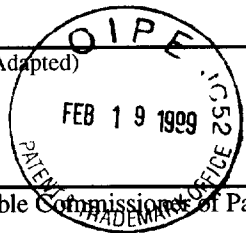


MRD 2-19-99

Form PTO-1594 (Adapted)
3-13-96



02-25-1999



100972964

U.S. DEPARTMENT OF COMMERCE
Patent & Trademark Office

D/S

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

1. Name of conveying party(ies):

Name: **Firetrol, Inc.**

- Individual
- General Partnership
- Corporation-State - **North Carolina**
- Other _____

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

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

Name: **Applied Ceramics, Inc.**

Address: **5555 Pleasantdale Road**

City **Doraville** State **Georgia** ZIP **30340**

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

If assignee is not domiciled in the United States, a domestic representative designation is attached Yes No

(Designation must be a separate document from Assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

Execution Date: **December 31, 1997**

4(a). Trademark Application No.(s):

4(b). Trademark Registration No.(s): **1,752,239**

Additional numbers attached? Yes No

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

Name: **Peter G. Pappas, Esq.**

Address: JONES & ASKEW, LLP
37th Floor, 191 Peachtree Street, N.E.
Atlanta, Georgia 30303

6. Total number of applications and registrations involved: **1**

7. Total fee (37 CFR 3.41) enclosed: **\$40.00**

DO NOT USE THIS SPACE

8. Statement and signature.

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

I certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to: Commissioner of Patents and Trademarks, Washington, DC 20231, on February 16, 1999

Peter G. Pappas
Name of Person Signing

Peter G. Pappas
Signature

February 16, 1999
Date

Attorney Docket No: **01730-8005**

Total number of pages including cover sheet: **15**

Mail documents to be recorded with required cover sheet information to: Commissioner of Patents & Trademarks
Box Assignments
Washington, DC 20231

02/24/1999 JIMKTB 0000014 4000 OP

TRADEMARK
REEL: 1860 FRAME: 0395

THIS IS AN ASSET PURCHASE AGREEMENT by and between Applied Ceramics, Inc., a Georgia corporation ("ACI"), and Firetrol, a North Carolina corporation ("Firetrol"), dated effective as of December 31, 1997, and by which ACI and Firetrol, in consideration of the agreements set forth below (the mutuality, adequacy and sufficiency of which are hereby acknowledged), hereby agree as follows:

1. Generally As to Purchase & Sale.

(a) Purchase and Sale of Certain Assets: Assumption of Certain Contracts. At the Closing pursuant to Section 2 below:

(i) Purchased Assets. Firetrol shall sell, assign, convey and deliver to ACI, and ACI shall purchase and accept from Firetrol, the equipment listed in Exhibit A, the intellectual property listed in Exhibit A, the trade and brand names (including "United Emission Catalyst") listed in Exhibit A, and the associated goodwill of Firetrol's United Emission Catalyst division (the "UEC Division") (the foregoing assets being referred to collectively as the "Purchased Assets"). The only assets transferred pursuant to this Agreement are those listed in Exhibit A, and Firetrol shall not transfer any assets which are not used exclusively in the UEC Division.

(ii) Assumed Contracts. ACI shall assume only the UEC Division's uncompleted orders listed in Exhibit B (the "Assumed Contracts)". All of Firetrol's other liabilities and obligations (whether absolute, contingent, known or unknown, determinable or not determinable or otherwise and including those relating to payables, debt, taxes, current or former officers, directors, shareholders, agents and employees, litigation, products liability, and violations of law, including environmental law) ("Excluded Liabilities") are not Assumed Contracts and shall not be assumed by ACI.

(b) Purchase Price. The "Purchase Price" is: (i) [REDACTED], and (ii) plus or minus (as appropriate) the extent to which inventory of a quality and quantity presently usable or salable in the ordinary course of business (valued at the lesser of cost or market) included in the Purchased Assets is more or less than [REDACTED] all as determined by the parties immediately prior to the closing.

