Leases"), including all rights thereunder to occupy and use the land, floor space, buildings, structures, fixtures and other improvements leased or licensed to the Seller pursuant to the Leases (the "Company Property");

(7) all of the Seller's furniture, furnishings, leasehold improvements, equipment, tools, parts, machinery, transportation equipment and vehicles, computers, printers and other tangible personal property (other than Equipment and Inventory), whether expensed or capitalized and whether located on the Company Property or elsewhere (the "Other Assets"), including the items of Other Assets described in Schedule 1.1(a)(7);

(8) all rights of the Seller under all distribution agreements, supply contracts, leases of personal property, service contracts and other contracts and agreements existing on the Closing Date and described or referred to in Schedule 1.1(a)(8), and all rights of Seller under open purchase orders and any product warranties pertaining to the Inventory, the Equipment or the Other Assets (collectively, the "Contracts");

(9) (A) all rights of the Seller in the names "Motion Picture & Events, Inc." and "Motion Picture and Event Production Services, Inc.," any derivations thereof, any trademarks or service marks, including the trademarks and service marks, and registrations thereof and pending applications therefor, described in Schedule 1.1(a)(9), and all other trade names, trademarks, service marks, copyrights, patents, and registrations thereof or applications therefor, and trade secrets, secret processes, customer lists and phone numbers, inventions, formulas and other intellectual property and proprietary rights belonging to, used in or appertaining to the Seller or the Assets, and the goodwill of the Seller in connection therewith (collectively, the "Intellectual Property"), and (B) all other goodwill and going concern value of the Seller;

- (10) all rights of the Seller to any software (the "Software");
- (11) all of the Seller's business records (the "Records");
- (12) all monies held by the Seller as security deposits in connection with the rental of Equipment (the "Security Deposits");
- (13) except for the actions and claims listed on Schedule 1.1(a)(13), all causes of action or claims of the Seller with respect to transactions on or prior to the Closing Date, including any and all claims for refunds of monies;
- (14) all of the Seller's post office and other mail boxes; and
- (15) all of the Seller's federal, state, local, foreign and other licenses, permits, authorizations, applications and other governmental or regulatory approvals or certificates listed on Schedule 1.1(a)(15) to the extent legally transferable (the "Permits").

(b) Excluded Assets. The Assets to be purchased and sold hereunder, and the term "Assets" as used herein, shall not include the following assets of the Seller existing on the Closing Date (the "Excluded Assets"):

- (1) the assets of the Seller listed on Schedule 1.1(b)(1);
- (2) the Seller's real property;
- (3) the Seller's pension, profit-sharing, thrift, health, insurance, compensation and severance plans and all other employee benefit plans and trusts and the assets thereof;
- (4) the Seller's contracts, agreements and commitments of any kind (including loan agreements, guaranties and any other financing arrangement) that are not Contracts or Leases; and
- (5) the Seller's corporate minute books, stock records, and income tax records, and other records of the Seller relating exclusively to Excluded Assets.

## 1.2 Assumption of Assumed Liabilities and Obligations.

(a) Instrument of Assumption. At the Closing, the Purchaser shall, by execution and delivery of an assumption agreement, assume and agree to pay, perform and discharge, as and when they become due, all of the "Assumed Liabilities and Obligations."

(b) Assumed Liabilities and Obligations Defined. "Assumed Liabilities and Obligations" means all of the Seller's accounts payable listed on Schedule 1.2(b), existing at the close of business on the Closing Date (the "Accounts Payable") and all of the obligations, liabilities,



covenants, commitments and undertakings of the Seller arising after the Closing Date under the Leases and the Contracts (other than the Zenith Insurance contract, which the Seller shall not terminate until so requested by the Purchaser, provided, that the Purchaser shall promptly reimburse the Seller for the Seller's actual cost of maintaining such insurance for such time period), and as specified in Section 2.6(b), including any obligations in respect of any of the Security Deposits to the extent disclosed in such Contracts

(c) No Other Liabilities or Obligations Assumed. Except for the Assumed Liabilities and Obligations, the Purchaser is not assuming any of the liabilities or obligations of the Seller, whether known or unknown, contingent or realized, due or to become due, accrued or unaccrued, including the "Excluded Liabilities and Obligations."

(d) Excluded Liabilities and Obligations Defined. "Excluded Liabilities and Obligations" means all of the obligations, liabilities, covenants, commitments and undertakings of the Seller other than the Assumed Liabilities and Obligations and shall specifically include, but shall in no way be limited to, the following:

(1) the Seller's (i) debt and, with respect to any such debt to be repaid in connection with the Closing, all prepayment penalties incurred or to be incurred in connection therewith and all interest accrued thereon, (ii) capitalized lease obligations, (iii) operating leases, other than the operating leases listed on Schedule 1.1(a)(8), and (iv) obligations under (x) any Excluded Contract, (y) any other contract, commitment or undertaking of the Seller other than a Contract or Lease and (z) any Contract or Lease to the extent arising on or prior to the Closing Date;

(2) Any liability of the Seller for Taxes;

(3) Any liability of the Seller based upon, attributable to or resulting from: (A) any Release of Hazardous Materials in, on, at, through or from any Company Property which occurred, or resulted from operations occurring, on or prior to the Closing Date; (B) any tort liability to any Person as a result of any Release of or exposure to Hazardous Materials on or prior to the Closing Date; (C) notification or designation of the Seller under any Environmental Law as a potentially responsible party for onsite or offsite disposal of Hazardous Materials, or the listing of any Company Property or previously owned or leased property of the Seller on the CERCLA National Priorities List or any similar list under any Environmental Law as a result of any Release of Hazardous Materials; or (D) any fines or penalties with respect to any violation of Environmental Law;

(4) Any liabilities or obligations of the Seller owed to any of the Seller's Affiliates, or to any Associate or employee of the Seller or any of its Affiliates;

(5) All obligations and liabilities of the Seller to its current or former employees, consultants, salesmen and others providing services to the Seller, including wages, payroll taxes, salaries, commissions, bonuses and any other

compensation, obligations and liabilities of the Seller under any retirement, deferred compensation, pension, profit-sharing or other employee benefit plans, any severance or termination pay or benefit arrangement or agreement, any accrued vacation pay, any life, health, or disability insurance or benefits, and any other employee benefits or other liabilities relating to current or former employees or other service providers of the Seller, it being understood that there shall be no prorations or adjustments with respect to wages, payroll taxes, salaries, commissions, bonuses and any other compensation obligations and liabilities, including vacation and sick pay, severance and any other employee related expenses or benefits, all of which Seller shall cause to be discharged on or before the Closing Date in accordance with Section 6.1;

(6) The Seller's obligations, liabilities, covenants, commitments and undertakings under this Agreement or any instrument or agreement entered into pursuant hereto; and

(7) Any indebtedness or other liabilities or obligations for money borrowed or for the deferred purchase price of property or any guarantees of the obligations or liabilities of any Person.

## ARTICLE II

### PURCHASE CONSIDERATION

2.1 Amount of Purchase Price. The purchase price for the Assets, and the consideration for execution by the Seller and the Stockholders of the Non-Competition Agreements, shall be an aggregate amount equal to \$4,225,000, subject to adjustment pursuant to the provisions of this Article II and payable as set forth in Section 2.2, and the assumption of the Assumed Liabilities and Obligations (the "Purchase Price"). The Purchase Price shall be allocated among the Assets and the Non-Competition Agreements in the manner agreed to by the parties within 180 days following the Closing. The Purchaser and the Seller each hereby agrees to adhere to such allocation in all reports, returns and other documents filed with any governmental authority.

2.2 Payment of Estimated Purchase Price. At the Closing, the Purchaser shall pay to the Seller the Estimated Purchase Price (as hereinafter defined), less the original stated principal amount of the Note (hereinafter defined) and less the aggregate amount specified in the Payoff Letters delivered by the Seller to the Purchaser pursuant to Section 7.1(e) required to be paid to the creditors of the Seller in order to release all of the Liens (other than the Permitted Exceptions) on the Assets (the "Payoff Amount"), by wire transfer of immediately available funds into an account designated by the Seller, and shall execute and deliver to the Seller a promissory note in the form attached hereto as Exhibit A, having an original stated principal amount of \$600,000.00 (the "Note"). The Purchaser shall pay the Payoff Amount, for the account of the Seller, directly to the creditors of the Seller listed on the Payoff Letters and in the manner provided therein. The "Estimated Purchase Price" shall be an amount equal to the sum of (i) \$4,225,000, plus (ii) the Estimated Purchase Price Adjustment. The "Estimated Purchase

Price Adjustment" shall be an amount equal to the sum of (i) the Estimated Balance Sheet Adjustment (as defined in Section 2.3(a)), plus (ii) the Estimated Equipment Adjustment (as defined in Section 2.5(a)), and plus (iii) the Estimated Proration Adjustment (as defined in Section 2.6(a)).

### 2.3 Determination of Balance Sheet Adjustment.

(a) The Seller has prepared, executed and delivered to the Purchaser a certificate in form reasonably acceptable to the Purchaser, containing the Seller's good faith, reasonable estimate (including calculations thereof) of the Balance Sheet Adjustment (as defined in Section 2.3(b)) (the "Estimated Balance Sheet Adjustment"), together with all necessary and appropriate supporting documentation.

(b) The "Balance Sheet Adjustment" shall be an amount equal to the sum of:

(1) the aggregate of the Seller's current assets at the close of business on the Closing Date, including (i) Cash at the close of business on the Closing Date, (ii) Receivables at the close of business on the Closing Date (including unbilled receivables) and (iii) Prepaid Expenses at the close of business on the Closing Date to the extent that the benefits thereof are realizable after the Closing Date, less

(2) the aggregate of the Seller's current assets at December 31, 1999, including (i) cash reflected in the December Balance Sheet, (ii) accounts receivable reflected in the December Balance Sheet, and (iii) prepaid expenses reflected in the December Balance Sheet to the extent that the benefits thereof were realizable after December 31, 1999, less

(3) the Seller's total Accounts Payable at the close of business on the Closing Date and any other liabilities of the Seller at the close of business on the Closing Date being assumed by the Purchaser, including any capital lease obligations and operating lease obligations (which operating lease obligations shall be valued for purposes of this subsection using a discount factor of 10%) being assumed by the Purchaser, other than liabilities arising after the Closing Date under the Contracts and the Leases, and any personal property taxes on any of the Assets allocable to the period on or prior to the Closing Date,

in each case as determined in accordance with past practices of the Seller applied on a consistent basis. Notwithstanding anything herein to the contrary, for purposes of determining the Purchase Price Adjustment, the Excluded Assets shall, to the extent applicable, be excluded from the December Balance Sheet and the Balance Sheet Adjustment.

