

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Burks Pumps, Inc.		09/23/1992	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	GSW Acquisitions, Inc.		
Street Address:	2020 Winston Park Dr.		
City:	Oakville, Ontario		
State/Country:	CANADA		
Postal Code:	L6H 6X7		
Entity Type:	CORPORATION: DELAWARE		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	56596	AERMOTOR	
CORRESPONDENCE DATA			
Fax Number:	(414)277-0656		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	414-271-6560		
Email:	mkeipdocket@michaelbest.com		
Correspondent Name:	Lori S. Meddings		
Address Line 1:	100 East Wisconsin Avenue		
Address Line 2:	Suite 3300		
Address Line 4:	Milwaukee, WISCONSIN 53202		
ATTORNEY DOCKET NUMBER:	085455-9415 US00		
DOMESTIC REPRESENTATIVE			
Name:			
Address Line 1:			
Address Line 2:			

CH \$40.00 56596

Address Line 3:

Address Line 4:

NAME OF SUBMITTER:

Lori S. Meddings

Signature:

/lori s. meddings/

Date:

05/17/2006

Total Attachments: 74

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ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of September 23, 1992 by and between BURKS PUMPS, INC., a Delaware corporation (the "Seller"), and GSW ACQUISITIONS, INC., a Delaware corporation (the "Buyer"), GSW INDUSTRIES INC. a Delaware corporation and sole stockholder of the Buyer, as guarantor of the Buyer's obligations hereunder (the "Guarantor").

In consideration of the mutual covenants, representations, warranties and agreements contained herein, and other good and valuable consideration, the parties hereto agree that, subject to the terms and conditions contained herein, the Seller will sell to the Buyer, and the Buyer will purchase from the Seller, the Seller's Aermotor and Burks water systems business, carried on in Decatur, Illinois; Conway, Arkansas; Longwood, Florida and Middletown, Pennsylvania, as more fully described in Schedule A to this Agreement (the "Purchased Business"), and certain of the assets of the Seller used in the Purchased Business and assume certain of the liabilities of the Seller.

1. Sale and Purchase of Assets.

1.1 Assets to be Purchased. Except as otherwise provided herein, the Buyer shall purchase, and the Seller shall sell, assign, transfer, set over, convey and deliver to the Buyer, all of the Seller's property, rights, interests and assets of every type, kind and nature primarily used in the Purchased Business, whether

known or unknown, fixed or unfixed, inchoate, accrued, absolute, contingent, tangible or intangible, or otherwise, wherever located and whether or not reflected on the books and records of the Seller, free and clear of all Liens (hereinafter defined), except the Permitted Liens (hereinafter defined), including all additions thereto on or after the date hereof and up to and including the Closing Date (hereinafter defined), such assets and properties being referred to herein as the "Assets," and which shall include, without limitation:

(a) all of the leasehold interest of the Seller in and to real property and improvements thereon located in Conway, Arkansas; Longwood, Florida and Middletown, Pennsylvania and listed and described on Schedule 1a attached hereto and made a part hereof;

(b) those items of personal property, including vehicles, machinery, equipment, furniture, fixtures, computers and supplies located in Conway, Arkansas; Decatur, Illinois; Longwood, Florida or Middletown, Pennsylvania and listed and described on Schedule 1b attached hereto and made a part hereof (the "Personal Property");

(c) all tooling, wherever located, primarily used in the Purchased Business, including, without limitation, those items listed and described on Schedule 1c attached hereto and made a part hereof (the "Tooling");

(d) to the extent assignable, all rights and interest in, to and under the following: all brand names, patents, patent applications, patent licenses, shop rights, trade secrets, all trademarks, service marks, trade names, slogans, labels, logos and other trade rights, all copyrights and all other intellectual property rights used by the Seller primarily in the Purchased Business, whether or not registered, saving and excepting, however, all of the Seller's rights in and to the name and trademark "BURKS" and any variation thereof;

(e) all inventory of raw materials, work in process and finished stock of the Purchased Business located in Conway, Arkansas; Decatur, Illinois; Longwood, Florida and Middletown, Pennsylvania;

(f) to the extent assignable, and, in each case, excluding accounts receivable of the Seller, the full benefit of all unfilled orders received by the Seller in connection with the Purchased Business and all other contracts, engagements or commitments (except as hereinafter provided) to which the Seller is entitled in connection with the Purchased Business, whether written or oral, including the following (collectively, the "Assigned Agreements"):

(i) the full benefit and advantage of all forward commitments by the Seller for supplies or materials entered into in the ordinary course of the Purchased Business for use in the Purchased Business whether or not there are any contracts with respect thereto;

(ii) all of the right, title and interest of the Seller in, to and under the Material Contracts (hereinafter defined); and

(iii) all internal work orders entered into in the ordinary course of the Purchased Business for products to be manufactured by the Seller (other than by the Purchased Business) for delivery to or on behalf of the Purchased Business after the Closing Date;

(g) all customer lists relating to the Purchased Business;

(h) all books and records of the Seller relating primarily to the Purchased Business (other than the Seller's franchise as a corporation, its minute books, its stock transfer books and similar records relating to the Seller's organization, existence or capitalization, and capital stock of the Seller and all books and records

relating to operations of the Seller other than the Purchased Business);

(i) except as provided in Section 1.2, all prepaid expenses of the Purchased Business;

(j) subject to the License Agreement (hereinafter defined), the goodwill of the Purchased Business together with the exclusive right to the Buyer to represent itself as carrying on the Purchased Business in continuation of and in succession to the Seller; and

(k) subject to the License Agreement, all literature, brochures, literature plates, films and other assets of a like nature, which are primarily used in connection with the Purchased Business and which are owned by the Seller.

To the extent that any asset otherwise described above is not assignable to the Buyer, the Seller shall use its reasonable efforts to provide the Buyer with all of the benefits of such asset.

1.2 Excluded Assets. The "Assets" shall not include and the Seller shall retain all of the following (the "Excluded Assets"):

(a) all assets of the Seller not primarily related to or used in connection with the Purchased Business including, without limitation, those assets, wherever located, related to the Seller's Weinman Midland division

as set forth on Schedule 1.2 attached hereto and made a part hereof;

(b) any and all cash on hand or in banks of the Seller whether or not related to the Purchased Business;

(c) all accounts receivable of the Seller (including those arising out of the Purchased Business) and all rights of recovery on account of the accounts receivable of the Seller (including those arising out of the Purchased Business);

(d) all claims, choses in action and rights of recovery of the Seller against any party (including, without limitation, those arising out of the Purchased Business);

(e) any and all rights, properties and assets of the Purchased Business which shall have been transferred or disposed of by the Seller in transactions conducted in the ordinary course of business;

(f) any and all assets held by the Seller, whether in trust or otherwise, in respect of any employee benefit plan pertaining to employees of the Purchased Business;

(g) all rights, claims and profits under performance bonds, surety bonds and insurance policies with respect to

the conduct of the Purchased Business prior to the Closing Date;

(h) all prepaid insurance and all the benefits thereof, including, without limitation, all related rights to the refund of unused premiums as of the Closing Date;

(i) all rights to any refund of any federal, state or local, income, franchise, real estate or other tax payment with respect to the conduct of the Purchased Business prior to the Closing Date;

(j) all rights to any refund, rebate, credit or allowance from any vendor or supplier with respect to purchases made prior to the Closing Date, including, without limitation, the Seller's allocate share of the Franklin Rebate in accordance with Section 7.3; and

(k) those assets listed and described on Schedule 1.2.

1.3 Condition of Tangible Purchased Assets. EXCEPT AS EXPRESSLY PROVIDED IN SECTION 5 OR SECTION 7.4, THE SELLER IS SELLING THE PERSONAL PROPERTY AND TOOLING ON AN "AS IS," "WHERE IS" BASIS, AND THE PARTIES EXPRESSLY ACKNOWLEDGE THAT THE SELLER DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, RELATING IN ANY RESPECT TO THE PERSONAL PROPERTY, INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF MERCHANTABILITY, SUITABILITY AND FITNESS FOR PARTICULAR PURPOSES.

2. Assumption of Liabilities.

Upon the transfer of the Assets at the Closing (hereinafter defined) in accordance with this Agreement, the Buyer shall assume the following liabilities and obligations (the "Assumed Liabilities"):

(a) all obligations under the Assigned Agreements except payables (other than to the extent set forth on the Closing Balance Sheet) as of the Closing Date;

(b) all obligations and liabilities of the Seller otherwise expressly assumed by the Buyer under this Agreement;

(c) all payroll liabilities with respect to employees of the Seller engaged in the Purchased Business to the extent set forth on the Closing Balance Sheet (hereinafter defined);

(d) all liabilities relating to claims of employees of the Buyer (or its affiliates) as successor to the Purchased Business for medical benefits in connection with medical services rendered from and after the Closing Date, including claims made in connection with medical services rendered after the Closing Date;

(e) any liabilities or obligations for injuries or death to persons or damage to property arising out of the

Buyer's conduct of the Purchased Business except such injury, death or damage arising out of the sale by the Buyer of products in finished goods inventory as of the Closing Date; and

(f) all liabilities incurred in connection with, relating to or arising out of the operation of the Purchased Business by the Buyer after the Closing Date except such liabilities arising out of the sale by the Buyer of products in finished goods inventory as of the Closing Date.

3. Purchase Price.

3.1 Purchase Price. The purchase price (the "Purchase Price") for the Assets and for the rights and benefits conferred under this Agreement (except the Non-Competition Agreement, as hereinafter defined) shall be equal to the Net Book Value of the Assets as of the Closing Date as set forth in the Closing Balance Sheet. "Net Book Value" shall mean the excess of the book value of the Assets over the book value of the Assumed Liabilities, determined in accordance with generally accepted accounting principles and the Principles and Procedures (hereinafter defined).

