

Exhibit A

ASSET PURCHASE AGREEMENT

dated as of May 4, 2009

among

YH AMERICA SOUTH CAROLINA LLC,

YH AMERICA, INC.,

and

CAROLINA FLUID HANDLING INTERMEDIATE HOLDING CORP.

and

THE OTHER SELLERS NAMED HEREIN

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made and entered into as of this 4th day of May, 2009, by and among Carolina Fluid Handling Intermediate Holding Corp., a Delaware corporation ("ParentCo"), and each of the subsidiaries listed on the signature page to this Agreement (each, a "Seller" and collectively, "Sellers"), YH America South Carolina LLC, a Delaware limited liability company and wholly-owned subsidiary of Parent, as defined below ("Purchaser"), and, to the limited extent set forth herein, YH America, Inc., a Delaware corporation ("Parent").

WHEREAS, Purchaser desires to purchase, and Sellers desire to sell, convey, assign, transfer and deliver to Purchaser certain assets relating to the Business.

NOW, THEREFORE, BE IT RESOLVED, in consideration of the mutual covenants, agreements and warranties herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions. Unless otherwise defined herein, terms used herein shall have the meanings set forth below:

"Acquired Assets" shall have the meaning set forth in Section 2.1(a) hereof.

"Acquired IP" shall have the meaning set forth in Section 2.1(a)(i).

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities or otherwise.

"Affiliated Group" means an affiliated group as defined in Section 1504 of the Code (or any analogous combined, consolidated or unitary group defined under state, local or foreign income Tax law) of which any Seller is or has been a member.

"Agreement" means this Asset Purchase Agreement, including all the Exhibits and the Schedules hereto, as the same may be amended from time to time in accordance with its terms.

"Allocation" shall have the meaning set forth in Section 12.8 hereof.

"Assumed Contracts" means all Contracts identified in Schedule 2.1(a)(ii) attached hereto under the heading "Assumed Contracts," other than those excluded by Purchaser from the Acquired Assets pursuant to Section 2.3(d) hereof.

"Assumed Equipment Leases" means all equipment leases identified in Schedule 2.1(a)(ii) attached hereto under the heading "Assumed Equipment Leases," other than those excluded by Purchaser from the Acquired Assets pursuant to Section 2.3(c) hereof.

"Assumed Executory Contracts" means the Assumed Contracts and the Assumed Leases.

"Assumed Facility Leases" means all of the Facility Leases identified in Schedule 2.1(a)(iv) attached hereto, other than those excluded by Purchaser from the Acquired Assets pursuant to Section 2.3(c) hereof.

"Assumed Leased Facilities" means the Leased Facilities identified in the Assumed Facility Leases.

"Assumed Leases" means the Assumed Equipment Leases and the Assumed Facility Leases.

"Assumed Obligations" shall have the meaning set forth in Section 2.2(a) hereof.

"Auction" shall mean the auction conducted by Sellers pursuant to the Sale Motion for substantially all of the Acquired Assets.

"Bankruptcy Code" means Title 11 of the United States Code.

"Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware.

"Bid" or "Bids" shall have the meaning set forth in Section 6.7 hereof.

"Bid Deadline Date" shall mean May 6, 2009.

"Bidders" shall have the meaning set forth in Section 6.7 hereof.

"Books and Records" means all records and lists of Sellers (x) primarily relating to the Business, Assumed Leased Facilities or Acquired Assets, and (y) with respect to records and lists of Sellers not primarily relating to the Business, Assumed Leased Facilities or Acquired Assets, all records and lists of Sellers to the extent relating to the Business, Assumed Leased Facilities or Acquired Assets, in each case including (i) all merchandise, analysis reports, marketing reports and creative material pertaining to the Acquired Assets, the Facilities or the Business, (ii) all records relating to customers, suppliers or personnel of Sellers (including customer lists, mailing lists, e-mail address lists, recipient lists, sales records, correspondence with customers, customer files and account histories, supply lists and records of purchases from and correspondence with suppliers), (iii) all records relating to all product, business and marketing plans of any Seller, and (iv) all books, ledgers, files, reports, plans, drawings and operating records of every kind of any Seller; provided, however, "Books and Records" shall not include any books and records relating solely to the Excluded Assets or any Seller's minute books, stock books and Tax Returns.

"Business" means the activities carried on by Sellers relating to the production and shipment of power steering pressure, return and suction hose assembly operations at the Facilities, including without limitation, certain assets and properties currently located at (a) the Rochester Hills, Michigan facility, (b) the Ocala, Florida facility or (c) the facilities of one or more customers of Sellers (in the case of (a), (b) and (c), only as specifically set forth on Schedule 2.1(a)(xviii) attached hereto).

"Cash" means all cash, including checking account balances, certificates of deposit and other time deposits and Petty Cash, net of overdrafts, and marketable and other securities.

"Cash-in-Advance Inventory" means Inventory of Sellers for which Sellers have paid the applicable supplier in whole or in part and such Inventory has not yet been delivered or is in transit to the Facilities as of the date hereof, as set forth on Appendix 2, provided that Appendix 2 shall be updated immediately prior to Closing to reflect the Cash-in-Advance Inventory as of Closing in accordance with Section 3.2(b).

"Cash-in-Advance Inventory Value" shall have the meaning set forth in Section 3.2(b) hereof.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §9601 et. seq.) and any Regulations promulgated thereunder.

"Chapter 11 Cases" means the jointly-administered case of Sellers (Case No. 09-10384) under Chapter 11 of the United States Bankruptcy Code in the Bankruptcy Court.

"Claim" shall have the meaning set forth in Section 101(5) of the Bankruptcy Code.

"Closing" shall have the meaning set forth in Section 10.1 hereof.

"Closing Date" shall have the meaning set forth in Section 10.1 hereof.

"Closing Inventory" shall have the meaning set forth in Section 3.2 hereof.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"COBRA" means the requirements of Part 6 of Subtitle B of Title I of ERISA and Section 4980 of the Code and of any similar state law.

"Contract" means any agreement, contract, commitment or other binding arrangement or understanding, whether written or oral, to which any Seller is a party and which any Seller is permitted under the Bankruptcy Code to assume and assign.

"Cure Payments" means any cure payments or obligations (pursuant to Section 365 of the Bankruptcy Code or otherwise) due by Sellers with respect to any Assumed Executory Contracts.

"Dollars" or "\$" means dollars of the United States of America.

"Electronic Delivery" shall have the meaning set forth in Section 13.5.

"Employee Benefit Plan" means any employee welfare benefit plan (as defined in Section 3(1) of ERISA, employee pension benefit plan (as defined in Section 3(2) of ERISA), any separation, retention, change in control or severance agreements, nonqualified deferred compensation plans or agreements and any other plans, agreements or arrangements involving compensation or benefits or perquisites that are maintained, provided or contributed to by Sellers

with respect to which any Seller has any Liability, in respect of current or former employees, consultants or directors of Sellers.

"Environmental Laws" means all federal, state, provincial, local and foreign statutes, Regulations, ordinances, directives and other provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations and all common law, in each case concerning public health and safety, worker health and safety, pollution or protection of the environment, including all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, Release, threatened Release, control, or cleanup of any Hazardous Substances (including CERCLA and analogous state laws), each as amended or in effect prior to, on or after Closing.

"Environmental Permits" means all Permits required under Environmental Laws for the conduct of the Business and the ownership or operation of the Acquired Assets.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and all Regulations issued thereunder.

"ERISA Affiliate" means each entity which is treated as a single employer with any Seller for purposes of Code §414.

"Excluded Assets" shall have the meaning set forth in Section 2.3 hereof.

"Excluded Contracts" shall have the meaning set forth in Section 2.3(c) hereof.

"Excluded Environmental Liabilities" means any Liability or investigatory, corrective or remedial obligation, whenever arising or occurring, arising under Environmental Laws with respect to any Seller or any predecessor of any Seller, the Business, the Acquired Assets or the Facilities (including any arising from the on-site or off-site Release, threatened Release, treatment, storage, disposal, or arrangement for disposal of Hazardous Substances) whether or not constituting a breach of any representation or warranty herein and whether or not set forth on any schedule attached hereto.

"Excluded Leases" shall have the meaning set forth in Section 2.3(c) hereof.

"Excluded Liabilities" shall have the meaning set forth in Section 2.4(a) hereof.

"Exhibits" means the exhibits hereto.

"Facilities" means all the following premises at which Sellers operate their Easley, South Carolina operations: 109 Gillespie Drive, Easley, SC, 400 Saco Lowell Road, Easley, South Carolina and 5115 Old Greenville Hwy., Liberty, South Carolina.

"Facility Leases" means all of Sellers' right, title and interest in all leases, licenses, concessions and other agreements (written or oral) and all amendments, extensions, renewals, guaranties and other agreements with respect thereto, pursuant to which Sellers hold a leasehold estate in, or are granted the right to use or occupy a Leased Facility.

"Final Inventory Value" shall have the meaning set forth in Section 3.2(a) hereof.

"Final Order" means an Order as to which the time to file an appeal, a motion for rehearing or reconsideration or a petition for writ of certiorari has expired and no such appeal, motion or petition is pending.

"Financial Statements" shall have the meaning set forth in Section 4.5 hereof.

"Finished Goods" means goods that have finished the manufacturing process and are ready for sale to the customers of the Business.

"Governmental Authority" means any United States federal, state or local or any foreign government, governmental regulatory or administrative authority, agency or commission or any court, tribunal or judicial or arbitral body.

"Hazardous Substances" means any pollutants, contaminants or chemicals, and any industrial, toxic or otherwise hazardous materials, substances or wastes with respect to which Liability or standards of conduct are imposed under any Environmental Laws, including petroleum and petroleum-related substances, products, by-products and wastes, asbestos, urea formaldehyde and lead-based paint, noise and odors.

"Indebtedness" with respect to any Person means any obligation of such Person for borrowed money, and in any event shall include (i) any obligation incurred for all or any part of the purchase price of property or other assets or for the cost of property or other assets constructed or of improvements thereto, (ii) the face amount of all letters of credit issued for the account of such Person, (iii) obligations (whether or not such Person has assumed or become liable for the payment of such obligation) secured by Liens, (iv) capitalized lease obligations, (v) all guarantees and similar obligations of such Person, (vi) all accrued interest, fees and charges in respect of any indebtedness and (vii) all prepayment premiums and penalties, and any other fees, expenses, indemnities and other amounts payable as a result of the prepayment or discharge of any indebtedness.

"Intellectual Property" means all of the following in any jurisdiction throughout the world: (i) patents, patent applications and patent disclosures, together with all reissues, continuations, continuations-in-part, divisions, revisions, renewals, extensions and reexaminations thereof, (ii) trademarks, service marks, trade dress, logos, slogans, trade names, internet domain names and corporate names, together with all goodwill associated therewith, and applications, registrations and renewals in connection therewith, (iii) copyrights, mask works and copyrightable works, and applications, registrations and renewals in connection therewith, (iv) trade secrets and other confidential information (including ideas, research and development, know-how, inventions, formulas, compositions, manufacturing and production processes and techniques, designs, drawings, specifications, marketing plans, and customer and supplier lists and information), (v) software (including source code, executable code, data, databases and documentation); (vi) copies and tangible embodiments of any of the foregoing in whatever form or medium; and (vii) all other intellectual property.

"Inventory" means all raw materials, packaging materials, work in process, consigned goods, and past model production components (including warehoused inventories, pre-paid

inventory, and inventories covered by purchase orders) relating to the Business, wherever located, including Cash-in-Advance Inventory, consignment inventory and inventory on order for or in transit to or from Seller. For purposes of clarification, Inventory will not include Finished Goods.

"Inventory Certificate" shall have the meaning set forth in Section 3.2 hereof.

"Knowledge of Sellers" or "Sellers' Knowledge" shall mean the actual knowledge of Tim Parys, Tim Fitzmorris and Kevin Krakora with no duty of investigation.

"Leased Facilities" means any land, buildings, structures, improvements, fixtures or other component of real property in which Sellers have an interest and which is used or intended to be used by Sellers or used or intended to be used in, or otherwise related to, the Business, other than the Owned Real Property.

"Liability" means any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due and regardless of when asserted), including any liability for Taxes.

"Lien" or "Liens" means any lien (statutory or otherwise), hypothecation, encumbrance, Claim, Liability, security interest, interest, mortgage, pledge, restriction, charge, instrument, license, preference, priority, security agreement, easement, covenant, encroachment, option, right of recovery, Tax (including foreign, federal, state and local Tax), Order of any Governmental Authority, of any kind or nature (including (i) any conditional sale or other title retention agreement and any lease having substantially the same effect as any of the foregoing, (ii) any assignment or deposit arrangement in the nature of a security device, (iii) any claim based on any theory that Purchaser is a successor, transferee or continuation of Sellers or the Business, and (iv) any leasehold interest, license or other right, in favor of a Third Party or a Seller, to use any portion of the Acquired Assets), whether secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, material or non-material, known or unknown.

"Material Adverse Change" or "Material Adverse Effect" means, any event, change, condition or matter that individually or in the aggregate results in or could reasonably be expected to result in a material adverse effect or change in the results of operations or condition (financial or otherwise) of Sellers, the Business or the Acquired Assets, provided, however, that changes in economic conditions generally or in the industries in which Sellers operate shall not constitute or be taken into account in determining whether there has been or will be a Material Adverse Change or Material Adverse Effect.

"New Lease" shall have the meaning set forth in Section 8.3(c).

"Notice" means any summons, citation, directive, Order, claim, litigation, proceeding, letter or other communication, written or oral, actual or threatened, from the United States Environmental Protection Agency and any Governmental Authority, or any other entity or any individual and shall include the imposition of any Lien on property owned, leased, occupied or used by any Seller pursuant to any Environmental Law.

“Order” means any decree, order, injunction, rule, judgment, consent of or by any Governmental Authority.

“Ordinary Course of Business” means the operation of the Business by Sellers in the usual and ordinary course in a manner substantially similar to the manner in which Sellers operated immediately prior to the date hereof.

“Owned Real Property” means all land and all buildings, structures, fixtures and other improvements located thereon which are interests in real property, and all easements, rights of way, servitudes, tenements, hereditaments, appurtenances, privileges and other rights with respect thereto owned by Sellers related to the Business.

“Parent” shall have the meaning set forth in the Preamble hereto.

“ParentCo” shall have the meaning set forth in the Preamble hereto.

“Permits” means licenses, permits, approvals, certificates of occupancy, authorizations, operating permits, registrations, plans and the like.

“Permitted Liens” means (i) statutory liens for property Taxes and assessments not yet due and payable, including liens for *ad valorem* Taxes and statutory liens not yet due and payable arising other than by reason of any default on the part of any Seller, and (ii) easements, covenants, conditions, restrictions and other similar matters of record on real property, leasehold estates or personalty that do not in any material respect detract from the value thereof and do not individually or in the aggregate in any material respect interfere with the present use of the property subject thereto.