2. Closing. At the Closing (which shall consist of the deliveries set forth below, none of which shall be deemed to have been delivered unless and until all of them have been delivered, and which shall occur as of December 31, 1997, by an exchange of documents coordinated by [REDACTED] the following shall occur:

(a) Firetrol shall deliver to ACI a duly completed and executed bill of sale.

(b) Firetrol shall deliver to ACI a duly executed assignment of contracts with respect to the Assumed Contracts.

(c) ACI shall wire transfer to Firetrol [REDACTED] contemplated by Section 1(b)(ii) above.

(d) ACI shall deliver to Firetrol its promissory note for [REDACTED], and otherwise in form agreed by the parties.

The obligations of each party to take the foregoing actions are conditioned upon: (i) the continuing correctness in all material respects of the representations and warranties made by the other party in this Agreement and (ii) the performance by the other party of all of its covenants and agreements in this Agreement to be performed prior to the Closing. ACI's obligations to take the foregoing actions are further conditioned upon: (A) the absence of any material adverse change in the Purchased Assets since December 1, 1997; and (B) Firetrol's having executed and delivered to ACI a joint shareholder and directors' consent approving the execution, delivery and performance of this Agreement. Firetrol's obligations to take the foregoing actions are further conditioned upon ACI's having executed and delivered to Firetrol a directors' consent approving the execution, delivery and performance of this Agreement.

3. Representations and Warranties.

(a) By Firetrol. Firetrol hereby represents and warrants to ACI: (i) that Firetrol is a duly incorporated and organized North Carolina corporation validly existing and in good standing under North Carolina law; (ii) that Firetrol has the power and authority to sell the Purchased Assets and assign the Assumed Contracts to ACI pursuant to this Agreement and to execute, deliver and otherwise perform this Agreement and the agreements, instruments and documents to be executed and delivered pursuant to this Agreement, and without limiting the foregoing, the Board of Directors and the sole shareholder of Firetrol have authorized and approved the execution, delivery and performance of this Agreement and of the agreements, instruments and documents to be executed and delivered pursuant to this Agreement; (iii) that this Agreement and each other agreement, instrument and document to be executed and delivered by Firetrol pursuant to this Agreement have been duly executed and delivered by Firetrol, and each constitutes the legal, valid and binding obligation of Firetrol, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency and other laws and equitable principles affecting creditors' rights generally and the discretion of the courts in granting equitable remedies; (iv) that the execution, delivery and performance of this Agreement (including the sale and assignment pursuant to this Agreement) is, and the agreements, instruments and documents to be executed and delivered by Firetrol pursuant to this Agreement will be, in compliance with, and is not (and will not be), assuming the giving of notice or the passage of time or both, in violation (A) of the articles of incorporation or bylaws of Firetrol as amended or restated, (B) in any material respect of any applicable law to which

Firetrol or the Purchased Assets or the Assumed Contracts is a party, subject or bound, or (C) in any material respect of any agreement, commitment, order, ruling or proceeding to which Firetrol or its assets is a party, subject or bound; (v) that Firetrol has (and ACI will obtain pursuant to this Agreement) good, valid and marketable title to the Purchased Assets free and clear of all liens, security interests, encumbrances and other adverse rights or claims whatsoever; and (vi) that Firetrol is not a party to any lawsuit (other than collection actions against its customers in the ordinary course of business) with respect to the Purchased Assets or the Assumed Contracts.