3.2 Payment of the Purchase Price. At the Closing the Buyer shall (i) deliver to the Seller on account of the Purchase Price immediately available funds by a certified check payable to

the order of the Seller (or at the request of the Seller, the Buyer shall make a wire transfer to the Seller's account) in the amount (the "Initial Payment") equal to ninety percent (90%) of the estimated Purchase Price (the "Estimated Purchase Price") determined on the basis of the balance sheet of the Purchased Business as of June 30, 1992 referred to in Section 5.3 (the "Current Balance Sheet"); (ii) deliver to Security Trust Company, N.A. (the "Escrow Agent") immediately available funds by certified check payable to the Escrow Agent (or at the request of the Escrow Agent, the Buyer shall make a wire transfer to the Escrow Account) in the amount of ten percent (10%) of the Estimated Purchase Price pending determination of the Purchase Price based on the Closing Balance Sheet; and (iii) deliver to the Seller immediately available funds by certified check payable to the order of the Seller (or at the request of the Seller, the Buyer shall make a wire transfer to the Seller's account) in the amount of \$350,000 in consideration of the execution and delivery by the Seller of the Non-Competition Agreement. Promptly upon final determination of the Purchase Price, the Buyer and the Seller shall give joint written notice of the amount thereof to the Escrow Agent.

Pursuant to an escrow agreement in substantially the form attached hereto as Exhibit 3.2 (the "Escrow Agreement"), if the Purchase Price is less than or equal to the Estimated Purchase Price, the Escrow Agent shall pay an amount equal to the excess of the Estimated Purchase Price over the Purchase Price, together with accrued interest thereon, to the Buyer from the Escrowed Funds (as

defined in the Escrow Agreement) and pay the balance of the Escrowed Funds, if any, to the Seller. In the event that the Purchase Price exceeds the Estimated Purchase Price, the Buyer shall pay to the Seller an amount equal to such excess plus interest thereon at the rate earned by the Escrowed Funds and the Escrow Agent shall pay all of the Escrowed Funds to the Seller. In the event that the Initial Payment exceeds the Purchase Price, the Seller shall pay to the Buyer an amount equal to such excess plus interest thereon at the rate earned by the Escrowed Funds and the Escrow Agent shall pay all of the Escrowed Funds to the Buyer.

3.3 Closing Balance Sheet. The Seller shall cause a balance sheet (the "Closing Balance Sheet") for the Purchased Business to be prepared as of the Closing Date by Price Waterhouse and delivered to the Buyer within sixty (60) days after the Closing Date, which shall be the basis for determining the Purchase Price payable pursuant to Section 3.1. The Closing Balance Sheet shall be prepared in accordance with generally accepted accounting principles, consistently applied with the prior practice of the Seller, and the accounting principles and procedures set forth in Exhibit 3.3 hereof (such accounting principles and procedures being herein referred to as the "Principles and Procedures") and certified by Price Waterhouse. The Closing Balance Sheet shall be accompanied by a report to the Buyer and the Seller by Price Waterhouse setting forth the Net Book Value of the Assets as of the Closing Date.

3.4 Balance Sheet Review.

(a) As soon as possible after receipt of the Closing Balance Sheet, but in any event within twenty (20) days after such receipt (the "Review Period"), the Buyer shall review, at its sole expense, the Closing Balance Sheet and convey any objections it may have with respect to the matters set forth thereon in the manner described below. A failure by the Buyer to so object to the Closing Balance Sheet by the end of the Review Period shall cause the Closing Balance Sheet to be deemed approved in its entirety by all parties, in which event the Buyer and the Seller shall promptly give joint written notice thereof to the Escrow Agent and the balance of the Purchase Price shall be immediately paid in accordance with Section 3.2 in immediately available funds by a certified check or wire transfer to or to the order of the party entitled to receive such funds.

(b) If the Buyer objects to the Closing Balance Sheet, the Buyer shall notify the Seller in writing not later than the end of the Review Period of each particular item it believes requires adjustment and, for not more than ten (10) days thereafter, the parties shall attempt in good faith to resolve any differences. The parties agree that if there shall be a disagreement between the Buyer and the Seller regarding the value of any item

relating to the Closing Balance Sheet, unless the disputed amount exceeds \$10,000 in any instance (or an aggregate of \$20,000), the value as determined by the Seller shall be deemed correct and adopted for all purposes hereunder by the Seller and the Buyer.

(c) If the Seller and the Buyer are unable to so resolve such differences within such time period, they shall jointly submit the particular items in dispute to the Chicago office of Arthur Andersen & Co. (the "Accountant") for resolution on an expedited basis with a request for a written report thereon. If Arthur Andersen & Co. cannot serve as the Accountant for purposes hereof, the Seller shall instruct Price Waterhouse to make a mutual determination with the Buyer's independent certified public accountant regarding an independent certified public accountant to serve as the Accountant. Such determination shall be final and binding on all parties. In the absence of agreement between Price Waterhouse and the Buyer's independent certified public accountant regarding the appointment of the Accountant, either party shall be entitled to make application to the Court of Common Pleas for Miami County, Ohio to appoint a firm of independent certified public accountants.

(d) The Accountant shall be permitted to review this Agreement and the Closing Balance Sheet together with all

working papers, books, accounts and other documents relating to the Purchased Business relevant to the preparation of the Closing Balance Sheet and shall determine with respect to the item or items in dispute whether such item or items as presented on the Closing Balance Sheet is consistent with generally accepted accounting principles and the Principles and Procedures. The Accountant shall submit a draft of the results of such review to the Buyer and the Seller as soon as such results are available; then the Buyer and the Seller shall be entitled to make representations to the Accountant within ten (10) business days after receiving such draft. Upon completion by the Accountant of its final determination as to the item or items in dispute in the Closing Balance Sheet, the Accountant shall deliver to the Buyer and the Seller its report setting out its determination as to the item or items in dispute which shall be final and binding on the Buyer and the Seller. If the Accountant concludes in its report that the Closing Balance Sheet was not prepared in accordance with generally accepted accounting principles and the Principles and Procedures, appropriate adjustment(s) shall be made to the Closing Balance Sheet. If the Accountant does not conclude in its report that any such adjustment(s) must be made, the Closing Balance Sheet as furnished by the Seller shall be deemed approved in its entirety and be binding on all parties. Upon the final

determination of the Closing Balance Sheet, the Buyer and the Seller shall promptly give joint written notice thereof to the Escrow Agent and the balance of the Purchase Price shall be immediately paid in accordance with Section 3.2 in immediately available funds by a certified check or wire transfer to or to the order of the party entitled to receive such funds. The fees and expenses incurred in connection with any review by the Accountant pursuant to this Section 3.4 shall be borne one-half by the Seller and one-half by the Buyer.

3.5 Deposit. Concurrent with the execution of this Agreement, and to induce the Seller to enter into this Agreement, the Buyer shall deliver to the Escrow Agent a cash deposit in the amount of Two Hundred Thousand Dollars (\$200,000) (the "Deposit"), to be held pursuant to the terms of the escrow agreement in substantially the form set forth as Exhibit 3.5 hereto (the "Deposit Agreement"). If the transactions contemplated hereby are not consummated on the Closing Date, then the Escrow Agent, in accordance with the Deposit Agreement, shall pay to the Seller the Deposit and any interest earned thereon, unless any of the following occur, in which event the Deposit and any interest earned thereon shall be returned to the Buyer: (i) the failure to consummate such transactions is the result of a material breach of the representations, warranties, covenants or agreements of the Seller contained in this Agreement; provided, however, that any breach of any representation and warranty already qualified by the

term "material" shall entitle the Buyer to a return of its deposit, (ii) there occurs a material adverse change in the Condition of the Purchased Business (hereinafter defined) during the period commencing on the date hereof and ending on the Closing Date, or (iii) the failure to consummate such transaction arises by reason of the provisions of any of Sections 8.1, 8.4, 8.5, 8.11, 8.12, 8.13 and 8.14 of this Agreement. Upon the Closing of the transactions contemplated by this Agreement, the Deposit and any interest earned thereon shall be applied to the Purchase Price or, at the option of the Buyer, returned to the Buyer.

3.6 Allocation of Purchase Price. Prior to the Closing, the Buyer and the Seller shall determine the fair market value of the various classes of the Assets based on the balance sheet of the Seller as of June 30, 1992 and approve a schedule setting forth such fair market values (the "initial FMV Schedule") in the form of Schedule 3.6 hereto. The initial FMV Schedule shall be adjusted by the parties subsequent to the Closing based on the Closing Balance Sheet as finally determined in accordance with Section 3.4 of this Agreement and as so adjusted shall be referred to as the "FMV Schedule." The FMV Schedule shall be binding on the parties. If the Buyer and the Seller are unable to agree on the FMV Schedule, the FMV Schedule shall be prepared by the Chicago office of Arthur Andersen & Co. by adjusting the initial FMV Schedule to reflect the changes made from the June 30, 1992 balance sheet of the Seller to the Closing Balance Sheet. Such adjustment shall continue to value the Non-Competition Agreement

as such agreement was valued on the initial FMV Schedule. All fees and expenses incurred by Arthur Andersen & Co. in connection with this Section 3.6 shall be borne one-half by the Seller and one-half by the Buyer. The Buyer agrees to allocate, for tax purposes, the total consideration (including all transaction costs incurred in connection with transactions contemplated in this Agreement) paid by the Buyer among the Assets and the Non-Competition Agreement in a manner consistent with the FMV Schedule, the Non-Competition Agreement and the provisions of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Seller agrees to allocate, for tax purposes, the total consideration received among the Assets and the Non-Competition Agreement in a manner consistent with the FMV Schedule, the Non-Competition Agreement and the provisions of Section 1060 of the Code. Each party agrees to report the federal, state and local income and other tax consequences of the transactions contemplated herein, and in particular to report the information required by Section 1060(b) of the Code, in a manner consistent with the FMV Schedule and the Non-Competition Agreement, and shall not take any position or action inconsistent therewith upon examination of any tax return, in any refund claim, in any litigation, investigation or otherwise; provided, however, that if, in any audit of any tax return of the Seller or the Buyer by a taxing authority, the fair market values are finally determined to be different from the FMV Schedule and the Non-Competition Agreement, as adjusted, the Buyer and the Seller may

(but shall not be obligated to) take any position or action consistent with the fair market values as finally determined in such audit.