2.4 Receivables Adjustment. The Seller and Michael Satrazemis jointly and severally represent and warrant that all of the Receivables are good, valid and collectible and that none of the Receivables is owed by any Affiliate of the Seller. To the extent any Receivables remain outstanding on the 120th day after the Closing Date, such Receivables shall conclusively be

deemed uncollectible and the Purchaser shall be entitled to setoff against the Purchaser's outstanding obligations under the Note or directly from the Seller on a dollar-for-dollar basis and without any discounting, an amount (which shall not be less than zero) equal to such Receivables remaining unpaid at such time (the "Receivables Adjustment"). Upon receipt by the Purchaser of payment from the Seller (either directly from the Seller or indirectly through setoff against the Note) in respect of the unpaid Receivables, the Purchaser shall assign such unpaid Receivables to the Seller and shall provide the Seller with copies of the records relating to such unpaid Receivables. The Purchaser shall take reasonable action, consistent with the Purchaser's current practice, to collect the Receivables and, unless otherwise specified in any remittance, collected Receivables will be applied against invoices on a "FIFO" basis.

## 2.5 Equipment Adjustment.

(a) The Seller has prepared, executed and delivered to the Purchaser a certificate in form reasonably acceptable to the Purchaser, containing Seller's good faith, reasonable estimate (including calculations thereof) of the Equipment Adjustment (as defined in Section 2.5(c) (the "Estimated Equipment Adjustment"), together with all necessary and appropriate supporting documentation.

(b) The Seller and Michael Satrazemis hereby jointly and severally represent and warrant to the Purchaser that (i) the "Equipment Listing" attached as Schedule 1.1(a)(3) sets forth the asset description, make, model, original cost and net book value of the Equipment as of December 31, 1999, and (ii) all of the Equipment is Rental Ready (as defined below).

(c) The Purchaser shall complete a physical inventory within 45 days following the Closing Date of each item of Equipment on the Equipment Listing or acquired subsequent to December 31, 1999 and on or prior to the Closing Date and existing at the Closing Date and shall deliver to the Seller within 90 days following the Closing Date a certificate containing its calculation of the "Equipment Adjustment". The "Equipment Adjustment" shall be an amount equal to the sum of (i) the invoice value of each item of Equipment not listed on the Equipment Listing that was purchased by the Seller subsequent to December 31, 1999 and prior to the close of business on the Closing Date (which, except for the Equipment listed on Schedule 2.5(c), shall not exceed in the aggregate or individually \$10,000, without the written consent of the Purchaser), less (ii) the greater of the fair market value of and the net proceeds received by the Seller with respect to each item of Equipment listed on the Equipment Listing that has been disposed of by the Seller, and less (iii) the fair market value, determined as of the Closing Date, of each item of Equipment listed on the Equipment Listing which is missing (or non-existing), taking into account the age of such missing or non-existing Equipment and assuming that such missing or non-existing Equipment is in good operating condition (the "Missing Equipment Amount"), but only to the extent, if any, such Missing Equipment Amount exceeds \$25,000.

(d) In addition and as a result of the physical inventory pursuant to Section 2.5(c), the Seller shall reimburse the Purchaser for an amount equal to the lesser of the replacement cost or the repair cost for each item of Equipment listed on the Equipment Listing that is not Rental Ready, but only to the extent that such amount exceeds the sum of (i) \$25,000

less (ii) the Missing Equipment Amount. For purposes of this Agreement, an item of Equipment is "Rental Ready" only if (A) it is in good operating condition, normal wear and tear excepted, and (B) all required maintenance (except for customary cleaning and painting) has been performed on it in a timely manner; provided, that the items of Equipment listed in Schedule 2.5(d) (each of which is currently down for repair) shall be deemed to be Rental Ready. Any amount due the Purchaser from the Seller under this Section 2.5 may be setoff by the Purchaser against the amount due the Seller under the Note. The parties shall attempt to resolve any disputes under this Section 2.5(d) concurrently with the resolution of the Purchase Price Adjustment pursuant to Section 2.7.

## 2.6 Proration Adjustment.

(a) The Seller has prepared, executed and delivered to the Purchaser a certificate in form reasonably acceptable to the Purchaser, containing Seller's good faith, reasonable estimate (including calculations thereof) of the Proration Adjustment (as defined in Section 2.6(b) (the "Estimated Proration Adjustment")), together with all necessary and appropriate supporting documentation.

(b) Except as otherwise expressly provided for in this Section 2.6(b), all expenses arising from the business and operations of the Seller acquired by the Purchaser hereunder (the "Business") shall be prorated between the Purchaser and the Seller as of the Effective Time in accordance with GAAP and the principles that (i) the Seller shall be responsible for all expenses and costs incurred after the Closing Date that are allocable to the conduct of the Business for the period on or prior to the Closing Date and (ii) the Purchaser shall be responsible for all costs and expenses incurred on or prior to the Closing Date that are allocable to the conduct of the Business after the Closing Date. Such prorations shall include all ad valorem, intangibles and personal property taxes and assessments (but excluding sales and use taxes, if any, arising solely by reason of the transfer of the Assets as contemplated hereby, which shall be paid by the Seller as set forth in Section 9.2 of this Agreement), business and license fees, lease payments, charges for utilities, water/sewer and natural gas and all other expenses attributable to the ownership and operation of the Business. Notwithstanding anything herein to the contrary, (i) the Purchaser shall in no event be subject to any proration or adjustment pursuant to this Section 2.6 in respect of any item with respect to which the Purchaser receives no benefit (including in respect of any contract or agreement that does not constitute a Contract or Lease) and (ii) no items for which an adjustment has or is to be made pursuant to any other provision of this Article II shall be subject to any proration or adjustment pursuant to this Section 2.6. The "Proration Adjustment" shall be an amount equal to the sum of (i) the aggregate amount of expenses and costs for which the Purchaser is responsible under this Section 2.6(b), less (ii) the aggregate amount of expenses and costs for which the Seller is responsible under this Section 2.6(b). The Purchaser agrees to pay for prorated items that come due after the closing and for which the Purchaser has received a credit hereunder.

## 2.7 Purchase Price Adjustment.

(a) The Purchaser shall prepare and deliver to the Seller within 150 days following the Closing Date a certificate showing the calculation of the Purchase Price

Adjustment and the Receivables Adjustment (the "Purchase Price Certificate"). The "Purchase Price Adjustment" shall be an amount equal to the sum of (i) the Balance Sheet Adjustment (as defined in Section 2.3(b)), plus (ii) the Equipment Adjustment (as defined in Section 2.5(c)), and plus (iii) the Proration Adjustment (as defined in Section 2.6(b)).

(b) The Seller shall have a period of 15 days after delivery of the Purchase Price Certificate to present in writing to the Purchaser any objections the Seller may have to any of the matters set forth therein, which objections shall be set forth in reasonable detail. If the Seller does not deliver to the Purchaser notice of any objections to the Purchase Price Certificate within such 15-day period, the Purchase Price Certificate shall be deemed accepted and approved by the Purchaser and by the Seller and (i) within five Business Days thereafter, the Purchaser shall pay to the Seller by wire transfer of immediately available funds to an account designated by the Seller, the amount, if any, by which the sum of the Purchase Price Adjustment, less the Receivables Adjustment, is greater than the Estimated Purchase Price Adjustment (the "Positive Purchase Price Adjustment") or (ii) the Purchaser shall be entitled to set off against the amount due the Seller under the Note or collect directly from the Seller the amount, if any, by which the Estimated Purchase Price Adjustment is greater than the sum of Purchase Price Adjustment, less the Receivables Adjustment (the "Negative Purchase Price Adjustment").

(c) If the Seller shall have delivered to the Purchaser notice of any objections within the aforesaid 15-day period with respect to the Purchase Price Certificate, the Seller's accountants and the Purchaser's accountants (either internal or external) shall attempt to resolve the matter or matters in dispute and, if resolved, such accountants shall send a joint notice to the Purchaser and the Seller stating the manner in which the dispute was resolved and a revised Purchase Price Certificate, prepared in accordance with such resolution, whereupon the revised Purchase Price Certificate shall be final and binding on the parties hereto and the revised Positive Purchase Price Adjustment or Negative Purchase Price Adjustment, as applicable, shall be paid in accordance with the payment provisions of Section 2.7(b). If such dispute cannot be resolved by the Purchaser and the Seller nor by such accountants within 30 days after delivery of the Purchase Price Certificate, then the specific matters in dispute shall be submitted to a firm of independent certified public accountants mutually acceptable to the Purchaser and the Seller, which firm shall make a final and binding determination as to such matter or matters within 45 days after delivery of the Purchase Price Certificate and the revised Positive Purchase Price Adjustment or Negative Purchase Price Adjustment, as applicable, shall be paid in accordance with the payment provisions of Section 2.7(b). The parties agree to cooperate with each other and each other's authorized representatives and with any other accounting firm selected by the Purchaser and the Seller in order that any and all matters in dispute shall be resolved as soon as practicable.

(d) The fees and expenses hereunder of the Seller's accountants and the Purchaser's accountants shall be paid by the Seller and the Purchaser, respectively, and those of the other accounting firm selected by the Purchaser and the Seller pursuant to Section 2.7(c) shall be paid one-half by the Purchaser and one-half by the Seller.

(e) Notwithstanding anything herein to the contrary, if the Seller and the Purchaser agree on only certain of the adjustments to the Purchase Price, those adjustments shall

be made to the Purchase Price as provided in Section 2.7(c) pending resolution of the adjustments over which the parties have a dispute.

(f) Notwithstanding anything herein to the contrary, the remedies of the Purchaser for any amounts owing by the Seller to the Purchaser under Article II or under Sections 6.1 or 8.1 shall not be limited to the Purchaser's right of setoff against amounts due to the Seller under the Note; provided that the Purchaser agrees that prior to attempting to collect any amounts due the Purchaser from the Seller hereunder directly from the Seller, the Purchaser shall first exercise its right to setoff against any amounts due to the Seller under the Note.

### ARTICLE III

#### CLOSING

3.1 Closing Date. The closing of the sale and purchase of the Assets provided for in Section 1.1 (the "Closing") shall take place simultaneously with the execution of this Agreement at the offices of Smith Helms Mulliss & Moore, L.L.P., located at 127 Grace Street, Wilmington, North Carolina 28401, on the date hereof or at such other place and time upon which the parties may mutually agree and shall be effective as of 11:59 p.m. on the date hereof (the "Effective Time"); provided, however, that, for the Purchaser's accounting purposes only, and not for purposes of determining the Purchase Price (or any adjustments thereto) or any other matters hereunder, including without limitation, any tax matters, the Closing shall be deemed to be effective as of November 1, 2000. The date on which the Closing is held is referred to in this Agreement as the "Closing Date".

### ARTICLE IV

#### REPRESENTATIONS AND WARRANTIES OF THE SELLER AND MICHAEL SATRAZEMIS

The Seller and Michael Satrazemis hereby jointly and severally represent and warrant to the Purchaser that:

4.1 Organization and Good Standing. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of North Carolina and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now conducted.