ACI and Firetrol each acknowledge and agree that none of the transactions contemplated by this Agreement constitutes a sale of goods under the Uniform Commercial Code (the "UCC") as enacted in any state, but in any event, however, **EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, ALL PROPERTY CONVEYED PURSUANT TO THIS AGREEMENT SHALL BE ON AN "AS IS," "WHERE IS," "WITH ALL FAULTS" BASIS AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OPERABILITY, CAPACITY OR CONDITION. NOTWITHSTANDING THE FOREGOING OR ANY PROVISION TO THE CONTRARY IN THIS AGREEMENT (BUT WITHOUT AFFECTING IN ANY MANNER THE EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH ABOVE), NO REPRESENTATION OR WARRANTY IS MADE AS TO THE BUSINESS, FINANCIAL CONDITION, ASSETS, LIABILITIES OR OBLIGATIONS OF THE UEC DIVISION, IT BEING ACKNOWLEDGED AND AGREED THAT THE ACQUISITION BY ACI OF THE SPECIFIED ASSETS AND CONTRACTS OF THE UEC DIVISION IS ON AN "AS IS," "WHERE IS" AND "WITH ALL FAULTS" BASIS, AND FIRETROL EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE FINANCIAL CONDITION, ASSETS OR CONTRACTS OF THE UEC DIVISION, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OPERABILITY, CAPACITY OR CONDITION.**

(b) **By ACI.** ACI hereby represents and warrants to Firetrol: (i) that ACI is a duly incorporated and organized Georgia corporation validly existing and in good standing under Georgia law; (ii) that ACI has the corporate power and authority to purchase the Purchased Assets from, and assume the Assumed Contracts of, Firetrol pursuant to this Agreement and to execute, deliver and otherwise perform this Agreement and the agreements, instruments and documents to be executed and delivered by it pursuant to this Agreement, and without limiting the foregoing, the Board of Directors of ACI has authorized and approved the execution, delivery and performance of this Agreement and the agreements, instruments and documents to be executed and delivered by it pursuant to this Agreement; (iii) that this Agreement and each other agreement, instrument and document to be executed and delivered by ACI pursuant to this Agreement have been duly executed and delivered by ACI, and each constitutes the legal, valid and binding obligation of ACI, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency and other laws and equitable principles

affecting creditors' rights generally and the discretion of the courts in granting equitable remedies; and (iv) that the execution, delivery and performance of this Agreement (including the purchase and assumption pursuant to this Agreement and the other performance of this Agreement) and of the agreements, instruments and documents to be executed and delivered by ACI pursuant to this Agreement are in compliance with, and is not (and will not be), assuming the giving of notice or the passage of time or both, in violation (A) of the articles of incorporation or bylaws of ACI as amended or restated, (B) in any material respect of any applicable law to which ACI or its assets is a party, subject or bound, or (C) in any material respect of any agreement, commitment, order, ruling or proceeding to which ACI or its assets is a party, subject or bound.

4. Technology Assistance. During the three (3) month period following the Closing, Firetrol will make available to ACI up to three (3) employees (including to the extent practicable Ricky Thomas) skilled in the use of the intellectual property included in the Purchased Assets to assist in training ACI personnel. The training shall not exceed more than fourteen (14) days during such period, and ACI will pay only travel and other out-of-pocket expenses relating to such services.

5. Use of Office. Firetrol will make available to ACI during the period ending December 31, 1998 an office designated by Firetrol at Firetrol's facility in Canton, North Carolina, [REDACTED]. Firetrol will during business hours provide HVAC, utilities, cleaning and other ordinary course support for such office, but ACI will be responsible for all other direct expenses related to ACI's operations at such office, including telephone, copying and similar out-of-pocket expenses that it incurs. ACI's right to such office may be terminated by Firetrol in its sole discretion (a) if ACI's use of such office is inconsistent with the UEC Division's current activities at Firetrol's facility or (b) if Firetrol sells such facility to a third party. ACI shall indemnify, defend and hold Firetrol harmless from and against any loss, cost, damage or expense (including reasonable attorneys' fees) incurred by Firetrol as a result of the removal of the Purchased Assets or acts or omissions of ACI's employees in their use of such office.

6. Confidentiality.

(a) As to this Agreement. The terms and conditions of this Agreement are and shall remain confidential, and neither party shall discuss or disclose any of them except with the prior written consent of the other (which shall not be unreasonably withheld) and except to the extent applicable law or enforcement of its terms requires public disclosure. In the event of any such required disclosure, the party making the disclosure shall give the other prior written notice of such disclosure, and the disclosing party shall seek a protective order or other protective arrangement permitted by applicable law.