3.7 Expenses. Whether the transactions contemplated by this Agreement shall be consummated or not, each party shall pay its own expenses incident to this Agreement. The Seller and the Buyer shall share equally any and all sales, transfer and recordation taxes incurred in connection with the conveyances and transfers contemplated by this Agreement.

4. Employee Matters.

(a) On the Closing Date, the Buyer shall offer employment to all employees of the Seller engaged exclusively in the Purchased Business at its facilities in Conway, Arkansas; Longwood, Florida and Middletown, Pennsylvania as set forth on Schedule 4a (the "Schedule 4a Employees"), on substantially similar terms as they were employed by the Seller prior to the Closing. The parties acknowledge and agree that except for David White, field sales representative for the Burks water system product line, no such offer of employment is required to any employees of the Seller at its Decatur, Illinois facility and the Seller shall retain responsibility with respect to all such employees.

(b) The Buyer shall also offer employment to the manufacturing employees of the Seller engaged exclusively in its Weinman Midland division as listed on Schedule 4b (the "Schedule 4b Employees"), upon substantially similar terms as they were employed by the Seller prior to the Closing; provided, however, that the term of each such employment may end on the earliest to occur (the "Transition Completion Date") of (i) the first anniversary of the Closing Date, (ii) the date on which the Buyer receives written notice from the Seller that the relocation of the Weinman Midland division of the Seller from Conway, Arkansas to the Seller's Decatur, Illinois facility has been completed or (iii) the date on which the services of said employee are no longer required. If the term of any of the Schedule 4b Employees (or replacement thereof) so terminates during the period commencing on the Closing Date and ending thirty (30) days after the Transition Completion Date (the "Transition Period"), the Seller will pay to the Buyer all reasonable severance costs not exceeding the cost set forth on Schedule 4b-1 resulting from such termination, provided, that the Seller has given its prior approval (which shall not be unreasonably withheld or delayed) to any severance agreement or settlement.

(c) The Buyer shall also offer employment to the employees of the Seller at its Conway, Arkansas facility

engaged in both the Purchased Business and the manufacturing and distribution functions of the Seller's Weinman Midland division, but not exclusively in either, as listed on Schedule 4c (the "Shared Employees"), upon substantially similar terms as they were employed by the Seller prior to the Closing. If during the Transition Period there is a reduction in the number of the Shared Employees (or replacement thereof) reasonably required by the Buyer in the Purchased Business or any expansion or extension thereof in Conway, Arkansas, the Seller will pay to the Buyer all reasonable severance costs not exceeding the cost set forth on Schedule 4c-1 resulting from the termination within the Transition Period of any of the Shared Employees other than those managers and vice presidents listed on Schedule 4c-2, provided, that the Seller has given its prior approval (which shall not be unreasonably withheld or delayed) to any severance agreement or settlement. Notwithstanding any of the foregoing, in no event shall the Seller be obligated to pay severance costs to the Buyer with respect to more than eighteen (18) of the Shared Employees.

(d) The Buyer shall not be obligated to make offers of employment to any employees of the Seller's Weinman Midland division who are listed on Schedule 4d (the "Schedule 4d Employees"). The Seller shall be responsible for all costs (including, if applicable, reasonable

severance costs) relating to the Schedule 4d Employees whether before or after the Closing Date. Notwithstanding the preceding sentence, the Buyer agrees to provide the Schedule 4d Employees with normal access to the premises, books and records, employee assistance and the like as provided in the Transitional Services Agreement (hereinafter defined).

(e) The Seller shall use all reasonable efforts to encourage said employees to accept the offers of employment made by the Buyer pursuant to Sections 4(a), (b) and (c). The Buyer shall recognize all prior continuous service as recognized by the Seller for purposes of determining eligibility, vesting and calculation of benefits in applying the Buyer's employment policies and benefit programs to such employees who become employees of the Buyer.

(f) During the Transition Period, the Buyer may elect to terminate a Schedule 4a Employee in lieu of the termination of a Schedule 4b Employee or a Shared Employee, in which event the provisions of Section 4(b) or 4(c), as appropriate, shall apply with respect to such termination, provided, that the amount of any payment by the Seller to the Buyer with respect to severance costs shall not be increased by such election. The Buyer shall give written notice to the Seller of any election made

pursuant to the preceding sentence. The Buyer agrees that any Schedule 4a Employee who resigns or retires, or whose employment otherwise terminates due to normal attrition, will be replaced with a Schedule 4b Employee or a Shared Employee, provided, that such replacement employee is qualified for the position vacated. The Buyer agrees to promptly replace any Schedule 4b Employee or Shared Employee who becomes a Schedule 4a Employee, or whose employment is terminated other than pursuant to Section 4(b) or 4(c), and whose services are still required for performance by the Buyer under the Transitional Services Agreement.

(g) As soon as practicable after the Closing Date, the Buyer shall establish or designate a defined contribution plan or plans (the "Buyer's Plan") to provide benefits to employees of the Seller who become employees of the Buyer, which plan or plans are substantially equivalent to the benefits provided Schedule 4a Employees, Schedule 4b Employees and Shared Employees under the Burks Pumps, Inc. Retirement Income Savings Plan (the "Burks Plan"). The Buyer's Plan shall provide such employees credit for service with the Seller and its affiliates and their respective predecessors prior to the Closing Date for all purposes for which such service was recognized under the Burks Plan.

(h) (i) As soon as practicable after the receipt by the Seller of the opinion or the determination letter described in subparagraph (ii) below, the Seller shall cause the trustee of the Burks Plan to transfer to the trust forming a part of the Buyer's Plan cash (or with respect to participant loans granted prior to the Closing Date, if any, such loans and any promissory notes or other documents evidencing such loans) and/or other property acceptable to the Buyer, which is held in the trust forming a part of the Burks Plan, in an amount equal to the account balances, as of a valuation date not more than sixty (60) days preceding the date of transfer (the "Account Balances"), of those employees who, on the Closing Date, are participants in the Burks Plan and who, on the Closing Date, become employees of the Buyer (the "Transferred Participants"). The transfer shall comply with the requirements of Sections 414(l) and 411(d)(6) of the Code.

(ii) Within ninety (90) days after the Closing Date, the Buyer shall either (A) deliver to the Seller a favorable determination letter issued by the Internal Revenue Service that the Buyer's Plan satisfies the requirements for qualification under Section 401(a) of the Code on the later of the Buyer's Plan's effective date or the Closing Date or (B) an opinion of counsel in substantially the form set forth in Exhibit 4. Upon

transfer of the Burks Plan's Account Balances to the trust forming a part of the Buyer's Plan, the Seller and its affiliates and the Burks Plan shall be relieved of all liability to the Transferred Participants arising out of the Burks Plan.

5. Representations and Warranties of the Seller.

The Seller hereby represents and warrants to the Buyer as follows:

5.1 Organization. The Seller is duly organized, validly existing and in good standing under the laws of the State of Delaware. The Seller is qualified to carry on the Purchased Business in all jurisdictions where the property owned, leased or operated in respect of the Purchased Business requires such qualification, except where the failure to be so qualified or in good standing would not have a material adverse effect on the Condition of the Purchased Business. The Seller has the corporate power to carry on its business as the same is now being conducted.

5.2 Authority. The Seller has all requisite corporate power and authority and has taken all necessary corporate action to enter into this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement on the part of the Seller have been duly and effectively authorized by the Seller's Board of Directors. This Agreement has been duly executed and delivered by the Seller and,

assuming due authorization of, and execution and delivery by, the Buyer, constitutes valid and binding obligations of the Seller, enforceable in accordance with its terms.

5.3 Current Balance Sheet. Except as set forth on Schedule 5.3, the Current Balance Sheet annexed hereto as Exhibit 5.3 presents fairly the financial position of the Purchased Business as of June 30, 1992, and has been prepared in accordance with generally accepted accounting principles and the Principles and Procedures.

5.4 Title to Assets. The Seller has good and marketable title to all of the Assets (except for assets which are currently being leased by the Seller or which have been disposed of in accordance with this Agreement), free and clear of all liens, restrictions, claims, charges, leases, encumbrances and security interests of any kind (collectively, "Liens"), except for (i) matters disclosed in Schedule 5.4, (ii) matters which will not have a material adverse effect on the Condition of the Purchased Business or restrict the Buyer's use of the Assets in accordance with the Seller's past practice, (iii) liens for taxes, assessments, governmental charges, levies and claims of materialmen, carriers, landlords and like persons not yet due and payable, and (iv) governmental regulations and restrictions of general application to business operations of a similar nature to the Purchased Business and assets of the same character as the

Assets (clauses (ii) through (iv) collectively, the "Permitted Liens").

5.5 Litigation. Except for matters set forth on Schedule 5.5, there is no claim, action, suit, proceeding or investigation pending, or to the knowledge of the Seller, threatened against the Seller or any officers, directors or employees of the Seller relating to the Purchased Business or the Assets. The Seller is not a party to any decree, order, arbitration award (or agreement entered into in any administrative, judicial or arbitration proceeding) with respect to or adversely affecting the properties, assets, personnel or business activities of the Purchased Business. To the knowledge of the Seller, there are no facts on which a third-party claim may be based which claim, if adversely determined, would have a material adverse effect on the Condition of the Purchased Business.

5.6 Permits, Licenses, Etc. The Seller possesses all material licenses, permits and governmental approvals and authorizations which are required to operate the Purchased Business as it is presently conducted. Product approvals by recognized testing agencies are in place for high sales volume products of the Purchased Business.

