

12-03-2002

Docket No.:



Tab settings → → → ▼ ▼

To the Honorable Commissioner of Patent:

102299386

attached original documents or copy thereof.

1. Name of conveying party(ies):

Dynamic Corporation
3122 - 14th Avenue
Kenosha, WI 53140

11-25-02

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

Additional names(s) of conveying party(ies) Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other **Purchase Agreement**
- Merger
- Change of Name

Execution Date: **February 5, 2002**

2. Name and address of receiving party(ies):

Name: **Drive Source International, Inc.**

Internal Address:

Street Address: **1108 56th Street**

City: **Kenosha** State: **WI** ZIP: **53140**

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

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

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

~~0,515,261~~
1,529,350
0,503,874

Additional numbers Yes No

OFFICE OF PUBLIC RECORDS
FINANCE SECTION
NOV 25 PM 1:08

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

Name: **Edward R. Antaramian**

Internal Address:

Street Address: **245 Main Street - Suite**

City: **Racine** State: **WI** ZIP: **53403**

6. Total number of applications and registrations involved:.....

3

7. Total fee (37 CFR 3.41):.....\$ **\$90.00**

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

10-0270

127027002 DBTRNE 00000085 0513261

DO NOT USE THIS SPACE

01 FC:8521 40.00 OP
02 FC:8522 50.00 OP

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Edward R. Antaramian

Name of Person Signing

Signature

11/18/02

Date

23

Total number of pages including cover sheet, attachments, and

TRADEMARK

REEL: 002625 FRAME: 0810

PURCHASE AGREEMENT

Dated as of
February 5, 2002

AMONG

DYNAMATIC CORPORATION
a Delaware Corporation

and

DRIVE SOURCE INTERNATIONAL, INC.
a Florida Corporation

PURCHASE AGREEMENT

PURCHASE AGREEMENT dated as of February 5, 2002, among DRIVE SOURCE INTERNATIONAL, INC., hereinafter referred to as "Purchaser" and DYNAMATIC CORPORATION, hereinafter referred to as "Company" or "Seller".

WITNESSETH:

WHEREAS, Company is a debtor in possession of the purchased assets pursuant to a Chapter 11 Bankruptcy proceeding currently pending in the US Bankruptcy Court District of Delaware Case No. 00-1911

WHEREAS, Company desires to sell and Purchaser desires to purchase the Purchased Assets, all upon the terms and conditions hereof; and

NOW, THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Definitions. The following terms as used herein, have the following meanings:

"Affiliate" of a person means any person directly or indirectly controlling, controlled by or under common control with, such other person; provided that a relative of any person shall not, solely as a result of his status as a relative, be an Affiliate of that person.

"Bankruptcy Proceeding" The Bankruptcy Proceeding pending in the United States Bankruptcy Court, District of Delaware, Case No. 00-1911 filed by Dynamatic Corporation.

"Business" means the business of Company immediately preceding the filing of Bankruptcy Proceedings.

"Purchased Assets" has the meaning set forth in Section 2.1.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time thereafter.

"Inventory" means all raw material, works in progress and finished goods existing on the date hereof.

"Liens" means a legal right or interest that a creditor has in Company's property.

"Patent and Proprietary Rights" means all patents, trade names, trademarks, service names, service marks, copyrights and logos (including any registrations and applications for registration thereof), as to which Seller has any right, title or interest (including any rights under license or franchise agreements), which are used or held or were developed for use in connection with the Business.

"Secured Party" means Johnson Bank

"Seller" means Dynamic Corporation, as debtor-in-possession, also referred to herein from time to time as Company.

"Taxes" means all net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property or windfall profits taxes, customs duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts imposed by any taxing authority (domestic or foreign).

"Trade Secrets" means all proprietary or unique information, including but not limited to, any formula, patten, device, compilation, method, technique, process and marketing studies and data, which is used or held o was developed for use in connection with the Business, and which is not known to or ascertain le by lawful and proper means by other persons.

"Transferred Employees" has the meaning set forth in Section 8.1.

ARTICLE II

PURCHASE AND SALE

SECTION 2.1. Purchase and Sale. (a) At the Closing as hereinafter provided, Seller shall sell, convey , transfer, assign, and deliver to Purchaser, and Purchaser shall purchase and acquire, all of the assets (the "Purchased Assets") of Seller and its Affiliates that are used or held or were developed for use in connection with or otherwise relate to the Business, including, but not limited to:

(i) deferred items, operating supplies, finished goods, work in process and inventories of supplies and other material, vehicles, data processing equipment, computer software, office furniture, machinery and equipment and other tangible property used or held for use in connection with or otherwise related to the Business subject of the Bankruptcy Proceeding.

(ii) all Trade Secrets, patents, trademarks, licenses and other processes, formulas, specifications, data and know-how and other intellectual or industrial property rights used or held for use in connection with or otherwise related to the Business;

(iii) all sales literature, promotional literature and other selling material used in connection with the Business;

(iv) all Books and Records with reference to customers Sales and Credit Terms.

(v) all rights of seller under all franchises, licenses, commitments, sales orders, purchase orders and other contracts and obligations that Purchaser has agreed to assume.

(vi) all other assets and rights of Seller of every kind and nature, or personal, tangible or intangible, used or held for use in connection with or otherwise related to the Business.