“Person” means any corporation, partnership, joint venture, limited liability company, organization, entity, authority or natural person.

“Petition Date” means February 6, 2009.

“Petty Cash” means all cash on hand at the Facilities.

“Pre-Closing Tax Period” means all taxable periods ending on or before the Closing Date and the portion through the end of the Closing Date for any taxable period that includes (but does not end on) the Closing Date.

“Proceeding” shall have the meaning set forth in Section 2.4(a)(ix) hereof.

“Purchase Price” shall have the meaning set forth in Section 3.1(a) hereof.

“Purchaser” shall have the meaning set forth in the Preamble hereto.

“Regulation” means any law, statute, regulation, ruling, or Order of, administered or enforced by or on behalf of, any Governmental Authority.

“Rehired Employees” shall have the meaning set forth in Section 12.1(a) hereof.

"Release" shall have the meaning set forth in CERCLA.

"Rule" or "Rules" means the Federal Rules of Bankruptcy Procedure.

"Sale Hearing" means the hearing of the Bankruptcy Court to approve this Agreement and the transactions contemplated herein.

"Sale Motion" shall have the meaning set forth in Section 6.6(b) hereof.

"Sale Order" means the order of the Bankruptcy Court substantially in the form of Exhibit B attached hereto and reasonably satisfactory to both Purchaser and Sellers, to be entered by the Bankruptcy Court pursuant to Sections 363 and 365 of the Bankruptcy Code.

"Schedules" means the schedules attached hereto.

"Seller" and "Sellers" shall have the meanings set forth in the Preamble hereto.

"Subsidiary" means, with respect to any Person, any corporation a majority of the total voting power of shares of stock of which is entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or any partnership, limited liability company, association or other business entity a majority of the partnership or other similar ownership interest of which is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes of this definition, a Person is deemed to have a majority ownership interest in a partnership, limited liability company, association or other business entity if such Person is allocated a majority of the gains or losses of such partnership, limited liability company, association or other business entity or is or controls the managing director or general partner of such partnership, limited liability company, association or other business entity.

"Tax" and, with correlative meaning, "Taxes" mean with respect to any Person (i) all federal, state, local, county, foreign and other taxes, assessments or other government charges, including any income, alternative or add-on minimum tax, estimated, gross income, gross receipts, sales, use, ad valorem, value added, transfer, capital stock franchise, profits, license, registration, recording, documentary, intangibles, conveyancing, gains, withholding, payroll, employment, social security (or similar), unemployment, disability, excise, severance, stamp, occupation, premium, property (real and personal), environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment, charge, or tax of any kind whatsoever, together with any interest, penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (domestic or foreign) whether such Tax is disputed or not, (ii) Liability for the payment of any amounts of the type described in clause (i) above relating to any other Person as a result of being party to any agreement to indemnify such other Person, being a successor or transferee of such other Person, or being a member of the same affiliated, consolidated, combined, unitary or other group with such other Person, or (iii) Liability for the payment of any amounts of the type described in clause (i) arising as a result of being (or ceasing to be) a member of any Affiliated Group (or being included (or required to be included) in any Tax Return relating thereto).

“Tax Return” means any report, return, declaration, claim for refund or other information or statement supplied or required to be supplied by any Seller to any Governmental Authority relating to Taxes, including any schedules or attachments thereto and any amendments thereof.

“Third Party” means any Person other than Sellers, Purchaser or any of their respective Affiliates.

“Transaction Documents” means this Agreement, and all other agreements, instruments, certificates and other documents to be entered into or delivered by any party in connection with the transactions contemplated to be consummated pursuant to this Agreement.

“WARN Act” shall have the meaning set forth in Section 12.4 hereof.

Section 1.2. Rules of Construction.

Unless the context otherwise clearly indicates, in this Agreement:

- (a) the singular includes the plural;
- (b) “includes” and “including” are not limiting;
- (c) “may not” is prohibitive and not permissive; and
- (d) “or” is not exclusive.

ARTICLE II PURCHASE AND SALE; ASSUMPTION OF CERTAIN LIABILITIES

Section 2.1. Purchase and Sale of Assets.

(a) Subject to the terms and conditions set forth in this Agreement, at the Closing, Sellers shall sell, contribute, convey, assign, transfer and deliver to Purchaser, free and clear of all Liens (except for the Assumed Obligations), and Purchaser shall purchase, acquire and take assignment and delivery of, for the consideration specified in Section 3.1, all properties, assets, rights, titles and interests of every kind and nature, owned, licensed or leased by Sellers (including indirect and other forms of beneficial ownership) as of the Closing Date which are located at the Facilities or otherwise set forth on Schedule 2.1(a)(xviii) attached hereto, whether tangible or intangible, real or personal, but excluding Excluded Assets pursuant to Section 2.3 (all of the assets to be sold, assigned, transferred and delivered to Purchaser hereunder herein called the “Acquired Assets”). Without limiting the foregoing, the Acquired Assets shall include all of the following assets:

- (i) all Intellectual Property owned by, issued to, licensed or used by Sellers (including all of the Intellectual Property set forth on Schedule 4.16(a)), along with all income, royalties, damages and payments accrued, due or payable to Sellers as of the Closing or thereafter, including damages and payments for past, present or future infringements or misappropriations thereof, the right to sue

and recover for past infringements or misappropriations thereof and any and all corresponding rights that, now or hereafter, may be secured throughout the world and all copies and tangible embodiments of any such Intellectual Property in Sellers' possession or control, used in, useful for or otherwise associated with the Business (collectively, the "Acquired IP");

(ii) all of Sellers' rights existing under the Assumed Executory Contracts set forth on Schedule 2.1(a)(ii);

(iii) all Petty Cash;

(iv) all of Sellers' rights existing under the Assumed Facility Leases set forth on Schedule 2.1(a)(iv), including all rights to security deposits held pursuant thereto;

(v) all leasehold improvements located at the Facilities subject to the Assumed Facility Leases;

(vi) all machinery, tooling, equipment (including all vehicles, testing equipment and office equipment), fixtures, trade fixtures, computer equipment and hardware, telephone systems, network systems and furniture owned by Sellers and located at the Facilities, including without limitation all machinery, tooling, equipment, fixtures, trade fixtures, computer equipment and hardware, telephone systems, network systems and furniture identified on Schedule 2.1(a)(vi) hereto;

(vii) all the Inventory;

(viii) all office supplies, production supplies and other supplies, spare parts, other miscellaneous supplies, and other tangible property of any kind owned by Sellers and located at the Facilities;

(ix) all claims, warranties, guarantees, refunds, causes of action, choices in action, rights of recovery, rights of set-off and rights of recoupment of every kind and nature (whether or not known or unknown or contingent or non-contingent) used in, useful for or otherwise associated with the Business;

(x) the right to bill and receive payment for products shipped or delivered and services performed but unbilled or unpaid as of the Closing used in, useful for or otherwise associated with the Business;

(xi) all Books and Records;

(xii) all advertising, marketing and promotional materials, all archival materials, and all other printed or written materials used in, useful for or otherwise associated with the Business;

(xiii) all transferable Permits, licenses, certifications, approvals and similar rights from all permitting, licensing, accrediting and certifying agencies, and the rights to all data and records held by such permitting, licensing and certifying agencies used in, useful for or otherwise associated with the Business;

(xiv) all goodwill as a going concern and all other intangible properties used in, useful for or otherwise associated with the Business;

(xv) all telephone numbers located at the Facilities subject to Assumed Facility Leases used in, useful for or otherwise associated with the Business;

(xvi) all indemnities used in, useful for or otherwise associated with the Business;

(xvii) all security deposits relating to Assumed Contracts; and

(xviii) the assets and properties of Sellers that are specifically set forth on Schedule 2.1(a)(xviii).

(b) All of the Acquired Assets shall be sold, assigned, transferred, conveyed and delivered to Purchaser free and clear of all Liens, whether arising prior to or subsequent to the date of the filing of the Chapter 11 petitions of Sellers.

(c) Notwithstanding anything in this Agreement to the contrary, Purchaser may revise Schedule 2.1(a)(ii) and Schedule 2.1(a)(vi) to add or eliminate any lease, Facility Lease, Contract or other asset at any time on or prior to the second (2nd) business day prior to the Sale Hearing and require Sellers to give notice to the parties to any such lease or Contract; provided that (i) such change shall not affect the amount of the Purchase Price and (ii) to the extent that any such lease, Assumed Facility Lease or Contract is added after the date hereof, Purchaser shall be solely responsible for all Cure Payments related thereto; provided, further, that Purchaser may not revise Schedule 2.1(a)(ii) or Schedule 2.1 (a)(vi) to add as an Acquired Asset any asset listed on Schedule 2.3(o).

(d) EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS, (I) THE ACQUIRED ASSETS ARE BEING SOLD ON AN "AS IS," "WHERE IS" BASIS, AND (II) SELLER MAKES NO OTHER WARRANTIES, INCLUDING MERCHANTABILITY, FITNESS OR OTHERWISE WITH RESPECT TO THE ACQUIRED ASSETS.

Section 2.2. Assignment & Assumption of Liabilities.

(a) Subject to the terms and conditions set forth in this Agreement, in addition to the Purchase Price and as additional consideration for the Acquired Assets, Purchaser shall assume from Sellers, and thereafter be responsible for the payment, performance or discharge of only the following liabilities and obligations of Sellers (all such liabilities and obligations herein called the "Assumed Obligations"):

(i) obligations under the Assumed Executory Contracts first arising after the Closing other than any cure obligations (pursuant to Section 365 of the Bankruptcy Code) except as set forth in clause (ii) below; and

(ii) to the extent set forth next to any Assumed Executory Contract on Schedule 4.14 any Cure Payments with respect to such Assumed Executory Contract.

(b) Notwithstanding anything in this Agreement to the contrary, Sellers hereby acknowledge and agree that Purchaser is not assuming from Sellers, or is in any way responsible for, the Excluded Liabilities.

(c) Section 2.2(a) shall not limit any claims or defenses Purchaser may have against any party other than Sellers. The transactions contemplated by this Agreement shall in no way expand the rights or remedies of any Third Party against Purchaser or Sellers as compared to the rights and remedies which such Third Party would have had against Sellers absent the Chapter 11 Cases had Purchaser not assumed such Assumed Obligations.

Section 2.3. Excluded Assets. Notwithstanding anything to the contrary in this Agreement, all assets and properties of Sellers relating to the business and operations of Sellers that do not relate primarily to the Business and are not located at the Facilities, including the following assets of Sellers which shall be retained by Sellers and are not being sold or assigned to Purchaser hereunder (collectively, the "Excluded Assets"):

- (a) all Cash (other than Petty Cash);
- (b) any and all rights under this Agreement and avoidance claims or causes of action arising under the Bankruptcy Code or applicable state law, including all rights and avoidance claims of Sellers arising under Chapter 5 of the Bankruptcy Code;
- (c) all leases of Sellers other than the Assumed Leases (the "Excluded Leases") and all Contracts other than the Assumed Executory Contracts (the "Excluded Contracts");
- (d) any asset or Contract set forth on Schedule 2.3(d) attached hereto; provided that Purchaser may amend Schedule 2.1(a)(ii), Schedule 2.1(a)(vi) and Schedule 2.3(d) attached hereto at any time on or before one (1) day prior to the Closing Date in order to exclude from the definition of Acquired Asset any asset, lease or Contract not otherwise excluded, as the case may be; provided, further, that such exclusion shall not serve to reduce or otherwise affect the amount of the Purchase Price;
- (e) all Owned Real Property of Sellers, including the premises located at 109 Gillespie Drive, Easley, SC 29641;
- (f) income Tax Returns of Sellers and related materials;
- (g) the equity securities or other ownership interest of any Seller;
- (h) the equity securities or other ownership interest of any of Sellers' Affiliates, including the equity securities or other ownership interest of Fluid Routing Solutions Canada Corp.;
- (i) each Seller's corporate charter, qualifications to conduct business as a foreign corporation, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, stock

transfer books and blank stock certificates and other documents relating solely to the organization, maintenance and existence of such Seller as a corporation or limited liability company; provided that Purchaser shall be entitled to receive a copy of all such documentation;

(j) the Purchase Price and all other rights of Sellers under or pursuant to this Agreement and the Schedules attached hereto and any other agreements entered into by Sellers pursuant to this Agreement;

(k) the assets associated with any Employee Benefit Plan;

(l) all rights to proceeds under all insurance policies of Sellers;

(m) all rights and interest in and to Sellers' bank accounts, safety deposit boxes, lock boxes and the like;

(n) all cash collateralization of Sellers' workers compensation letters of credit;

(o) all other assets and properties of Sellers specifically listed or described on Schedule 2.3(o); and

(p) the Finished Goods of Sellers set forth on Schedule 2.3(p); provided that Schedule 2.3(p) shall be updated prior to Closing to reflect the Finished Goods located at the Facilities as of Closing.

Section 2.4. No Other Liabilities Assumed.