5.7 Absence of Certain Changes. Except as disclosed on Schedule 5.7, since June 30, 1992, the Seller has conducted the Purchased Business in the ordinary and usual course consistent

with past practice and, whether or not in the ordinary course of business, there has not been, nor, to the knowledge of the Seller, has it been threatened with, any material adverse change in its assets, liabilities, financial condition, business prospects or results of operations (the "Condition of the Purchased Business"). Without limiting the generality of the foregoing, except as disclosed on Schedule 5.7, since June 30, 1992, the Seller has not:

(a) sold or transferred any assets or property primarily used in the Purchased Business, except for sales of inventory in the usual and ordinary course of business;

(b) suffered any loss, or interruption in use, of any asset or property primarily used in the Purchased Business (whether or not covered by insurance) on account of fire, flood, riot, strike or other hazard or act of God which loss or interruption had or may have a material adverse effect on the Condition of the Purchased Business;

(c) expressly waived in writing any rights, which waiver had or may have a material adverse effect on the Condition of the Purchased Business;

(d) incurred or committed to incur any capital expenditures in an amount in excess of \$50,000;

(e) except for increases in the ordinary course of business consistent with prior practices and in no event

greater than ten percent (10%), increased the compensation payable to any Schedule 4a Employee, Schedule 4b Employee or Shared Employee;

(f) hired any Schedule 4a Employee, Schedule 4b Employee or Shared Employee who presently has an annual salary in excess of \$50,000; or

(g) authorized or agreed to any of the foregoing.

5.8 Compliance with Laws. To the knowledge of the Seller, the operation of the Purchased Business by the Seller is not in violation of, or delinquent in respect to, any decree, directive, order or arbitration award or law, statute or regulation of, or agreement with, or any license or permit from, any federal, state or local governmental authority in the United States, including, without limitation, laws, statutes and regulations relating to wages, hours, occupational health and safety, equal employment opportunities, fair employment practices, civil rights, terms and conditions of employment and sex, race, color, religion, national origin, handicap, disability and age discrimination and the withholding and payment of taxes or contributions, except where such violation or delinquency would not have a material adverse effect on the Condition of the Purchased Business. The Seller has not received written notice that any violation of the type referred to in this Section 5.8 is being or may be alleged.

5.9 No Violation. Except as set forth on Schedule 5.9, the execution and delivery by the Seller of this Agreement does not, and the consummation by the Seller of the transactions contemplated hereby will not (i) require the Seller to obtain any consent, approval or action of, or make any filing with or give notice to, any governmental body or any other person, (ii) violate, conflict with or result in the breach of any of the terms of, or constitute (or with notice or lapse of time or both constitute) a default (by way of substitution, novation or otherwise) under any contract, lease, permit, franchise, license, commitment, indenture, note, bond, loan, mortgage, conditional sales contract, or other agreement or instrument or under any injunction, judgment, order, decree, statute, law, ordinance, rule or regulation to which either the Seller is a party or by which either it or any of the Assets may be bound, or (iii) violate any provision of the Certificate of Incorporation or By-laws of the Seller, except in each case for any such breach, violation or default which would not have a material adverse effect on the Condition of the Purchased Business.

5.10 Certain Contracts. As of the date hereof and other than contracts, commitments or corporate policies listed and described in Schedule 5.10 (the "Material Contracts"), the Seller is not a party to (in its own name or as successor in interest) any written or oral agreement described as follows (it being understood that a disclosure of a contract or commitment under any

category mentioned in this Section 5.10 is sufficient disclosure for all relevant categories):

(a) employment, advisory or consulting contract directly relating to the Purchased Business which is not terminable at will or upon no more than thirty (30) days notice (including, but not limited to, any commission agreement with salesmen or others);

(b) contract with any labor trade union or association relating to the Section 4a Employees, the Section 4b Employees or the Shared Employees;

(c) contract, commitment or corporate policy involving any profit-sharing, bonus, percentage compensation, stock option, pension, retirement, deferred compensation, employee benefit insurance, stock purchase, sick pay, vacation pay, severance pay or other "fringe benefit" arrangements (including those, if any, relating to retired employees) applicable to the Schedule 4a Employees, the Schedule 4b Employees or the Shared Employees;

(d) lease with respect to any property, real, personal or mixed, used in and primarily related to the Purchased Business, whether as lessor or lessee;

(e) contract or commitment entailing a continuing obligation for the future purchase of materials, supplies

or equipment primarily relating to the Purchased Business over a period exceeding three (3) months or in excess of normal operating requirements;

(f) license, permit, franchise or third-party consent relating to the Purchased Business or any application for any thereof, except licenses, permits and franchises from governmental entities permitting the Seller to do business;

(g) contract or commitment entailing the sale of products or services of the Purchased Business continuing for a period of more than three (3) months;

(h) contracts or commitments under which the Seller has assumed, guaranteed, endorsed or otherwise become liable in connection with the obligation of any person, firm or corporation in connection with the Purchased Business;

(i) contracts or commitments relating to the Purchased Business involving any agency, commission, management, service, production, tax or advertising arrangement;

(j) contract or agreement to sell, transfer, convey, assign, pledge or hypothecate (or grant any option for any of the foregoing) any of the Assets or any interest

therein other than in the ordinary course of the Purchased Business; or

(k) contract or other arrangement or understanding not included above which primarily relates to the Purchased Business and was not made in the ordinary course of business of the Seller; provided, however, that the Purchase Agreement dated October 8, 1991 between the Seller and A.M.W. Industries, Inc. and related documentation (the "AMW Agreements") shall not be included in the Material Contracts.

As of the date hereof, (i) the Seller is not in default under any Material Contract, except for default(s) which in the aggregate would not have a material adverse effect on the Condition of the Purchased Business; (ii) all Material Contracts are in full force and binding upon the Seller and, to the Seller's knowledge, no default by the other contracting parties has occurred under any such contract or other instrument; (iii) no event or condition exists which, with the lapse of time, the giving of notice, or both, would become a default by the Seller thereunder; (iv) except as set forth in Schedule 5.10, the Seller has not released any of its rights under any Material Contract, except for any release(s) which in the aggregate would not have a material adverse effect on the Condition of the Purchased Business; (v) the Seller is not subject to any legal obligation to renegotiate any Material Contract; (vi) the Seller is not a party

to or bound by any contract or commitment to pay any royalty, license fee or management fee pertaining primarily to the Purchased Business; (vii) there have been no prepayments of any amount payable pursuant to any of the Material Contracts by more than thirty (30) days; and (viii) to the best knowledge of the Seller, no event or condition exists which would give the other contracting party the right to terminate any of the Material Contracts.

5.11 Employee Relations. As of the date hereof, no union organizing efforts known to the Seller have been conducted within the last year or are now being conducted in respect of the Purchased Business; and the Seller has not at any time during the last year had, nor to the knowledge of the Seller, is there now threatened, a strike, picket, work stoppage, work slowdown, or other labor trouble that had or may have a material adverse effect on the Condition of the Purchased Business. As of the date hereof, the Seller is not aware that any salaried employees of the Purchased Business will cease or terminate their employment with the Seller due to the transactions contemplated by this Agreement, except as contemplated hereby.

5.12 ERISA Matters. Except as set forth on Schedule 5.10, with respect to each Benefit Plan (hereinafter defined), the Seller has no direct or indirect, actual or contingent material liability for such plans, other than to make payments for contributions, premiums or benefits when due, all of which

payments have been timely made. None of the Assets are subject to any lien or other security interest under Section 302(f), 306(a), 307(a) or 4068 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or Section 401(a)(29) or 412(n) of the Code. No Benefit Plan is a defined benefit plan, as defined in Section 414(j) of the Code. For the purposes of this Section 5.12, the term "Benefit Plan" shall mean any plan, agreement, arrangement or commitment agreement, or an executive compensation, incentive bonus, employee pension, profit-sharing, savings, retirement, stock option, stock purchase, or severance pay plan, or a life, health, disability or accident insurance plan, or a holiday, vacation, Christmas or other bonus practice or other employee benefit plan, agreement, arrangement or commitment, including, without limitation, any "employee benefit plan," as defined in Section 3(2) of ERISA maintained by or with respect to which the Seller has any liability or obligation, whether actual or contingent, with respect to any current or former employee of the Purchased Business (or their respective beneficiaries). A complete list of all Benefit Plans is set forth on Schedule 5.10.

5.13 Intangible Personal Property.

(a) Schedule 5.13 sets forth an accurate and complete list of all trademarks, service marks, trade names, applications and registrations for any of the foregoing, patents, patent applications, copyrights, copyright registrations, trade secrets and confidential

information primarily used in the operation of the Purchased Business, provided, that all unregistered copyrights, trade secrets, know how and other information may be too numerous and may not be listed.

(b) To the knowledge of the Seller, Schedule 5.13 sets forth an accurate and complete list of all noncompetition, nonsolicitation and confidentiality agreements to which the Seller (in relation to the Purchased Business) or employees of the Purchased Business are party, except the AMW Agreements.

5.14 List of Employees. Schedule 4a is a true and complete list setting forth the names and current compensation rates of all persons employed by the Seller engaged exclusively in the Purchased Business at its facilities in Conway, Arkansas, Longwood, Florida and Middletown, Pennsylvania as of the date stated therein. Schedule 4b is a true and complete list setting forth the names and current compensation rates of all persons employed by the Seller exclusively in the manufacturing functions of the Seller's Weinman Midland division in Conway, Arkansas as of the date stated therein. Schedule 4c is a true and complete list setting forth the names and current compensation rates of all persons employed by the Seller at its Conway, Arkansas facility engaged in both the Purchased Business and the manufacturing and distribution functions of the Seller's Weinman Midland division, but not exclusively in either, as of the date stated therein.