(b) Notwithstanding Section 2.1(a), the following shall not be included in the Purchased Assets and are referred to as the "Excluded Purchased Assets":

- (i) cash, bank balances and similar cash items;
- (ii) claims or causes of actions;
- (iii) such other assets as Purchaser may in its discretion, on or before March ,1, 2002, determine to be not primarily related to, or satisfactory for, the conduct of the Business;
- (iv) accounts receivable owed to Seller by Seller's suppliers as a result of trade promotional arrangements between Seller and such suppliers with respect to the Business;
- (v) all accounts receivable ("Accounts") due Seller from Seller's customers.

SECTION 2.2. Purchase Price. The aggregate purchase price for the Purchased Assets shall be \$600,000.00. The Purchase Price shall be paid in the manner set forth in Section 3.1.

Each such asset sold herein is "As Is, Where Is and Without Warranty".

SECTION 2.3. Assumption of Liabilities. (a) On and as of the Closing Date, Purchaser shall not assume any liabilities of the Company.

(b) On and as of the Closing Date, Seller shall retain and thereafter be responsible to pay, perform and discharge when due any and all liabilities under this Section. Seller hereby indemnifies Purchaser and its Affiliates against and agrees to hold them harmless from any and all damage, loss, liability and expense (including expenses of investigation and reasonable attorney's fees and expenses) incurred or suffered by them arising out of any failure by Seller to perform its obligations under the foregoing sentence.

(c) In furtherance of the foregoing, the following shall govern:

(i) Purchaser shall assume no liability in respect of any Taxes with respect to the operations of the Business for or in respect of any period ending at or prior to the Closing Date, except as provided in Section 3.1(d) of this Agreement.

(ii) Purchaser shall assume no liability for any accrued liabilities existing on the date of closing.

(iii) Purchase shall not assume liability in respect of matters referred to in Section 4.10.

(iv) Purchaser shall not assume liability in respect of any item covered by insurance policies or self-insurance programs of Seller (including, without limitation, group life, accident or disability, and similar insurance for the benefit of employees) insofar as it relates to illnesses commencing or injuries or other events occurring prior to the Closing Date (including, without limitation, retirements or other terminations of employment prior to the Closing Date which give rise to benefits, including post-retirement benefits under any such policy or program); and

(v) Purchaser shall not assume liability with respect to any employee benefit plan or arrangement or any employment policy or arrangement of Seller or any of its affiliates.

ARTICLE III

CLOSING

SECTION 3.1. The Closing. (a) The closing (the "Closing") of the purchase and sale of the Purchased Assets hereunder shall take place at the offices of Madrigrano, Zievers, Aiello, Marry and Dowse, S.C., 1108 - 56th Street, Kenosha, Wisconsin, within three (3) Business Days of the approval of this transaction by the United States Bankruptcy Court (the time and date of the Closing being hereinafter called the "Closing Date"), or such other date, time and place as Seller and Purchaser may agree, in writing. However, in no event shall closing be extended past the 31st day of March, 2002.

(b) At the Closing, Seller shall deliver or cause to be delivered to Purchaser in form and substance satisfactory to Purchaser:

(i) all documents (in form suitable for filing or registration) required to assign and transfer to Purchaser all of the rights of Seller and its Affiliates in Patent and Proprietary Rights included in the Purchased Assets, together with all required consents of third parties; and

(ii) such other bills of sale, instruments of assignment and consents as shall be necessary or desirable in order to assign and transfer the Purchased Assets to Purchaser.

(c) At the Closing, Purchaser shall deliver to Seller (i) \$500,000.00 by certified check or

wire transfer of immediately available funds to an account of Seller (to be specified by Seller not less than three days before the Closing Date) and (ii) a release of the Earnest Money set forth in Article XVII hereof.

(d) At or prior to the Closing, Purchaser shall pay or cause to be paid any and all sales, transfer, conveyance, stamp or other similar taxes or duties payable in connection with the sale or transfer of the Purchased Assets.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES BY SELLER

Seller represents and warrants that to the best of its knowledge under the circumstances:

SECTION 4.1. Authorization; Contravention; Binding Effect. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

SECTION 4.2. Purchased Assets of the Business. The Purchased Assets constitute all of the assets held for use or used in connection with or otherwise related to the Business, except for the Excluded Purchased Assets referred to in Section 2.1(b).

SECTION 4.3. INTENTIONALLY DELETED

SECTION 4.4 Properties. (a) The Disclosure Schedule Section 4.4(a) identifies all Purchased Assets held for use or used in connection with the Business, all of which Seller owns. Except as set forth in the Disclosure Schedule.

(b) **The Purchased Assets, Warranty.** Except as is otherwise expressly provided in this Contract, the sale of the Purchased Assets as provided for in this Contract is made on a strictly "AS IS" "WHERE IS" basis as of the Closing Date.

SECTION 4.5. Patents. Trademarks. Licenses. etc. To the best of Seller's knowledge under its present circumstances, (a) The Disclosure Schedule Section 4.5(a) sets forth a list of all Patent and Proprietary Rights, specifying as to each such Right, as applicable: (i) the nature of such Right; (ii) the owner of such Right; (iii) if such Right is owned by Seller the jurisdiction(s) by or in which such Right has been issued or registered, or in which an application for such issuance or registration has been filed, including the respective registration or application number; (iv) all franchises, licenses, sublicenses, contracts and agreements, pursuant to which any person is authorized to use any such Right owned by Seller; (v) the franchises, licenses, sublicenses, contracts and agreements pursuant to which Seller is authorized to use any such Right not owned by Seller, including, with respect to (iv) and (v), the identity of all parties thereto, a description of the nature and subject matter thereof, the royalty provided listed in the Disclosure Schedule are all those held for use or used in connection with the Business. Except as otherwise set forth in the Disclosure Schedule, Seller is the sole and exclusive owner of the Patent and Proprietary Rights listed or described in the Disclosure Schedule and has the sole and exclusive right to the use thereof or the material covered thereby in connection with the services

or products in respect to which they have been or are now being used.