(a) Each Seller acknowledges and agrees that pursuant to the terms and provisions of this Agreement, Purchaser will not assume or in any way become liable for any obligation of any Seller, other than the Assumed Obligations. In furtherance and not in limitation of the foregoing, neither Purchaser nor any of its Affiliates shall assume, and shall not be deemed to have assumed, any Indebtedness, Claim, Liability or other obligation of any Seller or any predecessor of any Seller whatsoever, whether related to the Business or the Acquired Assets and whether disclosed on the Schedules hereto, regardless of when or by whom asserted (other than the Assumed Obligations), including, but not limited to the following (collectively, the "Excluded Liabilities"):

(i) all obligations, Claims, or Liabilities of any Seller or any predecessor of any Seller that relate to any of the Excluded Assets (including under any Contracts related thereto) or Excluded Contracts;

(ii) except as expressly set forth in Section 2.2(a)(ii), any amounts due or which may become due or owing under the Assumed Executory Contracts with respect to the period prior to Closing;

(iii) the Excluded Environmental Liabilities (regardless of whether such Liabilities are technically Liabilities of any Seller);

(iv) all obligations, Claims, or Liabilities of any Seller or any predecessor of any Seller or for which Sellers or any predecessor or Affiliate of any Seller could be liable relating to Taxes attributable to any Pre-Closing Tax Period (including with respect to the Acquired Assets or otherwise) including any Taxes that will arise as a result of the sale of the Acquired Assets or the assumption of the Assumed Obligations pursuant to this Agreement and any deferred Taxes of any nature;

(v) all obligations, Claims, or Liabilities for any legal, accounting, investment banking, brokerage or similar fees or expenses incurred by any Seller or any predecessor of any Seller in connection with, resulting from or attributable to the transactions contemplated by this Agreement or otherwise;

(vi) all Indebtedness of any Seller or any predecessor of any Seller;

(vii) all obligations and Liabilities of any Seller related to the right to or issuance of any capital stock or other equity interest of any Seller or predecessor of any Seller, including any stock options or warrants;

(viii) all obligations and Liabilities of any Seller or any predecessor of any Seller resulting from, caused by or arising out of, or which relate to, directly or indirectly, the conduct of any Seller or ownership or lease of any properties or assets or any properties or assets previously used by any Seller or any predecessor of any Seller, or other actions, omissions, including any amounts due or which may become due or owing under the Assumed Leases or the Assumed Contracts with respect to the period prior to Closing (including Cure Payments payable in accordance with the terms of this Agreement), whether known or unknown on the date hereof;

(ix) all obligations and Liabilities of any Seller or any predecessor of any Seller resulting from, caused by or arising out of, or which relate to, directly or indirectly, the conduct of any Seller or any predecessor of any Seller anywhere or ownership or lease of any properties or assets or any properties or assets previously used by any Seller or any predecessor of any Seller at any time, or other actions, omissions or events occurring prior to the Closing and which (i) constitute, may constitute or are alleged to constitute a tort, breach of contract or violation of any rule, Regulation, treaty or other similar authority or (ii) relate to any and all Claims, disputes, demands, actions, Liabilities, damages, suits in equity or at law, administrative, regulatory or quasi-judicial proceedings, accounts, costs, expenses, setoffs, contributions, attorneys' fees and/or causes of action of whatever kind or character ("Proceeding") against any Seller or any predecessor of any Seller, whether past, present, future, known or unknown, liquidated or unliquidated, accrued or unaccrued, pending or threatened;

(x) any obligation or Liability arising out of any Proceeding commenced against any Seller or any predecessor of any Seller after the Closing and arising out of, or relating to, any occurrence or event happening prior to, on or after the Closing;

(xi) all obligations, Claims or Liabilities (whether known or unknown) with respect to the employees or former employees, or both (or their representatives) of any Seller or any predecessor of any Seller arising prior to the Closing Date, including payroll, vacation, sick leave, worker's compensation, unemployment benefits, pension benefits, employee stock option or profit sharing plans, health care plans or benefits (including COBRA), or any other employee plans or benefits or other compensation of any kind to any employee, and obligations of any kind including any Liability pursuant to the WARN Act for any action or inaction prior to the Closing;

(xii) any obligation or Liability arising under any Employee Benefit Plan or any other employee benefit plan, policy, program, agreement or arrangement at any time maintained, sponsored or contributed to by any Seller or any predecessor of any Seller or any ERISA Affiliate, or with respect to which any Seller or any predecessor of any Seller or any ERISA Affiliate has any Liability;

(xiii) all accounts payable of Sellers or any predecessor of any Seller arising prior to the Closing;

(xiv) any obligation or Liability arising out of or relating to services and/or products of any Seller or any predecessor of any Seller to the extent provided, developed, made or marketed, sold and/or distributed prior to the Closing;

(xv) any obligation or Liability under any Assumed Executory Contract which arises after the Closing but which arises out of or relates to any breach that occurred prior to the Closing;

(xvi) any obligation or Liability under any contract, agreement, lease, mortgage, indenture or other instrument of any Seller or any predecessor of any Seller not assumed by Purchaser hereunder;

(xvii) any obligation or Liability under any employment, collective bargaining, severance, retention or termination agreement with any employee, consultant or contractor (or their representatives) of any Seller or any predecessor of any Seller;

(xviii) any obligation or Liability arising out of or relating to any grievance by current or former employees of any Seller or any predecessor of any Seller, whether or not the affected employees are hired by Purchaser;

(xix) any obligation or Liability of any Seller or any predecessor of any Seller to any shareholder or Affiliate of any Seller;

(xx) any obligation or Liability to indemnify, reimburse or advance amounts to any officer, director, employee or agent of any Seller or any predecessor of any Seller;

(xxi) any obligation or Liability to distribute to any Seller's shareholders or otherwise apply all or any part of the consideration received hereunder;

(xxii) any obligation or Liability arising out of or resulting from noncompliance or alleged non-compliance with any law, ordinance, Regulation or treaty by any Seller or any predecessor of any Seller;

(xxiii) any obligation or Liability for infringement or misappropriation of any Intellectual Property arising out of or relating to any conduct of any Seller or any predecessor of any Seller or operation of the Business on or before the Closing;

(xxiv) any obligation or Liability of any Seller under this Agreement or any other document executed in connection herewith;

(xxv) any obligation or Liability of any Seller or any predecessor of any Seller based upon such Person's acts or omissions occurring after the Closing;

(xxvi) the Liabilities specifically identified and described on Schedule 2.4(a)(xxvi); and

(xxvii) any other Liabilities of Sellers not expressly assumed by Purchaser pursuant to Section 2.2 above.

(b) The parties acknowledge and agree that disclosure of any obligation or Liability on any Schedule to this Agreement shall not create an Assumed Obligation or other Liability of Purchaser, except where such disclosed obligation has been expressly assumed by Purchaser as an Assumed Obligation in accordance with the provisions of Section 2.2 hereof.

Section 2.5. Deemed Consents and Cure Payments. For all purposes of this Agreement (including all representations and warranties of Sellers contained herein), Sellers shall be deemed to have obtained all required consents in respect of the assignment of any Assumed Executory Contract if, and to the extent that, pursuant to the Sale Order or other Bankruptcy Court Order, Sellers are authorized to assume and assign Assumed Executory Contracts to Purchaser pursuant to Section 365 of the Bankruptcy Code and any applicable Cure Payments have been satisfied by Purchaser, on behalf of Sellers, as provided herein.

Section 2.6. Obligations in Respect of Required Consents. To the extent that any Assumed Executory Contract is subject to a cure pursuant to Section 365 of the Bankruptcy Code, Purchaser shall pay, on behalf of Sellers, the amount of the Cure Payments set forth on Schedule 4.14. If a Cure Payment is not set forth on Schedule 4.14, or if any Assumed Executory Contract is subject to a cure in excess of the amount set forth next to such Assumed Executory Contract on Schedule 4.14, Sellers shall pay the amount of such Cure Payment or the excess of such Cure Payment over the amount set forth on Schedule 4.14 and shall fully indemnify for and hold Purchaser harmless from any costs, expenses or other Liabilities resulting from such cure obligations. With respect to Contracts added to Schedule 2.1(a)(ii) after the date hereof pursuant to Section 2.1(c), Purchaser shall be solely responsible for all Cure Payments related thereto, and such Cure Payments shall not be deducted from the Purchase Price.

Section 2.7. Post-Closing Assignment of Contracts. With respect to any Contract which is not set forth on Schedule 2.1(a)(ii), Schedule 2.1(a)(iv), and Schedule 2.3(d) attached hereto and provided such Contract has not been rejected by Sellers pursuant to Section 365 of the

Bankruptcy Code, upon written notice(s) from Purchaser, as soon as practicable, Sellers shall take all actions reasonably necessary to assume and assign to Purchaser pursuant to Section 365 of the Bankruptcy Code any Contract(s) set forth in Purchaser's notice(s); provided, that to the extent set forth on Schedule 4.14 or otherwise required to be paid by Purchaser pursuant to Section 2.1(c), any applicable Cure Payment shall be satisfied by Purchaser and any such Cure Payment shall not be deducted from the Purchase Price. Each Seller agrees and acknowledges that (i) it shall provide Purchaser with reasonable advance notice of any motion(s) to reject any Contract and (ii) the covenant set forth in this Section 2.7 shall survive the Closing. Notwithstanding anything in this Agreement to the contrary, on the date any Contract is assumed and assigned to Purchaser pursuant to this Section 2.7, such Contract shall be deemed an Assumed Executory Contract and deemed scheduled on Schedule 2.1(a)(ii), Schedule 2.1(a)(iv) and Schedule 2.3(d), as the case may be, under the appropriate heading for all purposes under this Agreement.

ARTICLE III BASIC TRANSACTION

Section 3.1. Payment of Purchase Price.

(a) The aggregate purchase price for the acquired assets payable at the Closing (the "Purchase Price") shall be equal to (i) (A) an amount equal to One Million Two Hundred Thousand Dollars (\$1,200,000.00) plus (B) the Final Inventory Value (as defined below) plus (C) the Cash-in-Advance Inventory Value (as defined below) minus (D) the amount of any Cure Payments made by Purchaser on behalf of Sellers pursuant to Section 2.6 (whether listed on Schedule 4.14 or otherwise), and (ii) the assumption of the Assumed Obligations. At the Closing, Purchaser shall be assigned the Acquired Assets, shall assume the Assumed Obligations, and shall pay the cash portion of Purchase Price to Sellers by wire transfer of immediately available funds.

(b) Payments made pursuant to this Section 3.1 shall be allocated among the assets purchased in accordance with Section 12.8.

Section 3.2. Valuation of Inventory.

(a) Prior to Closing, Sellers and Purchaser shall conduct a joint physical count of the Inventory as of the Closing (the "Closing Inventory"), at cost and in accordance with mutually agreed upon valuation methodology and accounting practices, and shall summarize the results of such physical count and valuation on Appendix 1 hereto. For purposes of clarification, obsolete inventory will be given no value in determining the Final Inventory Value (as defined below). Prior to Closing, Sellers and Purchaser shall prepare a certificate (the "Inventory Certificate") setting forth, in reasonable detail, their calculation of the value of the Closing Inventory in accordance with the foregoing, and Sellers and Purchaser shall endeavor to agree on any matters in dispute with respect to the Inventory Certificate. The Inventory Certificate shall be approved in writing by Sellers and Purchaser, and the value of the Closing Inventory reflected therein is referred to as the "Final Inventory Value." Sellers and Purchaser agree and acknowledge that the

Final Inventory Value shall be final and binding on each of them and that no further adjustment to the Purchaser Price shall be made after the Closing.

(b) Appendix 2 attached hereto (and updated immediately prior to Closing) shall itemize the Cash-in-Advance Inventory and shall set forth the individual amounts paid by Sellers to the applicable suppliers for such Cash-in-Advance Inventory and the total sum of all amounts paid by Sellers to such suppliers (such aggregate sum shall be referred to as the "Cash-in-Advance Inventory Value"). Sellers and Purchaser shall endeavor to agree on any matters in dispute with respect to the Cash-in-Advance Inventory and Cash-in-Advance Inventory Value. Appendix 2 shall be approved in writing by Sellers and Purchaser prior to and as a condition of the Closing.

Section 3.3. Further Assurances. From time to time after the Closing and without further consideration, (i) upon the request of Purchaser, Sellers shall execute and deliver such documents and instruments of conveyance and transfer as Purchaser may reasonably request in order to consummate more effectively the purchase and sale of the Acquired Assets as contemplated hereby and to vest in Purchaser title to the Acquired Assets transferred hereunder, or to otherwise more fully consummate the transactions contemplated by this Agreement, and (ii) Purchaser, upon the request of Sellers, shall execute and deliver such documents and instruments of contract or lease assumption as Sellers may reasonably request in order to confirm Purchaser's Liability for the Assumed Obligations to more fully consummate the transactions contemplated by this Agreement.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF SELLERS

Section 4.1. Sellers' Representations and Warranties. Sellers jointly and severally represent and warrant to Purchaser that the statements contained in this ARTICLE IV are correct and complete as of the date of this Agreement, except as expressly set forth in the Schedules delivered by Sellers to Purchaser on the date hereof. The information disclosed in any numbered part of the Schedules shall be deemed to relate to and to qualify only the particular representation or warranty set forth in the corresponding numbered section in this Agreement and any other representation or warranty to the extent the applicability of such disclosure to such other representation and warranty is reasonably apparent on its face. Nothing in the Schedules shall be deemed adequate to disclose an exception to a representation or warranty made herein, however, unless the Schedule identifies the exception with reasonable particularity and describes the relevant facts in reasonable detail. The mere listing (or inclusion of a copy) of a document or other item shall not be deemed adequate to disclose an exception to a representation or warranty made herein (unless the representation or warranty has to do with the existence of the document or other item itself).

Section 4.2. Validity of Agreement. Subject to any necessary authorization from the Bankruptcy Court, each Seller has full power and authority to execute and deliver the Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The board of directors (or similar governing body) of each Seller has duly approved the Transaction Documents to which such Person is a party and has duly authorized the execution and delivery of such Transaction Documents and the consummation of the transactions

contemplated thereby. No other corporate or organizational proceedings on the part of any Seller are necessary to approve and authorize the execution and delivery of the Transaction Documents to which such Person is a party and the consummation of the transactions contemplated thereby. All Transaction Documents to which any Seller is a party have been duly executed and delivered by such Person, except such Transaction Documents that are required by the terms hereof to be executed and delivered by such Person after the date hereof, in which case such Transaction Documents will be duly executed and delivered by such Person at or prior to the Closing, and, subject to any necessary authorization from the Bankruptcy Court, all Transaction Documents constitute, or will constitute, as the case may be, the valid and binding agreements of Sellers, enforceable against Sellers in accordance with their terms.

Section 4.3. Organization, Standing and Power. Each of Carolina Fluid Handling Intermediate Corp., Carolina Fluid Handling, Inc. and Detroit Fuel, Inc. is a corporation validly existing and in good standing under the laws of the state of its incorporation and, except where the failure to obtain such qualification could not reasonably be expected to have a Material Adverse Effect, is qualified to do business in every jurisdiction in which it is required to be qualified. Carolina Fluid Handling Automotive, LLC is a limited liability company validly existing and in good standing under the laws of the state of its organization and, except where the failure to obtain such qualification could not reasonably be expected to have a Material Adverse Effect, is qualified to do business in every jurisdiction in which it is required to be qualified. All jurisdictions in which each Seller is qualified to do business are set forth on Schedule 4.3 attached hereto. Each Seller has full power and authority and all material licenses, Permits and authorizations necessary to own and operate its properties and to carry on the Business as now conducted by it. No Seller is in default under or in violation of any provision of its articles of incorporation or by-laws. Subject to any necessary authorization from the Bankruptcy Court, each Seller has all requisite corporate power and authority to own, lease and operate its properties, to carry on the Business as now being conducted and to execute and deliver this Agreement and all agreements, instruments and other documents referred to herein, and, subject to the entry of the Sale Order, to perform its obligations hereunder and thereunder.

Section 4.4. No Conflicts or Violations. Except as set forth on Schedule 4.4 attached hereto, and to the extent any of the foregoing is not enforceable due to operation of the Sale Order, the execution, delivery and performance of the Transaction Documents and the consummation of the transactions contemplated thereby by Sellers do not and shall not (i) conflict with or result in any breach of any of the terms, conditions or provisions of, (ii) constitute a default under, (iii) result in a violation of, (iv) give any Third Party the right to modify, terminate or accelerate any obligation under, (v) result in the creation of any Lien upon the Acquired Assets or (vi) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any court or administrative or other Governmental Authority, under the provisions of the articles of incorporation, by-laws or other constitutive documents of any Seller or any material indenture, mortgage, lease, loan agreement or other material agreement or instrument relating to the Business to which any Seller is bound or affected, or any law, statute, rule or Regulation to which any Seller is subject or any Order to which any Seller is subject.

