Hamilton Beach

SDMS DocID 2205479

Dana B. Sykes · Assistant General Counsel and
Director, Human Resources

June 22, 2012

ORIGINAL

OVERNIGHT DELIVERY

Ms. Joan Martin Banks (3AHS62)
U.S. Environmental Protection Agency, Region III
1650 Arch Street
Philadelphia, PA 19103-2029

RE: Sauer Dump Site, also known as the Cove Road Dump, and the Lynhurst Road Dump, Dundalk (Baltimore County), Maryland

Dear Ms. Banks:

Hamilton Beach Brands, Inc. ("Hamilton Beach") received the United States Environmental Protection Agency's requests for information pursuant to Section 104(e) of CERCLA (the "Requests"). On May 22, 2012 you agreed to grant Hamilton Beach up to and including June 25, 2012 to respond to the Requests.

Enclosed please find Hamilton Beach's response to the Requests. In addition, pursuant to 40 C.F.R. § 2.203(b), please note that Hamilton Beach is asserting business confidentiality with respect to the documents enclosed as Exhibit 1. Accordingly, these documents have been marked "CONFIDENTIAL."

Very truly yours,

Dana B. Sykes

cc: Joanne Marinelli (w/out enclosures)

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HAMILTON BEACH'S RESPONSE TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY'S INFORMATION REQUEST PURSUANT TO SECTION 104(E) OF CERCLA REGARDING THE SAUER DUMP SITE

GENERAL OBJECTIONS

1. Hamilton Beach Brands, Inc. ("Hamilton Beach") objects to the Requests to the extent they call for responses that require disclosure of privileged information, including information privileged pursuant to the attorney-client privilege or protected by the work product doctrine or any other applicable privileges.

2. Hamilton Beach objects to the Requests to the extent that the United States Environmental Protection Agency lacks proper jurisdiction to make the requests pursuant to CERCLA.

3. Hamilton Beach objects to the Requests to the extent that the requests by themselves or in conjunction with the Instructions contained therein, impose requirements upon Hamilton Beach that are outside the scope of authority granted to the United States Environmental Protection Agency pursuant to CERCLA.

4. Hamilton Beach provides responses to the Requests after reasonable due diligence and a review of documents readily available to it. Hamilton Beach objects to being required to obtain information from sources other than itself as obtaining that information is not required under CERCLA or applicable regulations.

5. Hamilton Beach objects to the Requests to the extent that they attempt to impose upon Hamilton Beach any duty to disclose information or any obligation not required by applicable statutes and regulations.

6. Hamilton Beach objects to the Requests to the extent they are used to obtain information already in the possession of the United States Environmental Protection Agency.

7. Hamilton Beach objects to the Requests to the extent that they seek information or documents that may not currently be in Hamilton Beach's possession or control as a result of, including, but not limited to, the passage of time, historical corporate changes and changes in employees.

8. Hamilton Beach objects to the Requests to the extent they seek information or documents beyond the time period 1960 through 1990 ("the Relevant Time Period").

9. Hamilton Beach objects to the Requests to the extent they seek information or documents concerning Hamilton Beach's operations that are not or were not located in the relevant geographical area of the Sauer Dump Site located in Dundalk, Baltimore County, Maryland.

RESPONSES

Hamilton Beach hereby incorporates by reference its preceding General Objections into each of its below responses to the Requests. Without waiving any of its objections, Hamilton Beach responds to the Requests as follows:

1. What is the current nature of your activity? What was the nature of your activity during the period 1960 to 1990? Please describe in detail if the nature of your activity changed from the period 1960 to 1990. Please provide a detailed explanation of the changes to date.

RESPONSE: Hamilton Beach objects to this Request as it contains vague and ambiguous terms, including the phrase "nature of your activity." Hamilton Beach reiterates its general objection to the extent the question requests information beyond the Relevant Time Period. Additionally, Hamilton Beach has operations in states other than Maryland and objects to the extent this question seeks information on Hamilton Beach's operations that are not located in the relevant geographical area of the Sauer Dump Site in Dundalk, Maryland, namely the greater Baltimore, Maryland area.

Without waving these objections, Hamilton Beach responds that it engages in the business of designing, marketing and distributing small electrical household appliances, including irons, toasters, and coffee makers. In the Baltimore, Maryland area (including Dundalk), Hamilton Beach does not have any current operations.

Based upon information and belief, during all or some portion of the time period 1962 through 1970, SCM Corporation had operations, some of which may have included manufacturing operations, at its plants located in Arbutus and Baltimore, Maryland. Based upon information and belief, at the Sulphur Springs Road, Baltimore plant, it appears SCM may have had operations from October 1966 until 1983. In 1983, Wesray Appliances, Inc. purchased the assets of the Proctor-Silex Group of the Consumer Products Division of SCM Corporation and changed its name to Proctor-Silex, Inc. Attached hereto as Exhibit 1 is a copy of the 1983 Asset Purchase Agreement by and between Wesray Appliances, Inc. and SCM Corporation, including any exhibits in the possession of Hamilton Beach.[1] (Please note that pursuant to 40 C.F.R. § 2.203(b), Hamilton Beach is asserting a business confidentiality claim with respect to the documents attached as Exhibit 1. Accordingly, these documents have been marked "CONFIDENTIAL.") Subsequent name changes, reorganizations and mergers occurred that led to the formation of the entity named Hamilton Beach Brands, Inc. It is Hamilton Beach's position that it assumed no environmental liabilities of SCM Corporation pursuant to the 1983 asset purchase. Instead, it is Hamilton Beach's position and

[1] Hamilton Beach also possesses additional closing documents related to the 1983 Asset Purchase between Wesray Appliances, Inc. and SCM Corporation but believes these documents are not responsive to this request. However, Hamilton Beach will provide copies of the additional closing documents upon the United State Environmental Protection Agency's request.

understanding that SCM Corporation retained such environmental liabilities. It is Hamilton Beach's further understanding and belief that, through a series of mergers, joint ventures and other corporate transactions, Lyondell Chemical Company or one or more of its subsidiaries and affiliates assumed the liabilities of SCM Corporation. Lyondell Chemical Company and certain of its subsidiaries and affiliates filed chapter 11 bankruptcy in January 2009 in the United States Bankruptcy Court, Southern District of New York. Hamilton Beach does not possess documentation between Lyondell Chemical Company and SCM Corporation confirming the assumption of liabilities by SCM Corporation but understands that certain public information may be obtained from the United States Bankruptcy Court, Southern District of New York.

Based upon information and belief, it appears around 1985 or 1986, Hamilton Beach's predecessor closed the Arbutus plant. Based upon information and belief, it appears the Baltimore plant at Sulphur Springs Road was used primarily for warehouse and distribution of small appliances until January, 1991 when the plant was subleased to a third party. Upon information and belief, a consumer call center may have also operated at the Baltimore plant at one time.

2. EPA has obtained information during the course of its investigation indicating that Proctor-Silex, Inc. may have produced waste which was disposed of at the Site, and/or disposed of waste at the Site referenced in this letter. Please provide the following information regarding all wastes and by-products produced by you during the period 1960 to 1990:

The nature of each "waste" (as the term "waste" is defined in paragraph 6 of the definitions attached hereto) used including its chemical content, characteristics and physical state (i.e., liquid, solid, gas, or in the form of contaminated rags, cups, containers). Provide chemical analyses and Material Safety Data Sheets ("MSDS"). If these analyses are not available for the period 1960 through 1990, submit analyses for the time period closest to these dates and describe, in detail, any changes in the process (es) in which these wastes were produced that would affect the chemical analyses;

The annual quantity of each "waste" used or generated;

The process (es) in which each "waste" was used or the process (es) that generated each;

The types of containers used to treat, store or dispose of each "waste"; and

The method of treatment and/or disposal of each "waste."