(b) Except as set forth in the Disclosure Schedule Section 4.5(b), Seller (i) has not been sued or charged in writing with infringement by the Business of any patents, trade names, trademarks, trade dress rights, service names, service marks, copyrights or other intangible rights of any other person, (ii) has no knowledge of any such infringement, whether or not claimed by any other person, (iii) has not entered into any agreement to indemnify any other person against any charge of any such infringement; or (iv) has no knowledge of any infringement by any other person of any of the Patent and Proprietary Rights. Except as set forth in the Disclosure Schedule, no Patent and Proprietary stipulation or agreement restricting the use thereof by Seller.

(c) Except as set forth in the Disclosure Schedule Section 4.5(c), the Trade Secrets have not been disclosed by Seller to any person other than employees of the Seller and Purchaser and will not be disclosed to any person other than Purchaser.

SECTION 4.6. Contracts. (a) The Disclosure Schedule Section 4.6(a) sets forth a list of all of the following by which the Business or the Purchased Assets may be bound or by which Seller or any of its Affiliates may be bound in connection with the Business or the Purchased Assets:

(i) any collective bargaining, union or other similar contract;

(ii) any advertising, marketing, shared cost or other type of contract used to promote Seller's products.

(iii) any prepaid customer orders which have not been fulfilled as of the date of the execution of this agreement.

(b) [Omitted]

SECTION 4.7. INTENTIONALLY DELETED

SECTION 4.8. Employee Benefit Plans and Arrangements. (a) [Omitted].

(b) Seller to identify the name of the pension plan, if any, and identify whether or not any pension plan is exempt from tax under Section 501(a) of the Code. Neither Purchaser nor any of its Affiliates will incur any liability or obligation under the Pension Plan. Neither Seller nor any of its Affiliates has incurred any liability under Title IV or ERISA arising in connection with the termination of, or complete or partial withdrawal from, any plan covered or previously covered by Title IV of ERISA, which liability, or any portion thereof, could constitute a liability of Purchaser or any of its Affiliates on or after the Closing Date. To the best knowledge of Seller, if Seller were to withdraw from the Company's Pension Plan as of the date hereof, Seller's unadjusted withdrawal liability (prior to adjustment in accordance with the de minimis rule under Section 4209 of ERISA) under the plan would not exceed \$100.00.

(c) [Omitted]

(d) All contributions and obligations accrued under each Employee Plan and Benefit Arrangement, determined in accordance with prior funding and accrual practices but adjusted, to the extent required, to include proportional contribution and payment accruals for the period from the most recent contributions and payments to the Closing Date, will be discharged and paid on or prior to the Closing. All compensation and other benefit expenses arising with respect to the Business have been charged appropriately to the Business. Except as set forth in the Disclosure Schedule Section 4.8(d), there has been no amendment to, written interpretation or announcement (whether or not written) relating to, or change in employee participation or coverage under, any Employee Plan or Benefit Arrangement which would increase materially the expense of maintaining such Plan or Arrangement above the level of the expense incurred in respect of such Plan or Arrangement for the period ended 12-31-01.

SECTION 4.9. Bankruptcy Schedules. Seller to provide all Bankruptcy Schedules and make documents filed in the Bankruptcy case of the Company available for Purchasers inspection on an as requested bases on or before February 28, 2002.

SECTION 4.10. Other Liabilities. To the best of Seller's knowledge, there are no liabilities of Seller of any kind whatsoever relating to the Purchased Assets, whether or not accrued and whether or not contingent or absolute, determined or determinable, and no existing condition, situation or set of circumstances which could reasonably result in such a liability, other than liabilities disclosed in the Disclosure Schedule Section 4.10.

SECTION 4.11. INTENTIONALLY DELETED

SECTION 4.12. Books and Records; Copies; Disclosure. (a) All the Books and Records are true, correct and complete in all material respects and have been maintained by Seller in accordance with good business practice and in accordance with all laws, regulations and other requirements applicable to the Business.

(b) The representations and warranties of Seller in this Agreement and in the schedules, certificates and other documents delivered to Purchaser hereunder, do not contain any untrue statement of a material fact or, taken together, omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. Seller has disclosed to Purchaser all facts material to the business, assets, liabilities, financial condition and results of operations of the Business.

SECTION 4.13. Corporate Disclosures. Seller agrees to provide to Purchaser within five days prior to the date of closing the following items: a Certificate of Status of Seller, By-laws, Articles of Incorporation, Certified Resolution of Seller authorizing the sale of the assets and signing authority for the officers.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

BY PURCHASER

Purchaser represents and warrants that:

SECTION 5.1. Corporate and Governmental Authorization: Contravention: Binding Effect. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Wisconsin. Subject to receipt of the consents referred to in Section 10.1(i), the execution, delivery and performance by Purchaser of this Agreement are within Purchaser's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or bylaws of Purchaser or of any agreement, judgment, injunction, order, decree or other instrument binding upon Purchaser. This Agreement has been duly executed and delivered by Purchaser and constitutes a valid and binding agreement of Purchaser.