4.2 Authorization of Agreement.

(a) The Seller has all requisite corporate power and authority (i) to execute and deliver this Agreement, a Non-Competition Agreement, substantially in the form attached hereto as Exhibit B (the "Seller Non-Competition Agreement"), and each other agreement, document, instrument or certificate contemplated by this Agreement to be executed by the Seller in connection with the consummation of the transactions contemplated by this Agreement (this Agreement, the Seller Non-Competition Agreement and such other agreements, documents,

instruments and certificates are collectively referred to herein as the "Seller Documents") and (ii) to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of the Seller Documents by the Seller has been duly authorized by all necessary corporate action on behalf of the Seller. This Agreement and each of the other Seller Documents have been duly and validly executed and delivered by the Seller and (assuming the due authorization, execution and delivery by the other parties hereto and thereto (other than the Stockholders)) this Agreement and each of the other Seller Documents constitutes legal, valid and binding obligations of the Seller, enforceable against the Seller in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

(b) Each of the Stockholders has all requisite power, authority and legal capacity (i) to execute and deliver this Agreement, a Non-Competition Agreement, substantially in the form attached hereto as Exhibit C (the "Stockholder Non-Competition Agreement"), and each other agreement, document, instrument or certificate contemplated by this Agreement to be executed by such Stockholder in connection with the consummation of the transactions contemplated by this Agreement (this Agreement, the Stockholder Non-Competition Agreement and such other agreements, documents, instruments and certificates are collectively referred to herein as the "Stockholder Documents") and (ii) to consummate the transactions contemplated hereby and thereby. This Agreement and each of the other Stockholder Documents have been duly and validly executed and delivered by each Stockholder and (assuming the due authorization, execution and delivery by the other parties hereto and thereto (other than the Seller)) this Agreement and each of the other Stockholder Documents constitutes legal, valid and binding obligations of such Stockholder, enforceable against such Stockholder in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).



#### 4.3 Conflicts; Consents of Third Parties.

(a) Except as set forth on Schedule 4.3 hereto, neither the execution, delivery and performance by the Seller or any of the Stockholders of this Agreement and the other Seller Documents and Stockholder Documents nor compliance by the Seller or any of the Stockholders with any of the provisions hereof or thereof will (i) conflict with, or result in the breach of, any provision of the Articles of Incorporation or Bylaws of the Seller, (ii) conflict with, violate, result in the breach or termination of or constitute a default under any note, bond, mortgage, indenture, license, other agreement or other instrument or obligation to which the Seller or any Stockholder is a party or by which the Seller or any its properties or assets or any Stockholder is bound, including any Contract or Lease, (iii) violate any Order or any statute, rule or regulation of any Governmental Body by which the Seller or any Stockholder is bound or (iv) result in the creation of any Lien upon the properties or assets of the Seller, including the Assets, or any Stockholder.

(b) Except as set forth on Schedule 4.3 hereto, no consent, waiver, approval, Order, Permit or authorization from, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of the Seller or any Stockholder in connection with the execution, delivery and performance by the Seller or any Stockholder of this Agreement, the other Seller Documents or the other Stockholder Documents or compliance by the Seller or any Stockholder with any of the provisions hereof or thereof.

4.4 Transfer of Assets. The Seller has the corporate power and authority to sell, transfer, assign and deliver the Assets as provided in this Agreement, and such sale, transfer, assignment and delivery will convey to the Purchaser good, valid and indefeasible title to the Assets, free and clear of any and all Liens (other than the Permitted Exceptions). The Seller shall warrant and defend the title to the Assets in the Purchaser against the claims of all Persons.

4.5 Adequacy of Assets; Location of Assets; Subsidiaries; Shareholders. The Assets to be sold hereunder, together with the Leases, and the assets marked with an "\*" on Schedule 1(b)(i) hereto include all property, contract rights, leases and intangibles necessary for Purchaser to continue after the Closing the Business as now conducted by the Seller. For such continuation of the Business as now conducted, there are no capital expenditures which Seller now plans to make or anticipates will be required to be made other than in the ordinary course of Business. Except as set forth on Schedule 4.5 hereto and except for Equipment located at project sites in the ordinary course of the Business and Equipment being rented to customers in the ordinary course of the Business, all of the tangible Assets are located on the Company Property. The Seller owns no equity interest in any Person. The Stockholders are the sole shareholders of the Seller.

#### 4.6 Financial Statements.

(a) Attached hereto as Schedule 4.6 are true and correct copies of (i) the compiled Statement of Assets, Liabilities and Stockholders Equity of the Seller as at December 31, 1997 and the related statement of Revenues and Expenses for the twelve-month period then ended, (ii) the balance sheet of the Seller as at December 31, 1998 and the related statement of Profit and Loss for the twelve-month period then ended, (iii) the compiled Statement of Assets,

Liabilities and Stockholders Equity of the Seller as at December 31, 1999 (the "December Balance Sheet") and the related statement of Revenues and Expenses for the twelve-month period then ended, and (iv) the Statement of Assets, Liabilities and Stockholders Equity of the Seller as at November 13, 2000 (the "November Balance Sheet") and the related statement of Revenues and Expenses for the period then ended (such financial statements, including any related notes and schedules thereto, if any, are referred to herein as the "Financial Statements"). Each of the Financial Statements is complete and correct in all material respects, has been prepared in accordance with the income tax method of accounting and in conformity with the practices consistently applied by the Seller to which such Financial Statements relate, without modification of the accounting principles used in the preparation thereof, and presents fairly the financial position and results of operations of the Seller to which such Financial Statements relate as at the dates and for the periods indicated.

(b) The Seller's books and records (including all financial records, business records, minute books, stock transfer records, client lists, referral source lists and records pertaining to services or products delivered to clients) (i) are complete and correct in all material respects and all transactions to which the Seller is or has been a party are accurately reflected therein on an accrual basis, (ii) reflect all discounts, returns and allowances granted by the Seller with respect to the periods covered thereby, (iii) form the basis for the Financial Statements and (iv) accurately reflect in all material respects the assets, liabilities, financial position and results of operations of the Seller on a modified accrual basis. All computer-generated reports and other computer output included in the Seller's books and records are complete and correct and were prepared in conformity with the practices consistently applied by the Seller and are based upon authentic data.

4.7 Absence of Certain Developments. Except as reflected in the November Balance Sheet or as set forth on Schedule 4.7, since December 31, 1999:

(i) there has not been any Material Adverse Change nor has there occurred any event which is reasonably likely to result in a Material Adverse Change;

(ii) there has not been any damage, destruction or loss, whether or not covered by insurance, with respect to the property and assets of the Seller having a replacement cost of more than \$10,000 for any single loss or \$25,000 for all such losses;

(iii) the Seller has not awarded or paid any bonuses to its employees or entered into any employment, deferred compensation, severance or similar agreement (nor amended any such agreement) or agreed to increase the compensation payable or to become payable by it to any of its directors, officers, employees, agents or representatives or agreed to increase the coverage or benefits available under any severance pay, termination pay, vacation pay, company awards, salary continuation for disability, sick leave, deferred compensation, bonus or other incentive compensation, insurance, pension or other employee benefit plan, payment or arrangement made to, for or with such directors, officers, employees, agents or representatives (other than normal increases in the ordinary course of business consistent with past practice and that in the aggregate have not resulted in a material increase in the benefits or compensation expense of the Seller);

(iv) there has not been any change by the Seller in accounting or Tax reporting principles, methods or policies, including any change in depreciation, amortization or inventory valuation policies theretofore used or adopted;

(v) the Seller has not entered into any transaction or contract or conducted its business other than in the ordinary course of business consistent with past practice;

(vi) the Seller has not failed to pay and discharge in accordance with reasonable and standard practices all current liabilities except where disputed in good faith by appropriate proceedings;

(vii) the Seller has not made any loans, advances or capital contributions to, or investments in, any Person;

(viii) the Seller has not mortgaged, pledged or subjected to any Lien any of its assets, or acquired any assets or sold, assigned, transferred, conveyed, leased or otherwise disposed of any of its assets, except for assets acquired or sold, assigned, transferred, conveyed, leased or otherwise disposed of in the ordinary course of business consistent with past practice;

(ix) the Seller has not discharged or satisfied any Lien, or paid any obligation or liability (fixed or contingent), except in the ordinary course of business consistent with past practice;

(x) the Seller has not canceled or compromised any debt or claim or amended, canceled, terminated, relinquished, waived or released any Contract or right except in the ordinary course of business consistent with past practice and which, in the aggregate, would not be material to the Seller;

(xi) the Seller has not made or committed to make any capital expenditures or capital additions or betterments in excess of \$5,000 individually or \$25,000 in the aggregate;

(xii) there has not been any resignation or, to the Knowledge of Seller, threatened resignation of any key employee of the Seller;

(xiii) the Seller has not instituted, or to the knowledge of the Seller, been made a party to, or settled any Legal Proceeding; and

(xiv) the Seller has not agreed to do anything set forth in clauses (i) - (xiii) of this Section 4.7.

#### 4.8 Taxes.

(a) Except as set forth on Schedule 4.8(a), (i) all Tax Returns required to be filed by or on behalf of the Seller have been properly prepared and duly and timely filed with the appropriate taxing authorities in all jurisdictions in which such Tax Returns are required to be

filed (after giving effect to any valid extensions of time in which to make such filings), and all such Tax Returns were true, complete and correct in all material respects; and (ii) all Taxes required to be paid by Seller with respect to such Tax Returns (including interest and penalties) have been fully and timely paid by the Seller (including without limitation any ad valorem taxes imposed with respect to the Assets), except those not yet due, that constitute or may hereafter constitute a Lien on any of the Assets or for which the Purchaser could become liable as transferee of the Assets.

(b) Except as set forth on Schedule 4.8(b), the Seller has complied with all applicable laws, rules and regulations relating to the payment and withholding of Taxes and has duly and timely withheld from employee salaries, wages and other compensation and has paid over to the appropriate taxing authorities all amounts required to be so withheld and paid over for all periods under all applicable Laws.

(c) Schedule 4.8(c) lists all material types of Taxes paid and material types of Tax Returns filed by or on behalf of the Seller. No claim has been made by a taxing authority in a jurisdiction where the Seller does not file Tax Returns such that it is or may be subject to taxation by that jurisdiction.

(d) There are no audits or investigations by any taxing authority in progress, nor has the Seller received any notice from any taxing authority that it intends to conduct such an audit or investigation.

(e) There are no Liens (other than the Permitted Exceptions) as a result of any unpaid Taxes upon any of the Assets.

#### 4.9 Real Property.

(a) The Seller owns no real property. Schedule 1.1(a)(6) sets forth a complete list of all real property and interests in real property leased by the Seller, as lessee or lessor. The Company Property constitutes all interests in real property currently used or currently held for use by the Seller. To the Knowledge of the Seller, the Seller has a valid and enforceable leasehold interest under each of the Leases, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity). The Seller has not received any notice of any default or event that with notice or lapse of time, or both, would constitute a default by it under any of the Leases. All of the Company Property, including the buildings, fixtures and improvements thereon owned or leased by the Seller, are in good operating condition and repair (subject to normal wear and tear), with sufficient access to roads and utilities to operate its businesses. The Seller has delivered to the Purchaser true, correct and complete copies of the Leases, including all amendments, modifications and supplements, if any, thereto.

