

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
Steel Horse Automotive Accessories, Inc.		02/28/2003	CORPORATION: CALIFORNIA
RECEIVING PARTY DATA			
Name:	Quadratec, Inc.		
Street Address:	1028 Saunders Lane		
City:	West Chester		
State/Country:	PENNSYLVANIA		
Postal Code:	19380		
Entity Type:	CORPORATION: PENNSYLVANIA		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	2777209	ACME	
Registration Number:	2956415	ACME	
CORRESPONDENCE DATA			
Fax Number:	(302)778-2600		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	302-778-2500		
Email:	tmde@ratnerprestia.com		
Correspondent Name:	John W. McGlynn		
Address Line 1:	1007 N. Orange Street, Suite 1100		
Address Line 2:	P.O. Box 1596		
Address Line 4:	Wilmington, DELAWARE 19899		
ATTORNEY DOCKET NUMBER:	QDT-102/103US		
NAME OF SUBMITTER:	John W. McGlynn		
Signature:	/jwm/		

OP \$65.00 2777209

Date:

04/20/2010

Total Attachments: 58

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ASSET PURCHASE AGREEMENT

BY AND AMONG

STEEL HORSE AUTOMOTIVE ACCESSORIES, INC

AND

QUADRATEC, INC.

AS OF JUNE 30, 2000

Annexes, Exhibits and Schedules

<u>Annex No.</u>	<u>Description</u>
Annex I	Form of Note
Annex II	Form of Bill of Sale
Annex III	Form of Assumption Agreement
Annex IV	Form of Non-Competition Agreement
Annex V	Form of License Agreement
<u>Exhibit No.</u>	
Exhibit 7.4	Form of Opinion of Counsel to Buyer
Exhibit 7.5	Form of Corporate Resolution by Buyer
Exhibit 8.4	Form of Opinion of Counsel to Seller
Exhibit 8.10	Form of Corporate Resolution by Seller
<u>Schedule No.</u>	<u>Description</u>
Schedule 2.1(d)	Contracts
Schedule 2.1(e)	Telephone Numbers
Schedule 2.1(f)	URLs
Schedule 2.2(d)	Excluded Assets
Schedule 4.5	Financial Statements
Schedule 4.7(c)	Intellectual Property Rights (Licenses Issued by Seller)
Schedule 4.8(a)	Personal Property
Schedule 4.8(c)	Liens on Personal Property
Schedule 4.17	Warranties
Schedule 4.19	Consents
Schedule 5.4	Financial Statement

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "*Agreement*") is made as of June 30, 2000, among Steel Horse Automotive Accessories, Inc., a California corporation (the "Seller"), and Quadratec, Inc, a Pennsylvania corporation (the "Buyer").

RECITALS

WHEREAS, "Acme Truck Parts" is a fictitious name and trademark of the Seller, a corporation organized and existing under the laws of the State of California, under which it operates a division of its business for the retail mail order and e commerce sale of truck and sport utility vehicles parts and components via catalogue and the internet (the retail portion of this division, including its web site is referred to in this agreement as "Acme Truck Parts " or "the Business");

WHEREAS, the Buyer is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, is a customer of the Seller from whom it purchases truck and utility vehicle parts manufactured or distributed by the Seller and is a competitor of the Acme Truck Parts;

WHEREAS, Acme Truck Parts, as a division of the Seller, maintains a separate and distinct operation for the Business from other businesses in which the Seller is engaged, including identification of separate assets used by Acme Truck Parts for the Business as more fully herein set forth;

WHEREAS, subject to the terms hereof, Buyer desires to acquire substantially all of the assets of the Business, its retail sale web site and a License for the use of the trade name and mark "Acme Truck Parts" pending its conveyance to the Buyer, in consideration of the sum of approximately Two million and 00/100 (\$2,000,000.00) Dollars, to be determined and paid as herein set forth, and the Seller desires to sell substantially all of Business assets and to grant a License for the use of the Trade name and mark "Acme Truck Parts" pending its conveyance to the Buyer for the said purchase price; and

WHEREAS, the purchase price, payments and the agreements set forth herein constitute good and valuable consideration of the parties hereto and each party hereto acknowledges that the other party hereto is relying upon the representations, warranties, promises and indemnities made by the other party herein as a material inducement to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and of the mutual agreements, representations, warranties, provisions and covenants herein contained, the parties hereto hereby agree as follows:

AGREEMENT

1. DEFINITIONS

As used in this Agreement, the terms defined below shall have the respective meanings hereinafter specified:

"Affiliate": of any Person means, with respect to an individual, a member of the immediate family of such individual, and with respect to any other entity, an executive officer, general partner, trustee, director, owner of 5% or more of the equity of such entity, or any entity controlled by, under the control of, or under common control with such entity, or an executive officer, general partner, trustee, or director of an entity which owns 5% or more of the equity of such entity.

"Agreement": as defined in the introductory paragraph.

"Assets": as defined in Section 2.1.

"Assumed Liabilities": as defined in Section 2.3.

"Balance Sheet": as defined in Section 4.5(b).

"Balance Sheet Date": as defined in Section 4.5(b).

"Business": means the Acme Truck Part's retail mail order catalogue and internet business.

"Buyer": as defined in the introductory paragraph.

"Buyer Material Adverse Effect": as defined in Section 5.1.

"Closing": as defined in Section 3.

"Closing Date": as defined in Section 3.

"Code": the Internal Revenue Code of 1986, as amended.

"Contracts": as defined in Section 2.1(d).

"Damages": as defined in Section 11.2.

"Excluded Assets": as defined in Section 2.2.

"Financial Statements": as defined in Section 4.5.

"GAAP": means generally accepted accounting principles.

"Indebtedness": as defined in Section 4.14.

"Indemnifying Party": as defined in Sections 11.2 and 11.3.

"Indemnitee": as defined in Sections 11.2 and 11.3.

"Intellectual Property": means trademarks, service marks, service mark or trademark registrations, applications to register service marks or trademarks, tradenames, fictitious names and the goodwill associated therewith; technical documentation, prints, drawings, specifications, and all notes thereto; trade secrets, know-how, show-how, confidential information, methods and processes, and all licenses, claims, studies and undertakings related to the foregoing.

"Inventory Price": as defined in Section 2.5.

"Liability": any liability or obligation (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether incurred or consequential and whether due or to become due) of any kind or nature whatsoever, including without limitation any liability for Taxes.

"Noncompete Period": as defined in Section 13.1.

"Note": as defined in Section 2.5.

"Person" means any natural person, corporation, general partnership, limited partnership, limited liability Seller, proprietorship, other business organization, trust, union, association or government or regulatory authority.

"Purchase Price": as defined in Section 2.5.

"Seller": as defined in the introductory paragraph.

"Seller's Material Adverse Effect": as defined in Section 4.1.

"Tax" or "Taxes": means any federal, state, local, foreign, or other tax, fee, levy, assessment or other governmental charge, including without limitation, any income, franchise, gross receipts, property, sales, use, services, value added, withholding, social security, estimated, accumulated earnings, alternative or add-on minimum, transfer, license, privilege, payroll, profits, capital stock, employment, unemployment, excise, severance, stamp, occupancy, customs or occupation tax, and any interest, additions to tax and penalties in connection therewith.

"Third Person": as defined in Section 11.4

"Trade Secrets": as defined in Section 4.7(f).

"URL": means uniform resource locator, web site address or domain name.

2. PURCHASE AND SALE OF THE ASSETS

2.1 *Description of Assets.* In consideration of the purchase price to be paid pursuant to Section 2.5 below, the Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to purchase from the Seller, at the Closing, subject to and upon the conditions contained herein, the following described property and assets of the Seller [collectively (but excluding the Excluded Assets), the "Assets"], free and clear of any option, lien, pledge, mortgage, security interest or other encumbrance of any kind.

(a) All assets of the Seller as of the date of closing, including inventory and equipment delineated herein, then owned by the Seller with respect to the Business (excluding assets used with respect to the Acme Truck Parts wholesale division, which are part of the Excluded Assets"), including such assets that are acquired in the ordinary course of business following the execution hereof, pending closing, (other than the Excluded Assets and assets that have been disposed of in the ordinary course of business following the execution hereof, pending closing), including without limitation:

(i) all inventory, catalogues, on line catalogues, stationery, sales literature and supplies of the Seller, pertaining to the Business;

(ii) all prepaid expenses of or attributable to the Business;

(iii) all current MACS software (version 5.0), Hewlett Packard 3000-937LX computer system (including all related parts, cables, back up systems, earlier software versions, manuals, maintenance records and warranties), without any warranty or representation as to condition, that is "as is", said computer and software to be transferred to Buyer, notwithstanding any provision hereof to the contrary, only after Seller has completed all conversion processes to their other systems, but in any event not later than December 31, 2000, and will immediately transfer the rights to use the Mark and software ;

(iv) all current data stored in the computer, including software and operating systems. Pending delivery of the hardware set forth in the preceding paragraph on or before December 31, 2000, Seller shall deliver to Buyer at closing and on each monthly anniversary thereafter until the hardware has been transferred to Buyer, complete back up disks containing all data on the computer, including software and its operating system.

(b) all Intellectual Property used or useful in the operation of the Business (provided that at closing Seller shall not transfer the MARK, but will transfer the rights to use of the MARK), including without limitation the Trade name and mark, "Acme Truck Parts" (herein after the "Mark"), pursuant to a License Agreement between the parties executed concurrent herewith (the License Agreement is annexed hereto as Annex VI), whereby Seller shall License the said Mark and goodwill associated therewith, and any licenses and sublicenses granted in respect thereto and rights there under, remedies against infringements thereof and rights to protection of interests therein to the Buyer, for its use in its business, for a five (5) year term and at the end of said term and upon payment of the Note in full (provided such five year term has expired), convey the Mark and all rights and interest associated therewith to the Buyer. Pending such conveyance, Seller may continue to use the Mark in its wholesale business for a term not to exceed December

31, 2000, after which date use of the Mark shall be exclusive to the Buyer, provided the terms of the License Agreement are not violated;

(c) all customer, supplier and mailing lists, databases and similar information relating to the Business;

(d) all rights of the Seller under any purchase orders, contracts, guaranties, instruments and other agreements relating to the Business, including without limitation those listed on Schedule 2.1(d) hereto, but excluding individual customer sales orders unrelated to the Retail Business (the "Contracts");

(e) all rights of the Seller to telephone numbers relating to the Business, including without limitation those listed on Schedule 2.1(e);

(f) all rights of the Seller to its URLs relating to the Business, including without limitation those listed on Schedule 2.1(f);

(g) pursuant to the terms of the License Agreement as referenced and recited herein, all rights of the Seller to the names "Acme Truck Parts" "Acme On Line Catalogue," "Acme Parts" and all other d/b/s names of the Seller relating to the Business;

(h) all rights under agreements with employees and others concerning confidentiality, noncompetition and the assignment of inventions in favor of the Seller relating to the Business ;

(i) all business records, books, return, maintenance or service records relating to the Business or any of the above-described Assets; and

(j) all trade secrets, processes, know-how and confidential information of Seller used or useful in the Business.

2.2 *Excluded Assets.* The following assets of the Seller shall be excluded from the assets to be sold to Buyer hereunder (the "Excluded Assets"):

(a) Cash and Liquid funds;

(b) Accounts receivable as of midnight at the close of business on the business day immediately prior to the date of closing;

(c) Inventories of products manufactured by Steel Horse Automotive Accessories, Inc. or one of its affiliates, or sold under the "Steel Horse" name or the name of any of its affiliates;

(d) Such other assets that are specifically excluded in Schedule 2.2(d) of the Agreement.