RESPONSE: Hamilton Beach performed a reasonable and diligent inquiry for information currently in its possession responsive to this request for the Relevant Time Period. As a result of its search, Hamilton Beach has determined that it currently has no corporate documents or other information in its possession responsive to this request. However, Hamilton Beach received from a third party some documents allegedly pertaining to a different CERCLA site (the 68th Street Dump site in Rosedale, Maryland), and these documents, in the form of a computer disc, are attached hereto as Exhibit 2 ("the Third Party Documents"). Hamilton Beach cannot independently verify the contents

or authenticity of these Third Party Documents. The Third Party Documents appear to indicate that Proctor-Silex and Robb Tyler, Inc. contracted from 1962 through 1970 for general trash removal for one or more of its plants (including those located in Arbutus and Baltimore, Maryland). Through affidavits included in the Third Party Documents, former employees of Robb Tyler, Inc. have indicated that the waste they removed from the Proctor Silex plants on behalf of Robb Tyler included only "iron and metal" and "toasters; microwaves and metal parts." Specifically, the Third Party Documents indicate that in 1969 and 1970, Proctor-Silex and Robb Tyler contracted for the removal of oil-containing drums from the Coolidge Avenue plant. However, there is no evidence that oil-containing drums were ever actually picked up from Proctor-Silex, for disposal by Robb Tyler, Inc. In addition, even if Robb Tyler, Inc. disposed of oil-containing drums for Proctor-Silex, oil and petroleum products are explicitly excluded from the definition of hazardous waste under CERCLA. See 42 U.S.C. § 9601(14). Finally, the Third Party Documents indicate that in early February 1970, Proctor-Silex and Robb Tyler, Inc. may have entered into negotiations for the removal of "drums of trash solvent." However, there is no evidence that the contract was ever performed or that any drums of solvent were ever actually picked up for disposal by Robb Tyler, Inc. Moreover, there is no evidence in the Third Party Documents that Robb Tyler, Inc. disposed of any waste from Proctor-Silex at the Site. Therefore, there is no evidence that Proctor-Silex ever disposed of or arranged for the disposal of hazardous substances at the Site.

Additionally, based upon a draft corporate disclosure statement concerning environmental matters, it appears Proctor Silex may have utilized the services of Waste Management Company of Baltimore, Maryland and the Baltimore County Landfill regarding the disposal of solid wastes from the Sulphur Springs plant in Baltimore, Maryland. We cannot verify the source of this information nor the accuracy of this information, and have no underlying documentation regarding contracts, payment or pick up to confirm this information.

3. Provide the names, titles, areas of responsibility, addresses and telephone numbers of all personnel during the period of 1960 to 1990 who may have:

a. Disposed of or treated "waste" at the Site;

b. Arranged for the disposal or treatment of "waste" at the Site; and

c. Arranged for the transportation of "waste" to the Site (either directly or through transshipment points) for disposal or treatment.

RESPONSE: After a reasonable and diligent inquiry, Hamilton Beach currently has no information responsive to this request.

4. Describe the methods used by you to dispose and/or treat "waste" during the period 1960 to 1990.

RESPONSE: See response to Request 2. After a reasonable and diligent inquiry, Hamilton Beach currently has no further information responsive to this request beyond any potentially responsive information provided in the Third Party Documents.

5. If your response to Question 4 includes the contracting of a hauler or transporter to transport and/or dispose of wastes, explain the arrangements for those transactions and provide documentation that confirms the nature of those transactions.

RESPONSE: See response to Request 2. After a reasonable and diligent inquiry, Hamilton Beach currently has no information responsive to this request beyond any potentially responsive information provided in the Third Party Documents.

6. Did your activity make arrangements with any of the following companies: Robb Tyler, Inc., Herb Robertson, Modern Trash, Modern, Inc., North Point Trash Removal, Warren Parker Hauling, Refuse Disposal Inc., F.P.R. Bohager Company, Donald Siejack, Henry Siejack, Debris Disposal, Lawrence Jendras, Browning-Ferris Industries, Jerome Cross, Cross Efficient Trash Removal Service, Inc., F.A. Sauer & Son, and Modern Trashmoval, Inc. to transport and/or dispose of wastes?

If so, identify:

a. The persons with whom you, or such other persons, made such arrangements;

b. Every date on which such arrangements took place;

c. For each transaction, the nature and quantity of the "waste" including the chemical content, characteristics, physical state (i.e., liquid, solid), and the process for which the substance was used or the process that generated the substance;

d. Precise locations at which each "waste" was disposed or treated;

e. The persons who selected the Site as the place at which "waste" was disposed or treated;

f. The final disposition of each of the "wastes" involved in such transactions; and

g. The names of employees, officers, owners and agents for each transporter.

RESPONSE: See response to Request 2. After a reasonable and diligent inquiry, Hamilton Beach currently has no information responsive to this request beyond any potentially responsive information provided in the Third Party Documents.

7. For each and every instance in which your activity arranged for disposal or treatment of "waste" at the Site identify:

a. The characteristics, physical state (i.e., liquid, solid) and chemical composition of each "waste";

b. The persons who supplied you with "waste" material disposed or otherwise handled by you;

c. How such "wastes" were used, treated, transported, disposed or otherwise handled by you;

d. When and where such "wastes" were used, treated, transported, disposed or otherwise handled by you;

e. The quantity (number of loads, gallons, drums) of the "wastes" which were used, treated, transported, disposed or otherwise handled by you; and

f. Any billing information and documents (invoices, trip tickets, manifests) in your possession regarding arrangements made with your activity to generate, treat, store, transport or dispose of "wastes" at the Site.

RESPONSE: After a reasonable and diligent inquiry, Hamilton Beach currently has no information responsive to this request.

8. Provide the names, titles and areas of responsibility of any persons, including all present and former employees, who may be knowledgeable of your waste disposal practices, whether or not involving disposal at the Site, during the period 1960 to 1990. Include current addresses and dates of birth for former employees.

RESPONSE: See response to Request 2. Additionally, Christopher Zachwieja, current Vice President of Quality, Hamilton Beach Brands, Inc., was involved with environmental matters from approximately 1985 until 2001 and may have knowledge concerning waste disposal practices. He may be contacted through Hamilton Beach Brands, Inc.'s Office of General Counsel. After a reasonable and diligent inquiry, Hamilton Beach currently has no further information responsive to this request beyond any potentially responsive information provided in the Third Party Documents.

9. Describe any permits or applications and any correspondence between you and any regulatory agencies regarding "wastes" transported to or disposed of at the Site.

RESPONSE: After a reasonable and diligent inquiry, Hamilton Beach currently has no information responsive to this request.

10. Provide copies of any correspondence between you and any third party regarding "wastes" transported to or disposed of at the Site.

RESPONSE: After a reasonable and diligent inquiry, Hamilton Beach currently has no information responsive to this request.

11. Provide the identity of, and copies of any documents relating to, any other person who generated, treated, stored, transported or disposed, or who arranged for the treatment, storage, disposal or transportation of such "wastes" to the Site.

RESPONSE: After a reasonable and diligent inquiry, Hamilton Beach currently has no information responsive to this request.

12. Provide the identities of all predecessors in interest who, during the period 1960 to present, transported to, stored, treated or otherwise disposed of any "wastes" at the Site and describe in detail the nature of your predecessor in interest's business. Describe all changes in ownership from 1960 to the present, including the date of the ownership change and identify the type of change (i.e., asset purchase, corporate merger, consolidation, and name change). Provide a copy of each asset purchase and merger agreement.

RESPONSE: Hamilton Beach objects to this request concerning "predecessors in interest" because it calls for a legal conclusion. Without waiving any general or specific objections, see response to Request 1. Without waiving any general or specific objections, after a reasonable and diligent inquiry, Hamilton Beach currently has no information responsive to this request.

13. Provide the name, title, address, and telephone number of the person answering these questions on behalf of the respondent.

RESPONSE:
Dana Sykes, Esq.
Assistant General Counsel
Hamilton Beach Brands, Inc.
4421 Waterfront Drive, Glen Allen, VA 23060
(804) 527-7137

14. For each question, provide the name, title, area of responsibility, current address and telephone number of all persons consulted in the preparation of the answers.