ARTICLE VI

COVENANTS OF SELLER

Seller covenants and agrees that:

SECTION 6.1. INTENTIONALLY DELETED

SECTION 6.2. Books and Records: Tax Returns. To the extent not then in the possession of the Purchaser, Seller will, at closing, at its expense and to the best of its ability, deliver all Books and Records relating to the Business and the Purchased Assets to Purchaser in accordance with the instructions of Purchaser.

SECTION 6.3. INTENTIONALLY DELETED

SECTION 6.4. INTENTIONALLY DELETED

SECTION 6.5. INTENTIONALLY DELETED

SECTION 6.6. INTENTIONALLY DELETED

SECTION 6.7. Best Efforts. Seller will use its best efforts to obtain satisfaction of the conditions set forth in Section 10.1.

SECTION 6.8. Additional Instruments. Seller, at the request of Purchaser, at or after the Closing, will promptly execute and deliver, or cause to be executed and delivered, to Purchaser such assignments, bills of sale, consents and other such instruments in addition to those required by this Agreement, in form and substance satisfactory to Purchaser, as Purchaser may reasonably deem necessary or desirable to carry out or implement any term of this Agreement.

SECTION 6.9. INTENTIONALLY DELETED

SECTION 6.10. INTENTIONALLY DELETED

SECTION 6.11. INTENTIONALLY DELETED

SECTION 6.12. INTENTIONALLY DELETED

SECTION 6.13. Environmental Disclosures. (a) There are no violations of any law, regulation or ordinance relating to the Purchased Assets that, individually or in the aggregate, have had or could have a Material Adverse Effect. There are no proceedings affecting any of such properties pending or, to Seller's knowledge, threatened which might curtail the present or future use of such Purchased Assets for the purpose for which it was acquired or is used or which could have a Material Adverse Effect.

Other than waste materials included in commercial waste that have in all respects been handled, processed and treated in compliance with all Environmental Laws and all other applicable laws (including laws related to the permissible types and quantities of such waste material), neither Seller nor Company has generated, transported, stored, handled, recycled, declaimed, disposed of or contracted for the disposal of, Hazardous Materials (as hereinafter defined). As used herein, the term "Hazardous Materials" includes, but is not limited to:

(i) any petroleum or petroleum products, natural gas or natural gas products, radioactive materials, asbestos, lead, urea formaldehyde foam insulation, transformers or other equipment that contains dielectric fluid containing levels of polychlorinated biphenyls ("PCBs"), and radon gas;

(ii) any chemicals, materials, waste or substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous wastes", "toxic substances", "toxic pollutants", "contaminants" or "pollutants" or words of similar import, under any Environmental Laws (as hereinafter defined); and

(iii) any other chemical, material, waste or substance which is in any way regulated by any federal, state or local government authority, agency or instrumentality, including mixtures thereof with other materials, and including any materials such as asbestos and lead; and the term "Environmental Laws" includes, but is not limited to, any federal, state or local statute, law, rule, regulation, ordinance, code, policy or rule of common law now in effect and in each case as amended to date and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, human health or safety, or Hazardous Materials, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601, *et seq.* ("CERCLA"); The Hazardous Materials Transportation Act, as amended, 49 U.S.C. §§ 1801, *et seq.*; the Resource Conservation and Recovery Act of 1976, as

amended, 42 U.S.C. §§ 6901, *et seq.*; the Federal Water Pollution Control Act, as amended, 33 U.S.C. §§ 1201 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. §§ 2601, *et seq.*; the Clean Air Act, 42 U.S.C. §§ 7401, *et seq.*; the Safe Drinking Water Act, 42 U.S.C. §§ 3808, *et seq.*; the Federal Insecticide, Fungicide and Rodenticide Act, as amended, 7 U.S.C. §§ 136, *et seq.* Neither Seller nor the Company has ever owned, operated, had an interest in, engaged in and/or leased a waste transfer, recycling, treatment, storage or disposal facility, business or activity other than the Business. No employee, contractor or agent of Seller or Company has, in the course and scope of employment with Seller or the Company, been exposed to Hazardous Materials in such a manner as to be harmed thereby (whether such harm is now known to exist or will be discovered in the future). Disclosure Schedule Section 6.13 contains a complete list of all disposal sites at any time now or in the past utilized by Seller or the Company, none of which sites is listed on the CERCLA list or the National Priorities List of hazardous waste sites. Neither Seller nor the Company is listed as a potentially responsible party under CERCLA or any comparable or similar U.S. federal or Wisconsin statute; neither Seller nor the Company have received notice of such a listing; and neither Seller nor the Company knows of any facts or circumstances which could give rise to such a listing. Seller and the Company have at all times produced or received and, in each case, retained all transportation documentation, including all appropriate trip tickets, required by any, or necessary to evidence compliance with, Environmental Laws in connection with the hauling or disposal of municipal solid waste, and no such document indicates that Seller or the Company has ever hauled or transported Hazardous Materials. Seller and the Company have retained all documentation described in the preceding sentence, all of which is currently maintained in their files and records; such documentation shall constitute a part of the Business and shall be transferred to Purchaser together with the other books and records of the Company.