2.3 *Assumption of Certain Liabilities.* Buyer hereby agrees that at the Closing, subject to and upon the terms and conditions contained herein, it shall assume and agree to

satisfy and perform when due the following specified obligations and Liabilities of the Seller (the "Assumed Liabilities"), but no others:

(a) All obligations and Liabilities arising after the Closing Date under the Contracts listed on Schedule 2.1(d) to the extent that the Seller's rights there under are actually (with consent where required) assigned to Buyer, other than Liabilities arising from any breach or default occurring prior to the Closing Date or by reason of the attempted assignment of the Contracts to Buyer, but limited only to obligations and Liabilities arising under the Contracts after the date of closing (notwithstanding any requirement herein, Buyer's assumption of the any Contract that is not a supplier's purchase order for inventory, including the Virtual Rep agreement, is and shall be under and subject to Buyer's prior review and consent to assume such Contract, Buyer reserving the right to reject such Contracts in its sole and absolute discretion; and

(b) Any Liabilities of the Seller for sales to be completed after closing, including applicable sales taxes thereon, for which the Buyer receives full payment, after closing

(c) Any Liability relating to sales made by the Seller prior to the Closing, including all warranties issued by the Seller, but excluding retained liabilities on sales for which Seller received payment before or after closing.

(d) Buyer and Seller acknowledge that the mere association of an item, action or transaction with the name and Mark, "Acme Truck Parts" shall not create a presumption that any claim, proceeding or liability referred to is a Buyer's liability.

Buyer is not assuming, and shall not be deemed to have assumed, any Liabilities of the Seller other than the Assumed Liabilities specifically described above. No assumption by Buyer of any of the Assumed Liabilities shall relieve or be deemed to relieve any Seller from any Liability under this Agreement with respect to any representations or warranties made by the Seller to Buyer.

2.4 *Retained Liabilities.* Notwithstanding anything in this Agreement to the contrary, Buyer (acknowledging that by Seller's agreement hereto, Seller has not assumed and shall not retain or be liable for any liability based upon actions or omissions of the Buyer after closing) is not assuming and will not perform any Liabilities not specifically described in Section 2.3 or any of the following Liabilities, all of which will be retained by the Seller:

(a) Any Liability of the Seller for Taxes of any kind or nature whether or not incurred prior to the date hereof, including, without limitation, any Taxes based on or measured by any income or gain realized upon transfer of any of the Assets hereunder;

(b) Any Liability relating to applicable sales taxes on sales made by the Seller prior to the Closing for which Seller received payment before or after closing;

(c) Any Liability, other than Liabilities referred to in Section 2.3(a), to pay for any inventory, products, goods, materials or services delivered or provided to the Seller;

(d) Any Liability of the Seller for or in respect of any loan, account payable or indebtedness;

(e) Any Liability of the Seller arising as a result of or out of any claim, any legal or equitable action, proceeding or investigation pertaining to or relating in any way to the Seller initiated at any time, whether or not described in any schedule hereto;

(f) Any Liability arising out of or in connection with any acts or omissions of the Seller;

(g) Any Liability of the Seller incurred in connection with the making or performance of this Agreement, other than the Assumed Liabilities;

(h) Any Liability of the Seller for making payments of any kind (including as a result of the sale of the Assets or as a result of the termination of employment by the Seller of employees or other labor claims) to employees of the Seller or in respect of payroll Taxes for employees of the Seller, including without limitation any Liabilities of the Seller arising under or with respect to the Consolidated Omnibus Budget Reconciliation Act of 1985;

(i) Any Liability of the Seller under or with respect to any lease, contracts, arrangement or commitment (other than such Liabilities that are included in the Assumed Liabilities); or

(j) Any Liability of the Seller arising out of or resulting from non-compliance with any national, state or local laws, statutes, ordinances, rules, regulations, orders, determinations, judgments, or directives, whether legislatively, judicially, or administratively promulgated;

(k) Buyer and Seller acknowledge that the mere association of an item, action or transaction with the name and Mark, "Acme Truck Parts" shall not create a presumption that any claim, proceeding or liability referred to was a Seller's liability.

2.5 *Purchase Price.* Based on the representations, warranties and covenants made and set forth herein, and in consideration of the Seller's performance of this Agreement and the sale, assignment, transfer, conveyance and delivery of the Assets to Buyer at Closing or thereafter as herein set forth, Buyer shall at closing (i) issue and deliver to the Seller its unsecured and subordinated promissory Note in the sum of One Million Five Hundred Thousand and 00/100 (\$1,500,000.00) Dollars (subject to increase as herein set forth) to be due and payable together with seven (7.0%) per cent per annum interest on declining balance (interest deferred for the first twelve months of the Note term but added to principal on the first anniversary date following closing) payable over a term of four (4) years upon such terms and conditions as are set forth in the Note which shall be substantially in the form of Annex I; (which such Note shall contain a due on sale clause)

(ii) issue and deliver to the Seller at Closing by check the sum as hereinafter to be determined for the inventory and prepaid expenses, estimated to be Five Hundred thousand and 00/100 (\$500,000.00) Dollars (the "Inventory Price") and (iii) assume the Assumed Liabilities (the "Purchase Price").

3. CLOSING

(a) The closing of the purchase and sale of the Assets and the other transactions contemplated hereby (the "Closing") shall take place at the offices of Buyer and Seller by the shipping on the date of Closing of the assets by the Seller to the Buyer and the Buyer transmitting to the Seller for receipt on the date of closing of its check and a duly executed Note; closing to occur, on or before June 30, 2000 or on such date as may be agreed to by Buyer and the Seller, but in no event after July 31, 2000. (the "Closing Date").

(b) At the Closing:

(i) The Seller shall execute and deliver by facsimile delivery followed by original executed copy to Buyer a copy of this Agreement, the Bill of Sale in substantially the form of Annex II, a License Agreement in substantially the form of Annex V and shall execute and deliver by facsimile delivery followed by original executed copy to Buyer all such other instruments and documents of conveyance and assignment, as are reasonably requested by Buyer to vest in Buyer title to the Assets.

(ii) Buyer shall execute and deliver to the Seller the Note, representing the Purchase Price, in substantially the form of Annex I.

(iii) Buyer shall execute and deliver to the Seller an Assumption Agreement in substantially the form of Annex III.

(iv) Buyer shall deliver to the Seller the Inventory Price by check.

(v) Seller and Buyer shall deliver by facsimile delivery followed by original executed copy to each other the Non-Competition Agreement in the form of Annex IV.

(vi) Buyer shall execute and deliver to the Seller by facsimile delivery followed by original executed copy, this agreement.

Originals of all documents transmitted by fax shall immediately following closing be transmitted to the other party for next business day delivery in original form and under original signature, as theretofore faxed.

4. REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller makes the following representations and warranties to, and covenants with Buyer:

4.1 *Due Organization.* The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of California. The Seller is duly authorized, qualified and licensed under all applicable laws, regulations, ordinances and orders of public authorities necessary to carry on the Business in the places and in the manner as now conducted, except where the failure to be so authorized, qualified or licensed would not have a material adverse effect on the Business, its operations, assets, prospects, properties or condition, financial or otherwise, of the Seller (a "*Seller Material Adverse Effect*"). Complete and correct copies of the Certificate of Incorporation and Bylaws of the Seller, together with a certificate of Good Standing in the State of California will be made available to Buyer prior to closing.

4.2 *Subsidiaries.* Acme Truck Parts is solely a fictitious name for the Seller, and not a separate entity. The Seller does not presently own, of record or beneficially, or control, directly or indirectly, any capital stock, securities convertible into capital stock or any other equity interest in any corporation, association or business entity which would prohibit or adversely impact on the transactions contemplated by the Agreement.

4.3 *Authorization.* The Seller has the corporate power and authority to enter into and perform this Agreement and the other documents and instruments to be delivered pursuant to this Agreement and to consummate the transactions contemplated hereby and thereby. The execution and delivery by the Seller of this Agreement and the consummation by the Seller of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of the Seller. This Agreement has been duly and validly executed and delivered by Seller and constitutes the legal, valid and binding obligation of it and is enforceable against it in accordance with its terms.

4.4 *No Conflicts; Approvals.*

(a) Neither the execution, delivery and performance of this Agreement by Seller nor the consummation by Seller of the transactions contemplated hereby will (i) conflict with or result in a breach of any provision of the Certificate of Incorporation or Bylaws of the Seller, (ii) result in any conflict with, breach of, or default (or give rise to any right to termination, cancellation or acceleration or loss of any right or benefit) under, or require any consent or approval which has not been, or prior to Closing will not be, obtained or waived with respect to, any indenture, contract, agreement or instrument to which Seller is a party or by which it or the Assets may be bound or (iii) violate any order, law, rule or regulation applicable to Seller, or by which it may be bound, in a manner which, as to clauses (i) and (ii), is reasonably likely to prevent the consummation of the closing or have a Seller's Material Adverse effect on the Business.

(b) No action, consent or approval by, or filing by Seller with, any federal, state, municipal, foreign or other court or governmental body or agency, or any other regulatory body, or any other person or entity is required to permit the consummation by the Seller of the transactions contemplated hereby.

4.5 *Financial Statements, Financial Condition.* Attached as Schedule 4.5 are copies of the following financial statements of the Seller relating to the Business (the "Financial Statements"):

(a) the unaudited balance sheets of the Seller's Acme Truck Part division as at December 31, 1999 and the respective related statements of income and

(b) the unaudited balance sheet of the Seller's Acme Truck Part division (the "Balance Sheet") as at May 31, 2000 (the "Balance Sheet Date") and the related statements of income for the five (5) month period then ended.

The Financial Statements relating to the Business have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, subject in the case of the quarterly unaudited Financial Statements to the addition of footnotes and to normal year-end audit adjustments. The Financial Statements present fairly, in all material respects, the financial condition of the Seller relating to the Business at the respective dates thereof and the results of its Business operations for the periods covered thereby and are consistent with the books and records of the Seller. The financial projections provided to Buyer, if any, are based on reasonable assumptions and are presented on a basis consistent with generally accepted accounting principles.

4.6 *Undisclosed Liabilities and Obligations.* The Seller has no Liabilities of any kind relating to the Business, whether accrued, absolute, secured or unsecured, contingent or otherwise, that would impose a lien on the purchased assets or would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Buyer's ability to transact the Business following the Closing in substantially the manner conducted prior to Closing; and (b) there are no claims, Liabilities, nor, to the best knowledge of the Seller, any reasonable basis for assertion against the Seller of any claim, Liability, of any nature in any amount that could, individually or in the aggregate, reasonably be expected to have a Seller Material Adverse Effect.

4.7 *Intellectual Property Rights.*

(a) The Seller (i) owns or has the right to use, free and clear of any payment, encumbrance, title defect, lien or claim of ownership by any third party, such Intellectual Property, including the Mark, as is necessary to operate the Business as now being operated and is not infringing upon or in conflict with the asserted rights of others in such Intellectual Property and is not making unauthorized use of any confidential information or trade secrets of any other person; and (ii) there are no written claims or demands of any other person, firm, corporation or business entity pertaining to any of the Intellectual Property, including the Mark and no proceedings have been instituted which challenge any of the rights of the Seller in respect thereto. The Seller has the right to use, free and clear of claims or rights of others, computer software, systems, data compilations and other information required for or incident to the Business as presently conducted, including the Mark.

(b) All Intellectual Property, including the Mark owned by Seller relating to the Business is freely transferable to Buyer. All licenses or other agreements under which Seller, relating to the Business, is granted rights in Intellectual Property are in full force and effect, and there is no material default by any party thereto and all of the Seller's rights there under are freely assignable or, where not freely assignable, consent for such assignment to Buyer has been obtained. The Seller hereby agrees that it will execute the requisite assignment documents, and will comply with any contract provisions governing the transfer of any of the Intellectual Property including the Mark being transferred hereby, to legally transfer ownership of the Intellectual Property including the Mark being purchased hereby to Buyer. No Person has a right to receive a royalty or similar payment in respect of any item of Intellectual Property including the Mark pursuant to contractual arrangements entered into by the Seller. True and complete copies of all such licenses or other agreements, and any amendments thereto, have been provided to Buyer.