(b) The Seller has all certificates of occupancy and Permits of any Governmental Body necessary for the current use and operation of the Company Property, and

the Seller has fully complied with all material conditions of the Permits applicable to them. No default or violation, or event that with the lapse of time or giving of notice or both would become a default or violation, has occurred in the due observance of any Permit.

(c) To the Knowledge of the Seller, there does not exist any actual, threatened or contemplated condemnation or eminent domain proceedings that could reasonably be expected to affect any Company Property or any part thereof, and the Seller has not received any notice, oral or written, of the intention of any Governmental Body or other Person to take or use all or any part thereof.

(d) The Seller has received no notice from any insurance company that has issued a policy with respect to any Company Property requiring performance of any structural or other repairs or alterations to such Company Property.

(e) The Seller does not own or hold, and is not obligated under or a party to, any option, right of first refusal or other contractual right to purchase, acquire, sell, assign or dispose of any real estate or any portion thereof or interest therein.

(f) None of the Company Property is located within a flood hazard area for purposes of the National Flood Insurance Act of 1968, as amended.

4.10 Liens; Tangible Personal Property. Except as set forth on Schedule 4.10, the Seller has good and marketable title to all of the Assets, free and clear of any and all Liens other than the Permitted Exceptions. Upon payment of the Payoff Amount in accordance with the Payoff Letters, all Liens set forth on Schedule 4.10 shall terminate. Except for items of Equipment listed on Schedule 2.5(d) (which are down for repair), all Equipment, Inventory and Other Assets are in good condition and in a state of good maintenance and repair (ordinary wear and tear excepted) and are suitable for the purposes currently used by the Seller. The Equipment and the Inventory consists of items of a quantity, type and quality usable, saleable, rentable or leasable, as appropriate, in the ordinary course of the Business. As reflected in the Financial Statements, the Equipment and the Inventory is valued at cost, determined using the first-in, first-out accounting method, except for obsolete and slow-moving items and items which are below standard quality, all of which have been written down to estimated net realizable value on an item-by-item basis. The Seller has not voided any warranty from a third-party manufacturer with respect to any of the Equipment or the Inventory. None of the Inventory consists of items of a quantity, type or quality which are not usable or saleable in the ordinary course of the Business. None of the Equipment or Inventory that was manufactured in any country other than the United States, commonly referred to as "Gray Market Issue Equipment," failed, at the date of its acquisition by the Seller, or fails currently, to meet applicable Clean Air Act emissions certification standards and/or requirements.

4.11 Intangible Property. Except as set forth on Schedule 4.11, the Intellectual Property is owned by the Seller and is not the subject of any challenge. Except as set forth on Schedule 4.11, the Seller has not used any trade names or fictitious business names in the operation of its business during the past five years. There have been no claims made and the Seller has not received any notice that any, and, to the Knowledge of the Seller, none, of the

Intellectual Property is invalid or conflicts with the asserted rights of others. The Seller has filed all necessary reports regarding unclaimed or abandoned property with the State of North Carolina and any other applicable states, and a copy of each such filing for 1999, if any, has been provided to the Purchaser. The Seller has never been audited by any state, including the State of North Carolina, or any other Governmental Body with regard to unclaimed or abandoned property. Schedule 4.11 sets forth a listing of all unclaimed or abandoned property held by the Seller as of the close of business on Closing Date.

#### 4.12 Contracts.

(a) True, correct and complete copies of all of the Contracts, including all amendments, modifications and supplements, if any, thereto, have been delivered to the Purchaser. Except as set forth on Schedule 4.12(a), the Contracts and Leases include all contracts, agreements and commitments of the Seller that, individually or in the aggregate, are material to the operation of the Seller's business as now conducted. Except as set forth on Schedule 4.12(a), all of the Contracts are in full force and effect and are the legal, valid and binding obligation of the Seller and each other Person a party thereto, enforceable against them in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). Except as set forth on Schedule 4.12(a), (x) the Seller is not in default under any Contract, nor, to the Knowledge of the Seller, is any other party to any Contract in default thereunder and (y) the Seller has received no notice that any party to a Contract intends to terminate or not renew the same at its next renewal date.

(b) Schedule 4.12(b) sets forth all of the following contracts and agreements of the Seller (the following contracts and agreements that are not included in the definitions of Contracts or Leases are referred to herein as "Excluded Contracts"): (i) contracts and agreements with any labor union or association representing any employee of the Seller; (ii) contracts and agreements for the sale of any of the assets of, or the provision of services by, the Seller or the purchase of assets or services by the Seller other than in the ordinary course of the Business consistent with past practice; (iii) contracts and agreements granting to any Person any preferential rights to purchase any of its assets or to acquire any services; (iv) contracts and agreements containing covenants of the Seller not to compete in any line of business or with any Person in any geographical area or covenants of any other Person not to compete with the Seller in any line of business or in any geographical area; (v) contracts and agreements relating to the acquisition by the Seller of any operating business or the capital stock of any other Person; (vi) contracts and agreements relating to the borrowing of money; (vii) contracts and agreements relating to floor plan financing; and (viii) contracts and agreements obligating the Seller to secrecy or to maintain the confidentiality of any information.

(c) No RPOs exist.

#### 4.13 Employee Benefits.

(a) Schedule 4.13 sets forth a complete and correct list of (i) all "employee benefit plans", as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and any other pension plans or employee benefit arrangements, programs or payroll practices (including severance pay, vacation pay, company awards, salary continuation for disability, sick leave, retirement, deferred compensation, bonus or other incentive compensation, stock purchase arrangements or policies, hospitalization, medical insurance, life insurance and scholarship programs) as to which the Seller or any trade or business (whether or not incorporated) which is under control, or which is treated as a single employer, with the Seller under Section 414(b), (c), (m) or (o) of the Code ("ERISA Affiliate"), has any obligation or liability (contingent or otherwise) (the "Employee Benefit Plans").

(b) No Employee Benefit Plan is subject to Title IV of ERISA.

(c) Each of the Employee Benefit Plans intended to qualify under Section 401 of the Code ("Qualified Plans") so qualifies, and the trusts maintained thereunder are exempt from federal income taxation under Section 501 of the Code, and nothing has occurred with respect to the operation of any Qualified Plan which could cause the loss of such qualification or exemption or the imposition of any liability, penalty or tax under ERISA or the Code.

(d) All contributions and premiums required by Law or by the terms of any Employee Benefit Plan or any agreement relating thereto have been timely made (without regard to any waivers granted with respect thereto) to any funds or trusts established thereunder or in connection therewith, and no accumulated funding deficiencies exist in any of such plans subject to Section 412 of the Code.

(e) There are no pending Legal Proceedings which have been asserted or instituted against any of the Employee Benefit Plans, the assets of any such plans or the Seller, or the plan administrator or any fiduciary of the Employee Benefit Plans with respect to the operation of such plans (other than routine, uncontested benefit claims), and there are no facts or circumstances which could form the basis for any such Legal Proceeding.

(f) Each of the Employee Benefit Plans has been maintained, in all material respects, in accordance with its terms and all provisions of applicable Law. All amendments and actions required to bring each of the Employee Benefit Plans into conformity in all material respects with all of the applicable provisions of ERISA and other applicable Laws have been made or taken.

(g) Neither the Seller nor any ERISA Affiliate has terminated any Employee Benefit Plan subject to Title IV of ERISA, or incurred any outstanding liability under Section 4062 of ERISA to the Pension Benefit Guaranty Corporation or to a trustee appointed under Section 4042 of ERISA.

#### 4.14 Labor; Personnel.

(a) List of Agreements. Schedule 4.14(a) hereto sets forth all agreements

between the Seller and any of the employees, consultants, salesmen and other Persons performing services for the Seller, relating to their employment by or performance of services for the Seller or their compensation therefor.

(b) Other Information as to Benefits. Schedule 4.14(b) sets forth a complete list of all employees (by type or classification) of the Seller performing services for the Seller (the "Employees") and their respective rates of compensation, including (i) the portions thereof attributable to bonuses, (ii) any other salary, bonus, stock option, equity participation, or other compensation arrangement made with or promised to any of them, and (iii) the total amount to be paid by the Seller to each Employee pursuant to Section 6.1(a).

(c) Labor Organizations. The Seller is not party to any collective bargaining agreement with any labor union or similar organization, nor, to the Knowledge of the Seller, is there any such organization that represents or claims to represent any of the Employees or intends to organize any of the Employees. There are no (i) strikes, work stoppages, slowdowns, lockouts or arbitrations or (ii) material grievances or other labor disputes pending or, to the Knowledge of the Seller, threatened against or involving the Seller.

(d) Restrictions on Employees. None of the Employees is subject to any agreement with the Seller or, to the Knowledge of the Seller, any other Person which requires such Employee to assign any interest in inventions or other intellectual property or keep confidential any trade secrets, proprietary data, customer lists or other business information or which restricts such Employee from engaging in competitive activities or solicitation of customers.

4.15 Litigation. Except as set forth in Schedule 4.15, there is no suit, action, proceeding, investigation, claim or Order pending before any court, or before any Governmental Body or, to the Knowledge of the Seller, threatened against the Seller (or pending or, to the Knowledge of the Seller, threatened against any of the key employees of the Seller with respect to their business activities on behalf of the Seller), or to which the Seller is otherwise a party; nor, to the Knowledge of the Seller, is there any reasonable basis for any such action, proceeding or investigation. The Seller is not subject to any judgment, Order or decree of any court or Governmental Body, and, except as set forth in Schedule 4.15, the Seller is not engaged in any legal action to recover monies due it or for damages sustained by it.

#### 4.16 Compliance with Laws; Permits.

(a) The Seller is in material compliance with all Laws applicable to it or to the conduct of its business or operations or the use of the Assets. Except as set forth on Schedule 4.16, there has been no assertion by any Person, and the Seller has not received any notice, of any violation by the Seller of any Laws.

(b) Schedule 1.1(a)(15) sets forth a full and complete list of all Permits owned by, issued to, or otherwise benefiting the Seller. Such Permits constitute all Permits necessary in the operation of the Seller's business as currently conducted. All of such Permits are valid and in full force and effect, and there are no proceedings pending or, to the Knowledge of the Seller, threatened which may result in the revocation, cancellation, suspension or adverse modification



of any such Permit. All of the Permits that are renewable pursuant to their terms are renewable in the ordinary course of the business of the Seller without the need to comply with any special qualification procedures or to pay any amount other than routine filing fees.