(b) As to Purchased Intellectual Property.

(i) **Limitations on Use & Disclosure.** By reason of ACI's purchase of specified intellectual property pursuant to this Agreement (the "Purchased Intellectual Property") Firetrol shall have no right, title or interest in the Purchased Intellectual Property; and thus Firetrol shall treat the Purchased Intellectual Property as secret and confidential, shall not use the Purchased Intellectual Property, and shall not disclose the Purchased Intellectual Property to third parties without the express prior written consent of ACI (which, given the context, may be withheld for any reason). The foregoing obligations of confidentiality and nonuse shall continue indefinitely, unless and until it can be clearly demonstrated by Firetrol that the Purchased Intellectual Property is in the public domain by publication through no act or fault of Firetrol or its agents, employees or affiliates.

(ii) **Limitations on Firetrol's Agents.** Firetrol shall advise its agents, employees or affiliates who are aware of Purchased Intellectual Property not to use and not to disclose the same.

(iii) **Documents Delivered to ACI.** Any and all notes, diagrams, descriptions, memorandum and other items included in the Purchased Assets, and any copies or excerpts of them, shall be delivered to ACI at the Closing.

(iv) **Remedies.** Firetrol at the Closing acknowledges, understands and agrees that a breach of this Section 6 will cause irreparable injury to ACI and that no adequate or complete remedy at law is available for such breach. Accordingly, Firetrol (A) agrees that ACI shall be entitled to enforcement of this Section 6 by injunction and (B) irrevocably waives any defense based on the adequacy of the remedy at law which might be asserted as a bar to such injunctive relief.

7. **Other Agreements.**

(a) **Bulk Sales: State Tax Clearances.** ACI and Firetrol each acknowledge and agree: (i) that notices to creditors are not being given under, and no other actions are being taken to comply with, the "Bulk Sales Act" under the Uniform Commercial Code or any similar applicable law as in effect in any state (but without acknowledging that such is required) and (ii) that no waivers or clearances are being obtained under, and no other actions are being taken to comply with state laws, if any, providing for tax clearances in connection with transfers of assets (but without acknowledging that such is required). ACI and Firetrol waive compliance with such laws, but it is further agreed that, notwithstanding such waiver, Firetrol shall take such actions so that ACI suffers no losses, expenses, liabilities and claims arising from such non-compliance.

(b) **No Obligation to Hire Employees.** Nothing in this Agreement (i) requires ACI to hire, or to offer to hire, the current employees of the Business, (ii) constitutes an offer to employ such employees, or (iii) requires ACI to pay any such persons severance pay in the event of termination of employment.

(c) Expenses. Each party to this Agreement shall pay its own expenses and costs incurred in connection with the negotiation and consummation of this Agreement and the transactions contemplated by this Agreement. ACI shall remove the Purchased Assets from the Conton facility on or before March 15, 1998 and make necessary restoration thereof due to such removal at ACI's cost and expense.

8. Survival & Indemnification. The representations and warranties in Sections 3(a)(v) and (vi) shall survive until December 31, 2000 (and if a claim is made with respect to them by such date, until such claim is resolved), and the other representations and warranties and the covenants and agreements made in this Agreement shall survive the Closing without any time period being imposed by this Agreement. Each party, acknowledging that the other is entitled to rely on its representations, warranties, covenants and agreements in this Agreement in order to preserve the benefit of the bargain otherwise represented by this Agreement, agrees that neither the survival of such representations, warranties, covenants and agreements, nor their enforceability nor any remedies for breaches of them shall be affected by any knowledge of a party regardless of when or how such party acquired such knowledge. Each party agrees to indemnify, defend and hold the other harmless for all losses, costs and expenses (including reasonable attorney's fees) to exceed [REDACTED] in the aggregate of claims against it arising out of its breach of any representation, warranty, covenant or agreement made by it in this Agreement; provided, however, that the foregoing [REDACTED] deductible applies only to claims arising from breaches of representation and warranties and not of covenants and agreements (such as ACI's covenant to pay the specified purchase price).