(c) All licenses or other agreements under which Seller, relating to the Business, has granted rights to others in Intellectual Property owned or licensed by the Seller's Acme Truck Part division are listed in Schedule 4.7(c). All of said licenses or other agreements are in full force and effect, there is no material default by any party thereto, and, except as set forth on Schedule 4.7(c), all of the Seller's rights there under are freely assignable. True and complete copies of all such licenses or other agreements, and any amendments thereto, have been provided to Buyer.

(d) There are currently no claims, actions, suits, or proceedings, either pending or threatened against the Seller or its Stockholders, relating to the Business, alleging that any of the Intellectual Property including the Mark being transferred hereunder infringes any patents, or violates any other intellectual property rights, of any third parties, or alleging that any of the Intellectual Property including the Mark being transferred hereby are invalid or unenforceable.

(e) The Seller has no knowledge, or reason to believe, that the past or present conduct of any third parties infringes, or otherwise violates, any of the Intellectual Property rights including the Mark being transferred hereby.

(f) Trade secrets (for purposes hereof the customer list and transaction history of sales to customers) ("*trade secrets*") being transferred hereby were developed by the Seller and its employees under appropriate (as reasonably determined by the Seller) secrecy safeguards, are not generally known in the field of automotive and truck after market parts sales and websites, have been used for commercial advantage, have been maintained by the Seller subject to appropriate (as reasonably determined by the Seller) secrecy safeguards, and lend a competitive advantage over those without knowledge of such trade secrets.

(g) The Seller shall continue to maintain such trade secrets transferred hereby under the appropriate (as reasonably determined by the Seller) secrecy safeguards, and, after such transfer and sale contemplated hereby, shall cease the use of any such trade

secrets, until such time as they become publicly known or available through no unauthorized acts or conduct of the Seller.

(h) The Seller shall use its commercially reasonable efforts to obtain all governmental or regulatory approvals, consents, or grants, and make or cause to be made (or use its best efforts to assist Buyer in making) any declarations, filings, and registrations with governmental or regulatory authorities that are necessary to consummate the transactions contemplated herein.

(i) The URLs listed on Schedule 2.1(f) constitute all the URLs to which the Seller's Acme Truck Part division, relating to the Business, owns or has rights, free and clear of any lien, pledge, charge, security interest or any other encumbrance of any kind.

4.8 *Personal Property.*

(a) Schedule 4.8 (a) hereof sets forth as of June 30, 2000, an accurate list and complete description of all the personal property to be conveyed hereunder relating to the Business;

(b) All of the Assets constituting tangible personal property, whether owned, are in good working order and condition, ordinary wear and tear accepted, and shall be in good operating condition on the date of delivery.

(c) The Seller's Acme Truck Part division, relating to the Business, has good and marketable title to all of the Assets, free and clear of all mortgages, liens, pledges, charges, security interests or other encumbrances, except as disclosed in Schedule 4.8(c), all such liens to be removed prior to closing

(d) The Assets plus Buyer's other assets are sufficient to enable Buyer to operate and conduct the retail Business after the Closing in reasonably similar manner as the Business has heretofore been conducted by the Seller's Acme Truck Part division.

4.9 *Material Contracts and Commitments.*

(a) The Contracts constitute all contracts and agreements related to the Business to which the Seller is a party or by which it or its properties is bound.

(b) The Seller has delivered to Buyer true and complete copies of the Contracts that are in writing and an accurate and complete description of all significant oral Contracts.

(c) The Seller has complied with all material commitments and obligations pertaining to the Contracts and the Seller is not in default under any Contract and has not received or given any notice of default thereunder and, to the best knowledge of Seller, no other party to any Contract is in default thereunder.

(d) Each of the Contracts is the legal, valid and binding obligation of the Seller and, to the best knowledge of Seller, the other parties thereto. Each of the Contracts

is in full force and effect. No Seller has any reason to believe that any Contract will not continue in full force and effect following the consummation of the transactions contemplated hereby.

(e) To the best knowledge of the Seller, no customer or supplier of the Business has advised the Seller of its intent to cancel or substantially reduce or is currently attempting or threatening to cancel or substantially reduce purchases, sales or services.

(f) The Seller is not a party to any contract, agreement or other instrument or commitment that, individually or in the aggregate, has had or could have a Seller Material Adverse Effect.

(g) None of the present or former employees, officers, directors or stockholders of the Seller is a party to any oral or written contract or agreement prohibiting any of them from engaging in the Seller's Business as now operated.

(h) All Contracts between the Seller and any Affiliate of the Seller relating to the Business are not less favorable to the Seller than would be the case if such Contracts shall have been negotiated with an unrelated third party.

4.10 *Litigation.* There are no claims, actions, suits, proceedings or investigations, pending or, to the best knowledge of the Seller threatened, against or affecting the Seller, nor to the best knowledge of Seller, is there any reasonable basis therefor and no notice of any claim, action, suit or proceeding, whether pending or threatened, has been received. There are no judgments, orders, decrees, citations, fines or penalties assessed against the Seller affecting the Assets or the Business.

4.11 *Conformity with Law.* The Seller, relating to the Business, is not in material default under any applicable law or regulation or under any order of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality having jurisdiction over it. The Seller has conducted and is conducting the Business, in substantial compliance with all applicable federal, state and local statutes, ordinances, permits, licenses, orders, approvals, variances, rules and regulations and is not in violation of any of the foregoing that could have a Seller Material Adverse Effect.

4.12 *Taxes.* There are no liens on any of the Assets, which arose in connection with any failure or asserted failure to pay any Tax.

4.13 *Completeness.* The copies of all leases, instruments, agreements, licenses, permits, certificates or other documents which are included on schedules attached hereto or have been delivered to Buyer in connection with the transactions contemplated hereby are complete and correct.

4.14 *Indebtedness; Guarantees.* The Seller has no indebtedness relating to the Business and which will prohibit or adversely affect its sale of assets hereunder (other than trade payables and other accrued current Liabilities incurred in the ordinary course of business), ("*Indebtedness*").

4.15 *Absence of Changes.* Since the Balance Sheet Date, there has not been:

- (a) any material adverse change in the business, operations, assets, properties or conditions (financial or otherwise) of the Business;
- (b) any damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting the Assets or the Business of the Seller;
- (c) any sale or transfer, or any agreement to sell or transfer, any material asset, property or right of the Seller relating to the Business to any person;
- (d) any plan, agreement or arrangement granting to any person (other than Buyer) any preferential rights to purchase or acquire any Assets, property or inventory of the Seller relating to the Business or requiring consent of any party to the transfer and assignment of any such Assets, property or inventory;
- (e) any purchase or acquisition of, or agreement, plan or arrangement to purchase or acquire, any property, rights or assets related to the Business other than in the ordinary course of business consistent with past practices;
- (f) any waiver of any material rights or claims of the Seller, relating to the Business;
- (g) any breach, amendment or termination of any Contract or any license or permit of the Seller relating to the Business; or,
- (h) any agreement or commitment to do any of the foregoing or any transaction by the Seller outside the ordinary course of business that affects the Business.

4.16 *Brokers and Finders.* Neither the Seller, or any officer, director, stockholder or employee of the Seller on behalf of the Seller, has incurred any Liabilities for any financial advisory fees, brokerage fees, commissions or finders' fees in connection with this Agreement or any of the transactions contemplated hereby for which the Buyer shall have any responsibility.

4.17 *Warranties.* Schedule 4.17 hereto contains an accurate and complete statement of all written warranties, warranty policies, service, and maintenance agreements of the Seller relating to the Business (except that the warranties of third party manufacturers which are not included). Seller's warranties are a Retained Liability.

4.18 *Databases.* The databases used by the Seller in the Business are accurate and are updated from time-to-time in the ordinary course of business. The Seller has all rights necessary to use such databases and, to the best knowledge of the Sellers, the use of such databases does not infringe or otherwise violate the rights of any third party in or to such databases. No proceedings against, or notices have been received by the Seller alleging that use or proposed use of such databases by the Seller or any third party infringes upon or otherwise violates any rights of the Seller or a third party in or to such databases.

4.19 *Covenants.* Schedule 4.19 sets forth a true, correct and complete list of all consent or approvals required to transfer, assign or convey the Assets to Buyer or required in connection with the transactions contemplated by this Agreement, and the matter, agreement or contract to which such consent or approval relates.

4.20 *Disclosure.* If prior to the Closing the Seller becomes aware of any fact or circumstance that would materially change a representation or warranty of the Seller in this Agreement or any representation made on behalf of the Seller, the Seller shall immediately give notice of such fact or circumstance to Buyer; *provided, however,* that such notification shall not relieve Seller of its obligations under this Agreement.

5. REPRESENTATIONS OF BUYER

Buyer makes the following representations and warranties to, and covenants with, the Seller.

5.1 *Due Organization.* Buyer is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and is duly authorized, qualified and licensed under all applicable laws, regulations, and ordinances of public authorities to carry on its business in the places and in the manner as now conducted except for where the failure to be so authorized, qualified or licensed would not have a material adverse affect on the business, operations, assets, properties or condition, financial or otherwise of the Buyer on a consolidated basis (a "*Buyer Material Adverse Effect*"). Complete and correct copies of the Certificates of Incorporation and the By-laws of each of Buyer have be made available to the Seller.

5.2 *Authorization.* The Buyer has the corporate power and authority to enter into and perform this Agreement and the other documents and instruments to be delivered pursuant to this Agreement and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and the other documents and instruments to be delivered pursuant to this Agreement and the consummation by Buyer of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Buyer. This Agreement has been duly and validly executed and delivered by Buyer and constitutes the legal, valid and binding obligation of it and is enforceable against it in accordance with its terms

5.3 *No Conflicts; Approvals.*

(a) Neither the execution, delivery and performance of this Agreement by Buyer nor the consummation of the transactions contemplated hereby will (i) conflict with or result in a breach of any provision of the charter or bylaws of Buyer, (ii) result in any conflict with, breach of, or default (or give rise to any right to termination, cancellation or acceleration or loss of any right or benefit) under or require any consent or approval which has not been or prior to Closing will not be waived or obtained with respect to any indenture, contract, agreement or instrument to which Buyer is a party or by which it or its properties or assets may be bound or (iii) violate any order, law, rule or regulation applicable to Buyer or by which it or its properties or assets may be bound in a manner

which, as to clauses (i) and (ii), is reasonably likely to prevent the consummation of the Closing or have a Material Adverse effect on the Business.

(b) No action, consent or approval by, or filing by Buyer with, any federal, state, municipal, foreign or other court or governmental body or agency, or any other regulatory body, or any other person or entity is required to permit the consummation by Buyer of the transactions contemplated hereby, except any filing consent or approval that has been made or obtained prior to the Closing.

5.4 *Financial Statements, Financial Condition.* Attached as Schedule 5.4 are copies of the following financial statements of the Buyer (the "*Buyer's Financial Statements*");

(a) the unaudited balance sheets of the Buyer as at December 31, 1999 and the respective related statements of income and

(b) the unaudited balance sheet of the Buyer (the "*Buyer's Balance Sheets*") as at May 31, 2000 (the "*Buyer's Balance Sheet Date*") and the related statements of income for the five (5) month period then ended.

The Buyer's Financial Statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, subject in the case of the quarterly unaudited Financial Statements to the addition of footnotes and to normal year-end audit adjustments. The Financial Statements present fairly, in all material respects, the financial condition of the Buyer at the respective dates thereof and the results of its Buyer's operations for the periods covered thereby and are consistent with the books and records of the Buyer. The financial projections provided to Seller, if any, are based on reasonable assumptions and are presented on a basis consistent with generally accepted accounting principles.