Except as set forth on Schedule 5.14, to the knowledge of the Seller, no present or former employee of the Purchased Business has any claim against the Seller (whether under federal or state law, under employment agreements or otherwise) on account of or for: (i) long term disability; (ii) overtime pay, wages or salary for any period, other than current payroll; (iii) vacation, time off, pay in lieu of vacation or time off, other than vacation or time off (or pay in lieu thereof) earned in respect of the current fiscal year, or (iv) any violation of any statute, ordinance or regulation relating to minimum wage or maximum hours of work.

5.15 Environmental Matters.

(a) Except as set forth in Schedule 5.15, the Seller is in compliance with all applicable federal, state or local laws, rules or regulations relating to Environmental Laws where a failure to be in such compliance could have a material adverse effect on the Condition of the Purchased Business. "Environmental Law" shall mean any currently effective federal, state or local statute, ordinance, or promulgated rule or regulation, license or other operating authorization relating to (i) the protection of (A) the environment, and (B) the public welfare (including worker health and safety) from actual or potential exposure to any actual or potential release, discharge, disposal or emission (whether past or present) of any Hazardous Material (hereinafter defined), or (ii) the generation,

manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any Hazardous Material.

(b) To the knowledge of the Seller, the Seller possesses all governmental permits, licenses, orders, consents and approvals required under the Environmental Laws and necessary to the ownership of the properties, and to the conduct of the Purchased Business.

(c) The Seller has not received from any governmental authority in respect of the Purchased Business any (i) formal complaint or notice asserting potential liability under the Environmental Laws, (ii) written request for information under the Environmental Laws, except for routine reporting requirements, (iii) written request to investigate or clean-up any site under the Environmental Laws or (iv) formal written demand or suit by a private party responsible for clean-up of such a site alleging that the Seller should share such responsibility.

(d) The Seller possesses an appropriate Material Safety Data Sheet for each Hazardous Material used, generated, stored or disposed of by the Seller in the operation of the Purchased Business. For the purposes of this Section 5.15, "Hazardous Material" shall mean: (i) any "hazardous substance" as now defined pursuant to

the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601(14) ("CERCLA"); (ii) any "pollutant or contaminant" as defined in 42 U.S.C. § 9601(33); (iii) any material now defined as "hazardous waste" pursuant to 40 C.F.R. Part 261; (iv) any "hazardous chemical" as defined pursuant to 29 C.F.R. Part 1910; and (v) any other substance, regardless of physical form, that is subject to any past or present federal, state or local Environmental Law.

(e) There has not been any release as defined in CERCLA of Hazardous Materials at or from any facility owned, operated or leased by the Seller in respect of the Purchased Business, which release could have a material adverse effect on the Condition of the Purchased Business.

(f) Any underground storage tanks at any facility of the Purchased Business are used and operated in compliance with the Environmental Laws.

(g) There are no asbestos containing materials or polychlorinated biphenyls ("PCB's") in or at any facility of the Purchased Business, and, to the knowledge of the Seller, any prior use, handling, storage, transport or disposal of asbestos containing materials or PCB's has been in compliance with all Environmental Laws.

(h) The Seller does not in respect of the Purchased Business (i) have pending or on file any applications to treat, incinerate or dispose of PCB's or hold any permit, license or approval to incinerate PCB's or (ii) engage, or has not engaged, in road oiling activities or the application of used oil or Hazardous Materials for dust control or paving.

(i) Schedule 5.15 identifies (i) all environmental audits, assessments or studies within the possession of the Seller with respect to the facilities of the Purchased Business and (ii) the results of sampling or any analysis of soil and ground water undertaken with respect to such facilities.

5.16 Conditions of Facilities. All facilities and equipment owned and used by the Seller in connection with the Purchased Business have been properly maintained in accordance with reasonable industry practices and are in working order, subject to ordinary wear and tear, for facilities and equipment of comparable age.

5.17 Sufficiency of Assets. The Assets, together with the rights of the Buyer under the agreements to be executed and delivered pursuant to Section 10 of this Agreement, constitute all of the assets which are reasonably necessary or required to operate the Purchased Business, consistent with the past practice of the Seller, at current production and sales volumes, save and

except for those assets used primarily for the manufacture of Weinman Midland products.

6. Representations and Warranties of the Buyer.

The Buyer hereby represents and warrants to the Seller as follows:

6.1 Organization. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of Delaware. The Buyer has the corporate power to carry on its business as the same is now being conducted.

6.2 Authority. The Buyer has all requisite corporate power and authority and has taken all necessary corporate action to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Buyer. This Agreement has been duly executed and delivered by the Buyer and, assuming due authorization of, and execution and delivery by, the Seller, constitutes the valid and binding obligation of the Buyer, enforceable in accordance with its terms.

6.3 No Violation. The execution and delivery of this Agreement does not, and the consummation by the Buyer of the transactions contemplated hereby will not, (i) require the Buyer to obtain any consent, approval or action of, or make any filing with or give notice to, any governmental body or any other person,

(ii) violate, conflict with or result in the breach of any of the terms of, result in a material modification of the effect of, otherwise cause the termination of or give any other contracting party the right to terminate, or constitute (or with notice or lapse of time or both constitute) a default (by way of substitution, novation or otherwise) under any material contract, lease, concession, permit, franchise, license, commitment, indenture, note, bond, loan, mortgage, conditional sales contract or other agreement or instrument or under any injunction, judgment, order, permit, decree, statute, law, ordinance, rule or regulation to which the Buyer is a party or by which either it or any of its properties or assets may be bound or (iii) violate any provision of the Certificate of Incorporation or By-laws of the Buyer.

7. Covenants.

7.1 Actions Pending Closing. Except as the Buyer may otherwise consent (which consent shall not be unreasonably withheld or delayed), on and after the date hereof and until the Closing:

(a) the Seller shall use its reasonable efforts to preserve the Assets, the Purchased Business and its relationships with employees, customers, suppliers and others with which it has business relationships;

(b) the Seller shall not sell, transfer, lease or otherwise acquire or dispose of any properties or assets (including sales or transfers to affiliates of the Seller) of the Purchased Business, except the sale of inventory in the ordinary course of the Purchased Business;

(c) except as may be required by agreements listed on Schedule 5.10 and except for increases or changes in the ordinary course of business consistent with past practice, the Seller shall not increase or otherwise change the rate or nature of the compensation (including, without limitation, wages, salaries, bonuses and other benefits) paid or payable to any employee of the Purchased Business;

(d) the Seller shall not enter into, or become obligated under, any contract, agreement, commitment, arrangement or plan relating primarily to the Purchased Business, except in the ordinary course of the Purchased Business or as contemplated by this Agreement; and

(e) the Seller shall not change, amend, terminate or otherwise modify any Material Contract.

7.2 Access to Records.

(a) Commencing on the date of this Agreement, the Seller agrees that the Buyer shall be entitled, through its employees and representatives, to make such

investigation of the properties, businesses and operations of the Seller relating to the Purchased Business, and such examination of the books, records and financial condition of the Purchased Business, as it wishes. Any such investigation and examination shall be conducted at reasonable times and under reasonable circumstances. Notwithstanding the foregoing, the Buyer agrees that (i) the Buyer shall make no contact with the employees or customers of the Seller except by a representative(s) of the Buyer who shall be designated in a written notice by the Buyer to the Seller prior to any such contact, and (ii) the Buyer shall advise the Seller of its itinerary so as to enable the Seller to be present, at the Seller's option, when contact is made with such employees or customers. The Buyer shall use reasonable care to ensure that all such information and documents shall be kept confidential. If this Agreement terminates, (i) the Buyer shall keep confidential and shall not use in any manner any information or documents obtained from the Seller concerning its properties, businesses and operations, unless the information: (a) is in the public domain at the time of its disclosure to the Buyer; (b) subsequently comes into the public domain without breach by the Buyer of its obligations under this Section 7.2; (c) can be shown by the Buyer to have been in the Buyer's possession prior to its disclosure to the Buyer in connection with

this transaction; or (d) was subsequently developed by the Buyer independently of any investigation of the Seller, and (ii) any documents obtained from the Seller and all copies thereof shall be promptly returned and an officer of the Buyer shall certify to the Seller that all such documents and copies thereof have been returned. The Buyer and the Seller acknowledge and agree that nothing herein contained shall affect that certain Confidentiality Agreement between Harbour Group Industries, Inc. and the Guarantor which shall remain in effect and be binding on the parties to this Agreement.

(b) For a period of seven (7) years commencing on the Closing Date, (i) the Buyer shall not dispose of or destroy any of the business records and files of the Purchased Business without first offering to turn over the possession thereof to the Seller by written notice to the Seller at least thirty (30) days prior to the proposed date of such disposition or destruction; (ii) the Buyer shall allow the Seller and its agents access to all relevant business records and files of the Purchased Business as to which the Seller shall require access in connection with any matter relating to the Seller's ownership of the Assets or conduct of the Purchased Business prior to the Closing upon reasonable notice during normal working hours at the Buyer's principal place of business or at any location where such records are

stored, and the Seller shall have the right, at its own expense, to make copies of any such records and files; provided, however, that any such access or copying shall be had or done in such a manner so as not to interfere with the normal conduct of business of the Buyer; and (iii) the Buyer shall make available to the Seller upon written request and at the Seller's expense, but consistent with the Buyer's business requirements, (A) copies of such records and files of the Purchased Business as the Seller may reasonably request, (B) the Buyer's personnel to assist the Seller in locating and obtaining records and files maintained by the Buyer and (C) any of the Buyer's personnel whose assistance or participation is reasonably required by the Seller in anticipation of, or preparation for, litigation or other matters in which the Seller is involved.

(c) The Seller shall permit the Buyer and its authorized representatives reasonable access to its facilities in Conway, Arkansas; Middletown, Pennsylvania and Longwood, Florida for the purpose of making soils, ground-water, environmental or other tests, measurements or surveys in, on or below the property provided that the Buyer shall do so at its own expense and at its own risk and shall not interfere with the operations of the Seller at the property and shall return the property to the state in which it was before the commencement of such action.