RESPONSE:

*Chris Zachwieja
Vice President, Quality

Hamilton Beach Brands, Inc.
4421 Waterfront Drive
Glen Allen, VA 23060
(804) 527-7313

Mario Kuhar (former employee)
[redacted]

*This individual may be contacted through Hamilton Beach Brands, Inc.'s Office of General Counsel.

15. If you have reason to believe that there may be persons able to provide more detailed or complete responses to any question contained herein or who may be able to provide additional responsive documents, provide the names, titles, areas of responsibility, current addresses, and telephone numbers of such persons and describe the additional information or documents they may have.

RESPONSE: See response to Request 2. Hamilton Beach is not currently aware of information or documents responsive to the Requests beyond any potentially responsive information provided in the Third Party Documents. Hamilton Beach is also not currently aware of any other persons who would possess responsive information or documents.

16. For each and every question contained herein, if information or documents responsive to this Information Request are not in your possession, custody or control, then provide the names, titles, areas of responsibility, current addresses and telephone numbers of the persons from whom such information or documents may be obtained.

RESPONSE: See response to Request 2. Hamilton Beach is not currently aware of information or documents responsive to the Requests beyond any potentially responsive information provided in the Third Party Documents. Hamilton Beach is also not currently aware of any other persons who would possess responsive information or documents.

17. If you have any information about other parties who may, have information which may assist the Agency in its investigation of the Site or who may be responsible for the generation of, transportation to or release of contamination at the Site, please provide such information. The information you provide in response to this request should include each party's name, address, type of business and the reasons why you believe the party

may have contributed to the contamination at the Site or may have information regarding the Site.

RESPONSE: See response to Requests 1 and 2. Hamilton Beach is not currently aware of information or documents responsive to the Requests beyond any potentially responsive information provided in the Third Party Documents. Hamilton Beach is also not currently aware of any other persons who would possess responsive information or documents.

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HAMILTON BEACH'S RESPONSE TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY'S INFORMATION REQUEST PURSUANT TO 104(E) OF CERCLA

EXHIBIT 1

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(40 C.F.R. § 2.203(b))

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AGREEMENT OF PURCHASE

AND SALE OF ASSETS

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AGREEMENT OF PURCHASE AND SALE OF ASSETS

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AGREEMENT OF PURCHASE AND SALE OF ASSETS

THIS AGREEMENT OF PURCHASE AND SALE OF ASSETS ("Agreement"), dated as of the 10th day of August, 1983, by and between SCM CORPORATION, a New York corporation ("Seller"), and WESRAY APPLIANCES, INC., a Delaware corporation ("Buyer").

W I T N E S S E T H:

WHEREAS, Seller, among other things, through the Proctor-Silex Group of its Consumer Products Division, engages in the business of manufacturing and selling small household appliances, including but not limited to irons, toasters, toaster ovens, coffee makers, and electric juicers (collectively, the "Business"); and

WHEREAS, Seller desires to sell and to transfer and Buyer desires to purchase and to acquire all rights, properties and assets of or principally related to the Business on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises, mutual covenants, warranties, terms and conditions herein contained, and in reliance upon the representations and warranties herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

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ARTICLE I

SALE AND PURCHASE OF ASSETS; CLOSING

1.1 Sale and Purchase of Assets. Subject to, and upon the terms and conditions hereof, and on the basis of the agreements and representations contained in this Agreement, Seller shall sell, transfer, assign, convey, set over and deliver to Buyer, and Buyer shall purchase and acquire from Seller at the Closing all of the assets used principally in the business and operation of the Proctor-Silex Group of its Consumer Products Division (referred to hereinafter as the "Group"), including, without limitation, the rights, properties, and assets listed and described below or reflected on the Closing Balance Sheet (hereinafter collectively referred to as the "Assets"), except for those assets described in Section 1.3 hereof (the "Excluded Assets"):

1.1.1 Real Property. Subject to the provisions of Section 6.8 hereof, all right, title and interest of Seller in (a) the real property (the "Leased Property") of which Seller is the lessee under the leases described on Exhibit A attached hereto and made a part hereof (the "Leases"), including any options to purchase any of the Leased Property, (b) the improvements and fixtures located on the Leased Property (the "Improvements"), (c) the personal property associated with the operation of the Leased Property, as described in Exhibit B attached hereto and made a part hereof (the "Personal Property"), and (d) all appurtenances, rights, easements, rights-of-way, tenements and hereditaments

incident to the Leased Property (the "Appurtenances") (all the foregoing being herein collectively referred to as the "Real Property");

1.1.2 Tangible Personal Property. All tangible personal property, including, without limitation, all inventory, machinery, fixtures, tooling, tools, equipment, office furniture, furnishings, leasehold improvements, and vehicles (together with all spare and maintenance parts) used principally by the Group in its operations and on hand as of the Closing Date or reflected on the books of the Group on the Closing Date;

1.1.3 Inventory. All inventories of raw materials, work-in-process, finished goods and supplies of the Group on hand as of the Closing Date or reflected on the books of the Group on the Closing Date (the "Inventory");

1.1.4 Contractual Rights. Subject to the terms of Article X hereof, all rights, obligations and interest of Seller in and to the contracts, agreements, leases, commitments, licenses, sales and purchase orders, product warranty and service agreements relating to the Business and in effect on the Closing Date, including without limitation such of the foregoing as are listed or described on Exhibit C and Exhibit X (the "Agreements");

1.1.5 Patents, Trademarks, Copyrights and Franchises. All patents, patent or trademark licenses, copyrights, trademarks, trade names and franchises and applications therefor, both domestic and foreign, owned by or licensed to Seller and used by Seller principally in respect of the Business on the Closing Date, and all renewals, modifications and extensions thereof, including, without limitation, such of the foregoing as are listed or described on Exhibit D hereto and subject to any limitations set forth thereon or in the License Agreement (as hereinafter described in Section 6.2 of this Agreement);

1.1.6 Governmental Licenses, Permits and Approvals. To the extent transferable as a matter of law, all governmental licenses, permits and approvals which are issued to Seller and are used principally in the Business or relate principally to the Assets, including, without limitation, such of the foregoing as are listed or described on Exhibit E hereto;

1.1.7 Accounts Receivable. All accounts receivable of the Group existing on the Closing Date;

1.1.8 Warranty Claims. All warranty claims against any manufacturer or seller relating to the Assets or the Business;

1.1.9 Documents. Subject to the provisions of Section 11.9 hereof, all books, records and operating data located at the offices or plants of the Group, and other documents and records

which are owned by or in the possession of Seller and relate principally to the Business, including books, records, credit information, customer lists, warranty records, export and licensing records, employee records, correspondence, sales, marketing and service records and literature, drawings and financial and tax information employed by the Group in its operations (the "Documents"); and

1.1.10 Stock. All issued and outstanding stock of the following subsidiaries of Seller: Proctor Silex S.A. de C.V. and KOP Holdings Limited provided that Seller shall also cause to be transferred any such stock owned by persons other than Seller, as disclosed on Exhibit N.

1.2 Nonassignable Items. Set forth on Exhibit F is a list of all leases, contracts, licenses, permits, approvals and other agreements or commitments described in Section 1.1 above (excluding sales orders) which are by their terms nonassignable absent some third party consent, or, in the case of leases, cannot be assigned or sublet absent some third party consent (collectively, the "Nonassignable Items"). Exhibit F does not include any leases, contracts or commitment of a size or nature which permits their exclusion from Exhibits A or C hereto.