4.17 Environmental Matters. Except as set forth on Schedule 4.17 hereto:

(a) the operations of the Seller are in compliance with all applicable Environmental Laws and all Permits issued pursuant to Environmental Laws or otherwise;

(b) the Seller has obtained all Permits required under all applicable Environmental Laws necessary to operate its business;

(c) the Seller is not the subject of any outstanding written order, and there exists no contract or agreement with any Governmental Body or other Person, respecting (i) Environmental Laws, (ii) Remedial Action or (iii) any Release or threatened Release of a Hazardous Material;

(d) the Seller has not received any communication alleging that (i) it may be in violation of (x) any Environmental Law or (y) any Permit issued pursuant to any Environmental Law or (ii) it may have any liability under any Environmental Law;

(e) the Seller has no current contingent liability in connection with any Release of any Hazardous Materials arising from the business operations of the Seller or, to the Knowledge of the Seller, any other Release of any Hazardous Materials, into the indoor or outdoor environment (whether at any Company Property or otherwise);

(f) to the Knowledge of the Seller, there are no investigations of the Seller, the operations of the Seller, or currently or previously owned, operated or leased property of the Seller pending or threatened which could lead to the imposition of any liability pursuant to any Environmental Law;

(g) as a result of the Seller's business operations there has not been installed or brought onto during the time the Seller owned, leased or operated under such property and, to the Knowledge of the Seller, there is not located at, any of the Company Properties or any property previously owned, leased or operated by the Seller (at the time the Seller owned, leased or operated such property) any (i) underground storage tank ("UST"), (ii) asbestos-containing material or (iii) equipment containing polychlorinated biphenyls;

(h) the Seller has provided to the Purchaser true, correct and complete copies of all environmentally related audits, studies, reports, analyses and results of investigations that have been performed with respect to the Company Property or any previously owned, leased or operated properties of the Seller;

(i) as to each UST disclosed or required to be disclosed pursuant to Section 4.17(g), if any, Schedule 4.17(i) sets forth (1) the location of the UST, information and material, including any available drawings and photographs, showing the location, and whether the Seller

currently owns or leases the property on which the UST is located (and if the Seller does not currently own or lease such property, the dates on which it did and the current owner or lessee of such property); (2) the date of installation and specific use or uses of the UST; (3) a copy of each notice to or from a Governmental Body relating to the UST; (4) other material records with regard to the UST, including repair records, financial assurance compliance records and records of ownership; and (5) to the extent not otherwise set forth pursuant to the above, a summary description of instances, past or present, in which the UST failed to meet applicable standards and regulations for tightness or otherwise and the extent of such failure, and any other operational or environmental problems with regard to the UST, including spills, including spills in connection with delivery of materials to the UST, Releases from the UST and soil contamination.

4.18 Insurance. Schedule 4.18 sets forth (i) a complete and accurate list of all policies of insurance of any kind or nature covering the Seller or any of the Employees or the properties or assets of the Seller, including policies of life, disability, fire, theft, workers compensation, employee fidelity and other casualty and liability insurance; and (ii) as to each such policy, the name of the insurer, the type of risks insured, the deductible and limits of coverage and the annual premium therefor. All such policies are in full force and effect, and the Seller is not in default of any provision thereof. For each actual claim by or against the Seller covered by insurance, Schedule 4.18 lists the name of such insurer, the applicable insurance and a description of such contingent or other liability, and each such insurer, if required, has been properly and timely notified of such liability, no reservation of rights letters have been received by the Seller and the insurer has assumed defense of each Proceeding relating to any such contingent or other liability.

4.19 Related Party Transactions. Except as set forth in Schedule 4.19, the Seller is not, and during the past three years has not been, a party, directly or indirectly, to any contract, lease, arrangement or transaction affecting in any way the Business, whether for the purchase, lease or sale of property, for the rendition of services or otherwise, with any Affiliate or Associate of the Seller or any Stockholder and no Employee owns any direct or indirect interest of any kind in the Assets (except the indirect interest held by any Stockholder by virtue of his or her ownership of capital stock of the Seller). Except as set forth in Schedule 4.19, none of the assets used by the Seller in the Business are owned by any Stockholder or any other Affiliate of the Seller or any Stockholder.

4.20 Banks; Post Office Boxes; Powers of Attorney. Schedule 4.20 contains a complete and correct list of the account numbers (where applicable), names and locations of all banks in which the Seller has accounts or safe deposit boxes and the names of all persons authorized to draw thereon or to have access thereto and a list of all post office and other mail boxes of the Seller. Except as set forth on Schedule 4.20, no Person holds a power of attorney to act on behalf of the Seller.

4.21 Product Quality; Warranty Claims; Product Liability. No service provided by the Seller to any customer on or prior to the Closing Date is subject to any guaranty, warranty or other indemnity beyond those stated in the Contract(s) with such customer. To the Knowledge of the Seller, (i) all products and services sold, rented, leased, provided or delivered by the Seller

to its customers on or prior to the Closing Date conform or will conform to applicable contractual commitments, express and implied warranties, product and service specifications and quality standards, and (ii) the Seller has no liability and there is no basis for any present or future action, suit, Proceeding, hearing, investigation, charge, complaint, claim or demand against the Seller giving rise to any liability for replacement or repair thereof or other damages in connection therewith. Neither any Stockholder nor the Seller has taken any action, or omitted to take any action, which would have the effect of voiding any warranty covering any products sold, rented, leased, provided or delivered by the Seller to its customers on or prior to the Closing Date. The Seller has complied with all recall notices and service bulletins sent to the Seller concerning all products and services sold, rented, leased, provided or delivered by the Seller. Except as set forth on Schedule 4.21, the Seller has no actual existing liability (and, to the Knowledge of the Seller, there is no basis for any present or future action, suit, Proceeding, hearing, investigation, charge, complaint, claim or demand against the Seller which might give rise to any liability) arising out of any injury to a person or property as a result of the ownership, possession, provision or use of any Equipment, product or service sold, rented, leased, provided or delivered by the Seller on or prior to the Closing Date. All product liability claims that have been asserted against the Seller since January 1, 1993, whether covered by insurance or not and whether litigation has resulted or not, are listed and summarized on Schedule 4.21.

4.22 Prospective Changes. Except as described in Schedule 4.22, the Seller has no Knowledge of any impending changes in the business, assets, liabilities, relations with the Employees or the competitive situation or relations with the suppliers or customers of the Seller, or in any governmental actions or regulations affecting the Seller or the Seller's Business, which, if they occur, could reasonably be expected to have a Material Adverse Change.

4.23 Customers and Suppliers. Schedule 4.23 lists, with respect to each of the year ended December 31, 1997, the year ended December 31, 1998 and the year ended December 31, 1999 (i) the ten largest customers (by dollar volume) of the Seller during such periods (showing the dollar volume for each) and (ii) the ten largest suppliers (by dollar volume) of the Seller during such periods (showing the dollar volume of each). There has been no change in the business relationship of the Seller with its customers and suppliers identified in Schedule 4.23 which could reasonably be expected to have a Material Adverse Change and the Seller has no Knowledge that any such customers or suppliers is expected to cease or substantially reduce purchasing or supplying goods or services, or is currently involved in any bankruptcy, liquidation or similar proceeding.

4.24 Security Deposits. Schedule 4.24 lists all of the Security Deposits existing as of the Closing Date. For each Security Deposit, Schedule 4.24 lists the amount of the deposit, the customer name, the invoice with respect to which the deposit was made, the date the deposit was made and the termination date of the rental contract with respect to which the deposit was made.

4.25 Seller's Business. Except as described on Schedule 4.25, the Seller has not engaged in any business or activity other than the business described in the preamble to this Agreement.

4.26 No Misrepresentation. No representation or warranty of the Seller contained in this Agreement or in any schedule hereto or in any certificate or other instrument furnished by the Seller to the Purchaser pursuant to the terms hereof, contains any untrue statement or omits to state any fact necessary to make the statements contained herein or therein not misleading.

4.27 Brokers; Finders. Except for Rick Milton and Grand Teton, no Person has acted, directly or indirectly, as a broker or finder for the Seller or the Stockholders in connection with the transactions contemplated by this Agreement for which such Person is entitled to any fee or commission or like payment in respect thereof.

## ARTICLE V

### REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser hereby represents and warrants to the Seller and the Stockholders that:

5.1 Organization and Good Standing. The Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

5.2 Authorization of Agreement. The Purchaser has full corporate power and authority (i) to execute and deliver this Agreement, the Seller Non-Competition Agreement, the Stockholder Non-Competition Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement to be executed by the Purchaser in connection with the consummation of the transactions contemplated hereby and thereby (this Agreement, the Seller Non-Competition Agreement, the Stockholder Non-Competition Agreement and such other agreements, documents, instruments and certificates are collectively referred to herein as the "Purchaser Documents") and (ii) to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by the Purchaser of this Agreement and each other Purchaser Document have been duly authorized by all necessary corporate action on behalf of the Purchaser. This Agreement and each other Purchaser Document have been duly executed and delivered by the Purchaser and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) this Agreement and each other Purchaser Document constitutes legal, valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

5.3 Conflicts; Consents of Third Parties.

(a) Neither the execution, delivery and performance by the Purchaser of this Agreement and the other Purchaser Documents nor the compliance by the Purchaser with any of the provisions hereof or any of the provisions of the other Purchaser Documents will (i) conflict with, or result in the breach of, any provision of the certificate of incorporation or by-laws of the Purchaser, (ii) conflict with, violate, result in the breach of, or constitute a default under any

note, bond, mortgage, indenture, license, agreement or other obligation to which the Purchaser is a party or by which the Purchaser or its properties or assets are bound or (iii) violate any statute, rule, regulation, order or decree of any Governmental Body by which the Purchaser is bound.

(b) No consent, waiver, approval, Order, Permit or authorization from, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of the Purchaser in connection with the execution, delivery and performance of this Agreement or the other Purchaser Documents or compliance by Purchaser with any of the provisions hereof or thereof, as applicable.

5.4 Litigation. There are no Legal Proceedings pending or, to the Knowledge of the Purchaser, threatened against the Purchaser that are reasonably likely to prohibit or restrain the ability of the Purchaser to enter into this Agreement or consummate the transactions contemplated hereby.

5.5 Brokers: Finders. No Person has acted, directly or indirectly, as a broker or finder for the Purchaser in connection with the transactions contemplated by this Agreement for which such Person is entitled to any fee or commission or like payment in respect thereof.

## ARTICLE VI

### POST-CLOSING COVENANTS

#### 6.1 Employment Matters.

(a) Immediately prior to the Closing, the Seller shall terminate the employment of all Employees effective immediately prior to the Effective Time. The parties understand and agree that the Seller shall be responsible for and shall cause to be discharged and satisfied in full on or prior to the Closing all amounts owed to any Employee, including wages, salaries, accrued vacation and sick pay, or other compensation or liability arising out of any employment, incentive, severance, compensation or bonus agreements or arrangements, or any other benefits or payments or liabilities arising out of the termination of employment; provided, however, that payment of medical claims of such Employees under the Seller's group health plan may be paid subsequent to the Closing Date. In the event that the Seller does not pay to any of the Employees any amounts owed pursuant to this Section 6.1(a), the Purchaser may make such payments on the Seller's behalf and set off the amount of such payments against any amounts due to the Seller under the Note. The Purchaser intends to offer employment to all Employees unless, as to any particular Employee, such Employee would not be able to remain an employee of Purchaser if already employed by Purchaser, under the Purchaser's normal policies and procedures with respect to retaining employees. Employees who become employed by the Purchaser pursuant to this Section are referred to herein as the "Transferred Employees."

