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**PURCHASE AGREEMENT**

**BY AND AMONG**

**ABC HOLDINGS LLC**

**AND**

**Q.R.S. TRAIL SERVICE, INC.,  
Q.R.S. TRAIL SERVICE OF THE MIDWEST, INC.,  
AND  
JOHN DOE,**

**JUNE \_\_, 20\_\_**

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LAWYERS' MENTOR

## PURCHASE AGREEMENT

Agreement entered into on June \_\_, 20\_\_, by and among ABC Holdings LLC, a \_\_\_\_\_ limited liability company (the “Buyer”), and Q.R.S. Trail Service, Inc., a \_\_\_\_\_ corporation (“QRS”), Q.R.S. Trail Service of The Midwest, Inc., a \_\_\_\_\_ corporation (“QRS State”), John Doe (“Doe”), the (“Stockholders”). QRS, QRS State, the Stockholders, the “Sellers” and each a “Seller”). The Buyer, Sellers and Stockholders are referred to collectively herein as the “Parties.”

This Agreement contemplates a transaction in which the Buyer will purchase (i) substantially all of the assets (and assume certain of the liabilities) of QRS, QRS State, Chicago Heights and Heartland (each an “Asset Seller” and together the “Asset Sellers”) and (ii) all of the outstanding capital stock of Central Illinois Railroad Company, an Illinois corporation (“Central”), in return for cash and, at the election of the Buyer, the Buyer Notes.

Now, therefore, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows.

1. Definitions.

“2006 Accrued Valuation” has the meaning set forth in §2(g)(x) below.

“2005 Ratio” has the meaning set forth in §2(g)(x) below.

“2006 Ratio” has the meaning set forth in §2(g)(x) below.

“Accounts Payable” means the accounts payable of the Asset Sellers as shown on the Closing Date Balance Sheet.

“Accounts Receivable” means the accounts receivable of the Asset Sellers as shown on the Closing Date Balance Sheet.

“Accredited Investor” has the meaning set forth in Regulation D promulgated under the Securities Act.

“Accrued Expenses” means the accrued expenses of the Asset Sellers as shown on the Closing Date Balance Sheet.

“Acquired Assets” means all right, title, and interest in and to all of the assets of the Asset Sellers. The Acquired Assets shall include, without limitation, all of the Asset Sellers’ (a) Leased Real Property, (b) tangible personal property (such as machinery, equipment, inventories of raw materials and supplies, manufactured and purchased parts, goods in process and finished goods, furniture, automobiles, trucks, tractors, trailers, tools, jigs, and dies), (c) Intellectual Property, goodwill associated therewith, licenses and sublicenses granted and obtained with respect thereto, and rights thereunder, remedies against infringements thereof, and rights to protection of interests therein under the laws of all jurisdictions, (d) leases, subleases, and rights thereunder, (e) agreements, contracts, indentures, mortgages, instruments, Security Interests, guaranties, other similar arrangements, and rights thereunder, (f) accounts, notes, and other receivables, (g) securities, (h) claims, deposits, prepayments, refunds, causes of action, choses in action, rights of recovery, rights of set off, and rights of recoupment (including any such item relating to the payment of taxes), (i) franchises, approvals,

permits, licenses, orders, registrations, certificates, variances, and similar rights obtained from governments and governmental agencies, (j) books, records, ledgers, files, documents, correspondence, lists, plats, architectural plans, drawings, and specifications, creative materials, advertising and promotional materials, studies, reports, and other printed or written materials, (k) Cash, and (l) rights in and with respect to the assets associated with its Employee Benefit Plans; provided, however, that the Acquired Assets shall not include the Excluded Assets.

“Actual Value” has the meaning set forth in §2(f) below.

“Adverse Consequences” means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties, fines, costs, reasonable amounts paid in settlement, liabilities, obligations, taxes, Liens, losses, expenses, and fees, including court costs and reasonable attorneys' fees and expenses.

“Affiliate” has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act.

“Affiliated Group” means any affiliated group within the meaning of Code §1504(a) or any similar group defined under a similar provision of state, local, or foreign law.

“Annex” has the meaning set forth in §4 below.

“Applicable Rate” means the corporate base rate of interest publicly announced from time to time by JPMorgan Chase Bank, N.A.

“Asset Seller” has the meaning set forth in the preface above.

“Assumed Benefit Plan” has the meaning set forth in §12(o) below

“Assumed Liabilities” means (a) the Accounts Payable and Accrued Expenses to the extent provided on Exhibit A, (b) the Seller's liabilities and obligations of the Asset Sellers under those contracts to be assumed by the Buyer as set forth on Exhibit A, attached hereto, arising after the Closing, but excluding any obligations of Seller arising out of the breach by Seller of, or the default by Seller in its performance of, any warranty or other obligations under such contracts, and (c) those other liabilities set forth on Exhibit A, attached hereto. For the avoidance of doubt, notwithstanding any other provision of this Agreement, no intercompany Indebtedness or other amount due from an Asset Seller to another Asset Seller, a Stockholder or any Affiliate thereof shall constitute an Assumed Liability.

“Basis” means any past or present fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction that forms or could form the basis for any specified consequence.

“Buyer” has the meaning set forth in the preface above.

“Buyer Notes” has the meaning set forth in §2(c) below.

“CARAPAE” means the (i) Cash plus Accounts Receivable less (ii) Accounts Payable plus Accrued Expenses.

“Cash” means cash and cash equivalents (including marketable securities and short term investments) of the Asset Sellers as shown on the Closing Date Balance Sheet and calculated in accordance with GAAP applied on a basis consistent with the preparation of the Financial Statements.

“Central” has the meaning set forth in the preface above.

“Central Shares” means any share of the Common Stock of Central.

“Chicago Heights” has the meaning set forth in the preface above.

“Closing” has the meaning set forth in §2(d) below.

“Closing Date” has the meaning set forth in §2(d) below.

“Closing Date Balance Sheet” has the meaning set forth in §2(f) below.

“COBRA” means the requirements of Part 6 of Subtitle B of Title I of ERISA and Code §5980B and of any similar state law.

“Code” means the Internal Revenue Code of 1986, as amended.

“Confidential Information” means any information concerning the businesses and affairs of the Targets that is not already generally available to the public.

“Consolidated Net Book Value” means the excess of assets over liabilities as shown on the Closing Date Balance Sheet.

“Controlled Group” has the meaning set forth in Code §1563.

“Current Assets” means the current assets, excluding inventory, of Central as shown on the Closing Date Balance Sheet.

“Current Liabilities” means the current liabilities of Central as shown on the Closing Date Balance Sheet.

“Deposit” means that certain earnest money deposit of \$80,550 deposited by the Buyer with Quarles & Brady LLP contemporaneously with the execution of this Agreement.

“Disclosure Schedule” has the meaning set forth in §3 below.

“QRS” has the meaning set forth in the preface above.

“QRS State” has the meaning set forth in the preface above.

“QRS State-Central Indebtedness” means that certain Indebtedness owed by QRS State to Central in the amount of \$303,600.

“Draft Closing Date Balance Sheet” has the meaning set forth in §2(f) below.



“Employee Benefit Plan” means any “employee benefit plan” (as such term is defined in ERISA §3(3)) and any other material employee benefit plan, program or arrangement of any kind.

“Employee Pension Benefit Plan” has the meaning set forth in ERISA §3(2).

“Employee Welfare Benefit Plan” has the meaning set forth in ERISA §3(1).

“Environmental Claim” means any administrative, regulatory or judicial action, suit, demand, demand letter, directive, claim, investigation, proceeding or written notice by any Person: (a) alleging potential liability (including, without limitation, potential liability for enforcement, investigatory costs, cleanup costs, governmental response costs, removal costs, remedial costs, natural resources damages, property damages, personal injuries or penalties) arising out of, based on or resulting from (i) the presence, or Environmental Release into the environment of, any Environmental Hazardous Materials on or under the Leased Real Property, or (ii) any circumstances forming the basis of any violation of any Environmental, Health and Safety Requirement; or (b) seeking damages, contribution, indemnification, costs, recovery, compensation or injunctive relief resulting from the presence or Environmental Release of any Environmental Hazardous Materials.

“Environmental Hazardous Materials” means any petroleum or petroleum products, radioactive materials, friable asbestos, urea formaldehyde foam insulation, and transformers or other equipment that contain dielectric fluid containing levels of polychlorinated biphenyls (PCBs) and radon gas; and any chemicals, materials or substances which are now defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” or words of similar import, under any Environmental, Health and Safety Requirement.

“Environmental, Health, and Safety Requirements” means all federal, state, local and foreign statutes, regulations, ordinances and similar provisions having the force or effect of law, all judicial and administrative orders and determinations, and all common law concerning public health and safety, worker health and safety, and pollution or protection of the environment, including without limitation 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 materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise or radiation (including, without limitation, CERCLA, the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, or any other Laws relating to actual or threatened Environmental Releases of Environmental Hazardous Materials, or otherwise relating to the manufacture, distribution, use, treatment, storage, disposal, transport or handling of Environmental Hazardous Materials).

“Environmental Release” means any release, spill, emission, leaking, injection, deposit, disposal, discharge, dispersal, leaching or migration into the atmosphere, soil, surface water or groundwater.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

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

“Estoppel Certificates” has the meaning set forth in §8(a) below.

“Excess Loss Account” has the meaning set forth in Reg. §1.1502-19.

“Excluded Assets” means (i) the 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, blank stock certificates, and other documents relating to the organization, maintenance, and existence of each Asset Seller as a corporation, (ii) any of the rights of the Sellers under this Agreement (or under any side agreement between any Asset Seller(s) on the one hand and the Buyer on the other hand entered into on or after the date of this Agreement), (iii) any tax credits or refunds due and owing to any Asset Seller except to the extent included in Working Capital, (iv) any amount due to an Asset Seller from another Asset Seller, a Stockholder or any Affiliate thereof, (v) any net operating loss carry forwards, and (v) those other assets, if any, listed on Exhibit B attached hereto.

“Fiduciary” has the meaning set forth in ERISA §3(21).

“Financial Statement” has the meaning set forth in §3(g) below.

“FIRPTA Affidavit” has the meaning set forth in §8(a) below.

“Fixed Assets” means the fixed assets of Central as shown on the Closing Date Balance Sheet.

“GAAP” means United States generally accepted accounting principles as in effect from time to time.

“Heartland” has the meaning set forth in the preface above.

“High Value” has the meaning set forth in §2(f) below.

“Holdback” has the meaning set forth in §2(e) below.

“Holdback Release Notice” has the meaning set forth in §2(e) below.

“Improvements” has the meaning set forth in §3(l) below.

“Income Tax” means any federal, state, local, or foreign income tax, including any interest, penalty, or addition thereto, whether disputed or not.

“Income Tax Return” means any return, declaration, report, claim for refund, or information return or statement relating to Income Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“Indebtedness” means all liabilities or obligations of the Targets, whether primary or secondary or absolute or contingent: (a) for borrowed money or for the deferred purchase price of property or services (excluding trade obligations incurred in the Ordinary Course of Business, which are not the result of any borrowing); (b) as lessee under leases that have been or should be capitalized according to GAAP or under leases that are operating leases; (c) evidenced by notes, bonds, debentures or similar obligations; (d) under any guaranty or endorsement (other than in connection with the deposit and collection of checks in the ordinary course of business), and other contingent obligations to

purchase (other than the purchase of goods in the ordinary course), provide funds for payment, supply funds to invest in any Person, or otherwise assure a creditor against loss; or (e) secured by any Liens on assets of a Target, whether or not the obligations secured have been assumed by a Target.

“Indemnified Party” has the meaning set forth in §9(d) below.

“Indemnifying Party” has the meaning set forth in §9(d) below.