1.3 Excluded Assets. Anything contained in this Agreement to the contrary notwithstanding, the rights, properties and assets set forth on Exhibit G (the "Excluded Assets") shall not be

included in or deemed to be a part of the Assets. With respect to a certain Wholesale Agreement dated as of August 21, 1980 (the "Wholesale Agreement"), by and between Seller and General Merchandise Specialists, Inc. ("GMS") set forth on Exhibit G, Seller and Buyer agree that Seller and Buyer shall, promptly after the Closing Date, provide separate written notice to GMS as follows:

(a) Seller shall notify GMS to the effect that the Wholesale Agreement has been terminated due to the fact that Seller has ceased manufacturing products formerly provided pursuant to the Wholesale Agreement; and

(b) Buyer shall notify GMS to the effect that it has acquired certain assets of the Proctor-Silex Group of Seller but has not acquired the rights, obligations and liabilities of Seller pursuant to the Wholesale Agreement and, accordingly, will not provide products to GMS pursuant to the Wholesale Agreement. In addition, in the aforementioned notice by Buyer, Buyer shall make a good faith offer containing the following terms: (i) Buyer shall continue to supply GMS as if the Wholesale Agreement were still in effect until August 21, 1984; (ii) GMS shall have the option to continue to receive supplies from Buyer as if the Wholesale Agreement were still in effect for one (1) additional year, until August 21, 1985, during which period

Buyer will supply GMS as if the Wholesale Agreement were still in effect except that Buyer shall be required to sell to GMS not more than 50% of Buyer's output of factory-serviced appliances. Notwithstanding the foregoing, Buyer may, in its reasonable discretion, negotiate a settlement containing all or a portion of the above terms, subject to the reasonable consent of Seller. Seller need not consent to any such settlement unless it shall be in full satisfaction of all outstanding claims among Buyer, Seller and GMS. In the event that GMS shall not agree to such settlement offer, Buyer and Seller shall cooperate in an effort to negotiate a settlement mutually agreeable to Buyer and Seller of any and all claims that may be asserted by GMS, in which case, Buyer shall continue to make available to GMS the offer described in subsections (i) and (ii) above. Notwithstanding any provision of this Agreement to the contrary, including but not limited to Sections 8.1 and 8.2 hereof, payments or other consideration in respect of such settlement (other than any cost arising from the offers described in subsections (i) and (ii) above, which cost shall be borne solely by Buyer) and the amount of any final judgment entered in favor of GMS in any suit against Buyer or Seller arising out of the Wholesale Agreement shall be borne equally by Buyer and Seller, provided, however, that each party shall be responsible for its own attorneys fees and other similar costs relating to

such settlement or suit. In no event shall either Buyer or Seller propose any settlement to GMS, except as specifically set forth herein, without the prior written consent of the other party. Notwithstanding any other provision of this Agreement to the contrary, no third party beneficiary rights shall be created in GMS or any other person by virtue of the agreements set forth in this Section 1.3.

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ARTICLE II

CLOSING AND PURCHASE PRICE

2.1 The Closing. The closing (the "Closing") of the transactions contemplated hereby shall take place at the offices of Seller at 299 Park Avenue, New York, New York, at 10:00 a.m. on such date as Buyer shall designate with ten (10) days prior notice to Seller, subject to the provisions of Section 2.7 hereof, but in any event, no later than September 6, 1983, effective as of the opening of business on the date on which the Closing occurs (the "Closing Date"). The parties agree that the Closing Date may be extended at the sole option of Buyer, to a date mutually acceptable to Seller and Buyer, but in any event not later than October 31, 1983. This Agreement may be terminated by Seller or Buyer by written notice to the other at any time if the Closing has not occurred on or before (i) September 6, 1983, or (ii) if Buyer has exercised its option under the preceding sentence, the date mutually agreed to by the parties. If this Agreement is terminated pursuant to the provisions of Section 7.3 hereof, neither party shall have any rights or obligations to one another hereunder or otherwise.

2.2 Consideration. In consideration of the transfer of the Assets and the other undertakings of Seller hereunder, Buyer shall: (a) pay the Purchase Price to Seller as hereinafter provided, and (b) assume the Assumed Obligations as of the Closing

Date. Except as otherwise provided herein, all payments by Buyer hereunder shall be made by delivery to Seller of (i) one or more certified or official bank checks (in New York Clearing House funds) payable to the order of Seller, or (ii) by depositing, by bank wire transfer, the required amounts (in immediately available funds) in an account of Seller designated by it for such purpose.

2.3 Initial Purchase Price.

(a) The Initial Purchase Price shall be an amount equal to the Seller's book value of the tangible Assets prepared by Seller as at July 29, 1983, less the amount of Seven Million Dollars ($7,000,000), increased by the amount of Three Million Five Hundred Thousand Dollars ($3,500,000) and reduced further by the amount of the Assumed Liabilities as at July 29, 1983 (as hereinafter defined at Section 3.1). The Closing Balance Sheet shall be a statement setting forth Seller's book value of the tangible Assets and Assumed Liabilities of the Group prepared by Seller as at July 29, 1983. Seller shall deliver to Buyer, not later than August 17, 1983, the Closing Balance Sheet together with such reasonable supporting documentation with respect thereto as Buyer may reasonably request. Seller shall afford Buyer and its representatives a reasonable opportunity to consult with Seller regarding preparation of the Closing Balance Sheet and to review a draft thereof prior to its delivery to Buyer. In determining the Initial Purchase Price, the amount of the Assumed

Liabilities and the value of the Assets shall be calculated in accordance with the accounting principles utilized by Seller in preparing the Balance Sheets (as hereinafter defined at Section 4.1.18), which principles are in accordance with generally accepted accounting principles consistently applied (such accounting principles as modified below are herein called "Seller's Accounting Principles") provided, however that:

(i) trade and other accounts receivable shall be valued with no deduction for bad debt reserves; and

(ii) inventories shall be valued on a first-in, first-out basis, with no adjustment for obsolescence solely as a result of Buyer's contemplated termination of any product line of the Business.

(b) Based upon certain materials delivered to Buyer by Seller prior to the execution of this Agreement, which materials show an historical pattern of significant increases in Seller's book value of the tangible Assets during the period from the end of the month of July to the end of the month of August, Buyer has agreed to pay Seller in cash on the Closing Date the amount of Three Million Five Hundred Thousand Dollars ($3,500,000), which amount shall be deemed to be part of the Initial Purchase Price for all purposes of this Agreement, including but not limited to the calculation and payment of any differences between the Initial Purchase Price and the Final Purchase Price pursuant to Section 2.6 hereof.

(c) The sum of the Final Purchase Price (as hereinafter defined in Section 2.6) and the Assumed Liabilities shall be allocated among the Assets in the manner set forth on Exhibit H.

(d) As used in this Agreement, the term "tangible Assets" shall be deemed to include any accounts receivable or prepaid items which are transferred to Buyer hereunder.

2.4 Payment of Initial Purchase Price. The Initial Purchase Price shall be paid on the Closing Date as follows:

(a) At the Closing, Buyer shall deliver to Seller a Promissory Note, substantially in the form attached hereto as Exhibit I, in the principal amount of Three Million Dollars ($3,000,000) (the "Promissory Note");

(b) At the Closing, Buyer shall pay to Seller the balance of the Initial Purchase Price in cash (the "Cash Portion") as provided in Section 2.2.

2.5 Final Balance Sheet.

(a) The Final Balance Sheet shall be a statement setting forth Seller's book value of the tangible Assets and Assumed Liabilities of the Group prepared by Seller as at the Closing Date. Seller's book value of the Assets set forth in the Final Balance Sheet shall be prepared in accordance with Seller's Accounting Principles and the amount of the Assumed Liabilities

shall be determined in accordance with Section 3.2. The Final Balance Sheet shall be delivered by Seller to Buyer not later than thirty (30) days after the Closing Date.

(b) As soon as is practicable, but in no event more than fifteen (15) days after the Closing Date, Seller shall cause an audit (the "Audit") of the Assets and Assumed Liabilities included in the Final Balance Sheet to be commenced by Deloitte, Haskins & Sells ("DH&S"), independent public accountants, in accordance with generally accepted auditing standards and procedures. DH&S shall deliver a copy of its report of the Audit in the form of Exhibit J hereto (which shall contain only such exceptions as permitted by Section 2.3(a)(i) and (ii) hereof) to Buyer as soon as it is completed but in no event later than forty-five (45) days after the Closing Date.