Section 4.5. Financial Statements and Related Matters. Set forth on Schedule 4.5 attached hereto are income statements and balance sheets for the Business for the eleven-month

period ended March 31, 2009 (collectively, the "Financial Statements"). To Sellers' Knowledge, the Financial Statements fairly present, in all material respects, the financial position of the Business as of the respective dates thereof and the results of the operations of the Business and changes in financial position for the respective periods covered thereby.

Section 4.6. Title to Assets; Assets Necessary to Business.

(a) Except as set forth on Schedule 4.6(a) attached hereto, Sellers have good and marketable title to, or a valid leasehold interest in, the Acquired Assets.

(b) Except as described on Schedule 4.6(b) attached hereto, the Acquired Assets are in good operating condition and repair (ordinary wear and tear excepted) and are fit for use in the Ordinary Course of Business.

(c) Except as set forth in Schedule 4.6(c), to Sellers' Knowledge, the Acquired Assets, are sufficient for the continued operation of the Business after the Closing in substantially the same manner as conducted prior to the Closing in all material respects.

(d) Subject to Bankruptcy Court approval, Sellers have the power and the right to sell, assign and transfer and Sellers will sell and deliver to Purchaser, and upon consummation of the transactions contemplated by this Agreement, Purchaser will acquire good and marketable title to the Acquired Assets, free and clear of all Liens.

(e) This Agreement and the documents contemplated hereby, when duly executed and delivered by Sellers to Purchaser at the Closing, will effectively vest in Purchaser good and marketable title to the Acquired Assets, subject only to the Assumed Obligations.

Section 4.7. Employee Benefit Plans.

(a) Except as set forth on Schedule 4.7(a), Sellers have not maintained, contributed to or had an obligation to contribute to an employee pension benefit plan (as defined in Section 3(2) of ERISA) that is subject to Title IV of ERISA or a "multi employer plan" as defined in Section 3(37) of ERISA.

(b) Except as set forth on Schedule 4.7(b)-1, Sellers have complied with the health care continuation requirements of COBRA, including the requirement to issue COBRA notices to group health plan participants who experience a qualifying event due to any sale of Seller's assets, regardless of whether the participant has been rehired by Purchaser and, except as set forth on Schedule 4.7(b)-2, no Seller has any obligations under any Employee Benefit Plan, or otherwise, to provide post-employment health or life insurance benefits to current or former employees of Sellers or any predecessor of any Seller, or any other Person, except as specifically required under COBRA.

Section 4.8. Labor Matters.

Except as set forth in Schedule 4.8 attached hereto:

(a) No Seller is a party to any collective bargaining agreement or has any relationship with any labor organization.

(b) There is no labor strike, slowdown, work stoppage or other material labor dispute relating to Sellers pending or, to the Knowledge of Sellers, threatened against any Seller.

(c) No union organizing or decertification efforts are underway or, to the Knowledge of Sellers, threatened, and no other question concerning representation exists.

(d) No Seller has received notice of any material employment-related charge or material complaint against any Seller before the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board or any other Governmental Authority and no Seller has received any notice of any material threatened employment-related charge or complaint against any Seller from any such Governmental Authority; and

(e) With respect to this transaction, any notice required under any law or collective bargaining agreement has been given, or prior to the Closing will be, satisfied. No Seller has implemented any plant closing or mass layoff of employees that could implicate the WARN Act or similar state, local or foreign laws or Regulations.

Section 4.9. Personnel Matters. No Seller is in default with respect to any material obligation to any Rehired Employee or independent contract service providers of any Seller.

Section 4.10. Litigation, Orders. Except as set forth on Schedule 4.10 attached hereto, there are no material actions, suits, complaints, charges, Proceedings, Orders, investigations or claims pending or, to the Knowledge of Sellers, threatened against or affecting any Seller at law or in equity, in the United States or elsewhere, or before or by any arbitrator or Governmental Authority (including any actions, suits, complaints, charges, Proceedings or investigations with respect to the transactions contemplated by this Agreement); nor have there been any such actions, suits, Proceedings, Orders, investigations or claims pending against or affecting any Seller during the past eighteen months; and no Seller is subject to any material grievance or arbitration Proceedings under collective bargaining agreements or otherwise or, to the Knowledge of Sellers, any governmental investigations or material inquiries. No Seller is subject to any Order of any Governmental Authority (or settlement enforceable therein).

Section 4.11. Real Property Assets.

(a) With the exception of the proposed Sale Order, to the Knowledge of Sellers, there are no agreements, Orders, licenses, Permits, conditions or other directives, issued by a Governmental Authority which relate to the future use or require any change in the present use or operations of the Assumed Leased Facilities.

(b) Schedule 4.11(b) attached hereto sets forth the title and parties to, and date of, each of the Facility Leases, and the address of each Leased Facility and a true and complete list of all Facility Leases. Sellers enjoy peaceful and undisturbed possession

under the Assumed Facility Leases. To the Knowledge of Sellers, the Assumed Leased Facilities are properly zoned for their present uses.

(c) The Assumed Facility Leases and the Owned Real Property located at 109 Gillespie Drive, Easley, SC 29641 constitute all the real property used in or necessary for the operation of the Business as presently conducted.

Section 4.12. Taxes.

(a) Each Seller has filed all material Tax Returns that it was required to file.

(b) All such Tax Returns were correct and complete in all material respects. All material Taxes owed by any Seller (whether or not shown on any Tax Return) have been paid. No Seller is the beneficiary of any extension of time within which to file any Tax Return. No claim has ever been made by a Governmental Authority in a jurisdiction where such Seller does not file Tax Returns that such Seller is or may be subject to taxation by that jurisdiction.

(c) Each Seller has withheld and paid all Taxes required to have been withheld and paid in connection with or amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other Third Party, and all Forms W-2 and 1099 (or any other applicable form) required with respect thereto have been properly completed and timely filed.

(a) There is no dispute or claim, audit, investigation or examination concerning any Tax Liability of any Seller claimed or raised by any Governmental Authority in writing or, to the Knowledge of Sellers, orally.

(b) No Seller has waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(c) None of the Assumed Obligations is an obligation to make a payment that will not be deductible under §280G of the Code. No Seller is a party to any Tax allocation or sharing agreement. No Seller (A) has been a member of an affiliated group filing a consolidated federal income Tax Return (other than a group the common parent of which was ParentCo) and (B) has any Liability for the Taxes of any Person (other than Seller) under Reg. §1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise.

Section 4.13. Compliance with Law. Except as set forth on Schedule 4.13, each Seller and, to the Knowledge of Sellers, each of their current and former officers, directors, partners, agents and employees has, in all material respects, complied with and are in material compliance with, and are not in default in any material respect with, all applicable laws, Regulations, Orders and ordinances of any Governmental Authority and, as of the date of this Agreement, (i) no claims have been filed against any Seller alleging a material violation of any such laws or Regulations, and (ii) no Seller has received notice of any such violations.

Section 4.14. Cure Payments. Schedule 4.14 attached hereto sets forth all of the Cure Payments to be satisfied in order for Sellers to assume and assign Assumed Executory Contracts under Section 365 of the Bankruptcy Code.

Section 4.15. Environmental Matters.

(a) With respect to the Business and the Acquired Assets, each Seller is in compliance in all material respects with all Environmental Permits and all Environmental Laws.

(b) No Seller has received written Notice, report or other information regarding any unresolved material violations or Liabilities relating to the Acquired Assets, the Business or the Facilities arising under Environmental Laws.

(c) Except as set forth on Schedule 4.15(c) attached hereto, with respect to the Business, neither any Seller nor any predecessor of any Seller has treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, or Released any Hazardous Substance, or owned or operated any property or facility contaminated by any Hazardous Substance in a manner that has given or would give rise to material Liabilities pursuant to Environmental Laws.

(d) Sellers have provided to Purchaser all material environmental audits, reports and other material environmental documents relating to the Acquired Assets, the Facilities and the current and former operations and facilities of the Business.

Section 4.16. Intellectual Property.

(a) Schedule 4.16(a) attached hereto sets forth a complete and correct list of all of the following Acquired IP that is owned by any Seller:

- (i) patented or registered Intellectual Property and pending patent applications or other applications for registrations of Intellectual Property;
- (ii) material unregistered trademarks and service marks;
- (iii) trade names and Internet domain names;
- (iv) material software; and
- (v) other material unregistered Intellectual Property (including a non-confidential description of trade secrets).

(b) The Acquired IP constitutes all of the Intellectual Property used in or necessary for the operation of the Business as presently conducted. Sellers (i) solely own and possess all right, title and interest in and to all of the Intellectual Property set forth on Schedule 4.16(a) attached hereto and (ii) solely own and possess all, right, title and interest in and to, or have a valid and enforceable license to use pursuant to a written license agreement set forth on Schedule 4.16(b) attached hereto or a license to standard off-the-shelf, unmodified, commercially available personal computer software that is provided in executable form only, all other Intellectual Property included in the Acquired IP. The Acquired IP is not subject to any Liens (other than Liens that will be removed and stricken as against the Acquired Assets pursuant to the Sale Order), and is not subject to any restrictions or limitations regarding use or disclosure other than pursuant to a written license agreement set forth on Schedule 4.16(b) attached hereto or a license to

standard off-the-shelf, unmodified, commercially available personal computer software that is provided in executable form only.

(c) To the Knowledge of Sellers, no Seller has infringed, misappropriated or otherwise conflicted with, and the operation of the Business has not infringed, misappropriated or otherwise conflicted with, and, as presently conducted and, prior to the Closing, will not infringe, misappropriate or otherwise conflict with, any Intellectual Property of any Third Party. No Seller has received any notices regarding any of the foregoing (including any demands or offers to license any Intellectual Property from any Third Party). To the Knowledge of Sellers, no Third Party has infringed, misappropriated or otherwise conflicted with any of the Acquired IP.

(d) No claim by any Third Party contesting the validity, enforceability, use or ownership of any of the Acquired IP has been made, is currently outstanding or, to the Knowledge of Sellers, threatened.

Section 4.17. Insurance. Schedule 4.17 attached hereto lists and describes all material policies of insurance owned, held, or maintained by or for the benefit of Sellers or insuring the Acquired Assets.

Section 4.18. Contracts. Except as disclosed on Schedule 4.18 attached hereto, (i) to the Knowledge of Sellers, no material contract of the Business has been breached or canceled by the other party, (ii) except for defaults that will be cured through the Cure Payments listed on Schedule 4.14 attached hereto or arising solely as a consequence of the commencement of the Chapter 11 Cases, neither any Seller nor, to the Knowledge of Sellers, any other party thereto is in default or breach in any material respect under the terms of any material contract of the Business and, to the Knowledge of Sellers, no event or circumstance has occurred that, with notice or lapse of time or both, would constitute a default or breach thereunder, and (iii) no Seller has assigned, delegated or otherwise transferred to any Person any of its rights, title or interest under any material contract of the Business.

Section 4.19. Brokers. Except as set forth on Schedule 4.19 attached hereto, no Seller has incurred any Liability to any broker, finder or agent with respect to the payment of any commission regarding the consummation of the transactions contemplated hereby.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Sellers as follows:

Section 5.1. Organization. Purchaser is a limited liability company validly existing and in good standing under the laws of the State of Delaware and has the full power and authority to execute, deliver and perform this Agreement and to consummate all transactions contemplated hereby.

Section 5.2. Authority. The execution, delivery and performance by Purchaser of this Agreement and the consummation of the transactions contemplated hereby have been duly

authorized by all necessary action on the part of Purchaser and do not and will not violate any provisions of its organizational documents, any applicable Regulation or any contract or Order binding upon it. This Agreement constitutes a valid and binding agreement of Purchaser, enforceable against Purchaser in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights generally from time to time in effect, and to general equitable principles.

Section 5.3. Consents. The execution, delivery and performance of the Transaction Documents and the consummation of the transactions contemplated thereby by Purchaser do not and shall not (a) conflict with or result in any breach of any of the terms, conditions or provisions of, (b) constitute a default under, (c) result in a violation of, (d) give any Third Party the right to modify, terminate or accelerate any obligation under, or (e) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any court or administrative or other Governmental Authority, under any material agreement or instrument to which Purchaser is bound or affected, or any law, statute, rule or Regulation to which Purchaser is subject or any Order to which Purchaser is subject, in each case, in a manner that materially restricts Purchaser's ability to consummate the transactions contemplated by this Agreement.

Section 5.4. Availability of Funds. Purchaser has cash available or has existing borrowing facilities which together are sufficient to enable it to consummate the transactions contemplated by this Agreement. True and correct copies of any such facilities have been provided to Sellers prior to the execution of this Agreement.

Section 5.5. Brokers. Purchaser has incurred no Liability to any broker, finder or agent with respect to the payment of any commission regarding the consummation of the transactions contemplated hereby.

Section 5.6. Due Diligence. Purchaser is an informed and sophisticated purchaser (either alone or together with its advisors) and is experienced in the evaluation and purchase of businesses such as Sellers' Business. Purchaser (either alone or together with its advisors) has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the risks and merits of its purchase of the Acquired Assets. In making the decision to enter into this Agreement and consummate the transactions contemplated hereby, Purchaser has relied on its own independent investigation of Sellers and the Acquired Assets as of this date and upon the representations and warranties and covenants set forth in the Transaction Documents.

ARTICLE VI COVENANTS OF SELLERS; OTHER AGREEMENTS

Section 6.1. Consents and Approvals.

(a) Sellers shall, at their sole cost and expense, use commercially reasonable efforts (i) to obtain all necessary consents and approvals, as reasonably requested by Purchaser, to consummate the purchase and sale of the Acquired Assets and the assignment of the Assumed Obligations, together with any other necessary consents and approvals (including all Environmental Permits) to consummate the transactions

contemplated hereby, including obtaining the Sale Motion and Sale Order, (ii) to make, as reasonably requested by Purchaser, all filings, applications, statements and reports to all authorities that are required to be made prior to the Closing Date by or on behalf of Sellers or any of their Affiliates pursuant to any applicable Regulation in connection with this Agreement and the transactions contemplated hereby and (iii) to obtain, as requested by Purchaser, all required consents and approvals (if any) necessary to assign and transfer Sellers' Permits (including all Environmental Permits) to Purchaser at Closing and, to the extent that one or more of Sellers' Permits (including all Environmental Permits) are not transferable, to assist Purchaser in obtaining replacements therefor. In the event that certain of Seller Permits, or any Contract or other license or agreement necessary for the operation of the Business, are not transferable or replacements therefor are not obtainable on or before the Closing, but such Permits, Contracts or other licenses or agreements are transferable or obtainable after the Closing, for a period not to exceed twelve (12) months, Sellers shall continue to use such commercially reasonable efforts in cooperation with Purchaser after the Closing as may be required to obtain all required consents and approvals to transfer, or obtain replacements for, such Permits, Contracts or other licenses or agreements after Closing and shall do all things necessary to give Purchaser the benefits that would be obtained under such Permits, Contracts or other licenses or agreements, in each case at Sellers' sole cost and expense.