“Intellectual Property” means all of the following in any jurisdiction throughout the world: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, trade dress, logos, slogans, trade names, corporate names, Internet domain names, and rights in telephone numbers, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all mask works and all applications, registrations, and renewals in connection therewith, (e) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (f) all computer software (including source code, executable code, data, databases and related documentation), (g) all material advertising and promotional materials, (h) all other proprietary rights, and (i) all copies and tangible embodiments thereof (in whatever form or medium).

“Knowledge” means actual knowledge after reasonable investigation.

“Lease Consents” has the meaning set forth in §8(a) below.

“Leased Real Property” means all leasehold or subleasehold estates and other rights to use or occupy any land, buildings, structures, improvements, fixtures or other interest in real property used by any of the Targets.

“Leases” means all leases, subleases, licenses, concessions and other agreements (written or oral), including all amendments, extensions, renewals, guaranties and other agreements with respect thereto, pursuant to which any of the Targets holds any Leased Real Property.

“Leases Payable” means the leases payable of the Asset Sellers as shown on the Closing Date Balance Sheet.

“Lien” means with respect to any asset: (a) any mortgage, pledge, lien, charge, security interest or encumbrance of any kind in respect of such asset; or (b) the interest of a vendor or lessor under any conditional sale agreement, financing lease or other title retention agreement relating to such asset.

“Long Term Liabilities/Debt” means the long-term liabilities/ debt of Central as shown on the Closing Date Balance Sheet.

“Low Value” has the meaning set forth in §2(f) below.

“Material Leased Real Property” has the meaning set forth in §8(a) below.

“Maximum Leases Payable” means \$25,000.

“Maximum Long Term Liabilities/Debt” means \$0.

“Maximum Notes Payable” means \$260,000.

“Minimum CARAPAE” means \$425,000.

“Minimum Fixed Assets” means \$34,000.

“Minimum Net Equity Acquired” means \$476,600.

“Minimum Other Assets” means \$7,000.

“Minimum Other Current Assets” means \$25,000.

“Minimum Working Capital” means \$442,600.

“Most Recent Balance Sheet” means the balance sheet contained within the Most Recent Financial Statements.

“Most Recent Financial Statements” has the meaning set forth in §3(g) below.

“Most Recent Fiscal Month End” has the meaning set forth in §3(g) below.

“Most Recent Fiscal Year End” has the meaning set forth in §3(g) below.

“Multiemployer Plan” has the meaning set forth in ERISA §3(37).

“Net Equity Acquired” means the net equity of Central as shown on the Closing Date Balance Sheet.

“Notes Payable” means the notes payable of the Asset Sellers as shown on the Closing Date Balance Sheet.

“Ordinary Course of Business” means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

“Other Assets” means all assets of the Asset Sellers other than Cash, Accounts Receivable and Other Current Assets as shown on the Closing Date Balance Sheet.

“Other Current Assets” means all assets of the Asset Sellers that have historically been recorded as prepaid expenses or prepaid assets as shown on the Closing Date Balance Sheet.

“Party” has the meaning set forth in the preface above.

“PBGC” means the Pension Benefit Guaranty Corporation.

“Permitted Encumbrances” means with respect to each parcel of Leased Real Property: (a) real estate taxes, assessments and other governmental levies, fees or charges imposed with respect to such Leased Real Property which are not due and payable as of the Closing Date or which are being contested in good faith, for which adequate reserves have been established in accordance with GAAP and which reserves are included in the Purchased Assets; (b) mechanics liens and similar liens for labor, materials or supplies provided with respect to such Leased Real Property incurred in the ordinary course of business for amounts which are not due and payable and which would not, individually or in the aggregate, have a material adverse effect on the business of the Targets as currently conducted thereon; (c) zoning, building codes and other land use laws regulating the use or occupancy of such Leased Real Property or the activities conducted thereon which are imposed by any governmental authority having jurisdiction over such Leased Real Property which are not violated by the current use or occupancy of such Leased Real Property or the operation of the business of the Targets as currently conducted thereon; and (d) easements, covenants, conditions, restrictions and other similar matters of record affecting title to such Leased Real Property which do not or would not materially impair the use or occupancy of such Leased Real Property in the operation of the business of the Targets as currently conducted thereon.

“Person” means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

“Preliminary Purchase Price” has the meaning set forth in §2(c) below.

“Prohibited Transaction” has the meaning set forth in ERISA §406 and Code §4975.

“Purchase Price” has the meaning set forth in §2(g) below.

“Real Property Laws” has the meaning set forth in §3(l) below.

“Related Parties” means the Targets, Stockholders and their respective Affiliates.

“Reportable Event” has the meaning set forth in ERISA §4043.

“Retention Policy” has the meaning set forth in §7(a) below.

“Securities Act” means the Securities Act of 1933, as amended.

“Securities Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Security Interest” means any mortgage, pledge, Lien, encumbrance, charge, or other security interest, other than (a) mechanic's, materialmen's, and similar Liens, (b) Liens for taxes not yet due and payable or for taxes that the taxpayer is contesting in good faith through appropriate proceedings, (c) purchase money liens and Liens securing rental payments under capital lease arrangements, and (d) other Liens arising in the Ordinary Course of Business and not incurred in connection with the borrowing of money.

“Seller” has the meaning set forth in the preface above.

“Stockholders” has the meaning set forth in the preface above.

“Subsidiary” means any corporation with respect to which a specified Person (or a Subsidiary thereof) owns a majority of the common stock or has the power to vote or direct the voting of sufficient securities to elect a majority of the directors.

“Target” means each of QRS, QRS State, Central, Chicago Heights and Heartland.

“Tax” means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code '59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

“Tax Return” means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“Third Party Claim” has the meaning set forth in §9(d) below.

“Transferred Accounts” has the meaning set forth in §8(a) below.

“Working Capital” means the Current Assets less the Current Liabilities.

## 2. Basic Transaction.

(a) Purchase and Sale of Assets and Stock. On and subject to the terms and conditions of this Agreement, the Buyer agrees to purchase from (i) each Asset Seller, and each Asset Seller agrees to sell, transfer, convey, and deliver to the Buyer, all of the Acquired Assets owned by such Asset Seller and (ii) each Stockholder, and each Stockholder agrees to sell to the Buyer, all of his, her or its Central Shares, all of at the Closing for the consideration specified below in this §2.

(b) Assumption of Liabilities. On and subject to the terms and conditions of this Agreement, the Buyer agrees to assume and become responsible for all of the Assumed Liabilities at the Closing. The Buyer will not assume or have any responsibility, however, with respect to any other obligation or liability of any Asset Seller not included within the definition of Assumed Liabilities.

(c) Preliminary Purchase Price. The Buyer agrees to pay to the Sellers at the Closing \$3,005,600 (the “Preliminary Purchase Price”) by delivery of (i) at the election of the Buyer, its promissory notes (the “Buyer Notes”) in the form of Exhibit C attached hereto in an aggregate principal amount not to exceed \$500,000 and (ii) cash for the balance of the Preliminary Purchase Price payable by wire transfer or delivery of other immediately available funds. The Deposit shall be credited towards the cash portion of the Preliminary Purchase Price and the Parties will jointly instruct the escrow agent under the Escrow Agreement to release the Deposit to Sellers. The Preliminary Purchase Price will be subject to post-Closing adjustment as set forth below in this §2. \$303,600 of the Preliminary Purchase Price paid to the Sellers shall be immediately repaid to Central in satisfaction of QRS State Indebtedness to Central in the amount of \$303,600. At Buyer’s option, Buyer may pay such \$303,600 amount directly to Central at the Closing, and in such event the Parties agree that such payment shall be treated as a payment by Buyer of \$303,600 of the Preliminary Purchase Price to

Sellers, followed by a payment to Central by QRS State of its Indebtedness to Central in the amount of \$303,600.

(d) The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of \_\_\_\_\_ or such other location agreed to by the Parties, commencing at 9:00 a.m. local time on the fifth business day following the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the transactions contemplated hereby (other than conditions with respect to actions the respective Parties will take at the Closing itself) or such other date as the Parties may mutually determine (the "Closing Date").

(e) Deliveries at the Closing. At the Closing, (i) the Sellers will deliver to the Buyer the various certificates, instruments, and documents referred to in §8(a) below; (ii) the Buyer will deliver to the Sellers the various certificates, instruments, and documents referred to in §8(b) below; (iii) the Asset Sellers will execute, acknowledge (if appropriate), and deliver to the Buyer (A) a bill of sale and assignment in the form attached hereto as Exhibit D, and (B) such other instruments of sale, transfer, conveyance, and assignment as the Buyer and its counsel reasonably may request; (iv) the Buyer will execute, acknowledge (if appropriate), and deliver to the Asset Sellers (A) an assumption in the form attached hereto as Exhibit E and (B) such other instruments of assumption as the Asset Sellers and their counsel reasonably may request; (v) each of the Stockholders will deliver to the Buyer stock certificates representing all of his, her or its Central Shares, endorsed in blank or accompanied by a duly executed assignment document; (vi) the Buyer will deliver to the Sellers the consideration specified in §2(c) above; and (vii) the Buyer will deliver an amount equal to (x) \$750,000 less (y) the aggregate value of the Buyer Notes on the Closing Date (the "Holdback") to be held by \_\_\_\_\_ for purposes of satisfying any post-Closing adjustment as set forth below in this §2; provided that the remaining amount of the Holdback, if any, following payment by the Sellers to the Buyer of any post-Closing adjustment shall be distributed by \_\_\_\_\_ upon receiving written instruction from the Buyer and the Sellers (the "Holdback Release Notice") authorizing such distribution pursuant to and in accordance with the terms of the Holdback Release Notice.

(f) Preparation of Closing Date Balance Sheet.

(i) Within 60 days after the Closing Date, the Buyer will prepare and deliver to the Sellers a draft consolidated balance sheet (the "Draft Closing Date Balance Sheet") for the Targets as of the close of business on the Closing Date (determined on a pro forma basis as though the Parties had not consummated the transactions contemplated by this Agreement). The Buyer will prepare the Draft Closing Date Balance Sheet in accordance with GAAP applied on a basis consistent with the preparation of the Financial Statements.

(ii) If the Sellers have any objections to the Draft Closing Date Balance Sheet, they will deliver a detailed statement describing their objections to the Buyer within 30 days after receiving the Draft Closing Date Balance Sheet. The Buyer and the Sellers will use reasonable efforts to resolve any such objections themselves. If the Parties do not obtain a final resolution within 30 days after the Buyer has received the statement of objections, however, the Buyer and the Sellers will select an accounting firm mutually acceptable to them to resolve any remaining objections. If the Buyer and the Sellers are unable to agree on the choice of an accounting firm, they will select a nationally-recognized accounting firm by lot (after excluding their respective regular outside accounting firms). The determination of any accounting firm so selected will be set forth in writing and will be conclusive and binding upon the Parties. The Buyer will revise the Draft Closing Date

Balance Sheet as appropriate to reflect the resolution of any objections thereto pursuant to this §2(f)(ii). The “Closing Date Balance Sheet” shall mean the Draft Closing Date Balance Sheet together with any revisions thereto pursuant to this §2(f)(ii).

(iii) In the event the Parties submit any unresolved objections to an accounting firm for resolution as provided in §2(f)(ii) above, the Buyer and the Sellers will share responsibility for the fees and expenses of the accounting firm as follows:

(A) if the accounting firm resolves all of the remaining objections in favor of the Buyer (the Consolidated Net Book Value so determined is referred to herein as the “Low Value”), the Sellers will be responsible for all of the fees and expenses of the accounting firm;

(B) if the accounting firm resolves all of the remaining objections in favor of the Sellers (the Consolidated Net Book Value so determined is referred to herein as the “High Value”), the Buyer will be responsible for all of the fees and expenses of the accounting firm; and

(C) if the accounting firm resolves some of the remaining objections in favor of the Buyer and the rest of the remaining objections in favor of the Sellers (the Consolidated Net Book Value so determined is referred to herein as the “Actual Value”), the Sellers will be responsible for that fraction of the fees and expenses of the accounting firm equal to (x) the difference between the High Value and the Actual Value over (y) the difference between the High Value and the Low Value, and the Buyer will be responsible for the remainder of the fees and expenses.