(c) (i) At the sole election of Buyer, made by notice to Seller within fifteen (15) days after receipt by Buyer of the Audit, the Final Balance Sheet will be reviewed and reported on (the "Closing Date Review") by Price Waterhouse ("PW"), who will have free and complete access to all properties, books and records of Seller and the work records of DH&S relating to the Final Balance Sheet that PW deems necessary in connection therewith. The Closing Date Review shall be conducted in accordance with generally accepted auditing standards in order to ascertain that the Final

Balance Sheet has been prepared in accordance with Seller's Accounting Principles, and accordingly shall include such tests of the accounting records and such other auditing procedures as PW shall consider necessary in the circumstances. Seller and Buyer will assist PW in making the Closing Date Review expeditiously and Buyer shall cause PW to submit as soon as completed, but in no event later than thirty (30) days after receipt by Buyer of the Audit of the Final Balance Sheet, its report with respect to the Closing Date Review describing in reasonable detail any item or items which in its opinion cause the Final Balance Sheet not to reflect accurately Seller's book value of the tangible Assets or the amount of the Assumed Liabilities on the Closing Date. PW's fee and expenses shall be paid by Buyer, and DH&S's fee and expenses shall be paid by Seller.

(ii) In the event that PW shall reach a preliminary determination that the adjustment to the Initial Purchase Price required by the Audit may be in error, PW shall so notify Seller and DH&S of such determination within fifteen (15) days of the receipt by Buyer of the Audit, and thereafter Buyer shall be entitled to hold back the amount of such adjustment as to which PW and DH&S are in dispute (the "Disputed Amount") from the payment of the Final Purchase Price, pursuant to Section 2.6 hereof. The Disputed Amount shall be reported upon with reasonable specificity in the report of PW with respect to the Closing Date Review.

(d) In the event that DH&S disagrees with the report of PW described in Subsection 2.5(c) above, then Arthur Andersen & Co. shall be retained to conduct a final Closing Date Review, the results of which shall be binding on Seller and Buyer. The cost of such report shall be borne equally by Seller and Buyer.

2.6 Final Purchase Price.

(a) The Final Purchase Price shall be an amount equal to the book value of the tangible Assets as shown on the Final Balance Sheet (subject to adjustment as may be required as a result of the Audit), less the amount of Seven Million Dollars ($7,000,000), and further reduced by the amount of the Assumed Liabilities as shown on the Final Balance Sheet (subject to such adjustment as may be required as a result of the Audit), and subject to any holdback of the Disputed Amount pursuant to Section 2.5(c)(ii), hereof.

(b) Within fifteen (15) days after receipt by Buyer of the Final Balance Sheet (subject to such adjustments as may be required as a result of the Audit) and report of DH&S, the difference between the Initial Purchase Price and the Final Purchase Price shall be paid as follows: (i) if the Final Purchase Price is in excess of the Initial Purchase Price, then Buyer shall pay Seller the amount of such difference by delivery to Seller of a certified or official bank check (in New York Clearing House funds) or by depositing by bank wire transfer, the required amount

(in immediately available funds) in an account of Seller designated by it for such purpose; and (ii) if the Final Purchase Price is less than the Initial Purchase Price, then Seller shall refund to Buyer the amount of such difference by delivery to Buyer of a certified or official bank check (in New York Clearing House funds) or by depositing by bank wire transfer, the required amount (in immediately available funds) in an account of Buyer designated by it for such purpose.

(c) Any other additional amounts required to be paid after Closing by one party to the other as a result of a final resolution of any issues hereunder, including any issues resulting from the Closing Date Review, shall be promptly paid to the appropriate party upon resolution of such item, such payments to be in the form described in Section 2.6(b).

(d) Any amount payable under the provisions of subsection (b) or (c) of this Section 2.6 by either party shall bear interest from and after the Closing Date at a rate of interest per annum equal to the lesser of (i) 10% or (ii) the interest rate announced, from time to time, by Citibank, N.A. as its prime rate for commercial customers on ninety (90) day loans.

2.7 Closing in the Interim Period. It is the intention of the parties hereto that the Closing shall take place on August 29, 1983. In the event that the Closing takes place on or after August 29, 1983, but on or before September 6, 1983, notwithstanding any other provision of this Agreement to the contrary, the parties agree that (i) the effective date of the Final Balance Sheet shall nevertheless be August 28, 1983, and (ii) the net amount of cash receipts and disbursements of the Business during the period from August 29, 1983, inclusive, through September 6, 1983, or the actual Closing Date if earlier (the "Interim Period") shall accrue for the account of Buyer. In consideration of the foregoing, Buyer agrees to pay Seller in cash on the Closing Date, in addition to the Initial Purchase Price, interest on the Initial Purchase Price for the Interim Period at the rate of ten percent (10%) per annum.

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ARTICLE III

ASSUMPTION OF LIABILITIES AND OBLIGATIONS

3.1 Assumption of Liabilities and Obligations. On the terms and subject to the conditions hereof, Buyer will assume on the Closing Date the following liabilities and obligations of Seller (the "Assumed Obligations"), but excluding those liabilities and obligations described on Exhibit K hereto (the "Excluded Liabilities"):

(a) Liabilities and obligations existing or arising under the Agreements, the Leases (subject to Section 6.8 hereof), and all liabilities or obligations related thereto which are listed or described on any Exhibit hereto other than Exhibit K.

(b) All liabilities and obligations of Seller for death, personal injury, other injury to persons, property damage or losses or deprivations of rights, including, without limitation, any such liabilities or obligations for failure to warn, resulting from, caused by or arising out of, directly or indirectly, use of or exposure to any of the products of the Business (or any part or element thereof) which occur after the Closing Date. Seller shall continue to be responsible for liabilities and obligations described in this Section

3.1(b) if, and to the extent that, the particular use or exposure alleged to be the basis for such liability or obligation occurred on or before the Closing Date.

(c) All liabilities and obligations of Seller (except for product liability injuries as provided by Section 3.1(b)), (i) incurred in the ordinary course of business of the Business which are not set forth on the Final Balance Sheet because liabilities of such nature are not normally shown on a balance sheet in accordance with generally accepted accounting principles, to the extent such liabilities are set forth on an Exhibit hereto or are not required by the terms of this Agreement to be set forth on an Exhibit, or (ii) reflected on the Final Balance Sheet.

(d) All liabilities and obligations of Seller arising out of the express or implied warranties set forth on Exhibit Z.

(e) All trade accounts payable existing on the Closing Date and set forth on the Closing Balance Sheet and such other liabilities as specified on Exhibit L (the "Assumed Liabilities").

3.2 Valuation of Assumed Liabilities. The value of the Assumed Liabilities for purposes of the Closing Balance Sheet and

the Final Balance Sheet shall be determined in accordance with Seller's Accounting Principles.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Seller. In order to induce Buyer to enter into this Agreement, Seller hereby makes the following representations and warranties to Buyer, each of which shall be deemed to be material:

4.1.1 Organization of Seller. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of New York.

4.1.2 Engagement in the Business. The Business is engaged in only by the Group and by those subsidiaries of Seller listed on Exhibit N hereto which are engaged in the Business in the nation or nations set forth beside the name of each such subsidiary (hereinafter referred to as "Subsidiaries Engaged in the Business"). Except as set forth on Exhibit N, all of the stock of the Subsidiaries Engaged in the Business is owned by Seller.

4.1.3 Authority to Lease and Transfer Real Property. Seller has all necessary corporate power and authority to lease the Real Property it purports to lease and which is used in the Business and to carry on the Business as it is now being conducted and has the right, corporate power and authority to assign the Leases in accordance with the terms and conditions hereof, subject to any necessary consents required by the terms of the Leases.

4.1.4 Qualification. Seller is duly qualified to do business and is in good standing in all jurisdictions in the United States in which it leases real estate related to the Business or in which the failure to qualify could have a material adverse effect upon the Business.

4.1.5 Governmental Consents. Except as set forth on Exhibit O hereto, no governmental consents, approvals, orders or authorizations, whether in the United States or in any other nation, are required for the execution and delivery of this Agreement by Seller or the consummation by Seller of the transactions contemplated hereby, including but not limited to the transfer of the Assets to Buyer, except that Seller makes no representation or warranty with respect to the need for compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

4.1.6 Authority to Execute, Deliver and Perform this Agreement. Seller has all necessary corporate power and authority to execute, deliver and perform this Agreement. All corporate and other proceedings of Seller including, without limitation, all requisite action by the Board of Directors of Seller required to authorize the legal and valid execution, delivery and performance of this Agreement and the consummation of all of the transactions contemplated by this Agreement, have been duly and validly completed. This Agreement has been duly and validly authorized, executed and delivered by, and is the valid and binding obligation of, Seller.