5.5 *Undisclosed Liabilities and Obligations.* The Buyer has no Liabilities of any kind, whether accrued, absolute, secured or unsecured, contingent or otherwise, that could, individually or in the aggregate, reasonably be expected to have a Buyer Material Adverse Effect and (b) there are no claims, Liabilities, nor, to the best knowledge of the Buyer, any reasonable basis for assertion against the Buyer of any claim, Liability, of any nature in any amount that could, individually or in the aggregate, reasonably be expected to have a Buyer Material Adverse Effect.

5.6 *Real and Personal Property.*

(a) Buyer's leases, if any, are in full force and effect and constitute valid and binding agreements of Buyer. There are no disputes, oral or written, as to the leases. All facilities owned or leased are supplied with utilities and other services necessary for the operation of such facilities.

(b) The Buyer has good and marketable title to, or in the case of leased property, has valid leases under which it enjoys peaceful and undisturbed possession, of all

of its material assets, free and clear of all mortgages, liens, pledges, charges or other encumbrances.

(c) Buyer's assets are sufficient to enable it to operate and conduct its business in the manner it currently operates.

5.7 *Material Contracts and Commitments.*

(a) Buyer has in effect all material contracts (the "Buyer Contracts"), necessary for or related to its business to which Buyer is a party or by which it or its properties are bound.

(b) Buyer has complied with all material commitments and obligations pertaining to the Buyer Contracts and Buyer is not in material default under any Buyer Contract and has not received or given any notice of material default there under and, to the best knowledge of Buyer, no other party to any Buyer Contract is in material default thereunder.

(c) To the best knowledge of Buyer, no customer of Buyer has advised Buyer of its intent to cancel or substantially reduce or is currently attempting or threatening to cancel or substantially reduce purchases.

(d) Buyer is not a party to any contract, agreement or other instrument or commitment which, individually or in the aggregate, has had or could have a Buyer Material Adverse Effect.

5.8 *Litigation.* There are no claims, actions, suits, proceedings or investigations, pending or, to the best knowledge of Buyer threatened, against or affecting Buyer, nor to the best knowledge of Buyer, is there any reasonable basis therefor and no notice of any claim, action, suit or proceeding, whether pending or threatened, has been received. There are no judgments, orders, decrees, citations, fines or penalties assessed against Buyer affecting its assets or business.

5.9 *Indebtedness.* Except as set forth in the Buyer Financial Statements, Buyer has no indebtedness for borrowed money or for the deferred purchase price of property or services (other than trade payables and other accrued current Liabilities incurred in the ordinary course of business), or capital lease obligations, conditional sale or other title retention agreements.

5.10 *Absence of Changes.* Since December 31, 1999, there has not been:

(a) any material adverse change in the business, operations, assets, properties or conditions (financial or otherwise) of Buyer;

(b) any damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting the properties or business of Buyer;

- (c) any increase in the compensation, bonus, commissions or fee arrangement payable or to become payable by Buyer to its officers, directors, employees, consultants or agents, other than routine scheduled increases for employees;
- (d) any sale or transfer, or any agreement to sell or transfer, any material asset, property or right of Buyer to any person;
- (e) any cancellation, or agreement to cancel, any indebtedness or other obligation owing to Buyer;
- (f) any plan, agreement or arrangement granting to any person any preferential rights to purchase or acquire any interest in any of the assets or property of Buyer or requiring consent of any party to the transfer and assignment of any such assets or property;
- (g) any purchase or acquisition of, or agreement, plan or arrangement to purchase or acquire, any property, rights or assets other than in the ordinary course of business and as anticipated by this agreement, consistent with past practices;
- (h) any waiver of any material rights or claims of Buyer;
- (i) any breach, amendment or termination of any Buyer Contract or any license or permit of Buyer; or
- (j) any agreement or commitment by Buyer to do any of the foregoing or any transaction by Buyer outside the ordinary course of business.

5.11 *Brokers and Finders.* None of Buyer, or any officer, director, shareholder or employee of Buyer on behalf of Buyer have incurred any Liabilities for any financial advisory fees, brokerage fees, commissions or finders' fees in connection with this Agreement or any of the transactions contemplated hereby.

6. DETERMINATION OF AND ADJUSTMENT TO PURCHASE PRICE

6.01 *Assumptions:* The Purchase Price assumes that the Acme Truck Part Division shall as of Closing have an inventory and prepaid expenses (defined as all catalogs/marketing materials produced or in production but not mailed, including production cost incurred on future catalogs or marketing initiatives that are in process but not yet completed) value of at least Five Hundred Thousand and 00/100 (\$500,000.00) Dollars.

6.02 *Adjustments:* The Purchase Price shall be adjusted based on the value of the inventory and prepaid expenses of the Business as of the date of closing, on a dollar for dollar basis, using Seller's cost accounting methods and standards. Inventory will be valued for purposes hereof at cost (including freight charges in and discounts taken), the *Inventory Price*, and shall not include any of the products manufactured or distributed by the Seller and its subsidiaries in the ordinary course of their business. Immediately prior to delivery of the Inventory to the Buyer's carrier, Seller shall perform a physical inventory

to verify the items shipped and delivered by the Seller and such physical inventory shall be the basis to compute the Purchase Price. It is further agreed that Buyer is paying for freight and shall address losses during shipping with carrier.

6.03 *Purchase Price Adjustments*: Based on the Inventory Price (including the sum of prepaid expenses) on the date of closing, the Purchase Price shall be adjusted at closing by reducing the funds to be sent to the Seller at closing to the extent the Inventory Price (including prepaid expense) is less than of Five Hundred Thousand and 00/100 (\$500,000.00) Dollars. In the event the Inventory Price (including prepaid expenses) is in excess of Five Hundred Thousand and 00/100 (\$500,000.00) Dollars (*the "added sum"*), the Purchase Price shall be correspondingly increased with added sum being added to the Note, and such added sum being due and payable hereafter as part of the final scheduled payment under the Note.

7. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SELLER

The obligation of the Seller to consummate the sale of the Business and the other transactions contemplated hereby is subject to the fulfillment, prior to the Closing of each of the following conditions, any of which may be waived by the Seller:

7.1 *Representations and Warranties; Performance of Obligations*. The representations and warranties of Buyer contained in Section 5 shall be true and correct on and as of the Closing Date with the same force and effect as though made on and as of such date; all of the terms, covenants and conditions of this Agreement to be complied with, performed and satisfied by Buyer on or before the Closing shall have been complied with, performed and satisfied; and a certificate to the foregoing effect dated the Closing Date and signed by a duly authorized officer of Buyer shall have been delivered to the Seller.

7.2 *Proceedings Satisfactory*. All actions, proceedings, instruments and documents required to carry out this Agreement or incidental hereto and all other related legal matters, including the delivery of the Purchase Price, the Note and the License Agreement shall be reasonably satisfactory to the Seller and their counsel.

7.3 *No Litigation*. No action or proceeding before a court or any other governmental agency or body shall have been instituted or threatened to restrain or prohibit the consummation of the transactions contemplated hereby, and no governmental agency or body shall have taken any other action or made any request of the Seller as a result of which the management of the Seller deems it inadvisable to proceed with the transactions hereunder.

7.4 *Opinion of Counsel*. The Seller shall have received an opinion from counsel for Buyer, dated the Closing Date, in form and substance reasonably satisfactory to the Seller, to the effect set forth in Exhibit 7.4.

7.5 *Charter Documents, Etc.* The Buyer shall have delivered such certificates or other documents as may be reasonably requested by Seller, including without limitation certificates of legal existence and good standing, certified charter documents on file with

the Secretary of State of Pennsylvania, and certificates of the Secretary or Assistant Secretary of Buyer, respectively, with respect to directors' resolutions, bylaws and any other relevant matters.

7.6 *Comments and Approvals.* All necessary consents of, and filings with, any governmental authority or agency relating to the consummation of the transactions contemplated hereby shall have been obtained and made.

7.7 *Satisfaction and Approval.* Seller and its lender shall be satisfied with its review of Buyer's Financial Statements and Seller's Lender shall release its lien on the Assets and inventory of the Business to be sold to buyer hereunder.

8. CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER

The obligation of Buyer to consummate the purchase of the Assets and the other transactions contemplated hereby is subject to the fulfillment, prior to the Closing of each of the following conditions, any of which may be waived by Buyer:

8.1 *Representations and Warranties; Performance of Obligations.* The representations and warranties of the Seller contained in Section 4 shall be true and correct on and as of the Closing Date with the same force and effect as though made on and as of such date; all of the terms, covenants and conditions of this Agreement to be complied with, performed and satisfied by any Seller on or before the Closing shall have been complied with, performed and satisfied; and a certificate to the foregoing effect dated the Closing Date and signed by each Seller shall have been delivered to Buyer.

8.2 *Proceedings Satisfactory.* All actions, proceedings, instruments and documents required to carry out this Agreement or incidental hereto, including the delivery of a bill of Sale and the executed License Agreement, Assumption Agreement and Non-Compete Agreement and all other related legal matters shall be reasonably satisfactory to Buyer and its counsel.

8.3 *No Litigation.* No action or proceeding before a court or any other governmental agency or body shall have been instituted or threatened to restrain or prohibit the consummation of the transactions contemplated hereby and no governmental agency or body shall have taken any other action or made any request of Buyer as a result of which the management of Buyer deems it inadvisable to proceed with the transactions hereunder.

8.4 *Opinion of Counsel.* Buyer shall have received an opinion from counsel to the Seller, dated the Closing Date, in form and substance reasonably satisfactory to Buyer, to the effect set forth in Exhibit 8.4.

8.5 *Consents and Approvals.* All necessary consents of, and filings with, any governmental authority or agency relating to the consummation of the transactions contemplated hereby shall have been obtained and made.

8.6 *Non-Competition Agreements.* Seller shall have executed and delivered to Buyer a non-competition agreement in substantially the form of Annex IV.

8.7 *Consents to Assignments.* The Seller shall have obtained all consents listed on Schedule 4.20.

8.8 *Transfer of URLs.* The Seller shall have executed URL transfer forms, in form and substance reasonably satisfactory to Buyer with respect to the URLs listed on Schedule 2.1(f).

8.9 *Assignment of Intangible Assets.* The Seller shall have executed and delivered to Buyer specific assignments in the form reasonably requested by Buyer for recordation of the assignment of the Seller's interest in any intangible Assets.

8.10 *Charter Documents, Etc.* The Seller shall have delivered such certificates or other documents as may be reasonably requested by Buyer, including without limitation certificates of legal existence and good standing, certified charter documents on file with the Secretary of State of California, and certificates of the Secretary of Seller with respect to directors' resolutions, the Certificate of Incorporation and Bylaws of the Seller and any other relevant matters.

8.11 *Satisfaction and Approval.* Buyer shall be satisfied with its review of Seller's Financial Statements.

9. ADDITIONAL COVENANTS

9.1 *Change of Name.* The Seller shall on or before December 31, 2000, terminate use of or change its fictitious name for its wholesale business to a name not using "Acme Truck Parts" and otherwise reasonably satisfactory to Buyer. The Sellers acknowledge and agree that Buyer will acquire by License the exclusive use of the "Acme Truck Parts" name and that Seller will not use any such name or any similar name subsequent to December 31, 2000.

9.2 *Further Assurances.* From time to time after the Closing, at the request of Buyer and without further consideration, the Seller shall execute and deliver any further instruments and take such other action as may be reasonably requested by Buyer to vest or confirm in Buyer title to the Assets or otherwise carry out the transactions contemplated hereby.

9.3 *Books and Records.* The Seller shall maintain all of its books and records relating to the Business not transferred to Buyer as part of the Assets for the period of time required by law and shall provide Buyer with access to, or copies of, such books and records as Buyer may from time to time reasonably request...