9. Miscellaneous.

(a) Further Assurances. Each party shall do such things as may be reasonably requested by the other party in order more effectively to consummate or to document the transactions contemplated by this Agreement. The parties shall cooperate with each other and their respective counsel, accountants or designees in connection with any steps required to be taken as part of their respective rights and obligations under this Agreement.

(b) Notices. Each notice, communication and delivery under this Agreement (i) shall be made in writing signed by the party making the same, (ii) shall specify the section of this Agreement pursuant to which it is given, (iii) shall be given either in person or by a nationally recognized next business day delivery service, and (iv) if not given in person, shall be given to a party at the address set forth below such party's signature (or at such other address as a party may furnish to the other parties pursuant to this Subsection). If notice is given pursuant to this Subsection of a permitted successor or assign of a party, then notice shall also thereafter be given as set forth above to such successor or assign of such party.

(c) Assignment. No assignment or transfer by a party of its rights and obligations under this Agreement shall be made by merger or other operation of law or otherwise except with the prior written consent of the other party (which may not be unreasonably

withheld). This Agreement is binding upon the parties and their successors and assigns and inures to the benefit of the parties and their permitted successors and assigns and, when appropriate to effect the binding nature of this Agreement for the benefit of the other parties, or any other successor or assign.

(d) **Certain Definitions.** The parties agree: (i) "applicable law" means each provision of any constitution, statute, law, rule, regulation, decision, order, decree, judgment, release, license, permit, stipulation or other official pronouncement enacted, promulgated or issued by any governmental authority or arbitrator or arbitration panel; (ii) "party," "parties" and variations of such includes each or all, as appropriate, of the persons who have executed and delivered this Agreement, each permitted successor or assign of such a party, and when appropriate to effect the binding nature of this Agreement for the benefit of another party, any other successor or assign of such a party; and (iii) "this Agreement" includes any amendments or other modifications and supplements, and all exhibits, schedules and other attachments, to it.

(e) **Certain Rules of Construction.** For purposes of this Agreement: (i) "including" and any other words or phrases of inclusion shall not be construed as terms of limitation, so that references to "included" matters shall be regarded as non-exclusive, non-characterizing illustrations; (ii) when "Section," "Subsection" or "Exhibit" is capitalized in this Agreement, such refers to such item of or to this Agreement; (iii) titles and captions of or in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any of its provisions; (iv) whenever the context so requires, the singular includes the plural and the plural includes the singular, and the gender of any pronoun includes the other genders; and (v) each exhibit referred to in this Agreement and each attachment to any of them or this Agreement is hereby incorporated by reference into this Agreement and is made a part of this Agreement as if set out in full in the first place that reference is made to it.

(f) **Severability.** Any determination by any court of competent jurisdiction of the invalidity of either (i) any provision of this Agreement that is not essential for accomplishing its purposes or (ii) any provision of Section 6 above shall not affect the validity of any other provision of this Agreement, which shall remain in full force and effect and which shall be construed as to be valid under applicable law.

(g) **Controlling Law; Integration; Amendment; Waiver; Remedies**
Cumulative. This Agreement is governed by, and shall be construed and enforced in accordance with, the laws of the State of North Carolina except the laws of that state that would render such choice of laws ineffective. This Agreement and the other agreements contemplated by this Agreement supersede all prior negotiations, agreements and understandings between the parties as to its their subject matter, constitute the entire agreement between the parties as to its subject matter, and may not be altered or amended except in writing signed by the parties. The failure of any party at any time or times to require performance of any provision of this Agreement shall in

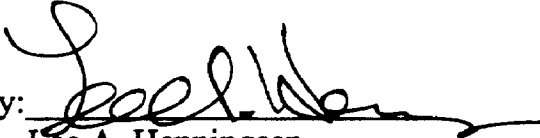
no manner affect the right to enforce the same; and no waiver by any party of any provision (or of a breach of any provision) of this Agreement, whether by conduct or otherwise, in any one of more instances shall be deemed or construed either as a further or continuing waiver of any such provision or breach or as a waiver of any other provision (or of a breach of any other provision) of this Agreement. The remedies of a party provided in this Agreement are cumulative and shall not exclude any other remedies to which any party may be lawfully entitled under this Agreement or applicable law, and the exercise of a remedy shall not be deemed an election excluding any other remedy (any such claim by the other party being hereby waived).