4.1.7 No Violation of Laws, Agreements; No Liens. Except as set forth on Exhibit O hereto, or as specifically contemplated by the terms of this Agreement, or to the extent that the events described in subsection (i) and (ii) of this Section 4.1.7 would not have a material adverse effect on the ability of Seller to execute and deliver this Agreement and to consummate the transactions contemplated hereby, such execution, delivery and consummation by Seller (i) are not prohibited by, and do not violate any provision and will not result in the breach of, or accelerate or permit the acceleration of the performance required by the terms of (A) any applicable law, rule, regulation, judgment, decree, order or other requirement of (x) the United States or of (y) any State of the United States or of (z) any court, authority, department, commission, board, bureau, agency or instrumentality of either (x) or (y), except that Seller makes no representation or warranty with respect to the need for compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976, (B) the Restated Certificate of Incorporation and By-Laws of Seller, or any amendments thereto, or (C) any material contract, indenture, agreement or commitment relating principally to the Business and to which Seller is a party or is bound, and (ii) have not resulted and will not result in the creation or imposition of any lien, encroachment, easement, encumbrance, mortgage, hypothecation, equity, charge, restriction, possibility of reversion or other similar conflicting ownership or security

interest material to the Business in favor of any third person or entity on any asset reflected on the Balance Sheet (as defined in Section 4.1.18) or on any Asset.

4.1.8 Accounts Receivable.

(a) Seller has delivered to Buyer on or before the date hereof a list of all accounts receivable of the Business as of June 30, 1983 ("Accounts Receivable"), which list is true, correct and complete in all material respects and which accurately sets forth the aging of such Accounts Receivable.

(b) All Accounts Receivable on the Final Balance Sheet will be, as of the Closing Date, valid and collectible in accordance with their terms except to the extent of the credit history reflected in Seller's bad debt reserves on the Balance Sheet which are not being transferred.

4.1.9 Inventories.

(a) Set forth on Exhibit P hereto is a categorization of all inventories of the Group as of June 30, 1983. Such inventories are reflected on the Balance Sheet, and consist only of items which are of a quality and quantity usable or saleable in the ordinary course of business of the Business as conducted by Seller and not obsolete, except to

the extent of the inventory reserve for obsolescence, defects or damage on the Balance Sheet.

(b) The amount of the inventories of the Business located in France, Germany and Belgium (or finished goods inventories located elsewhere but designated by Seller for ultimate sale or distribution in those countries) does not exceed $800,000.

4.1.10 Fixed Assets. Seller has delivered to Buyer a list true, correct and complete in all material respects of all of the fixed assets of the Group as of June 30, 1983, which are reflected on the Balance Sheet.

4.1.11 Other Assets. There are no other assets used principally in the Business, Seller's book value of each of which exceeds Ten Thousand Dollars ($10,000), which are not reflected on the Balance Sheet, or which are not set forth on other Exhibits hereto or which are permitted to be excluded therefrom in accordance with the terms of this Agreement.

4.1.12 Patents, Trademarks, Copyrights and Franchises.

(a) Set forth on Exhibit D is a list, true, correct and complete in all material respects of all patents, patent and trademark licenses, copyrights, trademarks and trade names and franchises, and

applications therefor relating principally to the Business, all of which are owned by or licensed to Seller. Except as set forth on Exhibit Q hereto, Seller is not in receipt of any notice, and has no knowledge of, any infringement or conflict by Seller with the rights of others in any patents, copyrights, trademarks, trade names or franchises, or any applications therefor, or any trade secrets or proprietary rights in the United States or elsewhere.

(b) With respect to any pending patent applications set forth on Exhibit D, and except as disclosed on Exhibit D, there are no interferences or other contested proceedings, either pending or, to the knowledge of Seller, in the process of being instituted, in the United States Patent Office or in any federal, state or municipal court. No director, officer or employee of Seller or of any affiliate of Seller owns in whole or in part, any patents, copyrights, trademarks, trade names, franchises or applications therefor, or any trade secrets or proprietary information, which are being used at present or have been used within the last twenty-four (24) months in the Business.

4.1.13 Insurance. No notice of cancellation or nonrenewal with respect to, or disallowance of any material claim

under, any insurance policies or binders of insurance or programs of self-insurance which relate to the Business or which are maintained by Seller with respect to the Real Property, has been received by Seller. Seller has no knowledge of any facts or the occurrence of any event which reasonably might form the basis of any claim against Seller relating to the Business or any assets or properties covered by any of the policies or binders described above, which claims Seller has reason to believe will materially increase the insurance premiums payable under any such policy or binder or which are uninsurable by reputable insurance companies at regular rates.

4.1.14 Business in the Ordinary Course. Since the date of the Balance Sheet, Seller has conducted the Business only in the ordinary course. Except as set forth on Exhibit R hereto, since the date of the Balance Sheet, Seller has not:

(a) mortgaged, pledged, or subjected to any lien (except as set forth in Section 4.1.20) any of the assets reflected on the Balance Sheet, the Real Property or any other Asset;

(b) disposed of any properties or assets (other than inventories) reflected on the Balance Sheet and having a value of greater than Two Hundred Fifty Thousand Dollars ($250,000) in the aggregate;

(c) disposed of any inventories otherwise than in the ordinary course of business of the Business;

(d) materially increased the rate of compensation or benefits of any of the employees of the Group, except for merit or progressive increases in the ordinary course of business of the Business;

(e) conducted the Business (including but not limited to the execution of any contracts or entrance into any other transactions with respect to the Business) in any material respect other than in the ordinary course of business of the Business; or

(f) suffered any material and adverse effect to the assets reflected on the Balance Sheet, considered as a whole, or to the Assets as the result of fire, explosion, earthquakes, flood, drought, accident, act of God, riot or activity of armed forces or of the public enemy (except to the extent such hazards are covered by the insurance to be secured for the benefit of Seller and Buyer pursuant to Section 5.4.3(b) hereof).

4.1.15 Tax Matters. All tax returns required to be filed by Seller on or before the date hereof in respect of the Business and the Real Property have been filed and all taxes indicated as due and payable on such returns have been or will be

paid by Seller when required by law, subject to the pro-ration of certain tax items pursuant to Section 9.1 hereof.

4.1.16 No Litigation. Except as described on Exhibit S and except for claims for money damages the uninsured portion of which is less than Ten Thousand Dollars ($10,000) with respect to any single claim (which claims for money damages shall not exceed One Hundred Thousand Dollars ($100,000) in the aggregate), as of the date of this Agreement (i) there is no legal action or other proceeding pending, or to the knowledge of the executive officers of Seller threatened against or affecting Seller with respect to the Business which would have a material and adverse effect upon the Business, and (ii) Seller is not subject to any judgment, decree or order entered in any lawsuit or proceeding brought against it that adversely affects the Business in any material respect.