10. BUYER'S REQUIRED QUALITY STANDARDS

Buyer agrees to maintain the Acme Truck Parts name and catalog at commercially acceptable quality standards and to maintain a separate Acme Truck Parts mailing list for a term of five (5) years following closing.

11. INDEMNIFICATION

11.1 *Survival of Representations and Warranties.*

(a) The representations and warranties of the Seller made in this Agreement and in the documents and certificates delivered in connection herewith shall survive the Closing until June 30, 2001, *provided* that representations and warranties with respect to which a claim is made within such period shall survive until such claim is finally determined and paid.

(b) The representations and warranties of Buyer made in this Agreement and in the documents and certificates delivered in connection herewith shall survive the Closing until June 30, 2001, *provided* that representations and warranties with respect to which a claim is made within such period shall survive until such claim is finally determined and paid.

(c) No claim for indemnification may be made with respect to a representation and warranty after the expiration of the applicable survival period, other than claims based on fraud.

11.2 *General Indemnification by the Seller.* The Seller (in its capacity as an indemnifying party, an "*Indemnifying Party*") covenants and agrees that it will indemnify, defend, protect, and hold harmless the and Buyer and each of its respective subsidiaries and Affiliates (in its capacity as an indemnified party, an "*Indemnitee*") at all times from and after the date of this Agreement from and against all claims, damages, actions, suits, proceedings, demands, assessments, adjustments, costs and expenses (including specifically, but without limitation, reasonable attorneys' fees and expenses of investigation) (collectively "*Damages*") incurred by such Indemnitee as a result of or incident to:

(a) any breach of any representation or warranty of the Seller set forth herein or in any certificate or other document delivered in connection herewith and any misrepresentation in connection with this Agreement or the transactions contemplated hereby;

(b) any breach or nonfulfillment by Seller of, or any noncompliance by Seller with, any covenant, agreement, or obligation, as if all materiality and knowledge provisions were not contained therein, that is contained herein or in any certificate or other document delivered in connection herewith;

(c) the ownership of the Assets and the operation of the Business prior to the sale of the Assets to Buyer except for those Liabilities assumed by the Buyer pursuant to Section 2.3;

(d) any Taxes of any kind relating to or arising in connection with the transfer of the Assets to Buyer, it being understood that this indemnification does not apply to any income Taxes imposed on the Seller; and

(e) any Liability of, or any claim against, the Seller not expressly assumed by Buyer hereunder, including without limitation the Liabilities and obligations described in Section 2.4.

Notwithstanding the foregoing, Seller shall have no further obligation to indemnify any Indemnitee for any damages until such time as all Damages exceed Twenty five Thousand Dollars (\$25,000.00) ("Seller's Basket") in the aggregate; provided that all claims by Indemnitees for indemnification shall accrue in the aggregate until the damages collectively exceed the Seller's Basket and thereafter the Indemnitees shall be entitled to indemnity only for the amount by which all such claims exceed Seller's Basket. Seller shall have no further obligation to provide indemnity to any Indemnitee for any Damages once Seller has satisfied claims for indemnification in the amount of Five Hundred Thousand Dollars (\$500,000.00).

11.3 *Indemnification by Buyer.* Buyer (in its capacity as an indemnifying party, an "Indemnifying Party") covenant and agree that it will jointly and severally indemnify, defend, protect and hold harmless the Seller (in its capacity as an indemnified party, an "Indemnitee") at all times from and after the date of this Agreement from and against all Damages incurred by such Indemnitees as a result of or incident to:

(a) any breach of any representation or warranty of Buyer that is set forth herein or in any certificate or other document delivered in connection herewith;

(b) any breach or nonfulfillment by Buyer of, or noncompliance by Buyer with, any covenant, agreement or obligation, as if all materially and knowledge provisions were not contained therein, contained herein or in any certificate or other document delivered in connection herewith.

Notwithstanding the foregoing, other than for payment of the Note, Buyer shall have no further obligation to indemnify any Indemnitee for any damages until such time as all Damages exceed Twenty five Thousand Dollars (\$25,000.00) ("Buyer's Basket") in the aggregate; provided that all claims by Indemnitees for indemnification shall accrue in the aggregate until the damages collectively exceed the Buyer's Basket and thereafter the Indemnitees shall be entitled to indemnity only for the amount by which all such claims exceed Buyer's Basket. Buyer shall have no further obligation to provide indemnity to any Indemnitee for any Damages once Buyer has satisfied claims for indemnification in the amount of Five Hundred Thousand Dollars (\$500,000.00)."

11.4 *Third Person Claims.* Promptly after an Indemnitee has received notice of or has knowledge of any claim by a person not a party to this Agreement ("Third Person") or the commencement of any action or proceeding by a Third Person, the Indemnitee shall, as a condition precedent to a claim with respect thereto being made against an Indemnifying Party, give the Indemnifying Party written notice of such claim or the commencement of such action or proceeding; *provided, however,* that the failure to give such notice will not relieve such Indemnifying Party from the Liability under this Section with respect to such claim, action or proceeding, except to the extent that the Indemnifying

Party has been actually prejudiced as a result of such failure. The Indemnifying Party (at its own expense) shall have the right and shall be given the opportunity to associate with the Indemnitee in the defense of such claim, suit or proceedings, provided that counsel for the Indemnitee shall act as lead counsel in all matters pertaining to the defense or settlement of such claims, suit or proceedings. The Indemnitee shall not, except at its own cost, make any settlement with respect to any such claim, suit or proceeding without the prior consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

11.5 *Method of Payment.* All claims for indemnification shall be paid in cash.

12. *Restriction on Buyer's Sales:*

12.1 For a period of five (5) years from closing and, if longer, until the obligations under the Note have been satisfied Buyer shall not include in the Acme Truck Parts catalog, products which directly compete with Seller's product line now in existence, provided that Seller offers Buyer with respect to its product line, competitive pricing and maintains industry acceptable service levels and product quality standards.

12.2 Until the obligations under the Note have been satisfied and provided Seller offers Buyer with respect to its product line, competitive pricing and maintains industry acceptable service levels and product quality standards, Buyer agrees to maintain an annual minimum purchase volume of Seller's or its affiliates products of Five Million and 00/100 ((\$5,000,000.00) Dollars. This obligation of the Buyer shall be abated to the extent the parties agree there has been a major economic downturn or significant changes to the marketplace that are not within Buyer's control.

12.3 If Buyer fails to meet the minimum purchase volume from Seller and its affiliates of \$5,000,000 in any calendar year, Buyer shall, on or before January 30 of the succeeding calendar year, elect one of the following three procedures and notify Seller in writing of its election:

(a) Buyer may acknowledge a default and, pursuant to this section, the license shall be terminated, Seller shall be freed of its non-competition restrictions, and the Note shall be accelerated.

(b) Buyer shall commit to make purchases in the calendar year following the year in which the shortfall occurred which are sufficient to make up the shortfall and to meet the required \$5,000,000 sales level for the succeeding year. If Buyer fails to achieve this higher level of minimum sales in the calendar year following the year in which a shortfall occurred, Buyer shall pay to Seller 40¢ for each dollar of remaining shortfall. Buyer may not make this election unless the shortfall was a shortfall of 10% or less of the \$5,000,000 amount required.

(c) Buyer may elect immediately to pay to Seller 40¢ for each dollar by which the purchases in the calendar year failed to meet the required \$5,000,000 purchase level.

12.4 *Materiality*: Buyer acknowledges that the representations set forth in this section are a material and substantial part of this Agreement.

12.5 *Reasonable Restraint*: The parties agree that the covenants contained in this Section 12 impose a reasonable restraint on the Buyer in light of the activities and business of the Buyer and the future plans of Seller.

13. Restriction on Seller & NONCOMPETITION

13.1 *Prohibited Activities*: The Seller agrees that it will not, for a period of five (5) years (the "*Noncompete Period*") (unless the License Agreement has been terminated) after the Closing Date, alone or in association with others, anywhere in the world:

(a) Except for business now being conducted by Source One, directly or indirectly, run, own, manage, operate, control, provide consulting services to, be a manager of, participate in, lend its name to, invest in or be connected in any manner with the management, ownership, operation or control of any business, venture or activity that (i) competes with the Business or any part thereof as conducted on the date hereof (including without limitation acting as an automotive and/or truck part retailer, including but not limited to selling at retail, truck and or automotive aftermarket parts and accessories on the web or by mail order, or any similar or related activities or (ii) in any way make or may make sales similar to those provided by the Business. The Seller shall not be considered to be in default of this Section 13.1 (a) solely by (i) virtue of holding for portfolio purposes as a passive investor not more than two percent (2%) of the issued and outstanding equity securities of a corporation, the equity securities of which are listed or quoted on a stock exchange or an over-the-counter market within the United States;

(b) directly or indirectly without the prior written consent of Buyer recruit, offer employment, engage as a consultant, lure or entice away or in any other manner persuade or attempt to persuade any person who is an employee or consultant of Buyer or any subsidiary, group, or division of Buyer or any Affiliate thereof (including Buyer), to leave the employ of, or reduce his or her services to Buyer unless such person has been terminated by Buyer or an Affiliate of Buyer;

(c) contact any past or present known to be retail customers of the Business for the purpose of providing or selling parts;

(d) contact any past, present or potential vendor, supplier or other provider or the Business for the purpose of obtaining any services or commodities if the effect thereof could be to reduce the amount or level of such services or commodities available to Buyer or its subsidiaries;

(e) disclose the customers or customer transaction history of the Business, whether in existence or proposed, to any Person, firm for any reason or purpose whatsoever; or

(f) notwithstanding any provision hereof to the contrary, the Seller may continue to engage in the wholesale business and conduct on site sales at retail of discontinued and overstocked merchandise, only after offering same to the Buyer at the reduced price for liquidation.

13.2 *Damages.* Because of the difficulty of measuring economic losses to Buyer as a result of the breach of any of the foregoing covenants, and because of the immediate and irreparable damage that would be caused to Buyer for which it would have no other adequate remedy, the Seller agrees that, in the event of a breach by it of any of the covenants set forth in this Section 13, Buyer may, at its option, in addition to obtaining any other remedy or relief available to them (including without limitation damages at law), enforce the provisions of this Section 13 by injunction and other equitable relief.

13.3 *Reasonable Restraint.* The parties agree that the covenants contained in this Section 13 impose a reasonable restraint on the Seller in light of the activities and business of the Business and the future plans of Buyer.

13.4 *Severability; Reformation.* The covenants in this Section 13 are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. In the event any court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth in this Section 13 are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent that the court deems reasonable, and the provisions of this Section 13 shall thereby be reformed.

13.5 *Independent Covenants.*

(a) Each of the covenants contained in this Section 13 shall be construed as a covenant independent of any other provision of this Agreement, and the existence of any claim or cause of action of Seller, Buyer or any of their respective subsidiaries, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by Buyer of such covenants.

(b) The Noncompete Period shall be computed by excluding from such computation any time during which the Seller is in violation of any provision of this Section 13 and if the Buyer is successful and the Court so Orders, any time during which there is pending in any court of competent jurisdiction any action (including any appeal from any judgment) brought by any person, whether or not a party to this Agreement, in which action Buyer seeks to enforce the covenants contained in this Section 13 or in which any person contests the validity or enforceability of any such covenant or seeks to avoid the performance or enforcement of any such covenant.

13.6 *Materiality.* The Seller acknowledges and agrees that the covenants set forth in this Section 13 are a material and substantial part of this transaction.