(h) Counterparts. This Agreement may be signed by each party upon a separate copy and in such case one counterpart of this Agreement shall consist of enough of such copies to reflect the signatures of each party to this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement or its terms to produce or account for more than one of such counterparts.

DULY EXECUTED and delivered by Firetrol and ACI, as of December 31, 1997.

Firetrol:

Firetrol, Inc.

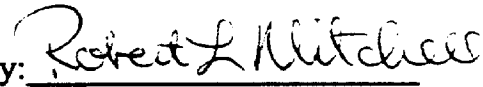
By: 

Lee A. Henningsen,
President

Address: 110 Catalyst Drive
Canton, NC 28716

ACI:

Applied Ceramics, Inc.

By: 

Robert L. Mitchell,
President

Address: 5555 Pleasantdale Road
Doraville, GA 30359

* * * * *

PURCHASED AND EXCLUDED ASSETS

- I. PURCHASED ASSETS -- the following property:
- A. The following current assets:
 - 1. All inventories listed on Attachment A-1.
 - 2. All operating supplies, including spare parts listed on Attachment A-1 relating to other Purchased Assets.
 - B. All machinery and equipment listed on Attachment A-2.
 - C. All right, title and interest of UEC in and to all contracts, documents and other instruments that constitute an Assumed Contract.
 - D. The intellectual property includes all of the technology presently owned by UEC Division of Firetrol. It specifically includes all catalytic coating technology where catalytic coatings are applied to various surfaces. This is evidenced by formulas, materials, processes, procedures, quality systems, documentations and drawings. It also includes any certifications, pricing formulas, trademarks, names (including "United Emission Catalyst", "UEC" and variations of them), patents, customer files and sales records, and other miscellaneous items.
 - E. All warranty, indemnification and other rights with respect to the Purchased Assets under agreements pursuant to which UEC Division of Firetrol acquired property included in the Purchased Assets.
 - F. Original copies of all contracts, documents and other instruments that constitute an Assumed Contract and all other files, blueprints, specifications, designs, drawings, operating data and other data relating to or employed exclusively by UEC Division of Firetrol in its ownership, possession, or operation of the Purchased Assets.
 - G. The goodwill owned by UEC Division of Firetrol and used in or associated with the Purchased Assets.
 - H. The UEC Division's other assets and rights used exclusively in connection with the Purchased Assets (but excluding any Excluded Assets).

II. EXCLUDED ASSETS:

- A. Cash, cash deposits and other cash equivalent investments.
- B. Accounts receivable.
- C. Books and records (except as specifically provided above).
- D. Assets not used exclusively with respect to the UEC Division.

* * * * *

GENERAL BILL OF SALE,
CONVEYANCE, ASSIGNMENT AND TRANSFER
OF CERTAIN ASSETS OF FIRETROL'S
UNITED EMISSION CATALYST DIVISION

THIS IS A BILL OF SALE, GENERAL CONVEYANCE, ASSIGNMENT AND TRANSFER OF ASSETS (this "Instrument") is made, executed and delivered by Firetrol, Inc., a North Carolina corporation ("Firetrol"), in favor of Applied Ceramics, Inc., a Georgia corporation ("ACI"), with respect to the sale by Firetrol to ACI of certain assets of Firetrol's United Emission Catalyst division pursuant to that certain asset purchase agreement by and between ACI and Firetrol dated effective as of December 31, 1997 (the "Asset Purchase Agreement") and by which Firetrol and ACI, for good and valuable consideration (the receipt, mutuality, adequacy and sufficiency of which are hereby acknowledged), hereby agree as follows:

1. Bill of Sale and Assignment of Assets. Firetrol does hereby sell, transfer, assign, convey and deliver, absolutely, unconditionally and irrevocably, to ACI, forever, all right, title and interest, legal and equitable, of Firetrol in and to all the assets listed in Attachment A to this Instrument (the "Purchased Property"); TO HAVE AND TO HOLD all and singular the Purchased Property for its own use and behoof forever.