No action taken by the Buyer hereunder shall constitute a trespass or a taking of possession.

7.3 Accounts Receivable. From and after the Closing, the Buyer shall, at the request of the Seller from time to time, use all commercially reasonable efforts to assist the Seller in the collection of accounts receivable of the Seller arising out of the Purchased Business in existence as of the Closing Date. The Buyer shall promptly account to the Seller for any and all funds received by the Buyer after the Closing from any person, firm or entity from whom the Seller has an account receivable. All payments received by the Buyer from such persons, firms or entities after the Closing Date which do not expressly apply to a specific invoice of the Seller or of the Buyer shall be applied to the balances longest outstanding. Notwithstanding any contrary provision of this Agreement, the parties agree that the Buyer shall collect any rebate with respect to purchases made by the Purchased Business in the calendar year 1992 from Franklin Electric (the "Franklin Rebate"), and shall promptly pay to the Seller upon receipt, in immediately available funds, an amount equal to the Seller's pro rata share of the Franklin Rebate computed by multiplying the Franklin Rebate times a fraction, the numerator of which is the total purchases applicable to the Franklin Rebate made by the Seller prior to and including the Closing Date and the denominator of which is the total purchases applicable to the Franklin Rebate.

7.4 Warranty Service. The Buyer shall not assume, and the Seller shall retain, liability for product warranties with respect to (i) all products sold by the Seller on or prior to the Closing Date, (ii) finished products manufactured on or prior to the Closing Date solely to the extent of the Seller's standard warranty policies prior to the Closing and (iii) extended warranties outstanding on the Closing Date. The Buyer shall arrange for repair or replacement of defective products manufactured by the Seller ("Warranty Service") in the following manner:

(a) The Buyer covenants, for so long as the Seller has any payment obligation to the Buyer under this Section 7.4, (i) to follow the same policies and practices with respect to Warranty Service for allegedly defective products with respect to products manufactured on or prior to the Closing Date as has been followed by the Seller prior to the Closing and (ii) to afford the Seller and its agents reasonable access to the relevant books, records and personnel of the Buyer in order to verify its continuing compliance with the covenants contained in this Section 7.4.

(b) If requested in writing at any time by the Seller, prior to commencing any Warranty Service, the Buyer shall notify the Seller of any Warranty Service to be performed and shall obtain the Seller's authorization

to perform such Warranty Service, which authorization shall not be unreasonably withheld or delayed.

(c) If the Buyer performs any Warranty Service at the Seller's request or authorization, the Seller shall pay to the Buyer an amount equal to (i) the cost of raw materials and components and direct variable cost of labor used in providing Warranty Service, plus (ii) variable overhead costs, including benefits, incurred in providing Warranty Service, plus (iii) such other period or fixed overhead costs reasonably allocable to providing Warranty Service, consistent with the prior policies and practices of the Seller, plus (iv) freight and insurance costs, if any, paid by the Buyer with respect to Warranty Service, minus (v) the salvage value of any products returned to the Buyer in connection with Warranty Service.

(d) If a product recall is required after the Closing Date, the Buyer shall consult with the Seller prior to making any public announcement of a product recall, and except for recalls required by a lawful order of a governmental body or by an insurance company providing liability coverage with respect to the affected products, shall not proceed with any recall involving products manufactured or sold by the Seller without the prior written consent of the Seller (which consent shall not be unreasonably withheld or delayed). In the event of

a permitted product recall, with respect to each product recalled, the Seller shall bear a portion of the cost of the recall (computed in the manner set forth in Section 7.4(c) hereof) equal to the total cost of the recall times a fraction, the numerator of which is the number of recalled products manufactured on or prior to the Closing Date and the denominator of which is the total number of products recalled. The Buyer shall bear the remaining costs of any recall.

(e) With respect to payments to be made by the Seller to the Buyer pursuant to this Section 7.4, the Buyer shall provide the Seller with monthly invoices for Warranty Service costs and the Seller's portion of recall expenses, if any. The Seller shall make remittance with respect to such invoices within thirty (30) days of receipt.

(f) In the event that after the Closing Date the Buyer shall extend, amend or modify any warranty or warranty policy with respect to which the Seller has a payment obligation to the Buyer under this Section 7.4, the Seller's obligation to pay the Buyer for Warranty Service shall not be increased or otherwise affected by such extension, amendment or modification of warranty or warranty policy by the Buyer. In any event the Buyer's and the Seller's liability for any and all Warranty

Service shall terminate and expire five (5) years after the Closing Date, and neither party shall have any obligations to the other with respect to any warranty claim of any type received by the Buyer on or after the fifth (5th) anniversary of the Closing Date.

7.5 Relocation Costs. As soon as reasonably possible after the Closing, (a) the Buyer, at the Buyer's sole risk and expense, shall relocate any of the Assets located at the Seller's facilities in Decatur, Illinois; and (b) the Seller, at the Seller's sole risk and expense, shall relocate any of its assets (other than the Assets) located at the Conway, Arkansas facilities. The parties contemplate that the relocation referred to in clause (a) shall be completed within ninety (90) days after the Closing Date (such period, whatever its actual duration, is hereinafter referred to as the "Interim Period") and the relocation referred to in clause (b) shall be completed within one (1) year after the Closing Date.

7.6 Sale of Products. During the Interim Period, the Seller agrees to sell to the Buyer any products theretofore manufactured for the Purchased Business by the Seller at facilities other than the Conway, Arkansas facility, which products are required and, consistent with past practice, used to conduct the Purchased Business (other than products which are the subject of the Product Sales Agreement, as hereinafter defined) at a price equal to the fully burdened manufactured cost of such

products, as determined by the Seller in accordance with the Seller's customary cost accounting methods consistently applied, plus ten percent (10%).

8. Conditions Precedent to Obligations of the Buyer.

The Buyer's obligation to consummate this Agreement is expressly subject to the satisfaction on or prior to the Closing Date of all of the following conditions (compliance with which or the occurrence of which may be waived in whole or in part by the Buyer, unless such a waiver is prohibited by law):

8.1 Regulatory Approvals. The Seller shall have obtained all consents and approvals of any governmental body or agency necessary to lawfully sell, assign, transfer, set over, convey and deliver the Assets to the Buyer.

8.2 Performance of Agreements. The Seller shall have complied with and duly performed in all material respects all covenants, agreements and conditions on its part to be complied with and performed pursuant to this Agreement on or before the Closing Date.

8.3 Representations and Warranties. The representations and warranties of the Seller contained in this Agreement shall be true and correct in all material respects as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, except

that any representation and warranty already qualified by the term "material" shall be true and correct in all respects.

8.4 Consents. The Seller shall have obtained all consents necessary to sell, assign, transfer, set over, convey and deliver the Assets to the Buyer, except where the failure to obtain any such consent would not have a material adverse effect on the Condition of the Purchased Business.

8.5 No Claims. No action or proceeding at law or in equity shall be pending or, to the knowledge of the Buyer or the Seller, threatened by any person, firm, company, government, governmental authority, regulatory body or agency to enjoin, restrict, prohibit or affect:

(a) the purchase and sale of the Assets contemplated hereby, or

(b) the right of the Buyer to conduct the Purchased Business, except

(c) where such action or proceeding, if determined against the Seller, the Buyer or any of the Assets, would not have a material adverse effect on the Condition of the Purchased Business.

8.6 No Material Adverse Change. During the period from the date hereof to the Closing Date, there shall not have occurred a material adverse change in the Condition of the Purchased

Business or the revenues of the Purchased Business, except as has been disclosed in writing to the Buyer and agreed to on or prior to the Closing Date.

8.7 Documents Delivered. The Buyer shall have received all of the documents required pursuant to Section 10 hereof and such additional documents as the Seller may have agreed in writing to deliver.

8.8 No Termination. The Seller shall not have validly terminated this Agreement pursuant to Section 13 hereof.

8.9 Environmental Matters. The Buyer shall have obtained, at the Buyer's sole expense, an independent environmental audit of the Purchased Business carried on at Conway, Arkansas, the results of which shall have been satisfactory to the Buyer in the exercise of its sole, absolute and uncontrolled discretion; provided, however, that if notice of the failure of this condition is not given within five (5) business days after the date of this Agreement this condition shall be deemed waived.

8.10 Due Diligence Investigation. The Buyer shall have completed and been satisfied with the results of its due diligence investigation of the Purchased Business; provided, however, that if notice of the failure of this condition is not given within five (5) business days after the date of this Agreement this condition shall be deemed waived.

8.11 Accuracy of Information. The Buyer shall be satisfied, acting reasonably, that each of the documents listed on Schedule 8.11 and provided to the Buyer, the Guarantor or GSW Inc., as the case may be, shall have contained no inaccuracy as of the date of such document, or if undated, as of the date of delivery, which inaccuracy is material with respect to the Condition of the Purchased Business. For the purposes of this Section 8.11, to the extent that any documents listed on Schedule 8.11 contain estimates, such estimates shall be deemed to contain no material inaccuracy, provided such estimates were made in good faith and were reasonable when made.

8.12 Title to Purchased Assets. At the Closing, the Seller shall be able to convey to the Buyer all of the Seller's right, title and interest in and to the Assets free and clear of any and all Liens, except the Permitted Liens.

8.13 Seller Bankruptcy. No proceeding (voluntary or involuntary) shall have been instituted by or against the Seller relating to bankruptcy, reorganization, insolvency or otherwise in connection with the protection of the Seller or its assets from creditors.

8.14 No Substantial Damage. No substantial damage by fire or other hazard to the Assets shall have occurred from the date hereof up to the Closing which would have a material adverse effect on the Condition of the Purchased Business.

8.15 Opinion re: Assignment. The Buyer shall have received an opinion from Arkansas counsel to the effect that the assignment referred to in Section 10.2(a) is valid and effective without the consent of the City of Conway.