14. NONDISCLOSURE OF CONFIDENTIAL INFORMATION

14.1 *Seller.* The Seller recognizes and acknowledges that it has in the past, currently has, and in the future may possibly have, access to (a) certain confidential information about the Business and the Assets, such as lists of customers, operational policies, and pricing and cost policies that are valuable, special and unique assets of the Business, and (b) certain confidential information about Buyer and its subsidiaries. The Seller agrees that it will not use such confidential information or disclose such confidential information to any person or entity for any purpose or reason whatsoever, except to authorized representatives of Buyer, unless such information becomes known to the public generally through no fault of any Seller or unless such Seller is required by law to disclose such information. If any Seller is requested to provide such information pursuant to requirements of applicable law, the Seller shall notify Buyer as promptly as possible and shall allow Buyer the opportunity to oppose such request. In the event of a breach or threatened breach by a Seller of the provisions of this Section, Buyer shall be entitled to seek an injunction restraining the Seller from disclosing, in whole or in part, such confidential information. Nothing contained herein shall be construed as prohibiting Buyer from pursuing any other available remedy for such breach or threatened breach, including the recovery of damages or as prohibiting Seller from conducting its remaining business as now conducted.

14.2 *Buyer.* Buyer recognizes and acknowledges that prior to the Closing Date it will have access to certain confidential information of the Seller, such as lists of customers, operational policies, pricing and cost policies that are valuable, special and unique assets of the Seller. This confidential information has been provided to Buyer and its representatives for the purpose of evaluating the transactions contemplated by this Agreement. Buyer agrees, that, without the prior written consent of the Seller, prior to the Closing and following any termination of this Agreement, they will not use such confidential information other than for the purposes for which it has been provided and will not disclose such confidential information to any person or entity for any purpose or reason whatsoever, unless such information becomes known to the public generally through no fault of Buyer, or unless Buyer is required by law to disclose such information. If Buyer is requested to provide such information pursuant to the requirements of applicable law, Buyer shall notify the Seller as promptly as possible and shall allow the Seller to oppose such request. In the event of a breach or threatened breach by Buyer of the provisions of this Section, the Seller shall be entitled to an injunction restraining Buyer from disclosing, in whole or in part, such confidential information. Nothing contained herein shall be construed as prohibiting the Seller from pursuing any other available remedy for such breach or threatened breach, including the recovery of damages.

14.3 *Damages.* Because of the difficulty of measuring economic losses as a result of the breach of the foregoing covenants, and because of the immediate and irreparable damage that would be caused for which they would have no other adequate remedy, Buyer and Sellers agree that, in the event of a breach by any of them of the foregoing covenants, the covenants may be enforced by injunctions and other equitable relief.

13. GENERAL

15.1 *Cooperation.* The Seller and Buyer shall each deliver or cause to be delivered to the other at the Closing, and at such other times and places as shall be reasonably agreed to, such additional instruments as the other may reasonably request for the purpose of consummating the transactions contemplated by this Agreement. The Seller will cooperate and use its best efforts to have the officers, directors and employees of the Seller cooperate with Buyer after the Closing in furnishing information, evidence, testimony and other assistance in connection with any actions, proceedings, arrangements or disputes of any nature with respect to matters pertaining to all periods prior to the Closing.

15.2 *Effect of Investigation; Best Knowledge*

(a) No investigation by the parties hereto in connection with this Agreement or otherwise shall affect the representations and warranties of the parties contained herein or in any certificate or other document delivered in connection herewith and each such representation and warranty shall survive such investigation.

(b) When a representation or warranty contained herein or in any certificate or other document delivered in connection herewith is made to the "best knowledge" of a party, such party shall be deemed to know all facts and circumstances that a reasonable investigation of the subject matter of such representation and warranty would reveal.

15.3 *Successors and Assigns.* This Agreement and the rights of the parties hereunder may not be assigned (except by operation of law) and shall be binding upon and shall inure to the benefit of the parties hereto, their successors and permitted assigns and the heirs and legal representatives of any individual party hereto.

15.4 *Entire Agreement.* This Agreement (including the schedules and annexes attached hereto) and the documents and instruments delivered pursuant hereto constitute the entire agreement and understanding among the Seller and Buyer with respect to the subject matter hereof and supersede all prior and current understandings and agreements, whether written or oral, with respect to the subject matter hereof. This Agreement may be modified or amended only by a written instrument executed by the Seller and Buyer.

15.5 *Counterparts.* This Agreement may be executed in any number of counterparts, which together shall constitute one instrument.

15.6 *Expenses.* Whether or not the transactions contemplated hereby are consummated, Buyer and Seller will pay the fees and expenses of their respective agents, representatives, accountants and counsel incurred in connection with this Agreement and the transactions contemplated hereby.

15.7 *Notices.* All notices, demands or communications required or permitted hereunder shall be in writing. Any notice, demand or other communication given under this Agreement shall be deemed to be given if given in writing (including telecopy or

similar transmission) addressed as provided below (or at such other address as the addressee shall have specified by notice actually received by the addresser) and if either (a) actually delivered in fully legible form, to such address or (b) in the case of a letter, five days shall have elapsed after the same shall have been deposited in the United States mails, with first-class postage prepaid and registered or certified.

If to Buyer, addressed to them at:

Quadratex, Inc.
1028 Saunders Lane
West Chester, PA 19380

with a copy to:

John Maida, Esq.
1000 Germantown Pike, Unit B-8
Plymouth Meeting, PA 19462
Tel: (610) 277-6300
Fax: (610) 277-6418

If to the Seller, addressed to them at:

Steel Horse Automotive Accessories, Inc.
601 West Walnut
Compton, CA 90220
Fax 310 537 7343

with a copy to:

Paul, Hastings Janofsky & Walker, LLP
Peter Tennyson, Esquire
695 Towne Center Drive, 17th Floor
Costa Mesa, CA 92626
Fax (714) 979 1921

15.8 *Governing Law.* This Agreement shall be construed in accordance with the laws of the State of California, with venue in Orange County, California.

15.9 *Exercise of Rights and Remedies.* No delay of or omission in the exercise of any right, power or remedy accruing to any party as a result of any breach or default by any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of any similar breach or default occurring later; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

15.10 *No Third-Party Beneficiaries.* This Agreement is not intended to be for the benefit of and shall not be enforceable by any person who or which is not a party hereto (or

a permitted assign or successor to such party) other than persons entitled to indemnification under Section 11.

15.11 *Reformation and Severability.* In case any provision of this Agreement shall be invalid, illegal or unenforceable, it shall, to the extent possible, be modified in such manner as to be valid, legal and enforceable but so as to most nearly retain the intent of the parties, and if such modification is not possible, such provision shall be severed from this Agreement, and in either case the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

15.12 *Arbitration.*

(a) Generally, except solely as set forth in §§ 13.5, 14.1, 14.2 and § 15.12(c) hereof, each dispute, difference, controversy or claim arising in connection with or related or incidental to, or question occurring under, this Agreement, or the subject matter hereof or thereof shall be finally settled under the Arbitration Rules of JAMS/ENDISPUTE by an arbitral panel composed of one or three arbitrators, at least one of whom shall be experienced in corporate transactions, appointed by agreement of the parties. In the event the parties fail to agree upon a panel of arbitrators from the first list of potential arbitrators proposed by JAMS/ENDISPUTE, the JAMS/ENDISPUTE will submit a select the panel. If, at the time of the arbitration, the parties agree in writing to submit the dispute to a single arbitrator, said single arbitrator shall be appointed by agreement of the parties in accordance with the foregoing procedure, or, failing such agreement, by the JAMS/ENDISPUTE in accordance with said Rules. The foregoing arbitration proceedings may be commenced by any party by notice to all other parties.

(b) *Place of Arbitration.* The venue of such arbitration shall be Orange County, California or any other place mutually agreed to by Buyer and Seller.

(c) Subject to §§ 13.5, 14.1 and 14.2 hereof, the parties hereby exclude any right of appeal to any court on the merits of the dispute. The provisions of this § 15.12 may be enforced in any court having jurisdiction over the award or any of the parties or any of their respective assets, and judgment on the award (including without limitation equitable remedies) granted in any arbitration hereunder may be entered in any such court. Nothing contained in this § 15.12 shall prevent any party from seeking interim measures of protection in the form of pre-award attachment of assets or preliminary or temporary equitable relief.

(d) The arbitrators shall have the power to award to the prevailing party in any such dispute its reasonable legal fees and expenses.

[SIGNATURE PAGE FOLLOWS]

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

STEEL HORSE AUTOMOTIVE ACCESSORIES

By: _____
Title:

QUADRATEC, INC.

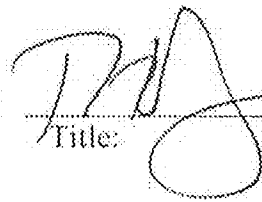
By: _____
Title:

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

STEEL HORSE AUTOMOTIVE ACCESSORIES

By: _____
Title:

QUADRATEC, INC.

By:  _____
Title: *PRESIDENT-SECRETARY*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

STEEL HORSE AUTOMOTIVE . SSORIES,

By:

Title:

[Handwritten signature]
[Handwritten: CEO]

QUADRATEC, INC.

By:

Title:

PROMISSORY NOTE

\$1,500,000.00

June 30, 2000

FOR VALUE RECEIVED, the undersigned, Quadratic, Inc. a Pennsylvania Corporation (hereinafter called "Maker"), hereby promises to pay to the order of Steel Horse Automotive Accessories, Inc., a California Corporation ("Payee"), at its address designated below, the principal sum of One Million Five Hundred Thousand and 00/100 (\$1,500,000.00) Dollars ("Principal Sum"), together with interest from July 1, 2000, the date the debt begins to accrue interest, until paid, at the rate and on the terms set forth herein, as follows:

(a) Payment Terms. The principal and interest shall be payable as follows:

Principal and Interest on the amount of the sum advanced hereunder at the rate specified herein below shall be due and payable quarterly for a term of twelve (12) consecutive quarters on the following dates: July 1, October 1, January 1 and April 1, by installments in the sum set forth on the attached Exhibit "A" hereby made a part hereof commencing July 1, 2001. The entire unpaid principal balance of this Note plus accrued but unpaid interest and all other sums due hereunder, shall be due and payable on July 1, 2005 ("Maturity").

(b) Interest Rate. Interest shall accrue annually on the unpaid principal balance at a rate of seven percent (7%) per annum, until paid.

If any payment of principal or interest due under this Note shall become due on a Saturday, Sunday or public holiday under the laws of the State of California or on any other day which banking institutions are authorized or obligated by law to close in the State of California, then such payment shall be made on the next succeeding business day.

The principal and interest payments are to be made in lawful money of the United States of America.

The principal balance of the Principal Sum accrued and unpaid on this Note shall become immediately due and payable in full without further notice to or demand on Payee of any kind and without presentation, demand or protest, all of which are hereby waived by Maker, upon the occurrence of one or more of the following Events of Default:

(1) Default shall be made by Maker in any payment payable hereunder when and as the same shall become due and payable, and the Maker has not remedied such payment within a period of fifteen (15) days (the "Grace Period");

(2) (i) An order for relief under the Bankruptcy Code is entered against Maker; (ii) A

trustee, receiver, conservator, custodian or other judicial representative, similar or dissimilar, is appointed for Maker or for all or a substantial part of Maker's property or any court takes jurisdiction of all or a substantial part of Maker's property, and such trustee, receiver, conservator, custodian or other judicial representative is not discharged or such jurisdiction relinquished, vacated or stayed within 60 days; (iii) Bankruptcy, reorganization, readjustment, arrangement, or liquidation proceedings, state or federal, are commenced by or against Maker; (iv) Maker become insolvent in either the bankruptcy or equity sense; (v) Maker makes an assignment for the benefit of creditors or a composition arrangement with its creditors, or admits in writing its inability to pay its debts generally as they become due; (vi) Attachment of, execution against levy upon, repossession of or other seizure of all or substantially all of Maker's property occurs; (vii) Cessation of Maker's business; or (viii) Maker takes any action with respect to or in connection with dissolution, liquidation, merger, consolidation or termination of existence, or the sale or other disposition of all or substantially all of its assets;

(3) Maker defaults (i) in any payment of principal, or any other payment of money due under, any other obligation for borrowed money beyond any period of grace provided with respect thereto, which default is not timely cured, or (ii) in the performance of the terms of the Asset Purchase Agreement and/or License Agreement, each dated June 30, 2000, between the Payee and the Maker or of any other agreement, term or condition contained in any agreement under which any such obligation is created if such default causes such obligation to become due prior to its stated maturity;

(4) Entry of judgment against, issuance of attachment or garnishment or filing of a lien against Maker, which such action impacts on the inventory of the Maker;

(5) The sale by the Maker of the Business, as such term is defined in the Asset Purchase Agreement between the Maker and Payee entered into for the purposes giving rise to the Note; or

(6) Maker's failure to perform or observe any term, covenant, agreement or condition contained herein, or there shall occur any default under, or as defined in the Agreement between Maker and Payee aforesaid, which shall not be remedied within a period of fifteen (15) days, the Grace Period.