2. No Representations or Warranties or Indemnification Obligations in this Instrument. No representations or warranties are made in this Instrument. The only representations or warranties with respect to the Purchased Property, and the only indemnification obligations with respect to the Purchased Property, are in the Asset Purchase Agreement.

3. Miscellaneous Provisions.

(a) Exhibits. All exhibits and other attachments to this Instrument are hereby incorporated into, and made a part of, this Instrument.

(b) Number. Gender. Captions. Whenever the context so requires, the singular includes the plural, the plural includes the singular, and the gender of any pronoun shall include the other genders. Titles and captions of or in this Instrument are inserted only as a matter of convenience and for reference and in no way affect the scope or intent of this Instrument.

(c) Controlling Law; Modification. Amendment; Waiver. This Instrument shall be governed by, construed and enforced in accordance with the laws of the State of North Carolina except the laws of that state that would render such choice of laws ineffective. This Instrument may not be altered or amended except in writing signed by the parties. The failure of any party at any time or times to require performance of any provision of this Instrument shall in no manner affect the right to enforce the same; and no waiver by any party of any provision (or of a breach of any provision) of this Instrument, whether by conduct or otherwise, in any one of more instances shall be deemed or construed either as a further or continuing waiver of any such

provision or breach or as a waiver of any other provision (or of a breach of any other provision) of this Instrument.

(d) Counterparts. This Instrument may be signed by each party upon a separate copy and in such case one counterpart of this Instrument shall consist of enough of such copies to reflect the signatures of each party to this Instrument. This Instrument may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Instrument or its terms to produce or account for more than one of such counterparts.

DULY EXECUTED and delivered by Firetrol and ACI as of December 31, 1997.

Firetrol:

Firetrol, Inc.

By: 
Lee A. Henningsen, President

ACI:

Applied Ceramics, Inc.

By: 
Robert L. Mitchell, President

* * * * *

I. PURCHASED ASSETS -- the following property:

1. The following current assets:
 - a. All inventories listed on Attachment A-1.
 - b. All operating supplies, including spare parts listed on Attachment A-1 relating to other Purchased Assets.
2. All machinery and equipment listed on Attachment A-2.
3. All right, title and interest of UEC in and to all contracts, documents and other instruments that constitute an Assumed Contract.
4. The intellectual property includes all of the technology presently owned by UEC Division of Firetrol. It specifically includes all catalytic coating technology where catalytic coatings are applied to various surfaces. This is evidenced by formulas, materials, processes, procedures, quality systems, documentations and drawings. It also includes any certifications, pricing formulas, trademarks, names (including "United Emission Catalyst", "UEC" and variations of them), patents, customer files and sales records, and other miscellaneous items.
5. All warranty, indemnification and other rights with respect to the Purchased Assets under agreements pursuant to which UEC Division of Firetrol acquired property included in the Purchased Assets.
6. Original copies of all contracts, documents and other instruments that constitute an Assumed Contract and all other files, blueprints, specifications, designs, drawings, operating data and other data relating to or employed exclusively by UEC Division of Firetrol in its ownership, possession, or operation of the Purchased Assets.
7. The goodwill owned by UEC Division of Firetrol and used in or associated with the Purchased Assets.
8. The UEC Division's other assets and rights used exclusively in connection with the Purchased Assets (but excluding any Excluded Assets).



ATTACHMENT A 1

11C Catalyst Drive, Canton, N.C. 28716 • (704) 648-9660 • FAX (704) 648-9616

RECORDED: 02/19/1999

**TRADEMARK
REEL: 1860 FRAME: 0409**