(iv) The Buyer will make the work papers and back-up materials used in preparing the Draft Closing Date Balance Sheet available to the Sellers and their accountants and other representatives at reasonable times and upon reasonable notice at any time during (A) the preparation by the Buyer of the Draft Closing Date Balance Sheet, (B) the review by the Sellers of the Draft Closing Date Balance Sheet, and (C) the resolution by the Parties of any objections thereto.

(g) Adjustment to Preliminary Purchase Price.

(i) If the CARAPAE is less than the Minimum CARAPAE, the Sellers will pay to the Buyer an amount equal to such deficiency (plus interest thereon at the Applicable Rate from the Closing Date) by wire transfer or delivery of other immediately available funds within three business days after the date on which the CARAPAE for the Asset Sellers finally is determined pursuant to §2(f) above. The Buyer shall have the option of recouping all or any part of any amount the Sellers owe it pursuant to this §2(g) by notifying the Sellers that the Buyer is reducing pro rata the principal amounts outstanding under the Buyer Notes. This shall affect the timing and amount of payments required under the Buyer Notes in the same manner as if the Buyer had made a permitted prepayment (without premium or penalty) pro rata thereunder with such amount applied against payments in the order of maturity.

(ii) If the Working Capital is less than the Minimum Working Capital, the Sellers will pay to the Buyer an amount equal to such deficiency (plus interest thereon at the Applicable Rate from the Closing Date) by wire transfer or delivery of other immediately available funds within three business days after the date on which the Working Capital for Central finally is determined pursuant to §2(f) above. The Buyer shall have the option of recouping all or any part of any amount the Sellers owe it pursuant to this §2(g) by notifying the Sellers that the Buyer is reducing



pro rata the principal amounts outstanding under the Buyer Notes. This shall affect the timing and amount of payments required under the Buyer Notes in the same manner as if the Buyer had made a permitted prepayment (without premium or penalty) pro rata thereunder with such amount applied against payments in the order of maturity.

(iii) If the Fixed Assets are less than the Minimum Fixed Assets, the Sellers will pay to the Buyer an amount equal to such deficiency (plus interest thereon at the Applicable Rate from the Closing Date) by wire transfer or delivery of other immediately available funds within three business days after the date on which the Fixed Assets for Central finally are determined pursuant to §2(f) above. The Buyer shall have the option of recouping all or any part of any amount the Sellers owe it pursuant to this §2(g) by notifying the Sellers that the Buyer is reducing pro rata the principal amounts outstanding under the Buyer Notes. This shall affect the timing and amount of payments required under the Buyer Notes in the same manner as if the Buyer had made a permitted prepayment (without premium or penalty) pro rata thereunder with such amount applied against payments in the order of maturity.

(iv) If the Net Equity Acquired is less than the Minimum Net Equity Acquired, the Sellers will pay to the Buyer an amount equal to such deficiency (plus interest thereon at the Applicable Rate from the Closing Date) by wire transfer or delivery of other immediately available funds within three business days after the date on which the Net Equity Acquired for Central finally is determined pursuant to §2(f) above. The Buyer shall have the option of recouping all or any part of any amount the Sellers owe it pursuant to this §2(g) by notifying the Sellers that the Buyer is reducing pro rata the principal amounts outstanding under the Buyer Notes. This shall affect the timing and amount of payments required under the Buyer Notes in the same manner as if the Buyer had made a permitted prepayment (without premium or penalty) pro rata thereunder with such amount applied against payments in the order of maturity.

(v) If the Other Assets are less than the Minimum Other Assets, the Sellers will pay to the Buyer an amount equal to such deficiency (plus interest thereon at the Applicable Rate from the Closing Date) by wire transfer or delivery of other immediately available funds within three business days after the date on which the Other Assets for the Asset Sellers finally are determined pursuant to §2(f) above. The Buyer shall have the option of recouping all or any part of any amount the Sellers owe it pursuant to this §2(g) by notifying the Sellers that the Buyer is reducing pro rata the principal amounts outstanding under the Buyer Notes. This shall affect the timing and amount of payments required under the Buyer Notes in the same manner as if the Buyer had made a permitted prepayment (without premium or penalty) pro rata thereunder with such amount applied against payments in the order of maturity.

(vi) If the Other Current Assets are less than the Minimum Other Current Assets, the Sellers will pay to the Buyer an amount equal to such deficiency (plus interest thereon at the Applicable Rate from the Closing Date) by wire transfer or delivery of other immediately available funds within three business days after the date on which the Other Current Assets for the Asset Sellers finally are determined pursuant to §2(f) above. The Buyer shall have the option of recouping all or any part of any amount the Sellers owe it pursuant to this §2(g) by notifying the Sellers that the Buyer is reducing pro rata the principal amounts outstanding under the Buyer Notes. This shall affect the timing and amount of payments required under the Buyer Notes in the same manner as if the Buyer had made a permitted prepayment (without premium or penalty) pro rata thereunder with such amount applied against payments in the order of maturity.

(vii) If the Leases Payable exceed the Maximum Leases Payable, the Sellers will pay to the Buyer an amount equal to such excess (plus interest thereon at the Applicable Rate from the Closing Date) by wire transfer or delivery of other immediately available funds within three business days after the date on which the Leases Payable for the Asset Sellers finally are determined pursuant to §2(f) above. The Buyer shall have the option of recouping all or any part of any amount the Sellers owe it pursuant to this §2(g) by notifying the Sellers that the Buyer is reducing pro rata the principal amounts outstanding under the Buyer Notes. This shall affect the timing and amount of payments required under the Buyer Notes in the same manner as if the Buyer had made a permitted prepayment (without premium or penalty) pro rata thereunder with such amount applied against payments in the order of maturity.

(viii) If the Long Term Liabilities/Debt exceed the Maximum Long Term Liabilities/Debt, the Sellers will pay to the Buyer an amount equal to such excess (plus interest thereon at the Applicable Rate from the Closing Date) by wire transfer or delivery of other immediately available funds within three business days after the date on which the Long Term Liabilities/Debt for Central finally is determined pursuant to §2(f) above. The Buyer shall have the option of recouping all or any part of any amount the Sellers owe it pursuant to this §2(g) by notifying the Sellers that the Buyer is reducing pro rata the principal amounts outstanding under the Buyer Notes. This shall affect the timing and amount of payments required under the Buyer Notes in the same manner as if the Buyer had made a permitted prepayment (without premium or penalty) pro rata thereunder with such amount applied against payments in the order of maturity.

(ix) If the Notes Payable exceed the Maximum Notes Payable, the Sellers will pay to the Buyer an amount equal to such excess (plus interest thereon at the Applicable Rate from the Closing Date) by wire transfer or delivery of other immediately available funds within three business days after the date on which the Notes Payable for the Asset Sellers finally are determined pursuant to §2(f) above. The Buyer shall have the option of recouping all or any part of any amount the Sellers owe it pursuant to this §2(g) by notifying the Sellers that the Buyer is reducing pro rata the principal amounts outstanding under the Buyer Notes. This shall affect the timing and amount of payments required under the Buyer Notes in the same manner as if the Buyer had made a permitted prepayment (without premium or penalty) pro rata thereunder with such amount applied against payments in the order of maturity.

(x) If the ratio ("2006 Ratio") of (a) the aggregate value of the fixed assets and inventory of the Asset Sellers as set forth in the valuation performed by Accuval (the "Accuval 2006 Valuation") to (b) the aggregate value of the fixed assets and inventory of the Asset Sellers set forth in the Targets' interim financial statements for the month ended March 31, 2006, is less than 90% of the ratio ("2005 Ratio") of (x) the aggregate value of the fixed assets and inventory of the Asset Sellers as set forth in the Accuval 2005 Valuation to (y) the aggregate value of the fixed assets and inventory of the Asset Sellers set forth in the Targets' audited consolidated financial statements for the fiscal year ended December 31, 2004, then the Preliminary Purchase Price shall be reduced by an amount equal to the lesser of (1) \$250,000 or (2) the amount by which the aggregate value referred to in the preceding clause (a) would need to increase in order to cause the 2006 Ratio to equal 90% of the 2005 Ratio.

The Preliminary Purchase Price as so adjusted is referred to herein as the "Purchase Price."

(h) Allocation. The Parties agree to allocate the Purchase Price (and all other capitalizable costs) among the Acquired Assets and Central Shares for all purposes (including

financial accounting and tax purposes) in accordance with the allocation schedule attached hereto as Exhibit F.

3. Representations and Warranties Concerning the Targets. Each Asset Seller represents and warrants to the Buyer on a joint, and not several, basis that the statements contained in this §3 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this §3), except as set forth in the disclosure schedule accompanying this Agreement and initialed by the Parties (the “Disclosure Schedule”). Each Stockholder represents and warrants to the Buyer on a joint, and not several, basis that, with respect to Central only, the statements contained in this §3 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this §3), except as set forth in the Disclosure Schedule. The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this §3.

(a) Organization of the Targets. Each Target is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation.

(b) Authorization of Transaction. Each Target has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. Without limiting the generality of the foregoing, the board of directors of each Target and each Stockholder have duly authorized the execution, delivery, and performance of this Agreement by the Targets. This Agreement constitutes the valid and legally binding obligation of each Target, enforceable in accordance with its terms and conditions.

(c) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in §2 above), will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which any Target is subject or any provision of the charter or bylaws of any Target or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which any Target is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Security Interest upon any of its assets), except where the violation, conflict, breach, default, acceleration, termination, modification, cancellation, failure to give notice, or Security Interest would not have a material adverse effect on the business, financial condition, operations, results of operations, or future prospects of the Targets or on the ability of the Parties to consummate the transactions contemplated by this Agreement. No Target needs to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement (including the assignments and assumptions referred to in §2 above), except where the failure to give notice, to file, or to obtain any authorization, consent, or approval would not have a material adverse effect on the business, financial condition, operations, results of operations, or future prospects of the Targets or on the ability of the Parties to consummate the transactions contemplated by this Agreement.

(d) Brokers' Fees. No Target has any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Buyer could become liable or obligated.

(e) Title to Assets. Each Target has good and marketable title to, or a valid leasehold interest in, the properties and assets used by them, located on their premises, or shown on the Most Recent Balance Sheet or acquired after the date thereof, free and clear of all Security Interests, except for properties and assets disposed of in the Ordinary Course of Business since the date of the Most Recent Balance Sheet. Without limiting the generality of the foregoing, each Target has good and marketable title to all of the Acquired Assets, free and clear of any Security Interest or restriction on transfer.

(f) Subsidiaries. No Target has any Subsidiary or otherwise controls, directly or indirectly or has any direct or indirect equity participation in any corporation, partnership, trust, or other business association.

(g) Financial Statements. Attached hereto as Exhibit G are the following financial statements (collectively the "Financial Statements"): (i) audited consolidated balance sheets and statements of income, changes in stockholders' equity, and cash flow as of and for the fiscal years ended December 31, 20\_\_ and December 31, 20\_\_ and December 31, 20\_\_ (the "Most Recent Fiscal Year End") for the Targets; and (ii) unaudited consolidated balance sheets and statements of income, changes in stockholders' equity, and cash flow (the "Most Recent Financial Statements") as of and for the four months ended April 30, 20\_\_ (the "Most Recent Fiscal Month End") for the Targets. The Financial Statements (including the notes thereto) have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, present fairly the financial condition of the Targets as of such dates and the results of operations of the Targets for such periods; provided, however, that the Most Recent Financial Statements are subject to normal year-end adjustments (which will not be material individually or in the aggregate) and lack footnotes and other presentation items.