(b) Each of the parties shall file any notifications required to be filed with, and use reasonable best efforts to obtain any other authorizations, consents and approvals of, any Governmental Authority in connection with the matters contemplated by this Agreement.

Section 6.2. Access to Information and Facilities.

(a) Sellers agree that, prior to the Closing Date, Purchaser and its respective representatives shall, upon reasonable notice and so long as such access does not unreasonably interfere with the business operations of any Seller, have reasonable access during normal business hours to all Facilities and shall be entitled to make such reasonable investigation of the properties, businesses and operations of Sellers (including any environmental audits and investigations) and such examination of the Books and Records and financial condition of Sellers as it reasonably requests and to make extracts and copies to the extent necessary of the Books and Records; provided that Purchaser shall not conduct any environmental testing at the Facilities without the prior written consent of Sellers; provided, further, that no investigation pursuant to this Section 6.2(a) shall affect any representations or warranties made herein or the conditions to the obligations of the respective parties to consummate the transactions contemplated by this Agreement.

(b) Sellers shall deliver to Purchaser copies of Sellers' interim balance sheet and income statements for the Business as soon as reasonably practicable (and in any event within fifteen (15) days) following the end of each monthly accounting period during the period between the date of this Agreement and the Closing Date.

Section 6.3. Conduct of the Business Pending the Closing. Except (a) as otherwise expressly contemplated by this Agreement or with the prior written consent of Purchaser, (b) as described on Schedule 6.3 attached hereto or (c) to the extent Sellers' conduct relates solely to the Excluded Assets, from the date hereof until the Closing Date, Sellers shall (i) conduct the Business in the Ordinary Course of Business (including with respect to the payment of accounts payable of Sellers), (ii) use commercially reasonable efforts to preserve intact the Business, to keep available the services of its current employees and agents and to maintain its relations and goodwill with its suppliers, customers, distributors and any others with whom or with which it has business relations, (iii) to maintain appropriate levels of Inventory and (iv) not take any action inconsistent with this Agreement or with the consummation of the Closing. Without limiting the generality of the foregoing except (x) as otherwise expressly contemplated by this Agreement or with the prior written consent of Purchaser, (y) as described on Schedule 6.3 attached hereto or (z) to the extent Sellers' conduct relates solely to the Excluded Assets, from the date hereof until the Closing Date, each Seller shall:

(a) not sell, assign, transfer, convey, pledge, mortgage, lease, license or otherwise dispose of or encumber any of the Acquired Assets, or any interests therein, other than in the Ordinary Course of Business;

(b) not make any material change in its methods of management, marketing, accounting or operating (or practices relating to payments);

(c) report periodically to Purchaser concerning the status of the Business, the Acquired Assets and its operations and finances;

(d) not take any action which is inconsistent with its obligations under this Agreement;

(e) maintain the Acquired Assets in good operating condition and repair, subject to ordinary wear and tear;

(f) continue all existing policies of insurance (or comparable insurance) of or for the benefit of Sellers in full force and effect and at least at such levels as are in effect on the date hereof, up to and including the Closing (and not cancel any such insurance or take, or fail to take, any action that would enable the insurers under such policies to avoid Liability for claims arising out of occurrences prior to the Closing);

(g) not enter into any transaction or make or enter into any contract or commitment or amend or terminate any Assumed Executory Contract which is not in the Ordinary Course of Business;

(h) not terminate or reject (whether pursuant to Section 365 of the Bankruptcy Code or otherwise) any Assumed Executory Contract;

(i) not grant any increase in the compensation payable or to become payable to any employee of Sellers (including retention or stay bonus arrangements), except such increases as are required by contract and not contribute or make any commitment to, or representation that it shall, contribute any amounts to any Employee Benefit Plan of

Sellers, or otherwise alter any such Employee Benefit Plan of Sellers or the funding thereof except as required by law or by the terms of any such plan as in effect on the date of this Agreement;

- (j) maintain the Books and Records in the Ordinary Course of Business;
- (k) maintain compliance with all laws, rules and Regulations of all Governmental Authorities that relate to Sellers, the Business or the Acquired Assets;
- (l) not implement any employee layoffs that could implicate the WARN Act;
- (m) apply or continue prosecution of applications already submitted for any Environmental Permits for the continued operation of the Business (as it is currently being operated) up to and after Closing;
- (n) not incur any Liability with respect to the Business, except in the Ordinary Course of Business;
- (o) not sell, assign, license, transfer, subject to any Lien (other than Permitted Liens) or otherwise dispose of, abandon or permit to lapse, or fail to maintain or protect any Acquired IP or disclose any confidential information related to the Business (other than pursuant to agreements requiring the disclosure to maintain the confidentiality of and preserving all its rights in such confidential information);
- (p) not terminate, discontinue, close or dispose of any plant, Leased Facility or business operation of Sellers;
- (q) not amend or modify their articles of incorporation, bylaws or constitutive documents in a manner that would impact Sellers' ability to consummate the transactions contemplated by this Agreement;
- (r) not make or change any election, change an annual accounting period, adopt or change any accounting method, file any amended Tax Return, enter into any closing agreement, settle any Tax claim or assessment, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment, or take any other similar action relating to the filing of any Tax Return or the payment of any Tax;
- (s) not change its cash management practices in any material respect; or
- (t) not take or agree or commit to take any action, or omit or agree to omit to take any action, that would reasonably be expected to have a Material Adverse Effect on the Business on or prior to the Closing Date.

Section 6.4. Notification of Certain Matters; Schedules.

- (a) Sellers shall give notice to Purchaser, as promptly as practicable but in no event more than three (3) business days after the Knowledge of Sellers of the occurrence

of the event giving rise to a notice obligation pursuant to this Section 6.4(a), of (i) the occurrence or nonoccurrence of any event that would be likely to cause either (A) any representation or warranty of Sellers contained in this Agreement, or in connection with the transactions contemplated hereunder, to be untrue or inaccurate in any material respect at any time from the date hereof to the Closing or (B) directly or indirectly, any Material Adverse Effect on any Seller or the Business, or (ii) any material failure of Sellers to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by them hereunder, or (iii) the receipt of any letters or expressions of interest in the Business and shall deliver all written letters or expressions of interest in the Business to Purchaser as soon as practicable upon receipt thereof. Notwithstanding the foregoing, the delivery of any notice pursuant to this Section 6.4(a) shall not (x) be deemed to amend or supplement the Schedules contemplated hereby, (y) be deemed to cure any breach of any representation, warranty covenant or agreement or to satisfy any condition or (z) limit or otherwise affect the remedies available hereunder to the party receiving such notice.

(b) Sellers shall add Purchaser, and Purchaser's counsel, to Sellers' so-called "Rule 2002 Notice List" and otherwise provide notice to Purchaser of all matters that are required to be served on Sellers' creditors pursuant to the Bankruptcy Code and Rules.

Section 6.5. Best Efforts; Further Assurances.

(a) Sellers will use best efforts to obtain the entry of the Sale Order on the Bankruptcy Court's docket as soon as practicable and no later than fifth (5th) business day after the date of the Sale Hearing and will use their best efforts to timely obtain any other consent required for the consummation of the transactions contemplated by this Agreement as soon as practicable.

(b) Sellers and Purchaser shall execute such documents and use their best efforts to take or cause to be taken all actions and do or cause to be done all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement (including to put Purchaser in actual possession and operating control of the Acquired Assets, to effectuate, record or perfect the transfer of the Acquired Assets to Purchaser, to confirm the title of the Acquired Assets in Purchaser, to assist Purchaser to in exercising rights relating thereto, to obtain all consents, approvals and authorizations of Third Parties, to make all filings with and give all notices to Third Parties which may be necessary or required in order to effectuate the transactions contemplated hereby). Sellers and Purchaser shall use commercially reasonable efforts to fulfill or obtain the fulfillment of the conditions set forth in ARTICLE VIII and ARTICLE IX, respectively, of this Agreement.

Section 6.6. Bankruptcy Actions.

(a) On or before the execution of this Agreement, Sellers shall have filed the Sale Motion seeking entry of the Sale Order on the Bankruptcy Court's docket and set a hearing with respect to the matters set forth in such motion.

(b) The motion will ask the Bankruptcy Court to approve the transaction contemplated hereby (the "Sale Motion"), which motion shall seek the Bankruptcy Court's approval of this Agreement, Sellers' performance under this Agreement and the assumption and the assignment of the Assumed Executory Contracts without adequate assurance of future performance liability pursuant to Section 365(f)(2) of the Bankruptcy Code, except Purchaser's promise to perform following the Closing obligations under the Assumed Executory Contracts. Contemporaneously with the filing of the Sale Motion, Sellers shall provide appropriate notice of the hearing on the Sale Motion as is required by the Bankruptcy Code and Rules to all parties entitled to notice including, but not limited to, all parties to Assumed Executory Contracts and all taxing and environmental authorities in jurisdictions applicable to Sellers.

(c) The Sale Motion shall include a request for an order authorizing the assumption and assignment pursuant to Section 365 of the Bankruptcy Code of the Assumed Executory Contracts. No later than May 4, 2009, Sellers shall file on the docket of the Bankruptcy Court a schedule of the Assumed Executory Contracts (as set forth on Schedule 2.1(a)(ii)), which shall be identified by the date of the Assumed Executory Contract (if available), the other party to the contract or lease and the address of such party. Such schedule shall set forth the amounts necessary to cure defaults under each of such Assumed Executory Contracts as determined by Sellers based on the Books and Records. Sellers shall, at the written direction of Purchaser delivered (i) at any time on or prior to the fifth (5th) day prior to the Sale Hearing, add any Contracts to the schedule or (ii) any time prior to the Sale Hearing, remove Assumed Executory Contracts from the schedule. In cases in which Sellers are unable to establish that a default exists, the relevant cure amount shall be set at \$0.00.

(d) Sellers shall use their best efforts to (i) ensure that Bids are due no later than 12:00 p.m. (Eastern) on the Bid Deadline Date, (ii) ensure that the Auction, during which Sellers will solicit Bids in accordance with procedures set forth in the Sale Motion, shall be held and closed no later than the second (2nd) day following the date Bids are due, (iii) obtain entry of the Sale Order by no later than the fifth (5th) business day after the date of the Sale Hearing, and (iv) consummate the Closing as soon as practicable after the approval of the Sale Order and no later than the tenth (10th) day following approval of the Sale Order.

(e) Sellers will provide Purchaser with a reasonable opportunity to review and comment upon all motions, applications and supporting papers prepared by Sellers (including forms of orders and notices to interested parties) in connection with any motion to approve the Sale Order and any other transactions contemplated by this Agreement. All motions, applications and supporting papers prepared by Sellers and relating (directly or indirectly) in Purchaser's good faith determination to the transactions contemplated by this Agreement (including forms of orders, notices to interested parties, and any "settlement motions") to be filed on behalf of Sellers after the date hereof must be reasonably acceptable in form and substance to Purchaser, in its sole discretion.

(f) Immediately after the filing of the Sale Motion or at such earlier time as Sellers shall determine, Sellers shall serve notice on all parties (including all parties to the

Assumed Executory Contracts and all Persons who would appear on any search conducted to determine those Persons asserting a lien on Sellers' assets) to whom service of the Sale Notice is required under the terms of the Sale Motion or to whom service of notice is advisable pursuant to the Bankruptcy Code, in form and substance reasonably satisfactory to Purchaser, disclosing the salient terms of this Agreement, the Sale Motion and the identity of Purchaser, and the transactions contemplated hereby.

Section 6.7. Other Bids. Purchaser acknowledges that pursuant to the Sale Motion, both before and after the filing of the Sale Motion and continuing until the Bid Deadline Date, Sellers may solicit bids ("Bids") from other prospective purchasers (collectively, "Bidders") for the sale of all or substantially all of the Acquired Assets, on terms and conditions substantially the same in all respects to this Agreement and in accordance with the procedures set forth in the Sale Motion.

Section 6.8. Excluded Assets. Subsequent to the Closing, each Seller jointly and severally agrees to indemnify and hold Purchaser harmless with respect to the Excluded Assets and Excluded Liabilities, including any loss, Liability, cost or expense (including legal fees and expenses and court costs) arising out of or in connection with, or otherwise relating to, the Excluded Assets, the Excluded Environmental Liabilities (regardless of whether such Liabilities are technical Liabilities of any Seller or Affiliate) and Excluded Liabilities.

Section 6.9. Taxes.

(a) On or prior to the Closing (or after the Closing and when due and payable, to the extent such Taxes are not due and payable as of the Closing), Sellers shall pay all Taxes attributable to the Pre-Closing Tax Period, including all sales taxes, use taxes and payroll Taxes which will be owed by Sellers and attributable to the Pre-Closing Tax Period; provided, however, Sellers shall not be obligated to pay any such Tax that is disputed in good faith by any Seller.

(b) Any sales, use, purchase, transfer, franchise, deed, fixed asset, stamp, documentary stamp, use or other Taxes and recording charges due and which may be payable by reason of the sale of the Acquired Assets or the assumption of the Assumed Obligations under this Agreement or the transactions contemplated herein shall be borne and timely paid by Sellers.

(c) Except to the extent taken into account in determining the Purchase Price, Sellers shall indemnify, defend (with counsel reasonably satisfactory to Purchaser), protect, and save and hold Purchaser harmless from and against any and all Claims, charges, interest or penalties assessed, imposed or asserted in relation to Sellers' obligations under this Section 6.9 or attributable to any Excluded Liability described in Section 2.4(a)(iv).

Section 6.10. Finished Goods. Sellers shall use best efforts to ship, or arrange for shipment of, the Finished Goods on or prior to Closing; provided that, to the extent that any Finished Goods are not removed on or prior to Closing, Sellers shall segregate such Finished

Goods at the Facilities and shall clearly identify such Finished Goods as belonging to the applicable customers.

Section 6.11. COBRA Notices. Sellers shall timely issue all legally-required COBRA notices to all group health plan participants who experience a qualifying event due to a sale of Sellers' assets, including the sale of assets contemplated by this Agreement, regardless of whether the participant has been rehired by any asset purchaser. In addition, within one (1) week after sending such notices, Sellers shall provide Purchaser the names of all individuals to whom COBRA notice was sent and the date that notice was sent.

Section 6.12. Survival of Covenants. The covenants of Sellers set forth in Section 6.1 (Consents and Approvals), Section 6.5 (Best Efforts; Further Assurances), Section 6.8 (Excluded Assets), Section 6.9 (Taxes) and Section 6.11 (COBRA Notices) shall survive the Closing.