9. Conditions Precedent to Obligations of the Seller.

The Seller's obligation to consummate this Agreement is expressly subject to the satisfaction on or before the Closing Date of all of the following conditions (compliance with which or the occurrence of which may be waived in whole or in part by the Seller, unless such a waiver is prohibited by law):

9.1 No Claims. No action or proceeding at law or in equity shall be pending or, to the knowledge of the Buyer or the Seller, threatened by any person, firm, company, government, governmental authority, regulatory body or agency to enjoin, restrict, prohibit or affect:

(a) the purchase and sale of the Assets contemplated hereby, or

(b) the right of the Buyer to conduct the Purchased Business, except

(c) where such action or proceeding, if determined against the Seller, the Buyer or any of the Assets, would not have a material adverse effect on the Condition of the Purchased Business.

9.2 Performance of Agreements. The Buyer shall have complied with and duly performed in all material respects all of the covenants, agreements and conditions on its part to be complied with or performed pursuant to this Agreement and documents and instruments referred to herein on or before the Closing Date.

9.3 Representations and Warranties. The representations and warranties of the Buyer contained in this Agreement shall be true and correct in all material respects as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date.

9.4 Documents and Payments Delivered. The Seller and the Escrow Agent, as the case may be, shall have received all of the documents and payments required pursuant to Section 11 hereof and such additional documents as the Buyer may have agreed in writing to deliver.

9.5 No Termination. The Buyer shall not have validly terminated this Agreement pursuant to Section 13 hereof.

10. Deliveries by the Seller at the Closing.

At the Closing, the Seller shall deliver or cause to be delivered to the Buyer the following:

10.1 Certified resolutions of the Board of Directors of the Seller authorizing the execution, delivery and performance of

this Agreement and the consummation of the transactions contemplated herein;

10.2 Executed documents of transfer and assignment required to transfer title to the Assets to the Buyer, including without limitation (a) an assignment of certain leases of real property (collectively, the "Lease") substantially in the form attached hereto as Exhibit 10.2a, executed, acknowledged and in recordable form; (b) an estoppel and consent agreement substantially in the form attached hereto as Exhibit 10.2b, executed and acknowledged by the City of Conway, Arkansas as lessor under the Lease, if it can be obtained with reasonable effort prior to the Closing; (c) an assignment for each of certain other space leases substantially in the form attached hereto as Exhibit 10.2c, executed and acknowledged; (d) a Bill of Sale substantially in the form attached hereto as Exhibit 10.2d; (e) an Assignment and Assumption Agreement substantially in the form attached hereto as Exhibit 10.2e; and (f) such other bills of sale, endorsements, assignments and other good and sufficient instruments of conveyance and delivery as the Buyer may reasonably request;

10.3 An agreement (the "Non-Competition Agreement"), executed by the Seller, providing for noncompetition, nonsolicitation and nondisclosure by the Seller and its affiliated persons, in substantially the form of Exhibit 10.3;

10.4 A Product Sales Agreement (the "Product Sales Agreement") executed by the Seller in substantially the form of Exhibit 10.4, providing for the sale by the Seller of those products currently sold by the Purchased Business and manufactured by the Weinman Midland division of the Seller at a price which is the fully burdened manufacturing cost thereof plus ten percent (10%), for a term of three (3) years commencing on the Closing Date;

10.5 A Transitional Services Agreement (the "Transitional Services Agreement") executed by the Seller in substantially the form of Exhibit 10.5 providing for the continued production of Weinman Midland branded products by the Buyer after the Closing upon the terms and subject to the conditions set forth in Exhibit 10.5;

10.6 A License Agreement (the "License Agreement") executed by the Seller in substantially the form of Exhibit 10.6, providing for the exclusive use by the Buyer of the name "BURKS" solely in connection with water system products for a period of two (2) years commencing on the Closing Date; and

10.7 An officer's certificate certifying as to (i) the accuracy, in all material respects, as of the Closing Date, of the Seller's representations and warranties in Section 5 of this Agreement; and (ii) the performance and compliance by the Seller with all covenants, agreements and conditions contained in this Agreement required to be performed by it on or prior to the Closing Date.

11. Deliveries by the Buyer at the Closing.

At the Closing, the Buyer shall deliver or cause to be delivered to the Seller the following:

11.1 Certified resolutions of the Board of Directors of the Buyer authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein;

11.2 Payment of the Estimated Purchase Price, pursuant to Section 3;

11.3 Executed documents reasonably requested by the Seller providing for the assumption of obligations in accordance with Section 2 of this Agreement, including without limitation, an Assignment and Assumption Agreement substantially in the form of Exhibit 10.2e;

11.4 The Non-Competition Agreement, executed by the Buyer;

11.5 The Product Sales Agreement, executed by the Buyer;

11.6 The Transitional Services Agreement, executed by the Buyer;

11.7 The License Agreement, executed by the Buyer;

11.8 An officer's certificate certifying as to (i) the accuracy, in all material respects, as of the Closing Date, of the

Buyer's representations and warranties in Section 6 of this Agreement; and (ii) the performance and compliance by the Buyer with all covenants, agreements and conditions contained in this Agreement required to be performed by it on or prior to the Closing Date;

11.9 A resale exemption certificate for the property located in Arkansas, Illinois, Florida and Pennsylvania; and

11.10 [Intentionally Deleted.]

11.11 A Guaranty Agreement, executed by the Guarantor in favor of the Seller in substantially the form of Exhibit 11.11.

12. The Closing.

The closing (the "Closing") shall take place on September 30, 1992, or such other business day as the parties designate ("Closing Date") and shall be effective as of the close of business on the Closing Date. The Closing shall take place at the offices of Lang Michener, Barristers & Solicitors, BCE Place, Suite 2500, 181 Bay Street, Toronto, Ontario, Canada at 2:00 P.M. local time or such other place as the Buyer and the Seller agree in writing.

13. Termination.

13.1 Methods of Termination. This Agreement may be terminated on or before the Closing Date:

(a) by the mutual consent of the Seller and the Buyer;

(b) by the Buyer, if there has been a material violation or breach by the Seller of any of the Seller's agreements, representations or warranties contained in this Agreement that cannot be cured on or prior to the Closing Date, except that any representation and warranty already qualified by the term "material" shall be true and correct in all respects;

(c) by the Seller, if there has been a material violation or breach by the Buyer of any of the Buyer's agreements, representations or warranties contained in this Agreement that cannot be cured on or prior to the Closing Date, except that any representation and warranty already qualified by the term "material" shall be true and correct in all respects; or

(d) by either party in the event the Closing has not occurred by 12:00 midnight on October 31, 1992, provided, that the failure to consummate the transactions contemplated hereby is not a result of the failure by the party electing to terminate this Agreement to perform any of its obligations hereunder.

13.2 Procedure Upon Termination. In the event of termination by the Buyer, the Seller, or both, pursuant to this

Section 13, written notice thereof shall promptly be given to the other party and the obligations of the Buyer and the Seller under this Agreement shall, except as set forth below, terminate without further action. Upon any such termination:

(a) each party will deliver all documents, workpapers and other material of the other party relating to the transactions contemplated hereby, whether obtained before or after the execution hereof, to the party furnishing the same;

(b) all information received by either party shall be held in accordance with Section 7.2(a); and

(c) no party shall have any liability or further obligation to the other party, except such legal and equitable rights and remedies which either party may have under this Agreement or otherwise by reason of any breach or violation of this Agreement by the other party.

14. Survival of Representations, Warranties and Covenants.

All representations and warranties contained in this Agreement shall survive the execution and delivery hereof and the Closing hereunder, and, except as otherwise specifically provided in this Agreement, shall thereafter terminate and expire at 11:59 P.M. on February 28, 1994. Except as otherwise specifically provided in this Agreement, all covenants and agreements contemplating performance after the Closing shall survive the

Closing hereunder and terminate upon the expiration of the time for bringing a claim thereon by operation of the applicable statute of limitations.

15. Indemnification.

15.1 Obligation of the Seller to Indemnify. The Seller agrees:

Subject to the limitations contained in Section 14 and this Section 15.1, to indemnify, defend and hold harmless the Buyer (and its directors, officers, employees, affiliates and assigns) from and against all claims, suits, actions, proceedings, losses, liabilities, damages, deficiencies, costs or expenses (including, without limitation, interest, fines, penalties and reasonable attorneys' fees and disbursements) ("Losses") based upon, arising out of, or otherwise in respect of (i) any inaccuracy in or any breach of any representation, warranty, covenant or agreement of the Seller contained in this Agreement or in any certificate executed or delivered by the Seller at the Closing or (ii) any liability or obligation of the Seller which is not an Assumed Liability. Notwithstanding the foregoing and except for claims under Section 16.10, no amount shall be payable for indemnification with respect to any Losses except to the extent that the aggregate of such Losses would exceed \$100,000 (after giving effect to the credits referred to in the immediately succeeding sentence) (the "Basket Amount") whereupon the Seller shall be obligated to pay in full all Losses in excess of the

Basket Amount; provided, however, that, except for claims under Section 16.10, in no event shall the aggregate amount payable for Losses suffered by the Buyer exceed \$1,250,000 (after giving effect to the credits referred to in the immediately succeeding sentence). It is understood and agreed that if and to the extent the Buyer would realize a tax benefit or actually receives insurance proceeds or recoveries from third parties as a result of any Loss as to which it has been, or is entitled to be, indemnified hereunder, it will credit to the Seller for purposes of calculating the amount of Losses suffered by the Buyer, the amount of such tax benefit, insurance proceeds or third-party recoveries.