(h) Events Subsequent to Most Recent Fiscal Year End. Since the Most Recent Fiscal Year End, there has not been any material adverse change in the business, financial condition, operations, results of operations, or future prospects of the Targets taken as a whole. Without limiting the generality of the foregoing, since that date:

(i) no Target has sold, leased, transferred, or assigned any material assets, tangible or intangible, outside the Ordinary Course of Business;

(ii) no Target has entered into any material agreement, contract, lease, or license outside the Ordinary Course of Business;

(iii) no party (including any Target) has accelerated, terminated, made material modifications to, or cancelled any material agreement, contract, lease, or license to which any Target is a party or by which any of them is bound;

(iv) no Target has imposed any Security Interest upon any of its assets, tangible or intangible;

(v) no Target has made any material capital expenditures outside the Ordinary Course of Business;

(vi) no Target has made any material capital investment in, or any material loan to, any other Person outside the Ordinary Course of Business;

(vii) no Target has created, incurred, assumed, or guaranteed more than \$10,000 in aggregate indebtedness for borrowed money and capitalized lease obligations;

(viii) no Target has granted any license or sublicense of any material rights under or with respect to any Intellectual Property;

(ix) there has been no change made or authorized in the charter or bylaws of any Target;

(x) no Target has issued, sold, or otherwise disposed of any of its capital stock, or granted any options, warrants, or other rights to purchase or obtain (including upon conversion, exchange, or exercise) any of its capital stock;

(xi) no Target has declared, set aside, or paid any dividend or made any distribution with respect to its capital stock (whether in cash or in kind) or redeemed, purchased, or otherwise acquired any of its capital stock;

(xii) no Target has experienced any material damage, destruction, or loss (whether or not covered by insurance) to its property;

(xiii) no Target has made any loan to, or entered into any other transaction with, any of its directors, officers, and employees outside the Ordinary Course of Business;

(xiv) no Target has entered into any employment contract or collective bargaining agreement, written or oral, or modified the terms of any existing such contract or agreement;

(xv) no Target has granted any increase in the base compensation of any of its directors, officers, and employees outside the Ordinary Course of Business;

(xvi) no Target has adopted, amended, modified, or terminated any bonus, profit sharing, incentive, severance, or other plan, contract, or commitment for the benefit of any of its directors, officers, and employees (or taken any such action with respect to any other Employee Benefit Plan);

(xvii) no Target has made any other material change in employment terms for any of its directors, officers, and employees outside the Ordinary Course of Business;

(xviii) no Target has paid any amount to any third party with respect to any liability or obligation (including any costs and expenses the Sellers have incurred or may incur in connection with this Agreement and the transactions contemplated hereby) which would not constitute an Assumed Liability if in existence as of the Closing; and

(xix) no Target has committed to any of the foregoing.

(i) Undisclosed Liabilities. No Target has any material 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, including any liability for taxes), except for (i) liabilities set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto) and (ii) liabilities which have arisen after the Most Recent Fiscal Month End in the Ordinary Course of Business.

(j) Legal Compliance. Each Target has complied with all applicable laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof), and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against any of them alleging any failure so to comply, except where the failure to comply would not have a material adverse effect on the business, financial condition, operations, results of operations, or future prospects of the Targets.

(k) Tax Matters.

(i) Each Target has filed all Income Tax Returns that it was required to file. All such Income Tax Returns were correct and complete in all material respects. All Income Taxes owed by any Target (whether or not shown on any Income Tax Return) have been paid. No Target currently is the beneficiary of any extension of time within which to file any Income Tax Return. Central has made a valid election to be governed by the provisions of Subchapter S of the Code and, to the extent required to be treated as a "pass-through entity" in the State of \_\_\_\_, Central has made the necessary election under applicable \_\_\_\_\_ state statutes. Central has been subject to Subchapter S of the Code since January 1, 20\_\_.

(ii) There is no material dispute or claim concerning any Income Tax liability of any Target either (A) claimed or raised by any authority in writing or (B) as to which any of the Stockholders and the directors and officers of the Targets has knowledge based upon personal contact with any agent of such authority.

(iii) §3(k) of the Disclosure Schedule lists all federal, state, local, and foreign Income Tax Returns filed with respect to any Target for taxable periods ended on or after April 30, 20\_\_, indicates those Income Tax Returns that have been audited, and indicates those Income Tax Returns that currently are the subject of audit. Each Target has delivered to the Buyer correct and complete copies of all federal Income Tax Returns, examination reports, and statements of deficiencies assessed against or agreed to by any Target since April 30, 20\_\_. No Target has waived any statute of limitations in respect of Income Taxes or agreed to any extension of time with respect to an Income Tax assessment or deficiency.

(iv) No Target has filed a consent under Code §341(f) concerning collapsible corporations. No Target has made any material payments, is obligated to make any material payments, or is a party to any agreement that under certain circumstances could obligate it to make any material payments that will not be deductible under Code §280G. No Target has been a United States real property holding corporation within the meaning of Code §897(c)(2) during the applicable period specified in Code §897(c)(1)(A)(ii). No Target is a party to any tax allocation or sharing agreement. No Target (A) has been a member of an Affiliated Group filing a consolidated federal income Tax Return or (B) has any liability for the taxes of any Person (other than any Target) under Reg. §1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise.

(v) The unpaid Income Taxes of the Targets (A) did not, as of the Most Recent Fiscal Month End, exceed by any material amount the reserve for Income Tax liability (rather than any reserve for deferred taxes established to reflect timing differences between book and tax income) set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto) and (B) will not exceed by any material amount that reserve as adjusted for operations and transactions

through the Closing Date in accordance with the past custom and practice of the Targets in filing their Income Tax Returns.

(l) Real Property.

(i) No Target owns any freehold estate in real property which is used in any Target's business.

(ii) §3(l)(ii) of the Disclosure Schedule sets forth the address of each parcel of Leased Real Property, and a true and complete list of all Leases for each such Leased Real Property (including the date and name of the parties to such Lease document). Each Target has delivered to the Buyer a true and complete copy of each such Lease document, and in the case of any oral Lease, a written summary of the material terms of such Lease. Except as set forth in §3(l)(ii) of the Disclosure Schedule, with respect to each of the Leases:

(A) such Lease is legal, valid, binding, enforceable and in full force and effect;

(B) the transaction contemplated by this Agreement does not require the consent of any other party to such Lease (except for those Leases for which Lease Consents (as hereinafter defined) are obtained), will not result in a breach of or default under such Lease, and will not otherwise cause such Lease to cease to be legal, valid, binding, enforceable and in full force and effect on identical terms following the Closing;

(C) no Target's possession and quiet enjoyment of the Leased Real Property under such Lease has been disturbed and, to the knowledge of any of the Stockholders and the directors and officers of the Targets, there are no disputes with respect to such Lease;

(D) to the knowledge of any of the Stockholders and the directors and officers of the Targets, none of the Targets or any other party to the Lease is in breach or default under such Lease, and, to the knowledge of any of the Stockholders and the directors and officers of the Targets, no event has occurred or circumstance exists which, with the delivery of notice, the passage of time or both, would constitute such a breach or default, or permit the termination, modification or acceleration of rent under such Lease;

(E) no security deposit or portion thereof deposited with respect to such Lease has been applied in respect of a breach or default under such Lease which has not been redeposited in full;

(F) no Target owes, or will owe in the future, any brokerage commissions or finder's fees with respect to such Lease;

(G) the other party to such Lease is not an affiliate of, and otherwise does not have any economic interest in, any of the Targets;

(H) no Target has subleased, licensed or otherwise granted any Person the right to use or occupy such Leased Real Property or any portion thereof; and

(I) no Target has collaterally assigned or granted any other security interest in such Lease or any interest therein.

(iii) The Leased Real Property identified in §3(1)(ii) comprise all of the real property used or intended to be used in the business of the Targets; and no Target is a party to any agreement or option to purchase any real property or interest therein.

(iv) All buildings, structures, fixtures, building systems and equipment, and all components thereof, included in the Leased Real Property (the “Improvements”) are in good condition and repair and sufficient for the operation of the business of the Targets. There are no facts or conditions affecting any of the Improvements which would, individually or in the aggregate, interfere in any material respect with the use or occupancy of the Improvements or any portion thereof in the operation of the business of the Targets as currently conducted thereon.

(v) To the knowledge of any of the Stockholders and the directors and officers of the Targets, there is no injunction, decree, order, writ or judgment outstanding, nor any claims, litigation, administrative actions or similar proceedings, pending or threatened, relating to the ownership, lease, use or occupancy of the Leased Real Property or any portion thereof, or the operation of the business of the Targets as currently conducted thereon.

(vi) To the knowledge of any of the Stockholders and the directors and officers of the Targets, the Leased Real Property is in material compliance with all applicable building, zoning, subdivision, health and safety and other land use laws, including The Americans with Disabilities Act of 1990, as amended, and all insurance requirements affecting the Leased Real Property (collectively, the “Real Property Laws”). No Target has received any notice of violation of any Real Property Law and, to the knowledge of any of the Stockholders and the directors and officers of the Targets, there is no basis for the issuance of any such notice or the taking of any action for such violation.

(vii) Each parcel of Leased Real Property has direct access to a public street adjoining the Leased Real Property or has access to a public street via insurable easements benefitting such parcel of Leased Real Property, and such access is not dependent on any land or other real property interest which is not included in the Leased Real Property. None of the Improvements or any portion thereof is dependent for its access, use or operation on any land, building, improvement or other real property interest which is not included in the Leased Real Property.

(viii) All water, oil, gas, electrical, steam, compressed air, telecommunications, sewer, storm and waste water systems and other utility services or systems for the Leased Real Property have been installed and are operational and sufficient for the operation of the business of the Targets as currently conducted thereon.

(ix) Each Target’s use or occupancy of the Leased Real Property or any portion thereof and the operation of the business of the Targets as currently conducted is not dependent on a “permitted non-conforming use” or “permitted non-conforming structure” or similar variance, exemption or approval from any governmental authority.

(x) None of the Leased Real Property or any portion thereof is located in a flood hazard area (as defined by the Federal Emergency Management Agency).



(m) Intellectual Property.

(i) No Target has interfered with, infringed upon, misappropriated, or violated any material Intellectual Property rights of third parties in any material respect, and none of the Stockholders and the directors and officers of the Targets has ever received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that any Target must license or refrain from using any Intellectual Property rights of any third party). To the knowledge of any of the Stockholders and the directors and officers of the Targets, no third party has interfered with, infringed upon, misappropriated, or violated any material Intellectual Property rights of any Target in any material respect.

(ii) §3(m)(ii) of the Disclosure Schedule identifies each patent or registration which has been issued to any Target with respect to any of its Intellectual Property, identifies each pending patent application or application for registration which any Target has made with respect to any of its Intellectual Property, and identifies each material license, agreement, or other permission which any Target has granted to any third party with respect to any of its Intellectual Property (together with any exceptions). Each Target has delivered to the Buyer correct and complete copies of all such patents, registrations, applications, licenses, agreements, and permissions (as amended to date). §3(m)(ii) of the Disclosure Schedule also identifies each material trade name or unregistered trademark, service mark, corporate name, Internet domain name, copyright, and material computer software item used by any Target in connection with any of its businesses. With respect to each item of Intellectual Property required to be identified in §3(m)(ii) of the Disclosure Schedule:

(A) the applicable Target possesses all right, title, and interest in and to the item, free and clear of any Security Interest, license, or other restriction;

(B) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(C) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or, to the knowledge of any of the Stockholders and the directors and officers of the Targets, is threatened which challenges the legality, validity, enforceability, use, or ownership of the item; and

(D) No Target has ever agreed to indemnify any Person for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

(iii) §3(m)(iii) of the Disclosure Schedule identifies each material item of Intellectual Property that any third party owns and that any Target uses pursuant to license, sublicense, agreement, or permission. The Targets have delivered to the Buyer correct and complete copies of all such licenses, sublicenses, agreements, and permissions (as amended to date). With respect to each such item of used Intellectual Property required to be identified in §3(m)(iii) of the Disclosure Schedule:

(A) the license, sublicense, agreement, or permission covering the item is legal, valid, binding, enforceable, and in full force and effect in all material respects;

(B) no party to the license, sublicense, agreement, or permission is in material breach or default, and no event has occurred which with notice or lapse of time would constitute a material breach or default or permit termination, modification, or acceleration thereunder;

(C) no party to the license, sublicense, agreement, or permission has repudiated any material provision thereof;

(D) no Target has granted any sublicense or similar right with respect to the license, sublicense, agreement, or permission; and

(E) no loss or expiration of the item is threatened, pending, or reasonably foreseeable, except for patents expiring at the end of their statutory terms (and not as a result of any act or omission by any Target, including without limitation, a failure by any Target to pay any required maintenance fees).