4.1.17 Compliance with Law and Other Requirements; Court and Governmental Orders; No Unlawful Payments. Except as set forth on Exhibit T, and except insofar as any of the following do not materially and adversely affect the Business or financial condition of the Group:

(i) Seller has complied with each and is not in violation of any law, ordinance, or governmental rule or regulation to which it is subject in connection with the Business;

(ii) Seller has not failed to obtain any, and it currently holds and maintains all, licenses, permits or other governmental authorizations, (collectively, the "Licenses") necessary to the ownership, marketing and sale of its products, assets and properties relating to the conduct of the Business (all of which licenses, permits and authorizations are valid), including any certificates of occupancy and permits required in connection with the use, occupancy, operation and maintenance of any of the Real Property, and any authorizations or other licenses and permits required by any governmental entity, to the extent such law, rule or regulation applies to the assets and operations of the Business;

(iii) Seller has complied with each, and is not in violation of or in default with respect to any judgment, order, writ, injunction or decree of any court or of any governmental department, commission, authority, board, bureau, agency or other instrumentality to which it or the Business is subject and which materially adversely affects or relates to the Business;

(iv) Seller is not in default in complying with the terms and provisions of any of the covenants, conditions, restrictions, rights-of-way or easements which are to be performed or complied with by Seller as lessee of the Leased Property, noncompliance with which would have a material adverse effect on use of the Leased Property or result in the creation of an encumbrance thereon;

(v) To the knowledge of Seller, Seller is not in any violation of, and has complied with, any and all applicable zoning, building, or other codes, statutes, regulations, ordinances, notices and orders of any governmental agency with respect to the occupancy, use, maintenance, condition and operation of the Real Property or any material portion thereof, and the use of any Improvements for all purposes for which the Real Property is being used on the date hereof will not violate any such code, statute, regulation, ordinance, notice or order. To the knowledge of Seller, no heating equipment, incinerator or other equipment installed or located in any part of the Real Property violates any law, ordinance, order, regulation or requirement of any governmental authority which

violation would have a material adverse effect on the Real Property or any material portion of any parcel thereof; and

(vi) To Seller's best knowledge, but without having made any independent investigation thereof, neither Seller nor any officer, director, employee, agent or representative of Seller has made, directly or indirectly, with respect to the Business, any bribes or kickbacks, illegal political contributions, payments from corporate funds not recorded in the books and records of the Seller, payments from corporate funds that were falsely recorded on the books and records of Seller, payments from corporate funds to governmental officials in their individual capacities for the purpose of affecting their action or the action of the government they represent to obtain favorable treatment in securing business or to obtain special concessions or illegal payments from corporate funds to obtain or retain business either within the United States or abroad, except to the extent that any of the above-described payments would not have a material adverse effect on the Business.

4.1.18 Financial Statements. Attached hereto as Exhibit U are the unaudited profit and loss statements for the fiscal years ended June 30, 1982, and June 30, 1983 (collectively, the "Statements") and the unaudited balance sheets setting forth the assets and liabilities of the Group as of June 30, 1982, and June 30, 1983 (collectively, the "Balance Sheets"). As used herein, the term "Balance Sheet," used in the singular, shall refer to the unaudited balance sheet setting forth the assets and liabilities of the Group as of June 30, 1983. The Statements and the Balance Sheets have been prepared by Seller in accordance with generally accepted accounting principles consistently applied and present fairly, in all material respects, the results of operations and financial condition of the Group, respectively.

4.1.19 No Liabilities.

(a) Except for (i) liabilities or obligations which are disclosed or provided for in the Balance Sheet, (ii) liabilities or obligations incurred in the ordinary course of the Business subsequent to the date of the Balance Sheet, (iii) liabilities or obligations disclosed in this Agreement or in any Exhibit hereto, or which by the terms of this Agreement are permitted to be excluded, and (iv) the Excluded Liabilities set forth on Exhibit K, Seller has no liabilities or obligations relating directly to the Business.

(b) Exhibit L sets forth all of the liabilities or obligations of Seller, except those liabilities and obligations described in subsections (a), (b), (c) and (d) of Section 3.1 hereof, that Buyer will be required to assume on the Closing Date.

4.1.20 Title to the Assets. Seller has or will have, on the Closing Date, good and marketable title to all Assets reflected on the Balance Sheet and to all material assets transferred hereunder free and clear of all liens other than (i) liens for taxes, assessments and other governmental charges which are not due and payable, or which may thereafter be paid without penalty, or the validity of which shall concurrently be contested in good faith; (ii) mechanics', carriers', workmen's, repairmen's or other like liens (inchoate or otherwise) arising or incurred in the ordinary course of business of the Business which are not overdue or which do not exceed Five Thousand Dollars ($5,000) as to any single lien or Fifty Thousand Dollars ($50,000) in the aggregate, and (iii) liens which are minor in amount and which do not materially detract from the value, or interfere with the use, of the assets affected thereby; and (iv) such other liens as described on Exhibit V hereto.

4.1.21 Condition of Tangible Assets. Except for normal maintenance and repair requirements and except for those Assets which have no value on Seller's books or which are not

necessary for the operation of the Business or any part thereof in the manner in which the Business is currently being operated by Seller, all of the tangible Assets being transferred hereunder are in good working condition in all material respects considering the age thereof and the purposes for which such tangible Assets are currently and have been used, and are able to serve the function which they are designed to serve and that they have served or were able to serve for the past ninety (90) days.

4.1.22 Contracts and Commitments. Except for contracts and commitments which relate to employee benefits, as described in Article X, Exhibit C lists (i) all contracts, including but not limited to purchase and sale orders, in effect as of the date of this Agreement to which Seller is a party, which relate directly to the Business, and which involve amounts in excess of Fifty Thousand Dollars ($50,000) or, in the case of purchase orders, involve amounts in excess of One Hundred Thousand Dollars ($100,000), provided, however, that the only sales orders required to be so listed are private label sales orders involving amounts in excess of Two Hundred Fifty Thousand Dollars ($250,000) from parties other than Sears Roebuck Company, J.C. Penney, Montgomery Ward, Canadian Tire, K Mart Stores or Simpson Sears, (ii) each personal property lease of Seller relating directly to the Business, involving annual rentals in excess of Ten Thousand Dollars ($10,000), (iii) all written employment contracts with salaried employees of the Group providing for compensation in

excess of Fifty Thousand Dollars ($50,000) per year, and (iv) each collective bargaining agreement relating to the employees of the Group. There is no contract to which Seller is a party which is material to the conduct of the Business, except those which are listed or described on Exhibits hereto and Seller is not in material default of any agreement listed on Exhibit C, except as disclosed on Exhibit C, and to the best knowledge of Seller, no other party to any such agreement is in material default thereof. There are no written or oral agreements, contracts or commitments relating to the Business which were not entered into in the ordinary course of business or which, by their terms, have a material and adverse effect on the Business or the financial condition of the Group.

4.1.23 Real Property.

(a) Except for the real property interests which are being conveyed pursuant hereto, including the Leases, there are no real property interests used principally in the Business.

(b) All of the Leases are in full force and effect and no party to any of the Leases is in default thereunder in any material respect. Except as set forth on Exhibit F, no landlord's consent or approval is required for assignment or subletting of any of the Leases to Buyer as of the Closing Date.

4.1.24 Brokers and Finders. Seller has taken no action that, directly or indirectly, would obligate Buyer to anyone acting as broker, finder, financial advisor or in any similar capacity in connection with this Agreement or any of the transactions contemplated hereby.

4.1.25 Stock of Subsidiaries. The stock of those Subsidiaries Engaged in the Business which is being transferred to Buyer, as described in Section 1.1.10 hereof, represents all of the authorized stock of those subsidiaries which is issued and outstanding as of the date hereof, and such stock is fully paid and non-assessable by the issuer.

4.1.26 Tenancies. Except for the Leases, and except to the extent set forth on Exhibit W, there are no leases or tenancies for any portion of the Real Property which shall remain in effect on the Closing Date, nor shall any person have any rights to the purchase, use or possession of any part or all of the Real Property on the Closing Date.

4.1.27 Agreements. Except for (a) the Leases and (b) any agreements set forth on Exhibit X, there are no management, leasing, maintenance, security or service obligations other than utilities or contracts and any other agreements or obligations with respect to the Real Property or any part thereof, except those agreements requiring annual payments of less than Twenty-Five Thousand Dollars ($25,000) as to any single agreement or less

than Two Hundred Fifty Thousand Dollars ($250,000) in the aggregate.

4.1.28 Condemnation Proceedings; Zoning Changes. Except as set forth in Exhibit Y, there is no condemnation or eminent domain proceeding pending or threatened against the Real Property or any part thereof, and Seller has received no notice, oral or written, of the desire of any public authority or other entity to take or use the Real Property or any part thereof, whether temporarily or permanently, for easements, rights-of-way, or other public or quasi-public purposes, or for any other purpose whatsoever, nor is there any proceeding pending, or threatened in writing or by publication which could materially and adversely affect, as to any material portion of any parcel of the Real Property, the zoning classification in effect on the date of Buyer's execution of this Agreement.