(b) Environmental Representations. The Seller represents and warrants to Purchaser that:

(i) The Seller at all times has operated, and is in full compliance with all Environmental Laws, including all limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules, and timetables contained in all applicable Environmental Laws.

(ii) The Seller has obtained, and is in compliance with, all Permits required by all Environmental Laws ("Environmental Permits"), including, without limitation, those regulating emission, discharges, or releases of Hazardous Substances, or the use, storage, treatment, transportation release, emission and disposal, of raw materials, by-products, wastes, and other substances used or produced by the Seller and the Seller has made all appropriate filings for issuance or renewal of such Environmental Permits.

(iii) There are no claims, notices, civil, criminal or administrative actions, suits, hearings, investigation, inquiries, or proceedings pending or threatened against the Seller that are based on or related to any Environmental Matters or the failure of the Seller to have any required Environmental Permits.

(iv) There are no past or present conditions, events, circumstances, facts, activities, practices, incidents, actions, omissions or plans that may.

a. Interfere with or prevent continued compliance by the Seller with Environmental Laws and the requirements of Environmental Permits.

b. Give rise to any liability or other obligation under any Environmental Laws that may require the Seller to incur any actual Environmental Costs that may require the Seller to incur any actual Environmental Costs;

c. form the basis of any claim, action, suit, proceeding, hearing, investigation or inquiry against or involving the Seller based on or related to any Environmental Matter or which could require the Seller to incur any Environmental Costs.

(v) The Seller has not received any notice or other communication that the Seller is or may be a potentially responsible person or otherwise liable in connection with any waste disposal site used or maintained or that is otherwise related to the Seller allegedly containing any Hazardous Substances, or other location used for the disposal of any Hazardous Substances, or notice of any failure of the Seller to comply with any Environmental Law or the requirements of any Environmental Permit.

(vi) Seller has not been at any time requested or required by a Governmental Entity having jurisdiction under any Environmental Laws to perform any investigative or remedial activity or other action in connection with any Environmental Matter in respect of the Seller.

(vii) The Seller has not used any waste disposal site, or otherwise disposed of, transported, or arranged for the transportation of and Hazardous Substances to any place or location, in violation of any Environmental Laws.

(viii) There has been no release of any Hazardous Substances at, on, about, under, or within any assets or properties currently or formerly owned, leased, or controlled by the Seller (other than pursuant to and in accordance with Environmental Permits held by the Seller) and all of the assets and real property owned or leased by the Seller are free of any Hazardous Substances.

ARTICLE VII
INTENTIONALLY DELETED

ARTICLE VIII

EMPLOYEES AND EMPLOYEE BENEFITS

SECTION 8.1. Transferred Employees. Purchaser shall have the right in its discretion to extend at any time offers of employment with Purchaser or any of its Affiliates after the Closing Date to any active employees of Seller (including employees on short-term disability, authorized leave of absence, military service or lay-off with recall rights). Purchaser shall be under no obligation to offer employment to any such employees, and any offer shall be on such terms and conditions (including place of employment) as Purchaser shall determine in its sole discretion. Any such employees that commence such employment with Purchaser or any of its Affiliates are herein collectively referred to as the "Transferred Employees".

SECTION 8.2. Pension Plan. Seller shall retain all liability and obligations under the Pension Plan in respect of benefits accrued at any time by employees or prior employees of Seller or any of its Affiliates in connection with the Business. No Pension Plan assets shall be transferred to any plan maintained by Purchaser or any of its Affiliates.

SECTION 8.3. Benefit Arrangements and Other Employee Plans. Seller or the PBGC shall retain all obligations and liabilities under the Employee Plans and the Benefit Arrangements, as heretofore defined, in respect of any employee or prior employee or any independent contractor (including any beneficiary or dependent thereof) who is not a Transferred Employee regardless of whether such obligations or liabilities arise under a collective bargaining or similar agreement. With respect to Transferred Employees (including any beneficiary or dependent thereof), the Seller shall retain (i) all liabilities and obligations arising under any group life, accident, medical, dental or disability plan or similar arrangement (whether or not insured) to the extent that such liability or obligation relates to contributions or premiums accrued (whether or not payable) or to claims incurred (whether or not reported) on or prior to the Closing Date, (ii) all liabilities and obligations arising under any worker's compensation arrangement to the extent such liability or obligation relates to the period prior to the Closing Date, including liability for any retroactive worker's compensation premiums attributable to such period and (iii) all other liabilities and obligations arising under the Benefit Arrangements and Employee Plans (including any such liabilities or obligations arising under any collective bargaining or similar agreement) to the extent any such liability or obligation relates to the period prior to the Closing Date.

ARTICLE IX

TERMINATION OF AGREEMENT

SECTION 9.1. Termination of Agreement. This Agreement and the transactions contemplated hereby may be terminated at any time prior to the Closing:

(a) **Mutual Consent.** By mutual written consent of Seller and Purchaser.

(b) Cut-Off Date. By Seller or Purchaser if the Closing shall not have occurred on or before March 7, 2002.

(c) Court Order, etc. By Seller or Purchaser if (i) the purchase and sale of the Purchased Assets contemplated hereby shall violate any non-appealable final order, decree or judgment of any court or governmental body having competent jurisdiction or (ii) there shall be a statute, rule or regulation which makes the purchase and sale of the Purchased Assets contemplated hereby illegal or otherwise prohibited.

(d) For failure of the United States Bankruptcy Court to approve this transaction.