ARTICLE VII COVENANTS OF PURCHASER

Section 7.1. Assumed Obligations. Subsequent to the Closing, Purchaser agrees to be responsible for the payment and performance of the Assumed Obligations and shall indemnify and hold Sellers harmless with respect to the Assumed Obligations, including any loss, Liability, cost or expense (including legal fees and expenses and court costs) arising out of or in connection with, or otherwise relating to, the Assumed Obligations.

Section 7.2. Further Assurances. Purchaser shall execute such documents and take such further actions as may be reasonably required to carry out the provisions of this Agreement and the transactions contemplated hereby. Purchaser shall use commercially reasonable efforts to fulfill or obtain the fulfillment of the conditions set forth in ARTICLE IX of this Agreement.

Section 7.3. Survival of Covenants. All of Purchaser's covenants shall survive the Closing.

ARTICLE VIII CONDITIONS PRECEDENT TO OBLIGATIONS OF PURCHASER

The obligations of Purchaser under this Agreement are, at the option of Purchaser, subject to satisfaction of the following conditions precedent on or before the Closing Date.

Section 8.1. Warranties True as of Both Present Date and Closing Date; Covenants.

(a) Each of the representations and warranties of Sellers contained herein shall be true and correct in all material respects on and as of the Closing Date (except for representations and warranties made as of a specified date, which shall be true and correct in all material respects as of that date) with the same force and effect as though made on and as of the Closing Date except that those representations and warranties that are qualified by materiality, Material Adverse Effect, or similar phrase shall be true and correct in all respects.

(b) Sellers shall have performed and complied in all material respects with the obligations and covenants required by this Agreement to be performed or complied with by Sellers on or prior to the Closing Date.

Section 8.2. Bankruptcy Conditions.

(a) The Sale Order shall have been entered on the docket by the Clerk of the Bankruptcy Court as soon as practicable and no later than the fifth (5th) business day following the date of the Sale Hearing and shall have become a Final Order.

(b) The Sale Order shall approve and authorize the assumption and assignment of the Assumed Executory Contracts and the Assumed Executory Contracts shall have been actually assumed and assigned to Purchaser such that the Assumed Executory Contracts will be in full force and effect from and after the Closing with non-debtor parties being barred and enjoined from asserting against Purchaser, among other things, defaults, breaches or claims of pecuniary losses existing as of the Closing or by reason of the Closing.

(c) Notwithstanding Section 8.2(a) and Section 10.1, nothing in this Agreement shall preclude Purchaser or Sellers from consummating the transactions contemplated herein if Purchaser, in its sole discretion, waives the requirement that the Sale Order or any other Order shall have become Final Orders. No notice of such waiver of this or any other condition to Closing need be given except to ParentCo, any official committee appointed in the Chapter 11 Cases and the United States Trustee, it being the intention of the parties hereto that Purchaser shall be entitled to, and is not waiving, the protection of Section 363(m) of the Bankruptcy Code, the mootness doctrine and any similar statute or body of law if the Closing occurs in the absence of Final Orders.

Section 8.3. Real Estate Matters.

(a) Sellers shall have delivered an assignment of lease corresponding to each Assumed Leased Facility, each in form and substance reasonably satisfactory to Purchaser.

(b) No damage or destruction or other change shall have occurred with respect to any of the Assumed Leased Facilities or any portion thereof that, individually or in the aggregate, would have a Material Adverse Effect on the use or occupancy of the Assumed Leased Facilities or the operation of the Business as currently conducted thereon.

(c) Carolina Fluid Handling, Inc. shall have executed and delivered a lease for the Facility located at 109 Gillespie Drive, Highway 93, Easley, SC, 29640 in the form attached hereto as Exhibit C (the "New Lease").

Section 8.4. Material Adverse Change. There shall not have occurred a Material Adverse Change since the date of the execution of this Agreement.

Section 8.5. Cure Costs. Subject to Section 2.1(c), if a Cure Payment is not set forth on Schedule 4.14, or if any Assumed Executory Contract is subject to a cure in excess of the amount set forth next to such Assumed Executory Contract on Schedule 4.14, Sellers shall have paid the amount of such cure or the excess of such cure over the amount set forth on Schedule 4.14, or alternatively, Purchaser shall have chosen in its sole discretion to have paid such Cure Amounts and deducted such amount from the Purchase Price as set forth in ARTICLE III.

Section 8.6. Financial Statements. Sellers shall have delivered to Purchaser copies of Sellers' interim monthly and year-to-date financial statement pursuant to Section 6.2(b) above.

Section 8.7. No Injunctions. No preliminary or permanent injunction or other order of any Governmental Authority of competent jurisdiction restraining or prohibiting the consummation of the transactions contemplated hereby shall be in place on the Closing Date.

Section 8.8. Approvals. All authorizations, consents, filings and approvals necessary to permit Sellers to perform the transactions contemplated hereby set forth on Schedule 8.8 shall have been duly obtained, made or given.

Section 8.9. Additional Matters. Purchaser shall have received such additional documents, instruments or items of information reasonably requested by it from Sellers in respect of any aspect or consequence of the transactions contemplated hereby. All corporate and other proceedings, and all documents, instruments and other legal matters in connection with the transactions contemplated by this Agreement or by the other agreements referred to herein shall be reasonably satisfactory in form and substance to Purchaser and its counsel. Purchaser shall have such Permits and licenses as are necessary to operate the Business following the Closing.

Section 8.10. Supply and Technical Assistance Agreement. The Bankruptcy Court shall have approved the Supply and Technical Assistance Agreement, between Carolina Fluid Handling, Inc. and Fluid Routing Solutions, Inc. and the assignment of such agreement to Purchaser either separately or as part of its approval of the transactions contemplated by this Agreement.

Section 8.11. Closing Deliveries. Sellers shall have delivered to Purchaser (i) a certificate signed by each Seller, dated the date of the Closing Date, (in form and substance reasonably satisfactory to Purchaser) certifying that the conditions specified in Section 8.1 through Section 8.10 have been satisfied as of the Closing; (ii) copies of all third-party approvals and governmental approvals required by Section 6.1; (iii) certified copies of the resolutions of each Seller's board of directors authorizing the execution, delivery and performance of this Agreement and the other agreements contemplated hereby and the consummation of the transactions contemplated hereby and thereby; (iv) originals (or, to the extent originals are not available, copies) of all Assumed Executory Contracts (together with all amendments, supplements or modifications thereto); (v) all of the closing deliveries set forth in Section 10.2 and (vi) such other documents or instruments as are required to be delivered by any Seller at the Closing pursuant to the terms hereof or that Purchaser reasonably requests prior to the Closing Date to effect the transactions contemplated hereby.

ARTICLE IX
CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLERS

The obligations of Sellers under this Agreement are, at the option of Sellers, subject to the satisfaction of the following conditions precedent on or before the Closing Date.

Section 9.1. Warranties True as of Both Present Date and Closing Date. The representations and warranties of Purchaser contained herein shall be true and correct in all material respects on and as of the Closing Date (except for representations and warranties made as of a specified date, which shall be true and correct in all material respects as of that date) with the same force and effect as though made by Purchaser on and as of the Closing Date, except those qualified by materiality shall be true and correct in all respects. Purchaser shall have performed and complied in all material respects with the obligations and covenants required by this Agreement to be performed or complied with by Purchaser on or prior to the Closing Date.

Section 9.2. Bankruptcy Court Approval. The Bankruptcy Court shall have entered an order approving of the execution of this Agreement by Sellers and of the consummation by Sellers of the transactions contemplated herein that is not subject to Rules 6004(h) and 6006(d) of the Federal Rules of Bankruptcy Procedure.

Section 9.3. No Injunctions. No preliminary or permanent injunction or other order of any Governmental Authority of competent jurisdiction restraining or prohibiting the consummation of the transactions contemplated hereby shall be in place on the Closing Date.

Section 9.4. Consideration. Purchaser shall have delivered to Sellers the cash portion of the Purchase Price.

Section 9.5. Approvals. All authorizations, consents, filings and approvals necessary to permit Purchaser to perform the transactions contemplated hereby shall have been duly obtained, made or given, shall be in form and substance reasonably satisfactory to Sellers, shall not be subject to the satisfaction of any condition that has not been satisfied or waived and shall be in full force and effect. All terminations or expirations of waiting periods (and any extension thereof) imposed by any Governmental Authority necessary for the transactions contemplated under this Agreement, if any, shall have occurred.

Section 9.6. New Lease. Purchaser shall have executed and delivered to Sellers the New Lease.

Section 9.7. Closing Deliveries. Purchaser shall have delivered to Sellers (i) a certificate signed by Purchaser, dated the date of the Closing (in form and substance reasonably satisfactory to Sellers) certifying that the conditions specified in Section 9.1 through Section 9.6 above have been satisfied as of the Closing; (ii) certified copies of the resolutions of Purchaser's sole member authorizing the execution, delivery and performance of this Agreement and the other agreements contemplated hereby and the consummation of the transactions contemplated hereby and thereby; (iii) all of the closing deliveries set forth in Section 10.3 and (iv) such other documents or instruments as are required to be delivered by Purchaser at the Closing pursuant to the terms hereof.

ARTICLE X CLOSING

Section 10.1. Closing. Upon the terms and subject to the satisfaction of the conditions contained in this Agreement, the closing of the transaction contemplated by this Agreement (the "Closing") will take place at the offices of Dinsmore & Shohl LLP, 255 E. Fifth Street, Suite 1900, Cincinnati, Ohio 45202 at 10:00 A.M. Eastern Standard Time no later than the first (1st) business day after the date on which the conditions set forth in ARTICLE VIII and ARTICLE IX have been satisfied or waived; or on such other date or place as Purchaser and ParentCo may determine (the "Closing Date").

Section 10.2. Deliveries by Sellers. At the Closing, Sellers shall deliver or procure delivery to Purchaser of:

- (a) physical possession of all of the Acquired Assets capable of passing by delivery with the intent that title in such Acquired Assets shall pass by and upon delivery;
- (b) one or more bills of sale and one or more assignments and assumptions of the Assumed Obligations, substantially in the form attached hereto as Exhibit D, conveying in the aggregate all of the owned personal property of Sellers included in the Acquired Assets, duly executed by Sellers;
- (c) one or more duly executed Intellectual Property assignments, substantially in the forms attached hereto as Exhibit E;
- (d) an affidavit from each of Carolina Fluid Handling Intermediate Corp., Carolina Fluid Handling, Inc. and Detroit Fuel, Inc., dated as of the Closing Date, in form and substance required under the Treasury Regulations issued pursuant to Section 1445 of the Code stating such Seller's taxpayer identification number and that such Seller is not a foreign person pursuant to Section 1445(b)(2) of the Code;
- (e) Sellers shall deliver an assignment of lease corresponding to each Assumed Leased Facility, each in form and substance reasonably satisfactory to Purchaser;
- (f) certificates of title and title transfer documents to all titled motor vehicles;
- (g) an assignment and assumption agreement with respect to Sellers' Permits and warranties in form and substance reasonably acceptable to Purchaser, whereby Sellers shall assign to Purchaser all of their respective rights in and to any Permits and warranties relating (directly or indirectly) to the Acquired Assets or the Business, to the extent such Permits and warranties are assignable;
- (h) all the Books and Records; provided that Sellers shall be permitted to retain copies of such Books and Records that are necessary in connection with its reporting obligations, including those required in the Chapter 11 Cases, and Purchaser

shall provide Sellers with reasonable access to such other Books and Records relating to such reporting obligations that Sellers may reasonably request following the Closing Date;

(i) such other instruments, in form and substance, reasonably satisfactory to Purchaser and its counsel, as are necessary to vest in Purchaser good and marketable title in and to the Acquired Assets in accordance with the provisions hereof;

(j) such powers of attorney relating (directly or indirectly) to the Acquired Assets or the Business; and

(k) the New Lease.

Section 10.3. Deliveries by Purchaser. At the Closing, Purchaser will deliver to Sellers (i) the assignment and assumption duly executed by Purchaser; (ii) the cash portion of the Purchase Price and (iii) the New Lease.

Section 10.4. Form of Instruments. To the extent that a form of any document to be delivered hereunder is not attached as an Exhibit hereto, such documents shall be in form and substance, and shall be executed and delivered in a manner, reasonably satisfactory to Purchaser and Seller.

ARTICLE XI TERMINATION; TERMINATION PAYMENT

Section 11.1. Termination. This Agreement may be terminated prior to the Closing as follows

(a) by mutual written agreement of Purchaser and ParentCo;

(b) by either Purchaser or ParentCo if there shall be in effect a Final Order restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby;

(c) by either Purchaser or ParentCo (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained herein), if there shall have been a material breach or misrepresentation of any of the representations or warranties or a material breach of any of the covenants set forth in this Agreement on the part of the other party, which breach is not cured within ten (10) days following written notice to the party committing such breach or which breach, by its nature, cannot be cured prior to the Closing;

(d) by Purchaser (provided that Purchaser is not then in material breach of any representation, warranty, covenant or other agreement contained herein) if it shall have reasonably determined that one or more conditions set forth in ARTICLE VIII has not been or cannot be fulfilled or satisfied prior to the date specified in such condition (if such condition specifies a date other than the Closing Date by which such condition must be satisfied);

(e) by Purchaser if any Seller (1) seeks or supports Bankruptcy Court approval of an alternative Purchaser for the Business (other than to or by Purchaser), (ii) executes and delivers an agreement or understanding of any kind with respect to an alternative Purchaser for the Business or (iii) designates a party other than Purchaser as the successful Bidder of the Auction;

(f) by Purchaser or ParentCo if the Bankruptcy Court enters an order approving the sale of the Business to an alternative Purchaser (other than the sale of the Business and the Acquired Assets to Purchaser);

(g) by Purchaser on any day on or after the thirtieth (30th) day following the date hereof if the Closing shall not have been consummated by such date (or by such later date as shall be mutually agreed to by Purchaser and ParentCo in writing), unless the Closing has not occurred due to a material failure of Purchaser to perform or observe its agreement as set forth in this Agreement required to be performed or observed by it on or before the Closing Date;

(h) by Purchaser as a result of the failure of Sellers to require that Bids be due no later than May 6, 2009 (or such later date as Purchaser may determine in its sole discretion);

(i) by Purchaser as a result of the failure of Sellers to have held the Auction by no later than the second (2nd) day following the date Bids are due (or such later date as Purchaser may determine in its sole discretion);

(j) by Purchaser as a result of (A) the failure of the Bankruptcy Court to enter the Sale Order by no later than the first (1st) day after the Auction is closed, or (B) the date the Sale Order ceases to be in full force and effect, or is revoked, rescinded, vacated, materially modified, reversed or stayed, or otherwise rendered ineffective by a court of competent jurisdiction; or

(k) by ParentCo (provided that no Seller is then in material breach of any representation, warranty, covenant or other agreement contained herein) if it shall have reasonably determined that one or more conditions set forth in ARTICLE IX has not been or cannot be fulfilled or satisfied prior to the date specified in such condition (if such condition specifies a date other than the Closing Date by which such condition must be satisfied).