15.2 Obligations of the Buyer to Indemnify. The Buyer agrees:

Subject to the limitations contained in Section 14, to indemnify, defend and hold harmless the Seller (and its directors, officers, employees, affiliates and assigns) from and against any Losses based upon, arising out of, or otherwise in respect of (i) any inaccuracy in or any breach of any representation, warranty, covenant or agreement of the Buyer contained in this Agreement or in any other document or instrument executed or delivered by the Buyer in connection herewith; (ii) any failure by the Buyer to perform any obligation required to be performed by the Buyer pursuant to this Agreement; (iii) any Assumed Liability; or (iv) the ownership or operation of the Assets after the Closing

Date, except the sale by the Buyer of any product in finished goods inventory as of the Closing Date.

15.3 Notice and Opportunity to Defend.

(a) Notice of Asserted Liability. Promptly after receipt by any party hereto (the "Indemnitee") of notice of any demand, claim or circumstances which, with the lapse of time, would give rise to a claim or the commencement (or threatened commencement) of any action, proceeding or investigation (an "Asserted Liability") that may result in a Loss, the Indemnitee shall give notice thereof (the "Claims Notice") to any other party (or parties) obligated to provide indemnification pursuant to Section 15.1 or 15.2 (the "Indemnifying Party"). The Claims Notice shall describe the Asserted Liability in reasonable detail, and shall indicate the amount (estimated, if necessary) of the Loss that has been or may be suffered by the Indemnitee.

(b) Opportunity to Defend. The Indemnifying Party may elect to compromise or defend, at its own expense and by its own counsel, any Asserted Liability. If the Indemnifying Party elects to compromise or defend such Asserted Liability, it shall within thirty (30) days (or sooner, if the nature of the Asserted Liability so requires) notify the Indemnitee of its intent to do so, and the Indemnitee shall cooperate, at the expense of the

Indemnifying Party, in the compromise of, or defense against, such Asserted Liability. If the Indemnifying Party elects not to compromise or defend the Asserted Liability, fails to notify the Indemnitee of its election as herein provided or contests its obligation to indemnify under this Agreement, the Indemnitee may pay, compromise or defend such Asserted Liability. Notwithstanding the foregoing, the Indemnitee may not settle or compromise any claim in any amount greater than \$5,000 without the written consent of the Indemnifying Party. In any event, the Indemnitee and the Indemnifying Party may participate, at their own expense, in the defense of such Asserted Liability. If the Indemnifying Party chooses to defend any claim, the Indemnitee shall make available to the Indemnifying Party any books, records or other documents within its control that are necessary or appropriate for such defense.

15.4 Exclusive Remedies.

(a) Except for claims pursuant to Section 16.12 or the Guaranty Agreement referred to in Section 11.11, no party shall assert any claim arising under this Agreement against any present or former director, officer, shareholder, employee or agent of the Buyer or the Seller or any of their respective subsidiaries or entities under common control with such party. In addition, the Buyer

shall not assert any claim against any present or former director, officer, shareholder, employee or agent of the Seller or any of its subsidiaries or any entity under common control with the Seller, for or with respect to any matter arising on or prior to the Closing Date.

(b) Except for a claim arising under the Non-Competition Agreement, the Product Sales Agreement, the Transitional Services Agreement or the License Agreement, the sole recourse and exclusive remedy of the Seller and the Buyer against each other for money damages arising out of this Agreement or any certificate or instrument delivered in connection with this Agreement, or otherwise arising from the Buyer's acquisition of the Assets and the Purchased Business, shall be to assert a claim for indemnification under the indemnification provisions of this Section 15.

16. Miscellaneous.

16.1 Brokerage and Commissions. It is understood and agreed that no broker, agent or other intermediary acted for the Seller or the Buyer in connection with the transactions contemplated by this Agreement. Subject to and in accordance with Section 15, the Seller and the Buyer each agree to indemnify and save harmless the other from and against any claims whatsoever for any brokerage, commission or other remuneration payable or alleged

to be payable to any broker, agent or other intermediary who purports to act or have acted for such party.

16.2 Good Faith Efforts; Cooperation; Further Assurances.

Each of the parties hereto shall use its good faith reasonable efforts and shall cooperate to cause the satisfaction of the conditions precedent set forth in Sections 8 and 9 hereof. Each of the parties upon the request of the other party hereto, whether before or after the Closing, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to fully complete consummation of the transactions contemplated by this Agreement. If after the Closing there is any disagreement as to whether any asset of the Seller is an Asset or an Excluded Asset, the book value of which on the Closing Balance Sheet is greater than \$10,000 (or \$20,000 in the aggregate), the Buyer and the Seller shall use their best efforts to resolve the dispute in accordance with the provisions and intent of this Agreement.

16.3 Announcements; Non-Disclosure. Subject to any requirements of law, each of the parties to this Agreement agrees, for itself and its employees and agents, that they will keep all of the terms of this Agreement confidential and will not permit disclosure of such terms without the prior written consent of the other party hereto.

16.4 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given and received (i) when delivered if delivered by hand or by facsimile transmission or telex; (ii) one (1) business day after mailing if mailed by reputable overnight courier service; and (iii) three (3) business days after mailing if mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses (or at such other addresses for a party as shall be specified by like notice; provided, that notices of a change of address shall be effective only upon receipt thereof):

(a) If to the Buyer, to:

GSW Acquisitions, Inc.
c/o GSW Inc.
599 Hill Street West
Fergus, Ontario, Canada N1M 2X1

Attention: Douglas G. Fixter
Fax: (519) 843-3475

With a copy to:

Lang Michener
181 Bay Street
Toronto, Ontario, Canada M5J 2T7

Attention: Robert R. Cranston, Esquire
Fax: (416) 365-1719

(b) If to the Seller, to:

Burks Pumps, Inc.
420 Third Street
P.O. Box 603
Piqua, Ohio 45356

Attention: Paul G. Baldetti
Fax: (513) 773-2238

With copies to:

Harbour Group Industries, Inc.
7701 Forsyth Boulevard, Suite 600
St. Louis, Missouri 63105-1802

Attention: Robert W. Hull
Fax: (314) 727-9912

and

Dickstein, Shapiro & Morin
2101 L Street, N.W.
Washington, D.C. 20037

Attention: Ira H. Polon, Esquire
Fax: (202) 887-0689

16.5 Applicable Law. THIS AGREEMENT AND THE LEGAL REGULATIONS AMONG THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OHIO, WITHOUT REGARD TO ITS PRINCIPLES OF CONFLICTS OF LAWS. ANY DISPUTE OR LITIGATION ARISING UNDER THIS AGREEMENT SHALL BE RESOLVED BY A COURT OF COMPETENT JURISDICTION LOCATED WITHIN THE COUNTY OF MIAMI AND STATE OF OHIO. EACH OF THE PARTIES HERETO HEREBY EXPRESSLY CONSENTS TO PERSONAL JURISDICTION AND VENUE IN ANY SUCH COURT IN ANY SUCH DISPUTE OR LITIGATION.

16.6 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the transactions provided for herein and, except as stated herein, therein and in the instruments and documents to be executed and delivered pursuant hereto and thereto, contains all of the agreements between the parties hereto and there are no verbal agreements or understandings between the parties hereto not

reflected in this Agreement. This Agreement may not be amended or modified in any respect except by written instrument executed by each of the parties hereto.

16.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement.

16.8 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights or obligations hereunder, or interest herein, shall be assigned by any of the parties hereto without the prior written consent of the other parties, except by operation of law.

16.9 Third Party Beneficiaries. The terms and provisions of this Agreement are intended solely for the benefit of the Buyer and the Seller and nothing in this Agreement shall be deemed to create any rights or interest in any third party, including the employees, customers, vendors or suppliers of the Seller.

16.10 Waiver of Bulk Sales Act. In consideration of, and in reliance upon, the representations and warranties made by the Seller in Section 5, the Buyer hereby waives compliance with the provisions of any applicable bulk transfer laws. The Seller hereby expressly agrees to indemnify, defend and hold the Buyer harmless for any Loss suffered or incurred by the Buyer as a

result of such noncompliance with any applicable bulk transfer law.

16.11 Waivers and Amendments; Preservation of Remedies.

This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the Buyer and the Seller or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any such right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege. The rights and remedies of any party based upon, arising out of or otherwise in respect of any inaccuracy in or breach of any representation, warranty, covenant or agreement contained in this Agreement or any documents delivered pursuant to this Agreement shall in no way be limited by the fact that the act, omission, occurrence or other state of facts upon which any claim of any such inaccuracy or breach is based may also be the subject matter of any other representation, warranty, covenant or agreement contained in this Agreement or any documents delivered pursuant to this Agreement (or in any other agreement between the parties) as to which there is no inaccuracy or breach.

16.12 Guaranty. The Guarantor hereby unconditionally guarantees the full and punctual payment and performance of all of the obligations of the Buyer to the Seller arising under or relating to this Agreement and the transactions contemplated by this Agreement, including, without limitation, each obligation of the Buyer arising under or in connection with the Non-Competition Agreement, the Product Sales Agreement, the Transitional Services Agreement and the License Agreement.

16.13 Reference to Days. All references herein to days shall be calendar days unless otherwise expressly stated. References to business days shall be calendar days excluding Saturdays, Sundays and legal holidays in the United States of America. When the last day prescribed for performing an act falls on a day which is not a business day, the performance of such act shall be deemed timely if it is performed on the next succeeding business day.


16.14 Schedules. The Seller may update Schedules to this Agreement within five (5) days after the date hereof; provided, that such update does not disclose a material adverse change in the Condition of the Purchased Business from that represented by such Schedules on the date hereof.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first written above.

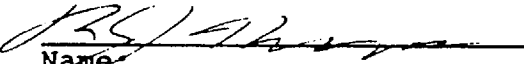
SELLER:

BURKS PUMPS, INC.

By: 
Name:
Title: PRESIDENT

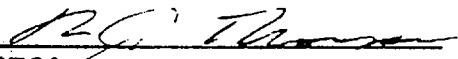
BUYER:

GSW ACQUISITIONS, INC.

By: 
Name:
Title: CHAIRMAN

GUARANTOR:

GSW INDUSTRIES INC.

By: 
Name:
Title: President