(n) Tangible Assets. The buildings, machinery, equipment, and other tangible assets that the Targets own and lease are free from material defects (patent and latent), have been maintained in accordance with normal industry practice, and are in good operating condition and repair (subject to normal wear and tear).

(o) Inventory. The inventory of the Targets consists of raw materials and supplies, manufactured and processed parts, work in process, and finished goods, all of which is merchantable and fit for the purpose for which it was procured or manufactured, and none of which is slow-moving, obsolete, damaged, or defective, subject only to the reserve for inventory writedown set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto) as adjusted for operations and transactions through the Closing Date in accordance with the past custom and practice of the Targets.

(p) Contracts. §3(p) of the Disclosure Schedule lists the following contracts and other agreements to which any Target is a party:

(i) any agreement (or group of related agreements) for the lease of personal property to or from any Person providing for lease payments in excess of \$10,000 per annum;

(ii) any agreement (or group of related agreements) for the purchase or sale of raw materials, commodities, supplies, products, or other personal property, or for the furnishing or receipt of services, the performance of which will extend over a period of more than one year or involve consideration in excess of \$10,000;

(iii) any agreement concerning a partnership or joint venture;

(iv) any agreement (or group of related agreements) under which it has created, incurred, assumed, or guaranteed any indebtedness for borrowed money, or any capitalized lease obligation, in excess of \$10,000 or under which it has imposed a Security Interest on any of its assets, tangible or intangible;

(v) any material agreement concerning confidentiality or noncompetition;

(vi) any material agreement involving any of the Stockholders and their Affiliates (other than the Targets);

(vii) any profit sharing, stock option, stock purchase, stock appreciation, deferred compensation, severance, or other material plan or arrangement for the benefit of its current or former directors, officers, and employees;

- (viii) any collective bargaining agreement;
- (ix) any agreement for the employment of any individual on a full-time, part-time, consulting, or other basis providing annual compensation in excess of \$75,000 or providing material severance benefits;
- (x) any agreement under which it has advanced or loaned any amount to any of its directors, officers, and employees outside the Ordinary Course of Business;
- (xi) any agreement under which the consequences of a default or termination could have a material adverse effect on the business, financial condition, operations, results of operations, or future prospects of the Targets;
- (xii) any contract, tariff, circular or exempt quote for railroad services; and
- (xiii) any other agreement (or group of related agreements) the performance of which involves consideration in excess of \$10,000.

Each Target has delivered to the Buyer a correct and complete copy of each written agreement listed in §3(p) of the Disclosure Schedule (as amended to date) and a written summary setting forth the material terms and conditions of each oral agreement referred to in §3(p) of the Disclosure Schedule. With respect to each such agreement: (A) the agreement is legal, valid, binding, enforceable, and in full force and effect in all material respects; (B) no party is in material breach or default, and no event has occurred which with notice or lapse of time would constitute a material breach or default, or permit termination, modification, or acceleration, under the agreement; and (C) no party has repudiated any material provision of the agreement.

(q) Notes and Accounts Receivable. All notes and accounts receivable of the Targets (other than any Excluded Assets) are reflected properly on their books and records, are valid receivables subject to no setoffs or counterclaims, are current and collectible, and will be collected in accordance with their terms at their recorded amounts, subject only to the reserve for bad debts set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto) as adjusted for operations and transactions through the Closing Date in accordance with the past custom and practice of the Targets.

(r) Powers of Attorney. To the knowledge of any of the Stockholders and the directors and officers of the Targets, there are no material outstanding powers of attorney executed on behalf of any Target.

(s) Insurance. §3(s) of the Disclosure Schedule sets forth the following information with respect to each material insurance policy (including policies providing property, casualty, liability, and workers' compensation coverage and bond and surety arrangements) with respect to which any Target is a party, a named insured, or otherwise the beneficiary of coverage:

- (i) the name, address, and telephone number of the agent;
- (ii) the name of the insurer, the name of the policyholder, and the name of each covered insured;
- (iii) the policy number and the period of coverage;

(iv) the scope (including an indication of whether the coverage is on a claims made, occurrence, or other basis) and amount (including a description of how deductibles and ceilings are calculated and operate) of coverage; and

(v) a description of any retroactive premium adjustments or other material loss-sharing arrangements.

With respect to each such insurance policy: (A) the policy is legal, valid, binding, enforceable, and in full force and effect in all material respects; (B) neither any Target nor any other party to the policy is in material breach or default (including with respect to the payment of premiums or the giving of notices), and no event has occurred which, with notice or the lapse of time, would constitute such a material breach or default, or permit termination, modification, or acceleration, under the policy; and (C) no party to the policy has repudiated any material provision thereof. §3(s) of the Disclosure Schedule describes any material self-insurance arrangements affecting any Target.

(t) Litigation. §3(t) of the Disclosure Schedule sets forth each instance in which any Target (i) is subject to any outstanding injunction, judgment, order, decree, ruling, or charge or (ii) is a party or, to the knowledge of any of the Stockholders and the directors and officers of the Targets, is threatened to be made a party to any action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator (including, without limitation, any action, suit, proceeding, hearing, or investigation threatened or pending under any applicable workman's compensation statute, the Federal Employer's Liability Act, the Railway Labor Act or before the National Railway Labor Board).

(u) Product Warranty. Substantially all of the products and/or goods manufactured, sold, leased, and delivered by the Targets (including without limitation track, rail ties and other track construction materials) have conformed in all material respects with all applicable contractual commitments and all express and implied warranties, and no Target has any material 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) for replacement or repair thereof or other damages in connection therewith, subject only to the reserve for product warranty claims set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto) as adjusted for operations and transactions through the Closing Date in accordance with the past custom and practice of the Targets. Substantially all of the products manufactured, sold, leased, and delivered by the Targets are subject to standard terms and conditions of sale or lease. §3(u) of the Disclosure Schedule includes copies of the standard terms and conditions of sale or lease for each of the Targets (containing applicable guaranty, warranty, and indemnity provisions).

(v) Product Liability. No Target has any material 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) arising out of any injury to individuals or property as a result of the ownership, possession, or use of any product and/or good manufactured, sold, leased, or delivered by any Target.

(w) Employees. To the knowledge of any of the Stockholders and the directors and officers of the Targets, no executive, key employee, or significant group of employees plans to terminate employment with any Target during the next 12 months. No Target is a party to or bound by any collective bargaining agreement, nor has any of them experienced any strike or material grievance, claim of unfair labor practices, or other collective bargaining dispute within the past three years. No

Target has committed any material unfair labor practice. None of the Stockholders and the directors and officers of the Targets has any knowledge of any organizational effort presently being made or threatened by or on behalf of any labor union with respect to employees of any Target.

(x) Employee Benefits.

(i) §3(x) of the Disclosure Schedule lists each Employee Benefit Plan that each Target maintains or to which any Target contributes or has any obligation to contribute.

(A) Each such Employee Benefit Plan (and each related trust, insurance contract, or fund) has been maintained, funded and administered in accordance with the terms of such Employee Benefit Plan and complies in form and in operation in all material respects with the applicable requirements of ERISA, the Code, and other applicable laws.

(B) All required reports and descriptions (including annual reports (IRS Form 5500), summary annual reports, and summary plan descriptions) have been timely filed and/or distributed in accordance with the applicable requirements of ERISA and the Code with respect to each such Employee Benefit Plan. The requirements of COBRA have been met in all material respects with respect to each such Employee Benefit Plan which is an Employee Welfare Benefit Plan subject to COBRA.

(C) All contributions (including all employer contributions and employee salary reduction contributions) which are due have been made within the time periods prescribed by ERISA and the Code to each such Employee Benefit Plan which is an Employee Pension Benefit Plan and all contributions for any periods ending on or before the Closing Date which are not yet due have been made to each such Employee Pension Benefit Plan or accrued in accordance with the past custom and practice of the Targets. All premiums or other payments for all periods ending on or before the Closing Date have been paid with respect to each such Employee Benefit Plan which is an Employee Welfare Benefit Plan.

(D) Each such Employee Benefit Plan which is intended to meet the requirements of a "qualified plan" under Code §401(a) has received a determination from the Internal Revenue Service that such Employee Benefit Plan is so qualified, and the Stockholders are not aware of any facts or circumstances that could adversely affect the qualified status of any such Employee Benefit Plan.

(E) The market value of assets under each such Employee Benefit Plan which is an Employee Pension Benefit Plan (other than any Multiemployer Plan) equals or exceeds the present value of all vested and nonvested liabilities thereunder (determined in accordance with then current funding assumptions).

(F) Each Target has delivered to the Buyer correct and complete copies of the plan documents and summary plan descriptions, the most recent determination letter received from the Internal Revenue Service, the most recent annual report (IRS Form 5500, with all applicable attachments), and all related trust agreements, insurance contracts, and other funding arrangements which implement each such Employee Benefit Plan.

(ii) With respect to each Employee Benefit Plan that any Target or any ERISA Affiliate maintains, to which any of them contributes, or has any obligation to contribute, or with respect to which any of them has any material liability or potential liability:

(A) No such Employee Benefit Plan which is an Employee Pension Benefit Plan (other than any Multiemployer Plan) has been completely or partially terminated or been the subject of a Reportable Event as to which notices would be required to be filed with the PBGC. No proceeding by the PBGC to terminate any such Employee Pension Benefit Plan (other than any Multiemployer Plan) has been instituted or, to the knowledge of any of the Stockholders and the directors and officers of the Targets, threatened.

(B) There have been no Prohibited Transactions with respect to any such Employee Benefit Plan. No Fiduciary has any liability for material breach of fiduciary duty or any other material failure to act or comply in connection with the administration or investment of the assets of any such Employee Benefit Plan. No action, suit, proceeding, hearing, or investigation with respect to the administration or the investment of the assets of any such Employee Benefit Plan (other than routine claims for benefits) is pending or, to the knowledge of any of the Stockholders and the directors and officers of the Targets, threatened.

(C) No Target has incurred any material 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) to the PBGC (other than with respect to PBGC premium payments not yet due) or otherwise under Title IV of ERISA (including any withdrawal liability as defined in ERISA §4201) or under the Code with respect to any such Employee Benefit Plan which is an Employee Pension Benefit Plan, or under COBRA with respect to any such Employee Benefit Plan which is an Employee Welfare Benefit Plan.

(iii) No Target or any ERISA Affiliate contributes to, has any obligation to contribute to, or has any material 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), including any withdrawal liability (as defined in ERISA §4201) under or with respect to any Multiemployer Plan.

(iv) No Target maintains, contributes to or has an obligation to contribute to, or has any material liability or potential liability with respect to, any Employee Welfare Benefit Plan providing medical, health, or life insurance or other welfare-type benefits for current or future retired or terminated employees of any Target (or any spouse or other dependent thereof) other than in accordance with COBRA.

(y) Guaranties. No Target is a guarantor or otherwise is responsible for any liability or obligation (including indebtedness) of any other Person.

(z) Environmental, Health, and Safety Matters.

(i) Each Target, and their respective predecessors and Affiliates has complied and is in compliance, in each case in all material respects, with all Environmental, Health, and Safety Requirements.