ARTICLE X

CONDITIONS TO THE CLOSING

SECTION 10.1. Conditions to Obligations of Purchaser. The obligation of Purchaser to purchase the Purchased Assets is subject to the satisfaction at or prior to the Closing of the following conditions:

(a) Performance of Agreements. Each of the acts and undertakings of Seller to be performed at or before the Closing pursuant hereto shall have been duly performed in all material respects.

(b) Representations and Warranties. The representations and warranties of Seller contained herein and in any certificate or other writing delivered by Seller pursuant hereto or in connection with the transactions contemplated hereby shall be true in all material respects on and as of the Closing Date with the same effect as though made on and as of such date, and Purchaser shall have received at the Closing a certificate to such effect dated the Closing Date and executed on behalf of Seller by its President or Treasurer.

(c) Seller shall make the premises at 3122 – 14TH Avenue Kenosha, WI, available to Purchaser from and after the date of the execution of this agreement to March 31, 2002, rent free and utilities shall be paid by Seller until March 31, 2002. The employee costs of current employees of Purchaser shall be paid by Seller, from and after the date of the execution of this agreement to the date of Closing, as defined in Section 3.1(a) of this Agreement.

(d) Seller agrees that Purchaser may conduct the business of Seller in Purchasers own name and for Purchasers own account from and after the date of execution of this agreement, and Purchaser shall be liable for any such operation. Conduct of the business shall include the use of all of the Purchased Assets subject to Purchasers acknowledgement that said use is subject to the rules and the regulations of the United States Bankruptcy Court. Further, all shipments of product after the date of this agreement shall be for Purchasers own account with the proviso that should Purchaser default pursuant to the terms and conditions of this agreement all amounts realized pursuant to Purchasers operations of the Purchased Assets prior to Closing shall revert

back to Seller.

(e) No Violation of Statutes, Orders, etc. There shall not be any statute, rule or regulation which makes the purchase and sale of the Purchased Assets contemplated hereby illegal or otherwise prohibited or any order, decree or judgment enjoining Purchaser from purchasing the Purchased Assets pursuant hereto or requiring any material part of any of the Purchased Assets or the Business to be held separate or divested.

(f) Corporate Authority. Purchaser shall have received all documents it may reasonably request relating to the existence and authority of Seller and the validity of this Agreement and any other matters relevant hereto.

(g) No Restraint on Transaction. No action, suit or proceeding by any governmental agency, court or other party shall have been instituted, contemplated or completed to restrain, prohibit or challenge the legality of the transactions contemplated here.

(h) Inspection Reports. Seller shall have delivered to Purchaser and Purchaser shall have accepted all environmental reports and disclosures effecting the Purchased Assets.

(i) Bill of Sale. Seller to deliver all necessary closing documents, including a general Bill of Sale dated the day of closing, addressed to Purchaser.

(j) Certificate of Status: A certificate of status for Seller and Purchaser issued by the Secretary of State of Wisconsin within one week of the Closing Date.

(k) Uniform Commercial Code Search. Omitted.

(l) Consents, Approvals, Etc. Seller shall have received written approval from the United States Bankruptcy Court for this transaction

SECTION 10.2. Conditions to Obligations of Seller. The obligation of Seller to sell the Purchased Assets is subject to the satisfaction at or prior to the Closing of the following conditions:

(a) Performance of Agreements. Each of the acts and undertakings of Purchaser to be performed at or before the Closing pursuant hereto shall have been duly performed in all material respects.

(b) Representations and Warranties. The representations and warranties of Purchaser contained in this Agreement and in any certificate or other writing delivered pursuant hereto or in connection with the transactions contemplated hereby shall be true on and as of the Closing Date with the same effect as though made on and as of such date and Seller shall have received at the Closing a certificate to such effect dated the Closing Date and executed on behalf of Purchaser by its Chairman or President.

(c) No Violation of Statutes, Orders, etc. There shall not by any statute, rule or regulation which makes the purchase and sale of the Purchased Assets contemplated hereby illegal or otherwise prohibited, or any order, decree or judgment enjoining Seller from selling the Purchased Assets pursuant hereto.

(d) Corporate Authority. Seller shall have received all documents it may reasonably request relating to the existence and authority of Purchaser and the validity of this Agreement and any other matters relevant thereto.

SECTION 10.3. INTENTIONALLY DELETED

SECTION 10.4. INTENTIONALLY DELETED

SECTION 10.5. Return of Escrow. Should this transaction fail close based on a failure of a condition precedent or failure of the United States Bankruptcy Court to approve this transaction, Seller shall immediately return Purchasers \$100,000.00 earnest money and this offer is null and void. Should this transaction fail to close based on Purchasers failure to perform, without cause as outlined herein, Seller shall retain the \$100,000 earnest money as liquidated damages, which sum shall be subject to the security interest of the Bank and will be paid to Bank.

ARTICLE XI

EFFECT OF TERMINATION; RIGHT TO PROCEED

SECTION 11.1. Effect of Termination. If this Agreement is terminated pursuant to Article IX, or because of the failure to satisfy any of the conditions specified in Article X, all further obligations of Seller to Purchaser, or of Purchaser to Seller, under this Agreement shall terminate without further liability of seller or Purchaser except for the obligations of Purchaser under Section 10.5 and the obligations of Seller and Purchaser under Sections 13.2, 13.3 and 13.4.