Section 11.2. [RESERVED]

Section 11.3. Effect of Termination or Breach. If the transactions contemplated hereby are not consummated this Agreement shall become null and void and of no further force and effect, except (i) for this Section 11.3 (Effect of Termination or Breach), (ii) for the provisions of Section 13.1 (Expenses), Section 13.7 (Submission to Jurisdiction), Section 13.8 (Governing Law), Section 13.9 (Binding Nature; Assignment), Section 13.10 (No Third Party Beneficiaries) and Section 13.11 (Construction) hereof, and (iii) that the termination of this Agreement for any cause shall not relieve any party hereto from any Liability which at the time of termination had

already accrued to any other party hereto or which thereafter may accrue in respect of any act or omission of such party prior to such termination.

ARTICLE XII ADDITIONAL POST-CLOSING COVENANTS

Section 12.1. Employees.

(a) Immediately prior to the Closing, the employment of all of the employees of Sellers whose job function primarily relates to the Business shall be terminated by the applicable Seller, and all such employees shall have the right to apply for employment with Purchaser. Sellers recognize that Purchaser intends to make offers of employment to those active employees of Sellers selected by Purchaser in its sole discretion, at terms and conditions of employment (including compensation and benefits) established by Purchaser in its sole discretion. Those employees of Sellers who accept such offers of employment and commence active employment with Purchaser shall be referred to throughout this Agreement as "Rehired Employees." No later than the Closing Date, Sellers shall have provided Purchaser with a list of layoffs, by date and location, implemented by the Business in the ninety (90)-day period preceding the Closing Date. For purposes of this Section 12.1, "active employees" shall be those employees of the Business who, at Closing, are actively working for the Business or are on short-term approved leaves of absence, including vacation, personal or medical leave, or as to whom Sellers would have a legal obligation to rehire. Sellers shall be responsible for (and Sellers shall jointly and severally indemnify and hold Purchaser harmless from and against), any and all wages, bonuses, commissions, employee benefits, retention or stay bonus arrangements, and other compensation (including all obligations under any Employee Benefit Plans) due to the employees of any Seller arising out of their employment with such Seller prior to and as of the Closing.

(b) Nothing contained in this Agreement shall confer upon any Rehired Employee any right with respect to continuance of employment by Purchaser, nor shall anything herein interfere with the right of Purchaser to terminate the employment of any Rehired Employees at any time, with or without notice, or restrict Purchaser, in the exercise of its business judgment in modifying any of the terms or conditions of employment of the Rehired Employees after the Closing.

Section 12.2. Employee Benefit Plans.

(a) Purchaser shall not assume any Employee Benefit Plans or any obligation or Liability thereunder and Purchaser shall provide benefits to those Rehired Employees as of or after the Closing as Purchaser, in its sole discretion, shall determine. Sellers shall jointly and severally indemnify, defend and hold harmless Purchaser from and against any and all obligations, Claims, or Liabilities under COBRA and any Employee Benefit Plans to which Sellers or any ERISA Affiliate have any actual or potential Liability. Sellers shall also jointly and severally indemnify, defend and hold harmless Purchaser for any costs that Purchaser incurs if Purchaser is required by law to assume COBRA liability resulting from Sellers' actions described on Schedule 4.7(b)-1. With respect to

all claims by current and former employees of Sellers arising prior to or as of the Closing Date under COBRA or any Employee Benefit Plans of Sellers, whether insured or otherwise (including, but not limited to, life insurance, medical and disability programs). Sellers shall, at their own expense, honor or cause their respective insurance carriers to honor such claims, whether made before or after the Closing, in accordance with the terms and conditions of such Employee Benefit Plans of Sellers without regard to the employment by Purchaser of any such employees after the Closing.

(b) Purchaser shall not be obligated to give to any Rehired Employee credit for his or her service with Sellers (i) with respect to eligibility to participate and vesting in any Employee Benefit Plan maintained by Purchaser for the benefit of such Rehired Employee to the same extent such service was recognized under a similar Employee Benefit Plan as of the Closing Date; or (ii) for the purpose of determining such Rehired Employee's vacation and sick leave (on a going-forward basis) in any vacation or sick leave policy, program or arrangement maintained by Purchaser for the Rehired Employees' benefit on or after the Closing Date to the extent such service was recognized under a similar policy, program or arrangement of Sellers as of the Closing Date. Purchaser shall not be responsible for any accrued Liabilities or claims with respect to any vacation or sick leave earned or accrued by Rehired Employees on or prior to the Closing Date.

Section 12.3. Sellers' Cooperation in Hiring of Employees. Sellers shall cooperate with Purchaser and shall permit Purchaser a reasonable period prior to the Closing Date (i) to meet with employees of Sellers (including managers and supervisors) at such times as Purchaser shall reasonably request, (ii) to speak with such employees' managers and supervisors (in each case with appropriate authorizations and releases from such employees) who are being considered for employment by Purchaser, (iii) to distribute to such employees of Sellers such forms and other documents relating to potential employment by Purchaser after the Closing as Purchaser may reasonably request, and (iv) to permit Purchaser's counsel, upon request, to review personnel files and other relevant employment information regarding employees of Sellers.

Section 12.4. WARN Act. In respect of notices and payments relating to events occurring on or prior to the Closing, Sellers shall be jointly and severally responsible for and assume all Liability for (and Sellers shall jointly and severally indemnify and hold Purchaser harmless from and against) any and all notices, payments, fines or assessments due to any Government Authority, pursuant to any applicable federal, state, local or foreign law, common law, statute, rule, Regulation or ordinance with respect to the employment, discharge or layoff of employees by Sellers on or before the Closing, including but not limited to the Worker Adjustment and Retraining Notification Act and any rules or Regulations as have been issued in connection with the foregoing (jointly, referred to throughout this Agreement as the "WARN Act"). Likewise, in respect of notices and payments relating to events occurring after the Closing, Purchaser shall be responsible and assume (and shall indemnify and hold Sellers harmless from and against) all Liability for any and all notices, payments, fines or assessments due to any Governmental Authority, pursuant to the WARN Act.

Section 12.5. Joint Post-Closing Covenant of Purchaser and Sellers. Purchaser and Sellers jointly covenant and agree that, from and after the Closing Date, Purchaser and Sellers

will each use commercially reasonable efforts to cooperate with each other in connection with any action, suit, proceeding, investigation or audit of the other relating to (a) the preparation of an audit of any Tax Return of any Seller or Purchaser for all periods prior to or including the Closing Date and (b) any audit of Purchaser and/or any audit of any Seller with respect to the sales, transfer and similar Taxes imposed by the laws of any state or political subdivision thereof, relating to the transactions contemplated by this Agreement. In furtherance hereof, Purchaser and Sellers further covenant and agree to promptly respond to all reasonable inquiries related to such matters and to provide, to the extent reasonably possible, substantiation of transactions and to make available and furnish appropriate documents and personnel in connection therewith. All costs and expenses incurred in connection with this Section 12.5 referred to herein shall be borne by the party who is subject to such action.

Section 12.6. Certain Consents. If a consent of a Third Party which is required in order to assign any Acquired Asset (or Claim, right or benefit arising thereunder or resulting therefrom) is not obtained prior to the Closing Date, or if an attempted assignment would be ineffective or would adversely affect the ability of any Seller to convey its interest in question to Purchaser, Sellers will cooperate with Purchaser and use commercially reasonable efforts in any lawful arrangement to provide that Purchaser shall receive the interests of any Seller in the benefits of such Acquired Asset and shall pay and perform the obligations of such Seller with respect to such Acquired Asset to the extent such obligations would have been Assumed Obligations had Seller been able to convey its interest in such Acquired Asset to Purchaser. If any consent or waiver is not obtained before the Closing Date and the Closing is nevertheless consummated, each Seller agrees to continue to use commercially reasonable efforts to obtain all such consents as have not been obtained prior to such date.

Section 12.7. Access to Information. For a period of twelve (12) months after the Closing Date, each party and their representatives shall have reasonable access to, and each shall have the right to photocopy, all of the books and records relating to the Business or the Acquired Assets, including all employee records or other personnel and medical records required by law, legal process or subpoena, in the possession of the other party to the extent that such access may reasonably be required by such party in connection with the Assumed Obligations or the Excluded Liabilities, or other matters relating to or affected by the operation of the Business and the Acquired Assets. Such access shall be afforded by the party in possession of such books and records upon receipt of reasonable advance notice and during normal business hours; provided, however, that (A) any such investigation shall be conducted in such a manner as not to interfere unreasonably with the operation of the business of any party or its Affiliates, (B) no party shall be required to take any action which would constitute a waiver of the attorney-client privilege and (C) no party need supply the other party with any information which such party is under a legal obligation not to supply. The party exercising this right of access shall be solely responsible for any costs or expenses incurred by it pursuant to this Section 12.7. If the party in possession of such books and records shall desire to dispose of any such books and records upon or prior to the expiration of such period, such party shall, prior to such disposition, give the other party a reasonable opportunity at such other party's expense, to segregate and remove such books and records as such other party may select.

Section 12.8. Tax Matters. Purchaser shall, within the later of (i) one hundred twenty (120) days after the Closing Date or (ii) thirty (30) days prior to the date by which Sellers'

federal income Tax Returns must be filed, prepare and deliver to Sellers a schedule allocating the Purchase Price (and any other items that are required for federal income tax purposes to be treated as part of the purchase price) among the respective Sellers and the Acquired Assets (such schedule, the "Allocation") for Sellers' review and comment. Purchaser shall make such revisions to the Allocation as are reasonably requested by Sellers. Purchaser and Sellers shall report and file all Tax Returns (including amended Tax Returns and claims for refund) consistent with the Allocation, and shall take no position contrary thereto or inconsistent therewith (including in any audits or examinations by any Governmental Authority or any other proceeding). Purchaser and Sellers shall cooperate in the filing of any forms (including Form 8594 under Section 1060 of the Code) with respect to such Allocation, including any amendments to such forms required pursuant to this Agreement with respect to any adjustment to the Purchase Price. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 12.8 shall survive the Closing.

Section 12.9. To the extent that any Finished Goods remain at the Facilities following the Closing, Seller shall promptly ship, or arrange for the prompt shipment of, such Finished Goods to the applicable customers.

ARTICLE XIII MISCELLANEOUS

Section 13.1. Expenses.

(a) Each party hereto shall bear its own costs and expenses, including attorneys' fees, with respect to the transactions contemplated hereby. Notwithstanding the foregoing, in the event of any action or proceeding to interpret or enforce this Agreement, the prevailing party in such action or proceeding (i.e., the party who, in light of the issues contested or determined in the action or proceeding, was more successful) shall be entitled to have and recover from the non-prevailing party such costs and expenses (including all court costs and reasonable attorneys' fees) as the prevailing party may incur in the pursuit or defense thereof.

(b) The parties hereto agree that if any claims for commissions, fees or other compensation, including brokerage fees, finder's fees, or commissions are ever asserted against Purchaser or Sellers in connection with this transaction, all such claims shall be handled and paid by the party whose actions form the basis of such claim and such party shall indemnify (with counsel reasonably satisfactory to the party(ies) entitled to indemnification) and hold the other harmless from and against any and all such claims or demands asserted by any Person, firm or corporation in connection with the transaction contemplated hereby.

Section 13.2. Amendment. This Agreement may not be amended, modified or supplemented except by a written instrument signed by ParentCo (on behalf of itself and Sellers) and Purchaser.

Section 13.3. Notices. All notices, requests, demands and other communications permitted or required to be given or delivered under or by reason of the provisions of this

Agreement shall be in writing and shall be deemed conclusively to have been given (i) when personally delivered, (ii) when sent by facsimile (with hard copy to follow) during a business day (or on the next business day if sent after the close of normal business hours or on any non-business day), (iii) when sent by electronic mail (with hard copy to follow) during a business day (or on the next business day if sent after the close of normal business hours or on any non-business day), (iv) one (1) business day after being sent by reputable overnight express courier (charges prepaid), or (v) three (3) business day following mailing by certified or registered mail, postage prepaid and return receipt requested. Unless another address is specified in writing, notices, requests, demands and communications to the parties shall be sent to the addresses indicated below:

To Sellers:

Carolina Fluid Handling, Inc.
109 Gillespie Drive
Easley, SC 29641
Attn: Chief Restructuring Officer

with copy to:

Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, NY 10178
Attn: Neil E. Herman
Fax: (212)309-6001
E-mail: nherman@morganlewis.com

and

Morgan, Lewis & Bockius LLP
One Oxford Centre, 32nd Floor
301 Grant Street
Pittsburgh, PA 15219
Attn: David A. Gerson
Fax: (412)560-7001
E-mail: dgerson@morganlewis.com

To Purchaser:

YH America South Carolina, LLC
c/o YH America, Inc.
105 Kuhlman Avenue
Versailles, KY 40383-1527

with copy to:

Dinsmore & Shohl LLP
255 East Fifth Street, Suite 1900

Cincinnati, OH 45202
Attn: John B. Persiani
Fax: (513) 977-8141
E-mail: john.persiani@dinslaw.com

Section 13.4. Waivers. The failure of a party hereto at any time or times to require performance of any provision hereof shall in no manner affect its right at a later time to enforce the same. No waiver by a party of any condition or of any breach of any term, covenant, representation or warranty contained in this Agreement shall be effective unless in writing by ParentCo, in the case of a waiver by any Seller, or Purchaser, in the case of any waiver by Purchaser, and no waiver in any one or more instances shall be deemed to be a further or continuing waiver of any such condition or breach of other instances or a waiver of any other condition or breach of any other term, covenant, representation or warranty.

Section 13.5. Electronic Delivery; Counterparts. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, may be executed in one or more counterparts, all of which shall constitute one and the same instrument. Any such counterpart, to the extent delivered by means of a facsimile machine or by .pdf, .tif, .gif, .peg or similar attachment to electronic mail (any such delivery, an "Electronic Delivery") shall be treated in all manner and respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto, each other party hereto or thereto shall re-execute the original form of this Agreement and deliver such form to all other parties. No party hereto shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense relates to lack of authenticity.

Section 13.6. Heading. The headings preceding the text of the Articles and Sections of this Agreement and the Exhibits and the Schedules are for convenience only and shall not be deemed part of this Agreement.

Section 13.7. Submission to Jurisdiction. THE PARTIES HEREBY AGREE THAT ANY AND ALL CLAIMS, ACTIONS, CAUSES OF ACTION, SUITS, AND PROCEEDINGS RELATING TO THIS AGREEMENT OR THE OTHER AGREEMENTS CONTEMPLATED HEREIN SHALL BE FILED AND MAINTAINED ONLY IN THE BANKRUPTCY COURT, AND THE PARTIES HEREBY CONSENT TO THE JURISDICTION OF SUCH COURT.