(ii) Without limiting the generality of the foregoing, each Target, and their respective Affiliates, has obtained, has complied, and is in compliance with, in each case in all material respects, all material permits, licenses and other authorizations that are required pursuant to Environmental, Health, and Safety Requirements for the occupation of its facilities and the operation of its business; a list of all such material permits, licenses and other authorizations is set forth on the attached "Environmental and Safety Permits Schedule."

(iii) No Target, or their respective Affiliates has received any written or oral notice, report or other information regarding any actual or alleged material violation of Environmental, Health, and Safety Requirements, or any material liabilities or potential material liabilities (whether accrued, absolute, contingent, unliquidated or otherwise), including any material investigatory, remedial or corrective obligations, relating to any of them or its facilities arising under Environmental, Health, and Safety Requirements.

(iv) Except as set forth on the attached "Environmental and Safety Matters Schedule," none of the following exists at any property or facility owned or operated by any Target: (1) underground storage tanks, (2) asbestos-containing material in any friable and damaged form or condition, (3) materials or equipment containing polychlorinated biphenyls, or (4) landfills, surface impoundments, or disposal areas.

(v) No Target or any of their respective predecessors or Affiliates has treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, or released any substance, including without limitation any hazardous substance, or owned or operated any property or facility (and no such property or facility is contaminated by any such substance) in a manner that has given or would give rise to material liabilities, including any material liability for response costs, corrective action costs, personal injury, property damage, natural resources damages or attorney fees, pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA") or the Solid Waste Disposal Act, as amended ("SWDA") or any other Environmental, Health, and Safety Requirements.

(vi) Neither this Agreement nor the consummation of the transaction that is the subject of this Agreement will result in any material obligations for site investigation or cleanup, or notification to or consent of government agencies or third parties, pursuant to any of the so-called "transaction-triggered" or "responsible property transfer" Environmental, Health, and Safety Requirements.

(aa) Certain Business Relationships With the Targets. None of the Stockholders or any of their respective Affiliates (other than the Targets) have been involved in any material business arrangement or relationship with any Target within the past 12 months, and none of the Stockholders or any of their respective Affiliates (other than the Targets) own any material asset, tangible or intangible, which is used in the business of any Target.

(bb) Disclosure. The representations and warranties contained in this §3 do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements and information contained in this §3 not misleading.

(cc) Capitalization. The entire authorized capital stock of Central consists of Central Shares, of which 1,000 Central Shares are issued and outstanding and none are held in treasury. All of the issued and outstanding Central Shares have been duly authorized, are validly issued, fully paid, and nonassessable, and are held of record by the respective Sellers as set forth in §3(cc) of the Disclosure Schedule. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments that could require Central to issue, sell, or otherwise cause to become outstanding any of its capital stock. There are no outstanding or authorized stock appreciation, phantom stock, profit participation, or similar rights with respect to Central. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting of the capital stock of Central.

4. Representations and Warranties of the Stockholders. Each of the Stockholders represents and warrants to the Buyer that the statements contained in this §4 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this §4) with respect to himself or itself, except as set forth in the Annex attached hereto (the "Annex").

(a) Authorization. The Stockholder has full power and authority (including, if the Stockholder is a corporation, full corporate power and authority) to execute and deliver this Agreement and to perform his, her or its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of the Stockholder, enforceable in accordance with its terms and conditions.

(b) Noncontravention. Neither the execution and the delivery of this Agreement by the Stockholder, nor the performance by the Stockholder of his, her or its obligations hereunder, will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Stockholder is subject (or, if the Stockholder is a corporation, any provision of its charter or bylaws) or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which the Stockholder is a party or by which he or it is bound or to which any of his, her or its assets is subject.

(c) Investment. The Stockholder (i) understands that the Buyer Notes have not been, and will not be, registered under the Securities Act, or under any state securities laws, and are being offered and sold in reliance upon federal and state exemptions for transactions not involving any public offering, (ii) is acquiring the Buyer Notes solely for his, her or its own account for investment purposes, and not with a view to the distribution thereof, (iii) is a sophisticated investor with knowledge and experience in business and financial matters, (iv) has received certain information concerning the Buyer and has had the opportunity to obtain additional information as desired in order to evaluate the merits and the risks inherent in holding the Buyer Notes, (v) is able to bear the economic risk and lack of liquidity inherent in holding the Buyer Notes, and (vi) is an Accredited Investor for the reasons set forth on the Annex.

(d) Target Shares. The Stockholder holds of record the number and type of Target Shares set forth next to his, her or its name on the Annex.

5. Representations and Warranties of the Buyer. The Buyer represents and warrants to the Sellers and the Stockholders that the statements contained in this §5 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this §5), except as set forth in the Disclosure Schedule. The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this §5.

(a) Organization of the Buyer. The Buyer is a limited liability company duly formed, validly existing, and in good standing under the laws of the jurisdiction of its organization.

(b) Authorization of Transaction. The Buyer has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its



obligations hereunder. This Agreement constitutes the valid and legally binding obligation of the Buyer, enforceable in accordance with its terms and conditions.

(c) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in §2 above), will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Buyer is subject or any provision of its charter or bylaws or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which the Buyer is a party or by which it is bound or to which any of its assets is subject. The Buyer does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement (including the assignments and assumptions referred to in §2 above).

(d) Brokers' Fees. The Buyer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which any Seller could become liable or obligated.

6. Pre-Closing Covenants. The Parties agree as follows with respect to the period between the execution of this Agreement and the Closing.

(a) General. Each of the Parties will use its reasonable best efforts to take all action and to do all things advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the closing conditions set forth in §8 below).

(b) Notices and Consents. Each Asset Seller will give (and the Stockholders will cause Central to give) any notices to third parties, and each Asset Seller will use its reasonable best efforts (and the Stockholders will cause Central to use its reasonable best efforts) to obtain any third party consents, that the Buyer reasonably may request in connection with the matters referred to in §3(c) above. Each of the Parties will (and the Stockholders will cause Central to) give any notices to, make any filings with, and use its reasonable best efforts to obtain any authorizations, consents, and approvals of governments and governmental agencies in connection with the matters referred to in §3(c) and §5(c) above.

(c) Operation of Business. No Asset Seller shall (and the Stockholders will not permit Central to) (i) engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business, (ii) declare, set aside, or pay any dividend or make any distribution to any Related Party, (iii) declare, set aside, or pay any dividend or make any distribution with respect to its capital stock or redeem, purchase, or otherwise acquire any of its capital stock, (iv) pay any amount to any third party with respect to any liability or obligation (including any costs and expenses any Stockholder or Target has incurred or may incur in connection with this Agreement and the transactions contemplated hereby) which would not constitute an Assumed Liability if in existence as of the Closing, (v) otherwise engage in any practice, take any action, or enter into any transaction of the sort described in §3(h) above or (vi) pay any intercompany Indebtedness.

(d) Preservation of Business. Each Asset Seller will keep, and the Stockholders will cause Central to keep, its business and properties substantially intact, including its present

operations, physical facilities, working conditions, and relationships with lessors, licensors, suppliers, customers, and employees.

(e) Full Access. Each Asset Seller will permit (and the Stockholders will cause Central to permit) representatives of the Buyer to have full access at all reasonable times, and in a manner so as not to interfere with the normal business operations of any Target, to all premises, properties, personnel, books, records (including tax records), contracts, and documents of or pertaining to each of the Targets. The Buyer will treat and hold as such any Confidential Information it receives from any of the Stockholders and any Target in the course of the reviews contemplated by this §6(e), will not use any of the Confidential Information except in connection with this Agreement.

(f) Notice of Developments. Each Party will give prompt written notice to the other Party of any material adverse development causing a breach of any of its own representations and warranties in §3, §4 and §5 above. No disclosure by any Party pursuant to this §6(f), however, shall be deemed to amend or supplement the Disclosure Schedule or to prevent or cure any misrepresentation, breach of warranty, or breach of covenant.

(g) Exclusivity. No Asset Seller will (and the Stockholders will not cause or permit Central to) (i) solicit, initiate, or encourage the submission of any proposal or offer from any Person relating to the acquisition of any capital stock or other voting securities, or any substantial portion of the assets, of any Target (including any acquisition structured as a merger, consolidation, or share exchange) or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing.

(h) Maintenance of Leased Real Property. Each Asset Seller shall maintain (and the Stockholders shall cause Central to maintain) the Leased Real Property, including all of the Improvements, in substantially the same condition as of the date of this Agreement, ordinary wear and tear excepted, and shall not demolish or remove any of the existing Improvements, or erect new improvements on the Leased Real Property or any portion thereof, without the prior written consent of the Buyer.

(i) Leases. No Asset Seller shall amend, modify, extend, renew or terminate any Lease, nor shall any of the Targets enter into any new lease, sublease, license or other agreement for the use or occupancy of any real property requiring payments in excess of \$10,000 annually as averaged over the term thereof, without the prior written consent of the Buyer. The Stockholders shall not cause or permit Central to amend, modify, extend, renew or terminate any Lease or enter into any new any new lease, sublease, license or other agreement for the use or occupancy of any real property requiring payments in excess of \$10,000 annually as averaged over the term thereof, without the prior written consent of the Buyer.

(j) [intentionally deleted]

(k) Subordination. At the request of Buyer, Sellers shall execute a subordination agreement with Buyer's lender to evidence the subordination in payment of the Buyer Notes to the obligations of Buyer to such lender or any successor lender. Such subordination may require a so-called "standstill agreement" and "blockage period" and such other provisions as the lender shall request. "Subordinate in payment" means that no payments shall be made pursuant to the Buyer Notes except the scheduled payments thereunder, and that upon an event of default of any of the obligations

of Buyer to its lender, no further payments shall be made to the holders of the Buyer Notes until such obligations are paid in full or the lender consents thereto.

7. Post-Closing Covenants. The Parties agree as follows with respect to the period following the Closing.

(a) General. In case at any time after the Closing any further action is necessary to carry out the purposes of the Purchase Agreement, each of the Parties will take such further action (including the execution and delivery of such further instruments and documents) as any other Party reasonably may request, all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under §9 below). The Stockholders acknowledge and agree that, from and after the Closing, Buyer shall be entitled to possession of all of the business records and papers and any orders, contracts and agreements, purchase orders, accepted and unaccepted, quotations, and any other property or records used or usable in connection with the continued operation of the Targets and any income tax or accounting matters affecting the Targets or the Stockholders. Buyer and the Sellers shall make all of said documents available to each other, and Buyer shall make all of said documents available to the Stockholders, upon request at any reasonable time after Closing or otherwise. In this regard, the Buyer agrees that it will maintain, for at least five (5) years or such longer time as may be required by Law (the "Retention Period"), the books, records and documents of the Targets existing as of the Closing Date. During normal business hours, the Buyer shall afford, and shall cause the Targets to afford, the Sellers and their representatives full access, for reasonable purposes, to such books, records and documents at all times during the Retention Period.

(b) Litigation Support. In the event and for so long as any Party actively is contesting or defending against any action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand in connection with (i) any transaction contemplated under the Purchase Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving any Target, each of the other Parties will cooperate with the contesting or defending Party and his, her or its counsel in the contest or defense, make available his, her or its personnel, and provide such testimony and access to his, her or its books and records as shall be necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party is entitled to indemnification therefor under §9 below).

(c) Transition. None of the Stockholders will take any action that is designed or intended to have the effect of discouraging any lessor, licensor, customer, supplier, or other business associate of any Target from maintaining the same business relationships with the Buyer after the Closing as it maintained with the Targets prior to the Closing.

(d) Confidentiality. Each of the Stockholders will treat and hold as such all of the Confidential Information, refrain from using any of the Confidential Information except in connection with this Agreement, and deliver promptly to the Buyer or destroy, at the request and option of the Buyer, all tangible embodiments (and all copies) of the Confidential Information which are in his, her or its possession. In the event that any of the Stockholders is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, that Stockholder will notify the Buyer promptly of the request or requirement so that the Buyer may seek an appropriate protective order or waive compliance with the provisions of this §7(d). If, in the absence of a protective order or the receipt of a waiver hereunder, any of the Stockholders is, on the

advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, that Stockholder may disclose the Confidential Information to the tribunal; provided, however, that the disclosing Stockholder shall use his, her or its reasonable best efforts to obtain, at the reasonable request of the Buyer, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as the Buyer shall designate.