Any notice required or permitted hereunder shall be hand delivered or sent by certified mail, return receipt requested, to the following addresses, or such other address as Maker, Payee or the holder hereof may respectively hereafter notify the other in writing:

To Maker at:
Quadratex, Inc.
1028 Saunders Lane
West Chester, PA 19380
Fax: 610 701 2402

John D. Maida, Esquire
Plymouth Greene Office Campus
1000 Germantown Pike B8
Plymouth Meeting, PA 19462

To Payee at:
Steel Horse Automotive Accessories, Inc.
601 West Walnut
Campton, CA 90220
Fax: 310 537 7343
with a copy to:
Paul, Hastings Janofsky & Walker, LLP
Peter Tennyson, Esquire
695 Towne Center Drive , 17th Floor
Costa Mesa, CA 92626
Fax (714) 9791921

All the covenants, stipulations, promises and agreements in this Note by or on behalf of Maker shall bind its successors and assigns, whether so expressed or not, and shall inure to the benefit of Payee and their heirs, executors and assigns.

This Note shall be construed in accordance with the internal laws of the State of California.

Any failure of Payee or the holder hereof to exercise any right hereunder shall not be construed as a waiver of the right to exercise the same or any other right at any other time..

If any part of this Note is adjudged illegal, invalid or unenforceable, the remainder hereof shall not be affected thereby.

IN WITNESS WHEREOF, Maker has executed this instrument on the date first above written.

Quadrtec, Inc

By: _____

President

Attest: _____

Secretary

EXHIBIT A
TO NOTE FROM QUADRATEC, INC. TO
SYEEL HORSE AUTOMOTIVE ACCESSORIES, INC.

Maker agrees to pay Payee the principal balance of the Note over the term thereof, together with interest of seven (7%) per cent per annum on the declining balance as follows: (i) Principle payments - during the first and initial twelve (12) month term of the obligation, Maker shall pay Payee on October 1, 2000, January 1, 2001, April 1, 2001 and July 1, 2001, the sum of \$150,000.00 each thereby reducing principal to \$900,000.00. Thereafter, on each of the next twelve (12) corresponding quarterly dates (October 1, January 1, April 1, and July 1), Maker shall pay Payee the sum of \$75,000.00. The final payment will be adjusted to reflect the then remaining balance on the Note due to adjustments made at closing on the principle balance of the Note, if any, in the Inventory Price, as set forth in the Asset Purchase Agreement. Payee is hereby granted the right at anytime and in any sum to reduce principal on the Note provided it is current on all obligations thereunder for interest; (ii) Interest payments - during the term of the obligation interest accrued on the declining balance of the Note shall be paid to Payee by Maker no less frequently than on July 1, 2001 and concurrent with each of the quarterly principal payments due thereafter.

BILL OF SALE AGREEMENT

For value received, Fleet Capital Corporation, as agent for itself and Standard Federal Bank (jointly the "Lenders"), as secured party and pursuant to a UCC private sale of foreclosure, does hereby sell, transfer, and convey to Quadratec, Inc., a Pennsylvania corporation ("Buyer"), pursuant to the California Commercial Code, all of the interest of Steel Horse Automotive Accessories, Inc., a California corporation ("Steel Horse"), in the following property: All of lenders' rights in all of the intellectual property used in the operation of Steel Horse's business including patents, copyrights, trademarks, inventions, names, telephone numbers, domain names, trade secrets and those assets (without duplication of those assets described above) more particularly described on Schedule 1 attached hereto.

The above described Property has been sold by the Lenders in the exercise of their rights as secured parties under a security agreement made by Steel Horse in favor of the Lenders. The Lenders are neither a manufacturer nor distributor of, nor dealer or merchant in, said Property.

Lenders shall take any and all actions, either on or after Closing Date, reasonably requested by Buyer to permit Buyer to use the Telephone Numbers of Steel Horse on and after the Closing Date.

Lenders shall take any and all actions, either on or after the Closing Date, reasonably requested by Buyer, to permit Buyer to become the owner of the Internet domain name registration for www.acmetruckparts.com and any other domain name under which Steel Horse conducts its business.

SCHEDULE 1

PROPRIETARY RIGHTS

Trademark Applications

<u>Mark</u>	Application Number
ACME	76/227,753
ACME (stylized)	76/227,841

Common Law Trademarks

ACME

ACME (stylized)

ACME TRUCK PARTS

ACME TRUCK PARTS (stylized)

Domain Name

www.acmetruckparts.com

BILL OF SALE AGREEMENT

For value received, Fleet Capital Corporation, as agent for itself and Standard Federal Bank (jointly the "Lenders"), as secured party and pursuant to a UCC private sale of foreclosure, does hereby sell, transfer, and convey to Quadratic, Inc., a Pennsylvania corporation ("Buyer"), pursuant to the California Commercial Code, all of the right, title and interest of Steel Horse Automotive Accessories, Inc., a California corporation ("Steel Horse"), in the following personal property: The trade names and marks "Acme" and "Acme Truck Parts", both in their non-stylized and stylized forms (collectively, the "Marks"), together with the good will and all rights, title and interest associated therewith, and the rights to register the Marks with the United States Patent and Trademark Office or any other agency (collectively, the "Property").

The above described Property has been sold by the Lenders in the exercise of their rights as secured parties under a security agreement made by Steel Horse in favor of the Lenders. The Lenders are neither a manufacturer nor distributor of, nor dealer or merchant in, said Property.

The Lenders make no warranty of title, enforceability or collectability of said Property and no warranty that said Property is free of liens or claims in favor of others. In addition, the Lenders make no warranty of merchantability, quality or fitness or any other express or implied warranties or representations in respect to said Property, which Property is sold in an "AS IS, WHERE IS" condition, with all faults. There are no warranties which extend beyond the description on the face hereof. By acceptance of delivery of said Property, Buyer affirms that it has not relied on the Lenders' skill or judgment to select or furnish said Property for any particular purpose, and that the Lenders make no warranty that said Property is fit for any particular purpose and that there are no representations or warranties, expressed, implied or statutory, that extend beyond the description of said Property above set forth. Except as set forth below, Buyer further agrees and acknowledges that Lenders have made no representation or warranty and shall have no liability regarding (i) Lenders' ownership or interest in the Property, (ii) the right of the Buyer to acquire rights in, register with United States Patent and Trademark Office or any other agency, or to utilize, any of the Property, (iii) the right of the Buyer to compel the transfer into the Buyer's name of any of the Property, (iv) whether the Property actually exists, and if so, the quantity of the Property and (v) the value of the Property. Sales taxes or the like, if any, shall be the responsibility of Buyer.

Lenders represent that there has not been an assignment made or suffered against their rights in or under the loan documents that impair their ability to foreclose their security interest.

Lenders agree to execute and deliver such additional documents as may be reasonably necessary to achieve the substance of this Bill of Sale and the underlying transaction, and to cooperate with Buyer in the execution of any documentation needed for the recordation of this sale, provided the Lenders incur no expense in doing so.

This is a final and exclusive expression of the agreement of the Lenders and Buyer and no course of dealing or usage of trade or course of performance shall be relevant to explain or supplement any term expressed in this agreement.

By acceptance of delivery of said Property, Buyer acknowledges that Buyer has either examined said Property, and the books and records relating thereto as fully as desired, or has been given the opportunity for such examination and has refused to make such examination.

The consideration for the Lenders' transfer of the Property to the Buyer is Buyer's concurrent payment to the Lenders of the remaining payments due under that certain Promissory Note dated June 30, 2000 in the face amount of \$1,500,000, with Buyer as the obligor and Steel Horse as the obligee (the "Payment"). This Bill of Sale Agreement and the transfer of the Property hereunder shall not be effective unless and until the Lenders have received the Payment in good funds.

Buyer and the Lenders agree to execute any further documents required to implement the terms hereof.

In the event of any litigation regarding this Bill Of Sale Agreement, the prevailing party shall recover its reasonable attorneys' fees and costs.

EACH OF THE PARTIES HERETO WAIVES THE RIGHT OF TRIAL BY JURY WITH RESPECT TO THIS BILL OF SALE AGREEMENT AND ANY CLAIM, IN CONTRACT, OR IN TORT, ARISING FROM OR RELATING THERETO.

[signatures on following page]

03143C0147



UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Please return copy to:

CT CORPORATION SYSTEM
 Attn: Chantel Lloyd/UCC/TEAM 1
 915 L Street, Suite 1440
 Sacramento, CA 95814

FILED
 SACRAMENTO, CA
 MAY 22, 2003 AT 0113
 KEVIN SHELLEY
 SECRETARY OF STATE

THE ABOVE SPA

1a INITIAL FINANCING STATEMENT FILE# 9804860949 filed 02/13/1998 CA SOS

1b THIS FINANCING STATEMENT AMENDMENT IS to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (all or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name changed) in item 7a or 7b and/or new address (if address change) in item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION

6a. ORGANIZATION'S NAME
 Steel Horse Automotive Accessories, Inc.

OR 6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR 7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. TAX I.D.#: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL I.D.#: if any NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box
 Describe collateral deleted or added, or give order reclassified collateral description, or describe collateral assigned

See Exhibit A attached hereto and incorporated herein by this reference.

COPY

9. NAME of SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment) If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment

9a. ORGANIZATION'S NAME
 Fleet Capital Corporation, as Agent

OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA

5856456-01

Exhibit A

1. The trade names and marks "Acme" and "Acme Truck Parts," both in their non-stylized and stylized forms (collectively, the "Marks"), together with the goodwill and all rights, title and interest specifically associated therewith, and the rights to register the Marks with the United States Patent and Trademark Office or any other agency.
2. Debtor's right, title and interest in the assets identified and set forth in the Bill of Sale dated June 30, 2000, between Steel Horse Automotive Accessories, Inc. and Quadratic, Inc., as of June 30, 2000 only, with respect to the Acme Truck Parts retail mail order catalogue and internet business (but excluding assets used with respect to the Acme Truck Parts wholesale division).
3. Except for those assets specifically described in Sections 1 and 2 hereinabove, Secured Party is not releasing any other right, title, assets, interests and properties (both tangible and intangible) of Debtor, including without limitation:
 - a. Cash and Liquid funds;
 - b. Accounts receivable;
 - c. Inventories of products manufactured by Steel Horse Automotive Accessories, Inc. or one of its affiliates, or sold under the "Steel Horse" name or the name of any of its affiliates.

COPY

03143C0163



UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Please return copy to:

CT CORPORATION SYSTEM
 Attn: Chantel Lloyd/UCC/TEAM 1
 915 L Street, Suite 1440
 Sacramento, CA 95814

FILED
 SACRAMENTO, CA
 MAY 22, 2003 AT 1035
 KEVIN SHELLEY
 SECRETARY OF STATE

THE ABOVE S

1a INITIAL FINANCING STATEMENT FILE# 0001860141
 Filed 01/13/2000
 CA SOS
 1b THE FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2 TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3 CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4 ASSIGNMENT (Art or part): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5 AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.

DELETE name: Give record name to be deleted in item 6a or 6b.