SECTION 11.2. Right to Proceed. Notwithstanding anything in this Agreement to the contrary, if any of the conditions specified in Article X has not been satisfied, Seller or Purchaser, as the case may be, in addition to any other rights which may be available to it, shall have the right to waive such condition and to require the other party hereto to proceed with the Closing.

SECTION 11.3 Failure of Condition. If a matter represented by Seller under this Contract was true as of the date of this Contract, but subsequently is rendered inaccurate because of the occurrence of events or because of a cause other than Seller's intentional misconduct or intentional breach of this Contract, then such inaccuracy shall not constitute a default of Seller under this Contract, but will constitute a failure of a condition to Closing only if such inaccuracy materially increases the Purchaser's good faith estimate of the cost or time to construct the Project. Failure of such a condition to Closing shall entitle Purchaser to terminate this Contract at Closing and receive a refund of a Deposit, whereupon both parties shall be released from

further liability under this Contract, except as expressly provided in this Contract to survive. If Purchaser does not elect to so terminate, Purchaser shall timely proceed to Closing and the failure of such condition to Closing shall be deemed waived.

ARTICLE XII

SURVIVAL AND REMEDY; INDEMNIFICATION

SECTION 12.1. Survival: Remedy for Breach. The covenants, agreements representations and warranties of the parties hereto contained herein or in any certificate or other writing delivered pursuant hereto or in connection herewith shall, unless otherwise stated herein or therein, survive for a period of one year from the Closing Date. Notwithstanding the preceding sentence, (i) the agreements in Sections 2.4, 13.3, 13.4 and Article VIII shall not terminate (except as otherwise provided therein) and (ii) any covenant, agreement, representation or warranty in respect of which indemnity may be sought under Section 12.2 shall survive the time at which it would otherwise terminate pursuant to the preceding sentence if prior to such time notice of the breach or inaccuracy thereof giving rise to such indemnity shall have been given to the party against whom such indemnity may be sought.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.1. Notices. All notices, requests and other communications to any party hereunder shall be in writing and shall be given to such party at its address set forth below or such other address as such party may hereinafter specify for the purpose by notice to the other. Each such notice, request or other communication shall be effective (i) if given by mail, 72 hours after such communication is dispatched via certified or registered mail, return receipt requested, addressed as aforesaid or (ii) if given by any other means, when delivered at the address specified in this Section:

To Purchaser:

DRIVE SOURCE INTERNATIONAL, INC.

Attn: Robert A. Saroli
428 Jutras Drive South
Windsor, Ontario
Canada N8N 5C5
FAX: 519-727-643

with copies to:

Attorney Joseph F. Madrigrano, Jr.
1108 - 56th Street
Kenosha, WI 53140
FAX: 262-654-0006

To Seller:

DYNAMATIC CORPORATION
3122 – 14TH Avenue
Kenosha, WI 53140

with copies to:

Attorney Martin Weis
Dilworth Paxson LLP
3200 Mellon Bank Center
1735 Market Street
Philadelphia, PA 19103
FAX: (215) 575-7200

SECTION 13.2. Press Releases. Neither Seller nor Purchaser shall make any press release without the other party's prior written consent or except as may be required by law.

SECTION 13.3. Brokers. (a) Purchaser represents to Seller that, neither Purchaser nor any of its Affiliates has employed any investment banker, broker, finder or intermediary in connection with the transactions contemplated hereby who might be entitled to a fee or other commission from Seller upon consummation of the transactions contemplated hereby.

(b) Commission Agent. Seller represents to Purchaser that, neither Seller nor any of its Affiliates has employed any such Person in such connection who might be so entitled to any such fee or commission from Purchaser.

SECTION 13.4. Expenses. Except as otherwise provided herein, all legal and other costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

SECTION 13.5. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that no party may assign or otherwise transfer any of its rights under this Agreement without the consent of the other party hereto. Purchaser may assign its rights and obligations hereunder and under the subordinated note and other documents referred to herein to a wholly-owned subsidiary of Purchaser, provided that Purchaser shall guarantee performance by such subsidiary of its obligations hereunder. Except as expressly set forth herein, this Agreement is made solely for the benefit of the parties hereto and shall not confer any rights on any other person (including any employee of former employee of Seller or any Employee Plan, as defined in Section 4.9).

SECTION 13.6. Entire Agreement: Amendment. (a) This Agreement and the other

instruments and agreements referred to herein embody the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior agreements with respect thereto.

(b) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by Purchaser and Seller. No failure or delay by and party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 13.7. Agreement to Take Necessary and Desirable Actions. Seller and Purchaser agree to execute and deliver, and to cause to be executed and delivered, such other documents, certificates, agreements and other writings and to take, or cause to be taken, such other actions as may be necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement.

SECTION 13.8. Wisconsin Law. This Agreement shall be construed in accordance with and governed by the law of the State of Wisconsin.

SECTION 13.9. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto are upon the same instrument.

ARTICLE XIV

DISCLOSURE OF EMPLOYEES

SECTION 14.1 Disclosure of Employees. Purchaser hereby discloses that after the date of Closing, Purchaser will be hiring Michael Smolinski and Mark Bartel. This disclosure is made so as to alert all parties including the United States Bankruptcy Court of the intent to hire said individuals. No compensation, promises of employment or other consideration has been provided Michael Smolinski or Mark Bartel by Purchaser prior to the time of the execution of this agreement nor will any compensation be paid to said individuals, Michael Smolinski or Mark Bartel until they are employed by Purchaser

SECTION 14.2 Real Estate. Seller has represented that Purchaser shall have uninterrupted occupancy of the premises at 3122 – 14TH Avenue, Kenosha, WI 53140 from the date hereof until March 31, 2002.