(e) Covenant Not to Compete. For a period of three years from and after the Closing Date, none of the Stockholders will engage directly or indirectly in any business that any Target conducts as of the Closing Date in the following states \_\_\_\_\_; provided, however, that no owner of less than 1% of the outstanding stock of any publicly traded corporation shall be deemed to engage solely by reason thereof in any of its businesses and provided, further that providing advice which is limited to safety and regulatory issues affecting railroads, construction, maintenance and other railroad operations shall not be a violation of the foregoing restriction. If the final judgment of a court of competent jurisdiction declares that any term or provision of this §7(e) is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

(f) Buyer Notes. The Buyer Notes will be imprinted with a legend substantially in the following form:

*This Note was originally issued on \_\_\_\_\_, 20 \_\_, and has not been registered under the Securities Act of 1933, as amended. The transfer of this Note is subject to certain restrictions set forth in the Agreement. The issuer of this Note will furnish a copy of these provisions to the holder hereof without charge upon written request.*

Each holder desiring to transfer a Buyer Note first must furnish the Buyer with (i) a written opinion reasonably satisfactory to the Buyer in form and substance from counsel reasonably satisfactory to the Buyer by reason of experience to the effect that the holder may transfer the Buyer Note as desired without registration under the Securities Act and (ii) a written undertaking executed by the desired transferee reasonably satisfactory to the Buyer in form and substance agreeing to be bound by the restrictions on transfer contained herein.

(g) Use of Property. For a period of one hundred eighty (180) days following the Closing, Buyer and Central shall have the right to exclusive use and occupancy of the storage and maintenance facilities, and offices, located in \_\_\_\_\_ and/or the surrounding area, as described more fully on Exhibit H attached hereto, on a rent-free basis. Buyer and Central shall be responsible for the utilities used by it, as well as for any damage to the property caused by it. Seller shall be responsible for the payment of all real estate taxes with respect to the leased property. The Stockholders warrant to Buyer and Central that they will have, hold and enjoy quiet possession of the property.

8. Conditions to Obligation to Close.

(a) Conditions to Obligation of the Buyer. The obligation of the Buyer to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties set forth in §3 and 4 above shall be true and correct in all material respects at and as of the Closing Date;

(ii) the Sellers shall have performed and complied with all of the covenants hereunder in all material respects through the Closing;

(iii) the Sellers and Central shall have procured all of the material third party consents specified in §6(b) above;

(iv) no action, suit, or proceeding shall be pending before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, or (C) affect adversely the right of the Buyer to own the Acquired Assets or the Central Shares, to operate the former businesses of any Target;

(v) the Sellers shall have delivered to the Buyer a certificate to the effect that each of the conditions specified above in §8(a)(i)-(iv) is satisfied in all respects;

(vi) the Sellers and Central and the Buyer shall have received all other material authorizations, consents, and approvals of governments and governmental agencies referred to in §3(c), §4(c) and §5(c) above (including, without limitation, approval of the U.S. Surface Transportation Board);

(vii) the Buyer shall have received from counsel to the Sellers an opinion in form and substance as set forth in Exhibit I attached hereto, addressed to the Buyer, and dated as of the Closing Date;

(viii) all actions to be taken by the Sellers in connection with consummation of the transactions contemplated hereby and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to the Buyer.

(ix) [intentionally deleted]

(x) [intentionally deleted]

(xi) with respect to any Material Leased Real Property located outside the United States, the Sellers, at the Sellers' cost and expense, shall provide the Buyer with an equivalent form of title assurance in accordance with local custom reasonably satisfactory to the Buyer for each parcel of such Material Leased Real Property;

(xii) the Stockholders shall have delivered evidence reasonably satisfactory to the Buyer that all Indebtedness of the Targets has been paid in full (other than any

Indebtedness that is an Assumed Liability and any Indebtedness due from a Target to another Target or a Stockholder), and that there are no Liens, claims or other encumbrances against any Acquired Assets;

(xiii) the Sellers and Central shall have obtained and delivered to Buyer a written consent for the assignment of each of the Leases (or in the case of any Lease to which Central is a party, a waiver of any change in control or similar provision set forth in such Lease), and, if requested by the Buyer's lender in connection with any Material Leased Real Property, a waiver of landlord liens, collateral assignment of lease or leasehold mortgage from the landlord or other party whose consent thereto is required under such Lease (the "Lease Consents"), in form and substance satisfactory to the Buyer and the Buyer's lender;

(xiv) the Sellers and Central shall have obtained and delivered to the Buyer an estoppel certificate with respect to each of the Leases, dated no more than 30 days prior to the Closing Date, from the other party to such Lease, in form and substance satisfactory to the Buyer (the "Estoppel Certificates");

(xv) the Sellers and Central shall deliver to the Buyer such non-foreign affidavits dated as of the Closing Date and in form and substance required under the Treasury Regulations issued pursuant to Section 1445 of the Internal Revenue Code so that the Buyer is exempt from withholding any portion of the Purchase Price thereunder (the "FIRPTA Affidavit");

(xvi) no damage or destruction or other change has occurred with respect to any of the Leased Real Property or any portion thereof that, individually or in the aggregate, would have a material adverse effect on the use or occupancy of the Leased Real Property or the operation of the business of the Targets;

(xvii) the Buyer shall have obtained on terms and conditions reasonably satisfactory to it all of the financing it needs in order to consummate the transactions contemplated hereby and fund the working capital requirements of the acquired businesses after the Closing;

(xviii) the Stockholders shall have delivered evidence reasonably satisfactory to the Buyer that (1) the ownership of and signatory authority over the bank accounts set forth on Exhibit J (collectively, the "Transferred Accounts") and Cash contained therein will be properly transferred to the Buyer or its designees on the Closing Date and (2) the Transferred Accounts and Cash contained therein will be transferred free of any Liens, claims, encumbrances, overdrafts or other liabilities;

(xix) Stockholders shall have delivered to the Buyer a warranty bill of sale in form reasonably satisfactory to the Buyer transferring all right, title and interest in and to all assets leased to any Target and any other assets or rights owned by the Stockholders (other than Excluded Assets) and used in the business of any Target. Such bill of sale shall contain a warranty that that all such assets and rights are free and clear of Liens, other than any Liens secured only by Assumed Liabilities; and

(xx) the Buyer shall have, each at the Buyer's option, in its sole and absolute discretion and in form and substance satisfactory to the Buyer, either

(A) assumed the Targets' existing collective bargaining agreements with the unions representing certain employees of the Targets (collectively, the "Unions"), or,

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(B) entered into new collective bargaining agreements with the Unions, or

(C) assumed certain of the Targets' existing collective bargaining agreements with the Unions and entered into certain new collective bargaining agreements with the Unions.

In addition to the foregoing, (1) the Unions shall have consented to the transactions contemplated by this Agreement if necessary or desired by the Buyer and (2) the Buyer shall be satisfied, in its sole and absolute discretion, that the Buyer's relationship with the Unions will continue to be satisfactory to the Buyer on and after the Closing Date.

The Buyer may waive any condition specified in this §8(a) if it executes a writing so stating at or prior to the Closing.

(b) Conditions to Obligation of the Sellers. The obligation of the Sellers to consummate the transactions to be performed by them in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties set forth in §5 above shall be true and correct in all material respects at and as of the Closing Date;

(ii) the Buyer shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;

(iii) no action, suit, or proceeding shall be pending before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement or (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);

(iv) the Buyer shall have delivered to the Sellers a certificate to the effect that each of the conditions specified above in §8(b)(i)-(iii) is satisfied in all respects;

(v) the Sellers and Central and the Buyer shall have received all other material authorizations, consents, and approvals of governments and governmental agencies referred to in §3(c), §4(e) and §5(c) above;

(vi) the Accuval Valuation shall have been delivered to the Buyers on or before \_\_\_\_\_, 20\_\_; and

(vii) all actions to be taken by the Buyer in connection with consummation of the transactions contemplated hereby and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to the Sellers.

The Sellers may waive any condition specified in this §8(b) if they execute a writing so stating at or prior to the Closing.

9. Remedies for Breaches of This Agreement and the Purchase Agreement.

(a) Survival of Representations and Warranties. All of the representations and warranties of the Sellers contained in §3(g)-(j) and §3(l)-(cc) of the Purchase Agreement shall survive the Closing (even if the Buyer knew or had reason to know of any misrepresentation or breach of warranty at the time of Closing) and continue in full force and effect for a period of two years thereafter; provided, however, that the representations and warranties contained in §3(z) of the Purchase Agreement shall survive the Closing (even if the Buyer knew or had reason to know of any misrepresentation or breach of warranty at the time of Closing) and continue in full force and effect for a period of five years thereafter. All of the other representations and warranties of the Buyer, the Sellers, and the Stockholders contained in the Purchase Agreement (including the representations and warranties of the Sellers contained in §3(a)-(f) and §3(k) thereof) and in this Agreement shall survive the Closing (even if the damaged Party knew or had reason to know of any misrepresentation or breach of warranty at the time of Closing) and continue in full force and effect forever thereafter (subject to any applicable statutes of limitations).

(b) Indemnification Provisions for Benefit of the Buyer.

(i) In the event any Seller breaches any of its representations, warranties, and covenants contained in the Purchase Agreement, and, if there is an applicable survival period pursuant to §9(a) above, provided that the Buyer makes a written claim for indemnification against any of the Stockholders pursuant to §12(g) below within such survival period, then each of the Sellers agrees to indemnify the Buyer from and against the entirety of any Adverse Consequences the Buyer may suffer through and after the date of the claim for indemnification (including any Adverse Consequences the Buyer may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by the breach; provided, however, that the Stockholders shall not have any obligation to indemnify the Buyer from and against any Adverse Consequences resulting from, arising out of, relating to, in the nature of, or caused by the breach of any representation or warranty of the Sellers contained in §3(g)-(cc) of the Purchase Agreement until the Buyer has suffered Adverse Consequences by reason of all such breaches in excess of a \$20,000 aggregate deductible (after which point the Stockholders will be obligated only to indemnify the Buyer from and against further such Adverse Consequences). The indemnification obligations of the Sellers are joint and several.

(ii) In the event any of the Stockholders breaches any of his, her or its representations, warranties, and covenants contained in this Agreement, and, if there is an applicable survival period pursuant to §9(a) above, provided that the Buyer makes a written claim for indemnification against the Stockholder pursuant to §12(g) below within such survival period, then the Stockholder agrees to indemnify the Buyer from and against the entirety of any Adverse Consequences the Buyer may suffer through and after the date of the claim for indemnification (including any Adverse Consequences the Buyer may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by the breach.

(iii) Each of the Stockholders agrees to indemnify the Buyer from and against the entirety of any Adverse Consequences the Buyer may suffer resulting from, arising out of, relating to, in the nature of, or caused by:

(A) any liability of any Seller which is not an Assumed Liability (including any liability of any Seller that becomes a liability of the Buyer under any bulk transfer law



of any jurisdiction, under any common law doctrine of de facto merger or successor liability, or otherwise by operation of law);

(B) any Environmental Claim arising out of or relating to any Environmental Release by any Target or for which Buyer may be liable as a result of the conduct of any business engaged in by any Target prior to the Closing Date, and any Environmental Release whatsoever on, at or under the Leased Real Property, which in either case has occurred prior to the Closing; and in any such case damages shall include without limitation all reasonable costs and expenses of response or cleanup incurred by Buyer which result therefrom or relate thereto, including all costs of inspections, samples, borings, monitoring wells, reviews and audits.