(b) In accordance with the Seller's "group health plan," the Seller shall offer "continuation coverage" to each "qualified beneficiary" (including all Employees and former employees performing or who have performed services for the Seller) who is both (i) covered by a "group health plan" sponsored, maintained or contributed to by the Seller or an ERISA

Affiliate and (ii) has experienced a "qualified event" or is receiving such "continuation coverage" on or prior to the Closing Date. The continuation coverage shall be provided under a group health plan of the Seller or an ERISA Affiliate of the Seller. The Seller shall be responsible for delivering to all terminated Employees any and all notices required to be delivered to such Employees in respect of the termination of their employment by the Seller, including, without limitation, notice of continuation coverage. "Continuation coverage," "qualified beneficiary," "qualifying event" and "group health plan" shall have the meanings given such terms under Section 4980B of the Code and Section 601 et seq. of ERISA. The Seller shall hold the Purchaser and any entity required to be combined with the Purchaser under Section 414 of the Code ("Affected Parties") harmless from and fully indemnify such Affected Parties against any costs, expenses, losses, damages and liabilities incurred or suffered by such Affected Parties directly or indirectly, including, but not limited to, reasonable attorneys' fees and expenses, which arise under a group health plan sponsored, maintained or contributed to by the Seller or an Affiliate of the Seller as a result of any action or omission of the Seller on or prior to the Closing Date or because the Purchaser is deemed to be a successor employer to the Seller. The Purchaser shall reimburse the Seller for any expenses actually incurred by the Seller in maintaining its "group health plan" to the extent that such expenses relate to the provision of "continuation coverage" during the period commencing immediately after the Closing Date and ending on the first day of the second month following the Closing Date to the Employees who are hired by the Purchaser and to the "qualified beneficiaries" who are receiving benefits under the "group health plan" as a result of their relationship to such Employees.

(c) Seller has taken or shall take all actions necessary to terminate the Motion Picture & Events, Inc. Simple IRA Plan (the "Plan") effective prior to the Closing Date, including, but not limited to, adopting resolutions prior to the Closing Date to terminate the Plan. The Seller shall be solely responsible for all costs and expenses incurred to terminate the Plan.

(d) The Seller shall fully vest any Transferred Employees in their account balances under the Plan. The Plan shall retain liability for account balances of all Transferred Employees (computed as though such employees terminated employment at the end of the Closing Date), provided, that, except as otherwise required by applicable Law, nothing herein shall preclude the Plan from making a distribution of benefits in accordance with its terms.

(e) No provision of this Section 6.1 shall create any third-party beneficiary rights in any Person, including the Employees or former employees (including any beneficiary or dependent thereof) of Seller, any employees of the Purchaser (including any Transferred Employee), or any employees or former employees of any of their respective Affiliates, unions or other employee representatives, or trustees, administrators, participants or beneficiaries of any employee benefit plan of the Purchaser or the Seller, including any Employee Benefit Plan.

6.2 Payment of Excluded Liabilities and Obligations. The Seller shall pay, perform and discharge the Excluded Liabilities and Obligations as and when due.

6.3 Payment of Assumed Liabilities and Obligations. The Purchaser shall pay, perform and discharge the Assumed Liabilities and Obligations as and when due.

6.4 Bulk Transfer Compliance. Inasmuch as the Purchaser is to assume the Assumed Liabilities and Obligations and the Seller is to pay, perform and discharge the Excluded Liabilities and Obligations, the Purchaser and the Seller hereby mutually agree to waive compliance with the provisions of any North Carolina bulk transfer or sales laws, to the extent applicable to the transactions contemplated hereby.

6.5 Collection of Receivables. Except with regard to Receivables that have been reassigned to the Seller by the Purchaser under Section 2.4, after the Closing, the Seller shall cooperate with the Purchaser in the collection of the Receivables and, at the Purchaser's request, will confirm to any account debtor with respect thereto that the Receivables have been assigned to the Purchaser. The Purchaser shall have the irrevocable right and authority to endorse with the name of the Seller any checks received on account of any Receivable or other item to which the Purchaser is entitled pursuant to this Agreement. If the Seller shall receive any remittances of the Receivables, it shall promptly remit the same to the Purchaser, duly endorsed for transfer to the Purchaser, as appropriate.

6.6 Cooperation.

(a) To the extent that any consents, waivers, approvals, Orders, Permits, authorizations, declarations, filings and notifications set forth on Schedule 4.3 or otherwise required for the ownership and operation by the Purchaser of the Business and the Assets after the Closing as operated by the Seller immediately prior to the Closing, are not obtained at or prior to the Closing, the Seller shall, at its expense, use reasonable efforts to assist the Purchaser in obtaining such consents, waivers, approvals, Orders, Permits, authorizations, declarations, filings and notifications; provided, however, that the foregoing shall not diminish or otherwise limit the obligation of the Seller under Section 7.1(g) to deliver at Closing all consents, waivers, approvals, orders, permits, authorizations, declarations, filings and notifications set forth on Schedule 4.3, in form and substance reasonably satisfactory to the Purchaser.

(b) The Purchaser will, after the Closing, transition the Business into its operations and its information systems (including payroll), which transition will require time and reasonable cooperation from the Seller. Accordingly, the Purchaser shall be entitled, for a period not to exceed 20 days from the Closing Date, to the reasonable use of the Excluded Assets (including the checking account for payment of Accounts Payable by the Purchaser (with the Purchaser's money)) and the cooperation of the Seller with respect thereto solely to the extent reasonably necessary to conduct the operations of the Business after the Closing as such operations were conducted prior to the Closing. The Purchaser shall not be charged any fee for such use, but shall promptly reimburse the Seller for any costs and expenses incurred by it as a result of such use.

6.7 Non-Transferable Contracts. If any Contract to be transferred to the Purchaser under Section 1.1 requires the consent of a third party to such transfer and such consent has not been obtained, such Contract shall not be deemed to have been transferred under Section 1.1 or assumed under Section 1.2 until such consent is actually obtained. Notwithstanding the foregoing, the Purchaser shall be entitled to all of the benefits of the Seller under such Contract and shall pay, perform and discharge as and when due all of the liabilities and obligations of the

Seller under such Contract arising after the Closing Date to the extent that the Purchaser receives such benefits. Until such consent is actually obtained and the Contract is transferred, the Seller shall do all such acts and things as the Purchaser may reasonably require to enable due performance of such Contract and to provide for the Purchaser the benefits, subject to the burdens, of such Contract. The covenants contained in this Section 6.7 are in addition to, and not in limitation of, the covenants of the parties under Sections 6.6 and 9.5.

## ARTICLE VII

### DOCUMENTS DELIVERED

7.1 Deliveries by the Seller. At the Closing, the Seller shall deliver, or cause to be delivered, to the Purchaser the following:

(a) such assignments, bills of sale, certificates of title and other instruments of transfer, all in form and substance reasonably satisfactory to the Purchaser, as are necessary or desirable to convey fully and effectively to the Purchaser all of the Assets in accordance with the terms hereof;

(b) a copy, certified by an officer of the Seller, of the resolutions duly adopted by the Board of Directors of the Seller authorizing the execution, delivery and performance of this Agreement and the Seller Documents by the Seller;

(c) a copy, certified by an officer of the Seller, of the resolutions duly adopted by the stockholders of the Seller authorizing the execution, delivery and performance of this Agreement and the Seller Documents by the Seller;

(d) a certificate of the appropriate public official, dated as of a recent date, evidencing the existence of the Seller in the State of North Carolina;

(e) executed pay-off letters from each Person in whose favor a Lien exists on any of the Assets, including Persons from whom the Seller leases any of the Assets under any capital or operations leases, in form and substance reasonably satisfactory to the Purchaser (the "Payoff Letters") and executed UCC-3 Termination Statements for each outstanding UCC-1 Financing Statement listed on Schedule 4.10;

(f) the opinion of Smith Helms Mulliss & Moore, L.L.P., counsel to the Seller, in form and substance reasonably satisfactory to the Purchaser;

(g) copies of all consents, waivers, approvals, Orders, Permits, authorizations, declarations, filings and notifications set forth on Schedule 4.3, in form and substance reasonably satisfactory to the Purchaser;

(h) the Seller Non-Competition Agreement, duly executed by the Seller;



(i) the Stockholder Non-Competition Agreement, duly executed by each of the Stockholders;

(j) an employment agreement, substantially in the form attached hereto as Exhibit D (the "Employment Agreement"), duly executed by Michael Satrazemis;

(k) an Assignment, Consent and Estoppel Certificate, in form and substance reasonably satisfactory to the Purchaser, duly executed by each of the landlords for each Company Property and the Seller;

(l) Subordination, Non-Disturbance and Attornment Agreements, in form and substance reasonably satisfactory to the Purchaser, duly executed by each mortgage holder of each Company Property; and

(m) such other documents as the Purchaser reasonably requested.

7.2 Deliveries by the Purchaser. At the Closing, the Purchaser shall deliver, or cause to be delivered, to the Seller the following:

(a) the Estimated Purchase Price, less the Hold-Back and less the Payoff Amount as provided in Section 2.2;

(b) an assumption agreement, in form and substance reasonably satisfactory to the Seller, duly executed by the Purchaser;

(c) each of the Seller Non-Competition Agreement and the Stockholder Non-Competition Agreements, duly executed by the Purchaser;

(d) the Employment Agreement, duly executed by the Purchaser;

(e) a certificate of the appropriate public official, dated as of a recent date, evidencing the good standing of the Purchaser in the State of Delaware; and

(f) such other documents as the Seller reasonably requested.

## ARTICLE VIII

### INDEMNIFICATION

#### 8.1 Indemnification.

(a) The Seller and Michael Satrazemis hereby jointly and severally agree to indemnify and hold the Purchaser, the Purchaser's Affiliates and their respective directors, officers, employees, agents, successors and assigns (collectively, the "Purchaser Indemnified Parties") harmless from and against:

(i) any and all claims, losses, liabilities, obligations, damages, demands, costs and expenses (collectively, "Losses") based upon, attributable to or resulting from the failure of any representation or warranty of the Seller or any of the Stockholders in this Agreement or any Seller Document to be true and correct in all respects as of the date made;

(ii) any and all Losses based upon, attributable to or resulting from the breach of any covenant or other agreement on the part of the Seller or any of the Stockholders under this Agreement or any Seller Document;

(iii) any and all Losses based upon, attributable to or resulting from the operation of the Business by the Seller prior to the Effective Time;

(iv) any and all Losses based upon, attributable to or resulting from the Excluded Liabilities and Obligations at any time, whether prior to, from or after the Closing Date;

(v) any and all Losses in respect of any and all Taxes of the Seller;

(vi) any and all Losses based upon, attributable to or resulting from any of the matters disclosed on Schedule 4.8(b); and

(vii) any and all notices, actions, suits, proceedings, claims, demands, assessments, judgments, costs, penalties and expenses, including reasonable attorneys' and other professionals' fees and disbursements (collectively, "Expenses") incident to any and all Losses with respect to which indemnification is provided under this Section 8.1(a).