ARTICLE XV

RELATIONSHIP OF THE PARTIES

SECTION 15.01 Relationship of the Parties. Seller and Purchaser hereby warrant and represent that Purchaser nor Seller, nor Seller's ultimate parent Company Unidyne Corporation or any officer, director, shareholder or employee of Purchaser has any prior relationship with

Seller that would disqualify Purchaser as a good faith purchaser for value under United States Bankruptcy Laws.

ARTICLE XVI

SECTION 16.01 [Omitted]

ARTICLE XVII

ESCROW

SECTION 17.01. Escrow. Upon the execution of this agreement the sum of \$100,000.00 shall be placed in escrow to be held in Johnson Bank's attorney's Trust Account. In the event Purchaser breaches its obligation under this Agreement or fails or refuses to satisfy Purchasers conditions precedent to Closing, said Earnest Money shall be paid to Seller as liquidated damages for Purchasers breach of the Agreement. Thereafter, this Agreement shall be void. In the event that Seller breaches its obligations under this Agreement or makes a material misrepresentation herein, Purchaser, at its discretion, may cancel the Agreement, thereby making the Agreement void. In the event Seller breaches, said earnest money shall be returned to Purchaser. In the event that Purchaser breaches its obligations under this Agreement without cause, the Bank shall keep said earnest money.

ARTICLE XVIII

CONDITION OF CLOSING

SECTION 18.01. As a condition of closing Seller to resolve with customers of Seller issues related to prepaid orders of customers with Seller which have not been fulfilled. Resolution must be in a manner acceptable to Purchaser.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers on the day and year first above written.

SELLER:

DYNAMATIC CORPORATION

By: MICHAEL D. SMOLINSKI
Its: M. D. Smolinski

PURCHASER:

DRIVE SOURCE INTERNATIONAL, INC.

By: ROBERT SARGLI
Its: Robert Sargli

ITALIAN REG. NO. 480660
Mark: Dynamatic (Class 7, 9, 12)
Serial No. 84/216
Filed: September 6, 1966
Registered: September 8, 1966 - No.: 217373
Registrant: Eaton Corporation - assigned to Dynamatic Corp. 8/28/95
Next Renewal Date: September 4, 2006
Our Ref.: 56549

B. AJUSTO-SPEDE

AUSTRALIAN REG. NO. B205081
Mark: Ajusto-Spede (Class 7)
Ser. No. 205081
Filed: 9/21/66
Registered: September 21, 1966
Registrant: Heenan & Froude - assigned to Eaton 6/20/72 - assigned to
Dynamatic Corp. 8/28/95
Next Renewal Date: September 21, 2011
Our Ref.: 56536

AUSTRALIAN REG. NO. B218509
Ser. No. 218509
Filed: 9/21/66
Mark: Ajusto-Spede
Registrant: Heenan & Froude - assigned to Eaton 6/20/72
Next Renewal Date: September 21, 2011
(Our Ref.: 56672)

II. U.S. Trademark Registrations

A. DYNAMATIC

U.S. TRADEMARK REG. NO. 515261
Mark: Dynamatic (Class 26)
Ser. No. 71/527433
Filed: July 5, 1947
Registered: September 20, 1949
Registrant: Assigned from Eaton Corporation to
Dynamatic Corp. 8/28/95 R/1421 F/0844
Sections 8 & 15 filed
Next Renewal Date: September 20, 2009
Our Ref.: 56547

U.S. TRADEMARK REG. NO. 1,529,350
Mark: Dynamatic (Classes 7, 9)
Ser. No. 744,508
Filed: August 8, 1988
Registered: March 14, 1989
Registrant: Assigned from Eaton Corporation to
Dynamatic Corp. 8/28/95 R/1421 F/0844
Sections 8 & 15 filed
Renewal Date: March 14, 2009
Our Ref.: 56546

B. AJUSTO-SPEDE

U.S. TRADEMARK REG. NO. 503,874
Mark: Ajusto-Spede (Class 21)
Ser. No. 71/527874
Filed: July 5, 1947
Registered: November 16, 1948
Registrant: Assigned from Eaton Corporation to
Dynamatic Corp. 8/28/95 R/1421 F/0844
Sections 8 & 15 filed
Next Renewal Date: November 16, 2008
Our Ref.: 56545

III. U.S. Patents

U.S. PATENT NO. 4,138,618
Title: Spread Pole Eddy Current Coupling
Inventor: Ralph L. Jaeschke
Issue Date: February 6, 1979
Ser. No. 792632 - Filed: May 2, 1977
Assigned from Eaton Corp. to Dynamatic Corp. 8/28/95 R/7757 F/0861
Maintenance Fee Due Dates: All fees have been paid
Our Ref.: 56565

U.S. PATENT NO. 4,362,958
Title: Electromagnetic Coupling and Cooling System Therefor
Inventor: Ralph L. Jaeschke
Issue Date: December 7, 1982
Ser. No. 203306 - Filed: November 3, 1980
Assigned from Eaton Corp. to Dynamatic Corp. 8/28/95 R/7757 F/0861
Maintenance Fee Due Dates: All fees have been paid
Our Ref.: 56561