(iv) Notwithstanding any provision in this Agreement to the contrary:

(A) The Buyer shall recoup all or any part of any amount the Sellers owe it pursuant to this §9(b) first by notifying the Sellers that the Buyer is reducing pro rata the principal amounts outstanding under the Buyer Notes (this shall affect the timing and amount of payments required under the Buyer Notes in the same manner as if the Buyer had made a permitted prepayment (without premium or penalty) pro rata thereunder with such amount applied against payments in the order of maturity) and thereafter by pursuing any remedies available to the Buyer under applicable law.

(B) The aggregate amount the Sellers owe Buyer pursuant to this §9(b) shall be limited to the Purchase Price.

(c) Indemnification Provisions for Benefit of the Stockholders.

(i) In the event the Buyer breaches any of its representations, warranties, and covenants contained in the Purchase Agreement and in this Agreement, and, if there is an applicable survival period pursuant to §9(a) above, provided that any of the Stockholders makes a written claim for indemnification against the Buyer pursuant to §12(g) below within such survival period, then the Buyer agrees to indemnify each of the Stockholders from and against the entirety of any Adverse Consequences the Stockholder may suffer through and after the date of the claim for indemnification (including any Adverse Consequences the Stockholder may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by the breach.

(ii) The Buyer agrees to indemnify each of the Stockholders from and against the entirety of any Adverse Consequences the Stockholder may suffer resulting from, arising out of, relating to, in the nature of, or caused by any Assumed Liability.

(d) Matters Involving Third Parties.

(i) If any third party shall notify any Party (the "Indemnified Party") with respect to any matter (a "Third Party Claim") which may give rise to a claim for indemnification against any other Party (the "Indemnifying Party") under this §9, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party thereby is prejudiced.

(ii) Any Indemnifying Party will have the right to assume the defense of the Third Party Claim with counsel of his, her or its choice reasonably satisfactory to the Indemnified Party at any time within 15 days after the Indemnified Party has given notice of the Third Party Claim; provided, however, that the Indemnifying Party must conduct the defense of the Third Party Claim actively and diligently thereafter in order to preserve its rights in this regard; and provided further that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim.

(iii) So long as the Indemnifying Party has assumed and is conducting the defense of the Third Party Claim in accordance with §9(d)(ii) above, (A) the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnified Party (not to be withheld unreasonably) unless the judgment or proposed settlement involves only the payment of money damages by one or more of the Indemnifying Parties and does not impose an injunction or other equitable relief upon the Indemnified Party and (B) the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party (not to be withheld unreasonably).

(iv) In the event none of the Indemnifying Parties assumes and conducts the defense of the Third Party Claim in accordance with §9(d)(i) above, however, (A) the Indemnified Party may defend against, and consent to the entry of any judgment or enter into any settlement with respect to, the Third Party Claim in any manner he or it reasonably may deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith) and (B) the Indemnifying Parties will remain responsible for any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim to the fullest extent provided in this §9.

(e) Determination of Adverse Consequences. The Parties shall make appropriate adjustments for liabilities accrued on the Closing Date Balance Sheet (so as to reduce the Purchase Price), tax benefits, and insurance coverage, and take into account the time cost of money (using the Applicable Rate as the discount rate), in determining Adverse Consequences for purposes of this §9. All indemnification payments under this §9 shall be deemed adjustments to the Purchase Price.

10. Termination.

(a) Termination of Agreement. Certain of the Parties may terminate this Agreement as provided below:

(i) the Buyer and the Sellers may terminate this Agreement by mutual written consent at any time prior to the Closing;

(ii) the Buyer may terminate this Agreement by giving written notice to the Sellers at any time prior to the Closing (A) in the event any Seller has breached any material representation, warranty, or covenant contained in this Agreement in any material respect, the Buyer has notified the Sellers of the breach, and the breach has continued without cure for a period of 30 days after the notice of breach or (B) if the Closing shall not have occurred on or before \_\_\_\_, 20\_\_, by reason of the failure of any condition precedent under §8(a) hereof (unless the failure results primarily from the Buyer itself breaching any representation, warranty, or covenant contained in this Agreement); and

(iii) the Sellers may terminate this Agreement by giving written notice to the Buyer at any time prior to the Closing (A) in the event the Buyer has breached any material representation, warranty, or covenant contained in this Agreement in any material respect, the Sellers have notified the Buyer of the breach, and the breach has continued without cure for a period of 30 days after the notice of breach or (B) if the Closing shall not have occurred on or before \_\_\_\_, 20\_\_, by reason of the failure of any condition precedent under §8(b) hereof (unless the failure results primarily from any Seller itself breaching any representation, warranty, or covenant contained in this Agreement), and in such event Parties will promptly and jointly instruct the escrow agent under the Escrow Agreement to release the Deposit to Sellers).

(b) Effect of Termination. If any Party terminates this Agreement pursuant to §10(a) above, all rights and obligations of the Parties hereunder shall terminate without any liability of any Party to any other Party (except for any liability of any Party then in breach); provided, however, that the confidentiality provisions contained in §7(d) above shall survive termination. If the Agreement is terminated for any reason other than pursuant to §10(a)(iii) above, the Parties will promptly jointly and jointly instruct the escrow agent under the Escrow Agreement to release the Deposit to Buyer.

11. Tax Matters Concerning Central.

The following provisions shall govern the allocation of responsibility as between Buyer and Stockholders for certain tax matters following the Closing Date:

(a) Tax Periods Ending on or Before the Closing Date. Buyer shall prepare or cause to be prepared and file or cause to be filed all Income Tax Returns for Central for all periods ending on or prior to the Closing Date which are filed after the Closing Date. The taxable income of Central attributable to the period prior to the Closing shall be calculated by “closing the books” rather than by proration. Buyer shall permit the Stockholders to review and comment on each such Income Tax Return described in the preceding sentence prior to filing and shall make such revisions to such Income Tax Returns as are reasonably requested by the Stockholders. The Stockholders shall reimburse Buyer for Income Taxes of Central with respect to such periods within fifteen (15) days after payment by Buyer or Central of such Income Taxes to the extent such Income Taxes are not reflected in the reserve for Income Tax Liability (rather than any reserve for deferred Income Taxes established to reflect timing differences between book and Tax income) shown on the face of the Closing Balance Sheet.

(b) Refunds and Tax Benefits. Any Income Tax refunds that are received by Buyer or Central, and any amounts credited against Income Tax of Buyer or Central to which Buyer or Central become entitled, that relate to Income Tax periods or portions thereof ending on or before the Closing Date, to the extent such refunds not reflected on the face of the Closing Balance Sheet, shall be for the account of the Stockholders, and Buyer shall pay over to the Stockholders any such refund or the amount of any such credit within fifteen (15) days after receipt or entitlement thereto. In addition, to the extent that a claim for refund or a proceeding results in a payment or credit against Income Tax paid or issued by a taxing authority to the Buyer or Central of any amount accrued on the Closing Balance Sheet, the Buyer shall pay such amount to the Stockholders within fifteen (15) days after receipt or entitlement thereto.

(c) Cooperation on Tax Matters.

(i) Buyer, Central and the Stockholders shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns pursuant to this Section and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Central and the Stockholders agree (A) to retain all books and records with respect to Tax matters pertinent to Central relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Buyer the Stockholders, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority, and (B) to give the other party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other party so requests, Central or the Stockholders, as the case may be, shall allow the other party to take possession of such books and records.

(ii) Buyer and the Stockholders further agree, upon request, to use their best efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including, but not limited to, with respect to the transactions contemplated hereby).

(iii) Buyer and the Stockholders further agree, upon request, to provide the other party with all information that either party may be required to report pursuant to §6043 of the Code and all Treasury Department Regulations promulgated thereunder.

(d) Tax Sharing Agreements. All tax sharing agreements or similar agreements with respect to or involving Central shall be terminated as of the Closing Date and, after the Closing Date, Central shall not be bound thereby or have any liability thereunder.

(e) Certain Taxes and Fees. All transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement, shall be borne by the Stockholders.

12. Miscellaneous.

(a) Press Releases and Public Announcements. No Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement prior to the Closing without the prior written approval of the other Party; provided, however, that any Party may make any public disclosure it believes in good faith is required by applicable law or any listing or trading agreement concerning its publicly-traded securities (in which case the disclosing Party will use its reasonable best efforts to advise the other Party prior to making the disclosure).

(b) No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

(c) Entire Agreement. This Agreement (including the documents referred to herein) constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.

(d) Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Parties; provided, however, that the Buyer may (i) assign any or all of its rights and interests hereunder to one or more of its Affiliates; (ii) Buyer may assign its right to purchase the Central Shares to \_\_\_\_\_; and (iii) designate one or more of its Affiliates to perform its obligations hereunder (in any or all of which cases the Buyer nonetheless shall remain responsible for the performance of all of its obligations hereunder).

(e) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

(f) Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(g) Notices. All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given if (and then two business days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

*If to the Sellers:*

Q.R.S. Trail Service, Inc.  
P.O. Box XXX  
Main Street  
Anytown, USA  
Attn:  
Email:  
Fax:

*If to the Buyer:*

ABC Holdings LLC  
123 Main Street  
Anytown, USA  
Attn:  
Email:  
Fax:

With a copy to:

*With a copy to:*

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

(h) Governing Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of \_\_\_\_\_ without giving effect to any choice or

conflict of law provision or rule (whether of the State of \_\_\_\_\_ or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of \_\_\_\_\_.

(i) Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Buyer and the Sellers. The Sellers may consent to any such amendment at any time prior to the Closing with the prior authorization of its board of directors; provided, however, that any amendment effected after the Stockholders have approved this Agreement will be subject to the restrictions of all applicable law. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(j) Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(k) Expenses. Each of the Buyer, the Stockholders and the Sellers will bear his, her or its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby; provided, however, that the Stockholders will (subject to the following further proviso) also bear the costs and expenses of the Sellers and Central (including all of their legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby in the event that the transactions contemplated by this Agreement are consummated to the extent such costs and expenses are attributable to the period after \_\_\_\_\_, 20\_\_; and provided further that all transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement, shall be borne by the Sellers and/or the Stockholders. Notwithstanding the foregoing or anything to the contrary contained herein, nothing contained in this Section 12(k) is intended to expand the definition of Assumed Liabilities.

(l) Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. 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. The word "including" shall mean including without limitation.

(m) Incorporation of Exhibits, Schedules and Annex. The Exhibits, Schedules and Annex identified in this Agreement are incorporated herein by reference and made a part hereof.

(n) Code §338(h)(10) Waiver. Each Party hereto hereby waives any right it may have to file of an election under Code §338(h)(10) with respect to the sale of the stock of Central hereunder.

(o) Employee Benefits Matters. The Buyer will adopt and assume at and as of the Closing each of the Employee Benefit Plans designated in writing to the Target Stockholders prior to the Closing Date (the "Assumed Benefit Plans"). Each Target will transfer (or cause the plan

administrators to transfer) at and as of the Closing all of the corresponding assets associated with the Assumed Employee Benefit Plans that the Buyer is adopting and assuming. With respect to each Multiemployer Plan that is an Assumed Benefit Plan, the Parties shall take all actions necessary to comply with the requirements of ERISA §4204.

(p) Bulk Transfer Laws. The Buyer acknowledges that the Asset Sellers will not comply with the provisions of any bulk transfer laws of any jurisdiction in connection with the transactions contemplated by this Agreement.

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LAWYERS' MENTOR

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first above written.

**BUYER:**

**ABC HOLDINGS LLC**

**By:**

\_\_\_\_\_

**Its:**

\_\_\_\_\_

**ASSET SELLERS:**

**Q.R.S. TRAIL SERVICE, INC.**

**Q.R.S. TRAIL SERVICE OF THE MIDWEST**

**By:**

\_\_\_\_\_

**Its:**

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**By:**

\_\_\_\_\_

**Its:**

\_\_\_\_\_

**STOCKHOLDERS:**

\_\_\_\_\_

**JOHN DOE**

\_\_\_\_\_