(b) Purchaser hereby agrees to indemnify and hold the Seller, the Stockholders, their Affiliates and their respective directors, officers, employees, agents, successors and assigns (collectively, the "Seller Indemnified Parties") harmless from and against:

(i) any and all Losses based upon, attributable to or resulting from the failure of any representation or warranty of the Purchaser set forth in this Agreement or any Purchaser Documents to be true and correct as of the date made;

(ii) any and all Losses based upon, attributable to or resulting from the breach of any covenant or other agreement on the part of the Purchaser under this Agreement or any Seller Document;

(iii) any and all Losses based upon, attributable to or resulting from the operation of the business acquired from the Seller hereunder by the Purchaser subsequent to the Closing Date; and

(iv) any and all Expenses incident to any and all Losses with respect to which indemnification is provided under this Section 8.1(b).

8.2 Survival of Representations and Warranties. The parties hereto hereby agree that the representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement, and the Closing hereunder, regardless of any investigation made by the parties hereto; provided, however, that any such representations or warranties (other than the representations and warranties contained in Section 4.2, 4.4, 4.8, 4.10, 4.13, 4.17 or 5.2, each of which shall survive until the applicable statute of limitations has completely run and for a further period of ninety (30) days) shall survive for a period of three years from the Closing Date; provided, further, that any basis on which a claim for indemnification has been made within the applicable survival periods set forth herein, and the applicable indemnification provisions hereof, shall survive, with respect to such claim only, until resolution of such claim pursuant to this Article VIII.

### 8.3 Indemnification Procedures.

(a) In the event that any Legal Proceeding shall be instituted or that any claim or demand shall be asserted by any Person in respect of which in either case the indemnified party knows indemnification may be sought under Section 8.1 (collectively, a "Claim"), the indemnified party shall promptly cause written notice of the assertion of such Claim (a "Notice of Claim") to be forwarded to the indemnifying party. The indemnifying party shall have the right, at its sole option and expense, to be represented by counsel of its choice, which must be reasonably satisfactory to the indemnified party, and to defend against, negotiate, settle or otherwise deal with any Claim which relates to any Losses indemnified against hereunder; provided, however, that the Purchaser shall have the right to control the defense, negotiations, settlement and other dealings with respect thereto if any such Claim seeks equitable relief or Remedial Action or could reasonably be expected to affect the ongoing operations of the Purchaser or the Purchaser's Affiliates. If the indemnifying party elects to defend against, negotiate, settle or otherwise deal with any Claim that relates to any Losses indemnified against hereunder, it shall within five (5) days (or sooner, if the nature of the Claim so requires) notify the indemnified party of its intent to do so. If the indemnifying party elects not to defend against, negotiate, settle or otherwise deal with any Claim that relates to any Losses indemnified against hereunder, fails to notify the indemnified party of its election as herein provided or contests, or otherwise does not assent to, its obligation to indemnify the indemnified party for such Losses under this Agreement, the indemnified party may defend against, negotiate, settle or otherwise deal with such Claim. If the indemnified party defends any Claim, then the indemnifying party shall reimburse the indemnified party for the Expenses of defending such Claim upon submission of periodic bills. If the indemnifying party shall assume the defense of any Claim, the indemnified party may participate, at his or its own expense, in the defense of such Claim; provided, however, that such indemnified party shall be entitled to participate in any such defense with separate counsel at the expense of the indemnifying party if (i) so requested by the indemnifying party to participate or (ii) in the reasonable opinion of counsel to the indemnified party, a conflict or potential conflict exists between the indemnified party and the indemnifying party that would make such separate representation advisable; provided, further,

that the indemnifying party shall not be required to pay for more than one such counsel for all indemnified parties in connection with any Claim.

(b) After any judgment or award shall have been rendered by a court, arbitration board or administrative agency of competent jurisdiction, or a settlement shall have been consummated, or the indemnified party and the indemnifying party shall have arrived at a mutually binding agreement with respect to a Claim hereunder, the indemnified party shall forward to the indemnifying party notice of any sums due and owing by the indemnifying party pursuant to this Agreement with respect to such matter and the indemnifying party shall be required to pay all of the sums so due and owing to the indemnified party by wire transfer of immediately available funds within ten (10) Business Days after the date of such notice.

(c) The failure of the indemnified party to give reasonably prompt notice of any Claim shall not release, waive or otherwise affect the indemnifying party's obligations with respect thereto except to the extent that the indemnifying party can demonstrate actual loss and prejudice as a result of such failure.

(d) For purposes of this Article VIII, all amounts for which the Seller Indemnified Parties or the Purchaser Indemnified Parties (as applicable, the "Indemnified Parties") seek indemnification pursuant to this Article VIII shall be computed net of any amounts actually recovered, net of expenses relating thereto, from any insurance carrier based on claims such Indemnified Parties had against such insurance carrier which have reduced the amount of the Losses that were sustained.

(e) **Limitation on Indemnification Obligations.** Notwithstanding anything herein to the contrary, (i) neither the Seller and Michael Satrazemis, collectively, nor the Purchaser shall have any liability under Section 8.1(a)(i) or (iii) or Section 8.1(b)(i) or (iii) unless the aggregate amount of Losses and Expenses to such party(ies) exceeds \$75,000 (the "Deductible") and, in such event, such party(ies) shall be required to pay the entire amount of such Losses and Expenses in excess of the Deductible, provided that no Loss or Expense based upon, attributable to or resulting from the failure of any representation or warranty set forth in Section 4.2, 4.4, 4.8, 4.10 or 5.2 to be true and correct shall be subject to the Deductible, and (ii) the maximum aggregate amount of Losses and Expenses for which either the Seller and the Stockholders, collectively, or the Purchaser shall be liable hereunder shall not exceed the amount of the Estimated Purchase Price.

(f) The Seller and the Purchaser agree to treat any indemnity payment made pursuant to this Article VIII as an adjustment to the Purchase Price for federal, state, local and foreign income tax purposes.

8.4 **Right of Set Off.** The Purchaser may, but shall not be obligated to, set off against any and all payments owing to the Seller under the Note any amount to which any Purchaser Indemnified Party is entitled hereunder. Such right of set off shall be separate and apart from any and all other rights and remedies that such Persons may have against the Seller or any Stockholder.

## ARTICLE IX

### MISCELLANEOUS

#### 9.1 Certain Definitions.

For purposes of this Agreement, the following terms shall have the meanings specified in this Section 9.1:

“Accounts Payable” shall have the meaning ascribed to such term in Section 1.2(b).

“Affected Parties” shall have the meaning ascribed to such term in Section 6.1(b).

“Affiliate” means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person.

“Agreement” shall have the meaning ascribed to such term in the opening paragraph hereof.

“Allowance” shall have the meaning ascribed to such term in Section 2.3(b).

“Associate” of a Person means (a) any other Person who is a director, officer, partner, trustee of such Person or owner, directly or indirectly, of 10% or more of the equity interest of such Person, (b) the spouse, parents, siblings and children of any individual described in clause (a), and (c) any corporation, trust, partnership or other entity in which any of the Persons described in clauses (a) and (b) have, directly or indirectly, a beneficial interest of 5% or more in such entity in the aggregate.

“Business Day” means any day of the year on which national banking institutions in Charlotte, North Carolina are open to the public for conducting business and are not required or authorized to close.

“Cash” shall have the meaning ascribed to such term in Section 1.1(a)(2).

“Claim” shall have the meaning ascribed to such term in Section 8.3(a).

“Closing” shall have the meaning ascribed to such term in Section 3.1.

“Closing Date” shall have the meaning ascribed to such term in Section 3.1.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Company Property” shall have the meaning ascribed to such term in Section 1.1(a)(6).

“Contracts” shall have the meaning ascribed to such term in Section 1.1(a)(8).

"December Balance Sheet" shall have the meaning ascribed to such term in Section 4.6(a).

"Effective Time" shall have the meaning ascribed to such term in Section 3.1.

"Employee Benefit Plans" shall have the meaning ascribed to such term in Section 4.13(a).

"Employees" shall have the meaning ascribed to such term in Section 4.14(b).

"Environmental Law" means any foreign, federal, state or local statute, regulation, ordinance, or rule of common law as now or hereafter in effect in any way relating to the protection of human health and safety or the environment, including the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. App. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.) the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 et seq.), and the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), and the regulations promulgated pursuant thereto.

"Equipment" shall have the meaning ascribed to such term in Section 1.1(a)(3).

"Equipment Adjustment" shall have the meaning ascribed to such term in Section 2.5(c).

"Equipment Listing" shall have the meaning ascribed to such term in Section 2.5(b).

"ERISA" shall have the meaning ascribed to such term in Section 4.13(a).

"ERISA Affiliate" shall have the meaning ascribed to such term in Section 4.13(a).

"Estimated Balance Sheet Adjustment" shall have the meaning ascribed to such term in Section 2.3(a).

"Estimated Equipment Adjustment" shall have the meaning ascribed to such term in Section 2.5(a).

"Estimated Proration Adjustment" shall have the meaning ascribed to such term in Section 2.6(b).

"Estimated Purchase Price" shall have the meaning ascribed to such term in Section 2.2.

"Estimated Purchase Price Adjustment" shall have the meaning ascribed to such term in Section 2.2.

"Excluded Assets" shall have the meaning ascribed to such term in Section 1.1(b).

"Excluded Contracts" shall have the meaning ascribed to such term in Section 4.12(b).

"Expenses" shall have the meaning ascribed to such term in Section 8.1(a)(vii).

"Financial Statements" shall have the meaning ascribed to such term in Section 4.6(a).

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the United States accounting profession, that are applicable to the circumstances as of the date of determination.

"Governmental Body" means any government or governmental or regulatory body thereof, or political subdivision thereof, whether federal, state, local or foreign, or any department, board, commission, agency, instrumentality or authority thereof, or any court or arbitrator (public or private).

"Hazardous Material" means any substance, material or waste which is regulated by any Governmental Body including petroleum and its by-products, asbestos, and any material or substance which is defined as a "hazardous waste," "hazardous substance," "hazardous material," "restricted hazardous waste," "industrial waste," "solid waste," "contaminant," "pollutant," "toxic waste" or "toxic substance" under any provision of Environmental Law.

"Including" means including without limitation.

"Intellectual Property" shall have the meaning ascribed to such term in Section 1.1(a)(9).

"Inventory" shall have the meaning ascribed to such term in Section 1.1(a)(4).

"Knowledge" means (a) actual knowledge or (b) knowledge that would be expected to be obtained after a reasonably comprehensive investigation concerning the matter at issue. Any Person that is not an individual will be deemed to have Knowledge of a matter if any director, officer, manager or fiduciary of such Person (or any individual serving in any similar capacity) has, or at any time had, Knowledge of such matter.