Section 13.8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (regardless of the laws that might otherwise govern under applicable Delaware principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

Section 13.9. Binding Nature; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without prior written consent of the other parties (which

shall not be unreasonably withheld or delayed); except that (i) Purchaser may assign any of its rights and obligations hereunder to any Affiliate or Subsidiary of Purchaser (whether wholly owned or otherwise) or to its lender and, following the Closing, in whole or in part to any successor-in-interest to any Person acquiring all or any portion of the Business or the Acquired Assets; (ii) the rights and interests of Sellers hereunder may be assigned to a trustee appointed under Chapter 11 or Chapter 7 of the Bankruptcy Code; (iii) this Agreement may be assigned to any entity appointed as a successor to Sellers pursuant to a confirmed Chapter 11 plan; and (iv) as otherwise provided in this Agreement. Sellers hereby agree that Purchaser may grant a security interest in its rights and interests hereunder to its lenders, and Sellers will sign a consent with respect thereto if so requested by Purchaser or its lender, and that the terms of this Agreement shall be binding upon any subsequent trustee appointed under Chapter 11 or Chapter 7 of the Bankruptcy Code.

Section 13.10. No Third Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto and nothing contained herein, express or implied, is intended to confer on any Person other than the parties hereto or their successors and permitted assigns, any rights, remedies, obligations, Claims, or causes of action under or by reason of this Agreement.

Section 13.11. Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to this Agreement to express their mutual intent, and no rule of strict construction shall be applied against any party. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and Regulations promulgated thereunder, unless the context requires otherwise.

Section 13.12. Public Announcements. Except as required by law or in connection with the Chapter 11 Cases, neither Sellers nor Purchaser shall issue any press release or public announcement concerning this Agreement or the transactions contemplated hereby without obtaining the prior written approval of the other parties hereto relating to the contents and manner of presentation and publication thereof, which approval will not be unreasonably withheld, delayed or conditioned. Prior to making any public disclosure required by applicable law, the disclosing parties shall give the other party a copy of the proposed disclosure and reasonable opportunity to comment on the same. Notwithstanding the foregoing, Purchaser shall not be restricted from making any public announcements or issuing any press releases after the Closing.

Section 13.13. Entire Understanding. This Agreement, the Exhibits and the Schedules set forth the entire agreement and understanding of the parties hereto in respect to the transactions contemplated hereby and the Agreement, the Exhibits and the Schedules supersede all prior agreements, arrangements and understandings relating to the subject matter hereof and are not intended to confer upon any other Person any rights or remedies hereunder.

Section 13.14. Closing Actions. All deliveries, payments and other transactions and documents relating to the Closing shall be interdependent, and none shall be effective unless and until all are effective (except to the extent that the party entitled to the benefit thereof has waived satisfaction or performance thereof as a condition precedent to the Closing).

Section 13.15. Conflict Between Transaction Documents. The parties hereto agree and acknowledge that to the extent any terms and provisions of this Agreement are in any way inconsistent with or in conflict with any term, condition or provision of any other agreement or document referred to herein, this Agreement shall govern and control.

Section 13.16. No Survival. The representations and warranties of Sellers and Purchaser contained in this Agreement or in any instrument delivered in connection herewith shall not survive the Closing.

Section 13.17. Parent Guaranty. Parent hereby unconditionally guarantees the obligations of Purchaser to pay the Purchase Price and any additional payments required under Section 3.1(a) hereof and all other monetary obligations of Purchaser to Sellers under this Agreement in the event and to the extent that Purchaser fails to perform any such obligation as and when due. Parent acknowledges and agrees that this is a continuing, absolute, unconditional and irrevocable guaranty of payment and not of collection and that this guaranty shall remain in full force and effect and be binding upon Parent, its successors and assigns until discharge in full of the obligations guaranteed hereby. Parent specifically waives any right to subrogation, setoff or counterclaim, and any defense for changes in applicable law or any other circumstances which might constitute a legal or equitable defense or discharge of a guarantor or surety. Parent waives notice of acceptance hereof and of defaults hereunder. Parent waives any right to require a proceeding first against Purchaser or to exhaust any security for the performance of the obligations of Purchaser, and agrees that the liability of Parent shall not be affected or decreased by the rejection or disaffirmance thereof in bankruptcy or like proceedings. The execution, delivery and performance of this Agreement by Parent has been duly and validly authorized by all necessary action on the part of Parent; this Agreement has been duly and validly executed and delivered by Parent and constitutes the legal, valid and binding obligation of Parent, enforceable against Parent in accordance with its terms.

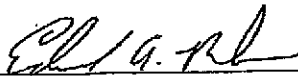
[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this Asset Purchase Agreement to be executed and delivered on the date first above written.

PURCHASER:

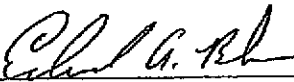
YH America South Carolina LLC

By: YH America, Inc., its sole member

By: 
Name: EDWARD A. BEHN
Its: PRESIDENT

PARENT (solely with respect to Section 13.17):

YH AMERICA, INC.

By: 
Name: EDWARD A. BEHN
Title: PRESIDENT

SELLERS:

CAROLINA FLUID HANDLING
INTERMEDIATE HOLDING CORP.

By 
Name: Kevin A. Krakora
Title: Chief Restructuring Officer

CAROLINA FLUID HANDLING, INC

By 
Name: Kevin A. Krakora
Title: Chief Restructuring Officer

CAROLINA FLUID HANDLING
AUTOMOTIVE, LLC

By 
Name: Kevin A. Krakora
Title: Chief Restructuring Officer

DETROIT FUEL, INC.

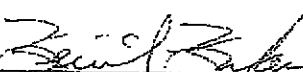
By 
Name: Kevin A. Krakora
Title: Chief Restructuring Officer

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

----- X
In re: : Chapter 11
: :
FLUID ROUTING SOLUTIONS INTERMEDIATE : Case No. 09-10384 (CSS)
HOLDING CORP., : :
a Delaware corporation, et al.,¹ : Jointly Administered
: :
Debtors. : Hearing Date: April 29, 2009 at 10:00 a.m. (ET)
: Objection Deadline: April 27, 2009 at 12:00 NOON (ET)
----- X Competing Bid Deadline: April 27, 2009 at 12:00 NOON (ET)

MOTION OF THE DEBTORS FOR ORDER, PURSUANT TO SECTIONS 105(a), 363 AND 365 OF THE BANKRUPTCY CODE, (I) AUTHORIZING THE SALE OF CERTAIN ASSETS ASSOCIATED WITH THE DEBTORS' FLUIDS BUSINESS TO YH AMERICA, INC. FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, (II) APPROVING THE TERMS OF THE PURCHASE AGREEMENT, (III) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS, AND (IV) GRANTING RELATED RELIEF

The debtors and debtors in possession in the above cases (collectively, the "Debtors"), hereby submit this motion (the "Motion"), pursuant to sections 105(a), 363 and 365 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") for entry of an order (i) authorizing the sale (the "Sale") of certain assets associated with the Debtors' manufacture of fluid handling systems products (as defined in the Purchase Agreement defined below, the "Fluid Assets") to YH America, Inc. ("YH America") or to another party submitting a higher or better offer free and clear of liens, claims, encumbrances, and other interests, (ii) approving the terms of the Asset Purchase Agreement (the "Purchase Agreement"), a copy of which will be submitted to the Court by April 24, 2009, (iii) authorizing the assumption and

¹ The Debtors in these cases, and the last four digits of each Debtor's federal tax identification number, are: Fluid Routing Solutions Intermediate Holding Corp. (1438), Fluid Routing Solutions, Inc. (1567), Fluid Routing Solutions Automotive, LLC (*f/k/a* Mark IV Automotive, LLC) (6301) and Detroit Fuel, Inc. (4910). The address for each of the Debtors is 1955 Enterprise Drive, Rochester Hills, MI 48309.

assignment of certain contracts to be assumed and assigned by the Debtors (the "Assumed and Assigned Contracts"), and (iv) granting related relief (the "Motion"). In support of this Motion, the Debtors respectfully represent:

STATUS OF THE CASE AND JURISDICTION

1. On February 6, 2009, each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. That same day, the Court entered an order granting joint administration of these chapter 11 cases.

2. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. On February 13, 2009, the United States Trustee appointed the official committee of unsecured creditors (the "Committee"). No trustee or examiner has been appointed in these chapter 11 cases.

4. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this District and before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are sections 105(a), 363 and 365(a) of the Bankruptcy Code, along with Bankruptcy Rules 2002, 6004, 6006 and 9014.

BACKGROUND

5. The Debtors were historically leading designers and manufacturers of innovative, highly-engineered fuel management systems, fluid handling systems and hose extrusion products for major original equipment manufacturers in the automotive industry. The Debtors sold to automotive manufacturers in North America and sold a small amount of their

product internationally, including (i) formed hose to Brazil and (ii) fuel systems to Daewoo in Korea and Saab in Sweden, as well as other products to Spain and Portugal.

6. A variety of external factors have led to a decline in the Debtors' operating performance, including a dramatic downturn in the global economy, unprecedented volatility in the global credit markets, increases in raw material prices and a steep decline in domestic and foreign auto sales. This combination of events precipitated the filing by the Debtors of their chapter 11 petitions.

7. Since the Petition Date, the Debtors have been winding down their businesses. On March 24, 2009, the Court approved the sale of substantially all of the assets of the Debtors' hose extrusion and fuel assembly service businesses to FRS Holding Corp. pursuant to an Asset Purchase Agreement dated as of February 6, 2009. The Sale to FRS Holding Corp. closed on March 27, 2009.

8. The Debtors continue to manufacture fluid handling systems products (the "Fluids Business"), which include power steering hose and hose assemblies and transmission oil cooler assemblies. The Debtors are in most cases the sole-source supplier of such products. Their primary customers include General Motors, Chrysler and Ford (each, a "Customer", and, collectively, the "Customer Group"). All products manufactured by the Fluids Business are produced in the Debtors' dedicated facility, located in Easley, South Carolina.

9. On March 31, 2009, the Debtors filed a motion [Docket No. 265] seeking approval of an agreement entered into by and among, the Debtors, the Customer Group, and Sun Fluid Routing Finance LLC (the "Customer Finance Agreement"). Pursuant to the Customer Finance Agreement, among other things, the Debtors were able to obtain financing sufficient to fund the continued wind-down of their estates and liquidation of their remaining assets. On April

1, 2009, the Court entered an Order [Docket No. 278] granting interim approval of the Customer Finance Agreement.

RELIEF REQUESTED

10. By this Motion, the Debtors seek the entry of an order, pursuant to sections 105(a), 363, and 365 of the Bankruptcy Code, Bankruptcy Rules 2002 and 6004, (i) authorizing the sale of the Fluid Assets to YH America or to another party submitting a higher or better offer free and clear of liens, claims, encumbrances, and other interests, (ii) approving the terms of the Purchase Agreement, (iii) authorizing the assumption and assignment of the Assumed and Assigned Contracts; and (iv) granting related relief.

THE TRANSACTION

11. The Fluid Assets² that the Debtors propose to sell to YH America include the following:

- a. Machinery, office equipment, and other assets held at the Debtors' Easley, South Carolina facility located at 109 Gillespie Drive, Easley, South Carolina 29641 (the "Easley Site").
- b. Intellectual property and patents that apply to the design and production of power steering assembly products at the Easley Site.
- c. Production process testing equipment currently held at the Debtors' Ocala, Florida facility located at 3100 Maricamp Road, Ocala, Florida 34471, which is scheduled to be transferred to the Easley Site.

² The Fluid Assets shall be set forth in greater detail in the Purchase Agreement.

- d. All reusable packaging materials in use at the Easley Site, provided, however, that this does not include Customer owned materials.
- e. All contracts for current and awarded business not yet in production.

12. The Debtors propose to sell the Fluid Assets to YH America for a purchase price that has yet to be determined, but based upon discussions with YH America is expected to fall within the range of \$1.0 million to 1.5 million. Pursuant to the terms of the Purchase Agreement, the Debtors shall propose to sell to YH America, or such other higher or otherwise better offer, the Fluid Assets free and clear of liens, claims, encumbrances, and other interests. The parties are negotiating the terms of the Purchase Agreement, and expect to finalize an agreement within the next ten (10) business days. The Purchase Agreement will be contingent upon Court approval of the terms of the Sale.

13. Upon execution, the Debtors shall file a copy of the Purchase Agreement with the Court, and serve a copy of the Purchase Agreement upon all parties listed in the "Notice" paragraph of this Motion. In addition, the Debtors shall file a supplement to this Motion summarizing the material economic terms of the proposed transaction. Because of the Debtors' limited funds and the current economic environment, the Debtors deemed it prudent to proceed with the Motion immediately and without further delay, notwithstanding the fact that the terms of the Purchase Agreement have not yet been finalized.

I. Marketing Efforts for Fluid Assets.

14. Since the Petition Date, Mesirow Financial Interim Management, LLC ("MFIM"), the Debtors' interim managers, has worked diligently to find parties interested in purchasing the Debtors' remaining assets, including the Fluid Assets. Specifically, as of the date hereof, MFIM has aggressively marketed the Fluid Assets to twelve (12) potential purchasers (the "Potential Purchasers"). However, MFIM's marketing efforts with respect to the Fluid Assets have

yielded limited interest with the exception of that demonstrated by YH America. Indeed of the Potential Purchasers, only three (3) parties conducted on site due diligence that resulted in preliminary non-binding expressions of interest.

15. The Debtors believe that those parties most likely to be interested in acquiring the Fluid Assets have been contacted through MFIM's marketing efforts. Accordingly, the Debtors have decided to dispose of the Fluid Assets pursuant to the Purchase Agreement and without the expense and delay of a formal auction process.

III. The Sale of the Fluid Assets Should Proceed by Private Sale.

16. For the reasons explained below and throughout this Motion, the Debtors believe that the approval of a private sale of the Fluid Assets to YH America pursuant to the terms of the Purchase Agreement is appropriate.

A. Sale of the Fluid Assets Pursuant to the Terms of the Purchase Agreement Should be Approved.

17. Section 363(b)(1) of the Bankruptcy Code provides: "The trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Section 105(a) of the Bankruptcy Code provides: "The Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). In pertinent part, Bankruptcy Rule 6004 states that, "all sales not in the ordinary course of business may be by private sale or by public auction." Fed.R.Bankr.P. 6004(f)(1). With respect to the notice required in connection with a private sale, Bankruptcy Rule 2002(c)(1) states, in pertinent part, that,

... the notice of a proposed use, sale or lease of property ... shall include ... the terms and conditions of any private sale and the deadline for filing objections. The notice of a proposed use, sale or lease of property, including real estate, is sufficient if it generally describes the property.