ADD name: Complete item 7a or 7b, and also item 7c; also complete item 7d-7g (if applicable).

6 CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME
 Steel Horse Automotive Accessories, Inc.

OR 6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7 CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR 7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. TAX ID #: SSN OR EIN ADDL INFO RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL I.D.#, if any NONE

8 AMENDMENT (COLLATERAL CHANGE); check only one box
 Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned

See Exhibit A attached hereto and incorporated herein by this reference.

COPY

9. NAME of SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
 Fleet Capital Corporation, as Agent

OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10 OPTIONAL FILER REFERENCE DATA
 5856456-03

Exhibit A

1. The trade names and marks "Acme" and "Acme Truck Parts," both in their non-stylized and stylized forms (collectively, the "Marks"), together with the goodwill and all rights, title and interest specifically associated therewith, and the rights to register the Marks with the United States Patent and Trademark Office or any other agency.
2. Debtor's right, title and interest in the assets identified and set forth in the Bill of Sale dated June 30, 2000, between Steel Horse Automotive Accessories, Inc. and Quadratec, Inc., as of June 30, 2000 only, with respect to the Acme Truck Parts retail mail order catalogue and internet business (but excluding assets used with respect to the Acme Truck Parts wholesale division).
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 - a. Cash and Liquid funds;
 - b. Accounts receivable;
 - c. Inventories of products manufactured by Steel Horse Automotive Accessories, Inc. or one of its affiliates, or sold under the "Steel Horse" name or the name of any of its affiliates.

COPY

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UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Please return copy to: 7
CT CORPORATION SYSTEM
 Attn: Chantel Lloyd/UCC/TEAM 1
 915 L Street, Suite 1440
 Sacramento, CA 95814

J

FILED
 SACRAMENTO, CA
 MAY 22, 2003 AT 1035
 KEVIN SHELLEY
 SECRETARY OF STATE

THE ABOVE SPAC.

1a. INITIAL FINANCING STATEMENT FILE# **0224960430** filed **09/05/2002** CA SOS THIS FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (All or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of those two boxes. Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.
 CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.
 DELETE name: Give record name to be deleted in item 6a or 6b.
 ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7n (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME
Steel Horse Automotive Accessories, Inc.

OR 6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR 7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. TAX ID #: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL: D & A only NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box
 Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned

See Exhibit A attached hereto and incorporated herein by this reference.

COPY

9. NAME of SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment) If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Fleet Capital Corporation, as Agent

OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA **5850456-05**

Exhibit A

1. The trade names and marks "Acme" and "Acme Truck Parts," both in their non-stylized and stylized forms (collectively, the "Marks"), together with the goodwill and all rights, title and interest specifically associated therewith, and the rights to register the Marks with the United States Patent and Trademark Office or any other agency.
2. Debtor's right, title and interest in the assets identified and set forth in the Bill of Sale dated June 30, 2000, between Steel Horse Automotive Accessories, Inc. and Quadratec, Inc., as of June 30, 2000 only, with respect to the Acme Truck Parts retail mail order catalogue and internet business (but excluding assets used with respect to the Acme Truck Parts wholesale division).
3. Except for those assets specifically described in Sections 1 and 2 hereinabove, Secured Party is not releasing any other right, title, assets, interests and properties (both tangible and intangible) of Debtor, including without limitation:
 - a. Cash and Liquid funds;
 - b. Accounts receivable;
 - c. Inventories of products manufactured by Steel Horse Automotive Accessories, Inc. or one of its affiliates, or sold under the "Steel Horse" name or the name of any of its affiliates.

COPY

MAY 22 2003

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

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Original will be returned when
processing has been completed.
LOS ANGELES COUNTY REGISTRAR - RECORDER

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. SEND ACKNOWLEDGMENT TO: (Name and Address)
Please return copy to:
CT CORPORATION SYSTEM
Attn: Chantel Lloyd/UCC/TEAM 2
1350 Treat Blvd., Suite 100
Walnut Creek, CA 94597-2152
(800) 874-8820

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE# 98-447816 filed 03/18/1998 Los Angeles Co., CA
1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.
2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.
3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.
4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.
5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.
6. CURRENT RECORD INFORMATION:
6a. ORGANIZATION'S NAME Steel Horse Automotive Accessories, Inc.
OR 6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX
7. CHANGED (NEW) OR ADDED INFORMATION:
7a. ORGANIZATION'S NAME
OR 7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX
7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
7d. TAX I.D.#, SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL I.D.#, if any NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral deleted or added, or give entire collateral description, or describe collateral assigned.

See Exhibit A attached hereto for description of the collateral deleted

This financing statement covers goods that are or may become fixtures on the real property located in the County of Los Angeles, State of California, as more particularly described in Section 14 of the UCC Financing Statement Addendum attached hereto. This financing statement is to be recorded in the real estate records of the above-referenced county. The name of the record owner of the real property is Lapco Industrial Parks, a California joint venture.

9. NAME of SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.
9a. ORGANIZATION'S NAME Fleet Capital Corporation, as Agent
OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA 5856456-07

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME

Steel Horse Automotive Accessories, Inc.

OR 9b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

No. 98-447816
Filed 03/18/1998

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTORS EXACT FULL LEGAL NAME - insert only one debtor name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR 11b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

11a. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

11b. TAX I.D.# SSN OR EIN

ADD'L INFO RE ORGANIZATION DEBTOR

11c. TYPE OF ORGANIZATION

11d. JURISDICTION OF ORGANIZATION

11e. ORGANIZATIONAL I.D.#, if any

NONE

12. ADDITIONAL SECURED PARTYS or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

OR 12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

12c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.

14. Description of real estate:

See Exhibit B attached hereto.

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

Lapco Industrial Parks, a California joint venture

17. Check only if applicable and check only one box.

Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box.

Debtor is a TRANSMITTING UTILITY

Filed in connection with a Manufactured-Home Transaction - effective 30 years

Filed in connection with a Public-Finance Transaction - effective 30 years

Exhibit A

1. The trade names and marks "Acme" and "Acme Truck Parts," both in their non-stylized and stylized forms (collectively, the "Marks"), together with the goodwill and all rights, title and interest specifically associated therewith, and the rights to register the Marks with the United States Patent and Trademark Office or any other agency.
2. Debtor's right, title and interest in the assets identified and set forth in the Bill of Sale dated June 30, 2000, between Steel Horse Automotive Accessories, Inc. and Quadratic, Inc., as of June 30, 2000 only, with respect to the Acme Truck Parts retail mail order catalogue and internet business (but excluding assets used with respect to the Acme Truck Parts wholesale division).
3. Except for those assets specifically described in Sections 1 and 2 hereinabove, Secured Party is not releasing any other right, title, assets, interests and properties (both tangible and intangible) of Debtor, including without limitation:
 - a. Cash and Liquid funds;
 - b. Accounts receivable;
 - c. Inventories of products manufactured by Steel Horse Automotive Accessories, Inc. or one of its affiliates, or sold under the "Steel Horse" name or the name of any of its affiliates.

EXHIBIT B

LEGAL DESCRIPTION OF THE LAND

All that certain real property situate in the City of Compton, County of Los Angeles, State of California and being a portion of Lot 3 as said Lot is shown on that certain Map entitled "PARCEL MAP NO. 1604" recorded in Book 26 at pages 53 and 54 of Parcel Maps in the office of the recorder of said County, said portion being more particularly described as follows:

Beginning at the southwest corner of said Lot 3, thence from said Point of Beginning along the southerly line of said Lot North $87^{\circ} 55' 21''$ East 683.90 feet; thence leaving said southerly line and parallel with the westerly line of said lot North $2^{\circ} 04' 39''$ West 584.89 feet to a point on the northerly line of said Lot 3; thence along said northerly line South $87^{\circ} 55' 21''$ West 683.90 feet to the northwest corner of said Lot 3; thence along the westerly line of said Lot South $2^{\circ} 04' 39''$ East 584.89 feet to the Point of Beginning.

RESERVING THEREFROM an easement for Railroad Drill Track, storm drain, utility and related purposes over the northerly 15.00 feet of the above described parcel.

Also RESERVING THEREFROM an easement for railroad spur track over that portion of the above described parcel, described as follows: Beginning at a point on the westerly line of the above said Lot 3 distant thereon South $2^{\circ} 04' 39''$ East 38.87 feet from the northwest corner of said Lot; thence easterly from said Point of Beginning tangent to a line that bears North $76^{\circ} 36' 04''$ East along the arc of a curve to the left having a radius of 392.24 feet and a central angle of $2^{\circ} 39' 06''$ an arc length of 18.15 feet; thence tangent to the preceding curve North $73^{\circ} 56' 58''$ East 50.00 feet; thence tangent to the preceding course along the arc of a curve to the right having a radius of 372.24 feet and a central angle of $5^{\circ} 48' 07''$, a length of 37.69 feet; thence tangent to the preceding curve North $79^{\circ} 45' 05''$ East 4.11 feet to a point on a line that is parallel with and perpendicular to said Lot 3; thence along last said parallel line South $87^{\circ} 55' 21''$ West 107.27 feet to a point on the westerly line of said Lot 3; thence along said westerly line South $2^{\circ} 04' 39''$ East 23.87 feet to the Point of Beginning.

MAY 22 2003

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Original will be returned when
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LOS ANGELES COUNTY REGISTRAR - RECORDER

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Please return copy to:

CT CORPORATION SYSTEM

Attn: Chantel Lloyd/UCC/TEAM 2

1350 Treat Blvd., Suite 100

Walnut Creek, CA 94597-2152

(800) 874-8820

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE# **00-0061769** filed **01/14/2000** Los Angeles Co., CA

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing the Termination Statement.

3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. **ASSIGNMENT (full or partial):** Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assigner in item 8.

5. **AMENDMENT (PARTY INFORMATION):** This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.

DELETE name: Give record name to be deleted in item 6a or 6b.

ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME
Steel Horse Automotive Accessories, Inc.

OR 6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR 7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. TAX I.D.#, SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL I.D.#, if any NONE

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.
Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

See Exhibit A attached hereto for description of the collateral deleted

This financing statement covers goods that are or may become fixtures on the real property located in the County of Los Angeles, State of California, as more particularly described in Section 14 of the UCC Financing Statement Addendum attached hereto. This financing statement is to be recorded in the real estate records of the above-referenced county. The name of the record owner of the real property is Lapco Industrial Parks, a California joint venture.

9. **NAME of SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assigner, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment

9a. ORGANIZATION'S NAME
Fleet Capital Corporation, as Agent

OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA **5856456-9**

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT		
9a. ORGANIZATION'S NAME		
Steel Horse Automotive Accessories, Inc.		
OR 9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

No. 98-447816
Filed 03/18/1998

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTORS EXACT FULL LEGAL NAME - insert only one debtor name (11a or 11b) - do not abbreviate or combine names				
11a. ORGANIZATION'S NAME				
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
11d. TAX ID.# SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID.#, if any <input type="checkbox"/> NONE

12. <input type="checkbox"/> ADDITIONAL SECURED PARTY'S or <input type="checkbox"/> ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)				
12a. ORGANIZATION'S NAME				
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.

14. Description of real estate:

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16. Additional collateral description:

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17. Check only if applicable and check only one box. Debtor is a <input type="checkbox"/> Trust or <input type="checkbox"/> Trustee acting with respect to property held in trust or <input type="checkbox"/> Decedent's Estate
18. Check only if applicable and check only one box. <input type="checkbox"/> Debtor is a TRANSMITTING UTILITY <input type="checkbox"/> Filed in connection with a Manufactured-Home Transaction - effective 30 years <input type="checkbox"/> Filed in connection with a Public-Finance Transaction - effective 30 years

debtor: Steel Horse Automotive Accessories, Inc.

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 - b. Accounts receivable;
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debtor: Steel Horse Automotive Accessories, Inc.

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