"Law" means any federal, state, local or foreign law (including common law), statute, code, ordinance, rule, regulation or other requirement of a Governmental Body.

"Leases" shall have the meaning ascribed to such term in Section 1.1(a)(6).

"Legal Proceeding" means any judicial, administrative or arbitral actions, suits, proceedings (public or private), claims or governmental proceedings.

“Lien” means any lien, pledge, mortgage, deed of trust, security interest, claim, lease, charge, option, right of first refusal, easement, servitude, transfer restriction under any shareholder or similar agreement, encumbrance or any other restriction or limitation whatsoever.

“Losses” shall have the meaning ascribed to such term in Section 8.1(a)(i).

“Material Adverse Change” means any material adverse change in the Business or in the properties, results of operations, prospects or condition (financial or otherwise) of the Seller.

“Negative Purchase Price Adjustment” shall have the meaning ascribed to such term in Section 2.7(b).

“Note” shall have the meaning ascribed to such term in Section 2.2.

“Notice of Claim” shall have the meaning ascribed to such term in Section 8.3(a).

“November Balance Sheet” shall have the meaning ascribed to such term in Section 4.6(a).

“Order” means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award.

“Other Assets” shall have the meaning ascribed to such term in Section 1.1(a)(7).

“Pavoff Amount” shall have the meaning ascribed to such term in Section 2.2.

“Payoff Letters” shall have the meaning ascribed to such term in Section 7.1(e).

“Permits” shall have the meaning ascribed to such term in Section 1.1(a)(15).

“Permitted Exceptions” means (i) with respect to any Company Property, all defects, exceptions, restrictions, easements, rights of way and encumbrances disclosed in policies of title insurance which the Seller has delivered to the Purchaser; (ii) statutory liens for current taxes, assessments or other governmental charges not yet delinquent; and (iii) zoning, entitlement and other land use and environmental regulations by any Governmental Body, provided that such regulations have not been violated.

“Person” means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body or other entity.

“Positive Purchase Price Adjustment” shall have the meaning ascribed to such term in Section 2.7(b).

“Prepaid Expenses” shall have the meaning ascribed to such term in Section 1.1(a)(5).

“Purchase Price” shall have the meaning ascribed to such term in Section 2.1.



2.7(a). "Purchase Price Certificate" shall have the meaning ascribed to such term in Section

"Purchaser" shall have the meaning ascribed to such term in the opening paragraph hereof.

"Purchaser Documents" shall have the meaning ascribed to such term in Section 5.2.

8.1(a). "Purchaser Indemnified Parties" shall have the meaning ascribed to such term in Section

"Qualified Plans" shall have the meaning ascribed to such term in Section 4.13(c).

"Receivables" shall have the meaning ascribed to such term in Section 1.1(a)(1).

"Receivables Adjustment" shall have the meaning ascribed to such term in Section 2.4.

"Records" shall have the meaning ascribed to such term in Section 1.1(a)(11).

"Release" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, or leaching into the indoor or outdoor environment, or into or out of any property;

"Remedial Action" means all actions (x) to clean up, remove, treat or in any other way address any Hazardous Material, (y) to prevent the Release of any Hazardous Material so it does not endanger or threaten to endanger public health or welfare or the indoor or outdoor environment or (z) to perform pre-remedial studies and investigations or post-remedial monitoring and care.

"Rental Ready" shall have the meaning ascribed to such term in Section 2.5(d).

"RPO" means any option or right granted on or prior to the Closing Date by the Seller to any Person to purchase any Asset, whether at the end of a rental term or otherwise.

"Security Deposits" shall have the meaning ascribed to such term in Section 1.1(a)(12).

"Seller" shall have the meaning ascribed to such term in the opening paragraph hereof.

"Seller Documents" shall have the meaning ascribed to such term in Section 4.2(a).

8.1(b). "Seller Indemnified Parties" shall have the meaning ascribed to such term in Section

"Seller Non-Competition Agreement" shall have the meaning ascribed to such term in Section 4.2(a).

"Software" shall have the meaning ascribed to such term in Section 1.1(a)(10).

"Stockholders" shall have the meaning ascribed to such term in the opening paragraph hereof.

"Stockholder Documents" shall have the meaning ascribed to such term in Section 4.2.

"Stockholder Non-Competition Agreement" shall have the meaning ascribed to such term in Section 4.2(b).

"Taxes" means (i) all federal, state, local or foreign taxes, charges, fees, imposts, levies or other assessments, including all net income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property and estimated taxes, customs duties, fees, assessments and charges of any kind whatsoever, (ii) all interest, penalties, fines, additions to tax or additional amounts imposed by any taxing authority in connection with any item described in clause (i) and (iii) any transferee liability in respect of any items described in clauses (i) and/or (ii).

"Tax Return" means all returns, declarations, reports, estimates, information returns and statements required to be filed in respect of any Taxes.

"Transferred Employees" shall have the meaning ascribed to such term in Section 6.1(a).

"UST" shall have the meaning ascribed to such term in Section 4.17(g).

9.2 Payment of Sales, Use or Similar Taxes. All sales, use, transfer, intangible, recordation, documentary stamp or similar Taxes or charges, of any nature whatsoever, applicable to, or resulting from, the transactions contemplated by this Agreement shall be borne by the Seller.

9.3 Expenses. Except as otherwise provided in this Agreement, the Seller and the Purchaser shall each bear its own expenses incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated by this Agreement and the consummation of the transactions contemplated hereby and thereby. The Seller shall pay all commissions and other fees and expenses due Grand Teton and Rick Milton in connection with the transactions contemplated by this Agreement.

9.4 Specific Performance. Each of the Seller and the Stockholders acknowledges and agrees that a breach by the Seller of this Agreement would cause irreparable damage to the Purchaser and that the Purchaser will not have an adequate remedy at law. Therefore, the obligations of the Seller under this Agreement, including the Seller's obligation to sell the Assets to the Purchaser, shall be enforceable by a decree of specific performance issued by any court of

competent jurisdiction, and appropriate injunctive relief may be applied for and granted in connection therewith. Such remedies shall, however, be cumulative and not exclusive and shall be in addition to any other remedies which any party may have under this Agreement or otherwise.

9.5 Further Assurances. The Seller, the Stockholders and the Purchaser each agrees to execute and deliver such other documents or agreements and to take such other action as may be reasonably necessary or desirable for the implementation of this Agreement and the consummation of the transactions contemplated hereby.

9.6 Entire Agreement; Amendments and Waivers. This Agreement (including the schedules and exhibits hereto) represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such amendment, supplement, modification or waiver is sought. No action taken pursuant to this Agreement, including any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

9.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina applicable to contracts made and to be performed wholly within the State of North Carolina and without regard to the conflict of laws principles thereof.

9.8 Table of Contents and Headings. The table of contents and section headings of this Agreement, the Exhibits and the Schedules are for reference purposes only and are to be given no effect in the construction or interpretation hereof or thereof. All references in this Agreement to Articles, Sections, Exhibits or Schedules are references to the Articles or Sections of, or Exhibits or Schedules to, this Agreement, unless some other reference is clearly indicated.

9.9 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given when delivered or mailed by certified mail, return receipt requested, to the parties (and shall also be transmitted by facsimile to the Persons receiving copies thereof) at the following addresses (or to such other address as a party may have specified by notice given to the other party pursuant to this provision):

If to the Seller:

Motion Picture & Events, Inc.  
1901-G Blue Clay Road  
Wilmington, North Carolina 28405  
Attn: Michael Satrazemis  
Facsimile No.:

with a copy to (for Michael Satrazemis):

J. Dickson McLean, Esq.  
Smith Helms Mulliss & Moore, L.L.P.  
127 Grace Street  
Wilmington, North Carolina 28401  
Facsimile No.: (910) 254-3900

with a copy to (for Donna Satrazemis):

David E. Huffine, Esq.  
508 Market Street  
Wilmington, North Carolina 28401  
Facsimile No. (910) 251-8590

If to any Stockholder:

such Stockholder's address listed below  
his or her name on the signature page hereof

with a copy to:

J. Dickson McLean, Esq.  
Smith Helms Mulliss & Moore, L.L.P.  
127 Grace Street  
Wilmington, North Carolina 28401  
Facsimile No.: (910) 254-3900

with a copy to (for Donna Satrazemis):

David E. Huffine, Esq.  
508 Market Street  
Wilmington, North Carolina 28401  
Facsimile No. (910) 251-8590

and

If to the Purchaser:

United Rentals (North America), Inc.  
Five Greenwich Office Park  
Greenwich, Connecticut 06830  
Attn: Mr. John N. Milne  
Facsimile No.: (203) 622-6080

with a copy to:

Oscar D. Folger, Esq.  
521 Fifth Avenue  
New York, New York 10175  
Facsimile No.: (212) 697-9570

and to:

John D. Allison, Esq.  
Kennedy Covington Lobdell & Hickman, L.L.P.  
Bank of America Corporate Center  
100 North Tryon Street, Suite 4200  
Charlotte, North Carolina 28202-4006  
Facsimile No.: (704) 331-7598

Should any notice hereunder be required to be given on any date that is not a Business Day, the notice date shall be extended to the next succeeding Business Day thereafter. Notwithstanding anything herein to the contrary, the failure of either party to provide timely notice shall not relieve the other party of any liability or obligation that it may have hereunder, unless (and then solely to the extent that) such other party is materially prejudiced thereby.

9.10 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

9.11 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any person or entity not a party to this Agreement except as provided below. No assignment of this Agreement or of any rights or obligations hereunder may be made by the Seller or the Purchaser (by operation of law or otherwise) without the prior written consent of the other parties hereto and any attempted assignment without the required consents shall be void; provided, however, that the Purchaser may assign this Agreement and any or all rights or obligations hereunder (including the Purchaser's rights to purchase the Assets and the Purchaser's rights to seek

indemnification hereunder) to any Affiliate of the Purchaser. Upon any such permitted assignment, the references in this Agreement to the Purchaser shall also apply to any such assignee unless the context otherwise requires.

9.12 Counterparts; Facsimile Signature. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument, and may be executed and delivered by means of signatures transmitted by facsimile.

9.13 Joinder by Donna Satrazemis. Donna Satrazemis joins in the execution of this Agreement in her capacity as a stockholder of the Company solely for the purpose of consenting to the transactions contemplated hereby and to the execution by her of her Stockholder Non-Competition Agreement.

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

UNITED RENTALS (NORTH AMERICA), INC.

By: [Signature]  
John N. Milne, Vice Chairman and Chief Acquisition Officer.

MOTION PICTURE & EVENTS, INC.

By: [Signature]  
Michael Satrazemis  
President

[Signature]  
Michael Satrazemis

Address: 11 JASMINE ST  
CURRIGTSVILLE BEACH NC 28405

[Signature]  
Donna Satrazemis

Address: 2111 Oleander Drive  
Wilmington, NC 28403

[Asset Purchase Agreement]