4.1.29 All Assets Used in the Business. Except as set forth on Exhibit G, the Assets comprise all assets used currently and principally in the Business that are material to the operation of the Business, and there are no other assets material to the continued operation of the Business in the ordinary course of business of the Business.

4.1.30 Accuracy of Information Furnished. No representation or warranty by Seller contained in this Agreement or in respect of the Exhibits, and no statement contained in any

certificate furnished or to be furnished by or on behalf of Seller pursuant hereto, or in connection with the transactions contemplated hereby, contains, or will contain as at the date said representation or warranty is made or said certificate is or will be furnished, any untrue statement of a material fact, or omits, or will omit to state as at the date said representation or warranty is made or said certificate is or will be furnished, any material fact which is necessary to make the statements contained herein or therein not misleading.

4.1.31 Third-Party Rights or Options. There are no existing agreements, options, commitments or rights with, to or in any third party to acquire any of the properties, assets or rights included in the Business or any interest therein which would materially and adversely affect the properties, assets or rights of Seller used in the Business, except for those entered into in the ordinary course of business and those specifically referred to in this Agreement, including any Exhibit hereto.

4.1.32 Warranties. The only express warranties with respect to the products of the Business commonly given by Seller to its customers are set forth on Exhibit Z.

4.1.33 Union Petitions for Recognition. Except as set forth on Exhibit AA, there are no pending petitions for recognition of a labor union or association as the exclusive bargaining agent for any or all of Seller's employees.

4.2 Representations and Warranties of Buyer. In order to induce Seller to enter into this Agreement, Buyer hereby makes the following representations and warranties to Seller, each of which shall be deemed to be material:

4.2.1 Organization of Buyer. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, with all requisite corporate power and authority to own, hold or lease the rights, properties and assets it will acquire, hold or lease pursuant to the transactions contemplated by this Agreement and to carry on the Business upon the consummation of the transactions contemplated by this Agreement, and to execute, deliver and perform this Agreement and other documents to be executed by Buyer in connection with this transaction.

4.2.2 Authority to Execute, Deliver and Perform this Agreement. All corporate and other proceedings, including without limitation, all requisite action by the Board of Directors and shareholders of Buyer required to authorize the legal and valid execution, delivery and performance of this Agreement, and other documents related to this transaction and its consummation of all of the transactions contemplated by this Agreement have been duly taken by Buyer. This Agreement has been duly authorized, executed and delivered by, and is the valid and binding obligation of Buyer.

4.2.3 No Violation of Laws, Agreements. Except as set forth on Exhibit O, the execution and delivery of this Agreement by Buyer and the consummation by Buyer of the transactions contemplated hereby are not prohibited by, and do not violate any provision and will not result in the breach of, or accelerate or permit the acceleration of the performance required by the terms of, (A) any applicable law, rule, regulation, judgment, decree, order or other requirements of (x) the United States or of (y) any State of the United States, or of (z) any court, authority, department, commission, board, bureau, agency or instrumentality of (x) or (y), (B) the Certificate of Incorporation or By-Laws of Buyer or (C) to the knowledge of Buyer, any material contract, indenture, agreement or commitment to which Buyer is a party or bound or to which any of Buyer's properties are subject.

4.2.4 No Governmental Consents. Except as set forth on Exhibit O, no governmental consents, approvals, orders or authorizations are required for the execution, delivery or performance by Buyer of this Agreement, and other documents related to this transaction and the consummation of the transactions contemplated hereby.

4.2.5 Brokers and Finders. Buyer has not taken any action that, directly or indirectly, would obligate Seller to anyone acting as a broker, finder, financial advisor or in any similar capacity in connection with this Agreement or any of the transactions contemplated hereby.

4.3 Survival of Representations and Warranties.

(a) No claim by Buyer asserting that any representation or warranty set forth in this Agreement, including any Exhibit hereto, or any certificate delivered pursuant hereto is untrue or has been breached may be asserted by Buyer after the second (2nd) anniversary of the Closing Date.

(b) No claim by Seller asserting that any representation or warranty set forth in this Agreement, including any Exhibit hereto, or any certificate delivered pursuant hereto is untrue or has been breached may be asserted by Seller after the second (2nd) anniversary of the Closing Date.

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ARTICLE V

CONDUCT PRIOR TO CLOSING

5.1 Rights of Inspection. Prior to the Closing, Seller shall afford to the officers, attorneys, accountants or other authorized representatives of Buyer reasonable access to all of the assets and books and records of Seller relating to the Business in order to afford Buyer full opportunity to make such review, examination and investigation of the Group as Buyer shall desire to make, and Buyer shall be permitted to take extracts from, or to make copies of, such books and records as may be reasonably necessary. Buyer hereby acknowledges that it has had every reasonable opportunity to make such review, examination and investigation prior to the date hereof. Seller shall furnish or cause to be furnished to Buyer such financial and operating data and other information regarding the Group or the Business as Buyer may reasonably request.

5.2 Confidentiality of Information. All information disclosed heretofore or hereafter by Seller to Buyer or Buyer's representatives in connection with this Agreement shall be kept confidential by Buyer and its representatives, and shall not be used by Buyer or its representatives otherwise than in connection with this Agreement, except to the extent it was known to Buyer or its representatives when received or as it is or as it becomes lawfully obtainable by Buyer or its representatives from other

sources, or to the extent such duty as to confidentiality and use is waived in writing by an officer of Seller, or except as may be required by court order or any governmental agency. Such obligation as to confidentiality and use shall survive any termination of this Agreement other than as a result of consummation of the transactions contemplated by this Agreement. In the event of termination of this Agreement, Buyer and its representative shall return all documents (and reproductions thereof) received from Seller (and, in the case of reproductions, all such reproductions made by Buyer and its representatives).

5.3 Cooperation.

(a) Each of Seller and Buyer shall promptly do all acts and take all measures as may be appropriate to enable it to perform as early as practicable the obligations herein provided to be performed by it.

(b) Seller agrees not to negotiate for the sale of the Business with any other party after the date hereof, until and unless this Agreement shall be terminated in accordance with its terms.

5.4 Conduct of Business Pending Closing.

5.4.1 Business in the Ordinary Course. Seller hereby agrees that, unless it receives the prior written consent of Buyer, from and after the date hereof until the Closing Date, Seller shall not (i) operate the Business otherwise than in a manner consistent with past practices, (ii) grant any compensation increase to any officer or employee of the Group, except for increases required under any presently existing collective bargaining agreements and increases in the ordinary course of business of the Business, or (iii) authorize, recommend or propose any merger, consolidation, acquisition or disposition of assets outside the ordinary course of business, material change in capitalization of any of those Subsidiaries Engaged in the Business, the stock of which is being transferred to Buyer pursuant to Section 1.1.10 hereof, or any comparable event relating to the Group or the Business.

5.4.2 Encumbrance and Maintenance of Assets; Incurring Liabilities. Seller will not from and after the date hereof and until the Closing Date, without the prior written consent of Buyer:

(a) except in the ordinary course of business, incur, assume or agree to any debt or other obligation in respect of borrowed money or guarantee any debt or obligation in respect of

borrowed money relating principally to the Business or the Group;

(b) enter into any lease, contract, agreement, purchase or sale order or other commitment relating to the Assets, the Business or the Group other than in the ordinary course of business;

(c) modify, amend, cancel or terminate any of its existing leases, contracts, agreements, purchase or sale orders or other commitments relating principally to the Business or the Group other than in the ordinary course of business except as may be specifically provided for in this Agreement; or

(d) sell, transfer, dispose of or encumber Assets having a value of greater than Two Hundred Fifty Thousand Dollars ($250,000) in the aggregate, other than inventories in the ordinary course of business;

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5.4.3 Risk of Loss.

(a) If prior to the Closing Date, any tangible property of Seller being transferred to Buyer hereunder is destroyed or damaged by fire or other casualty, Seller shall at its sole option, either (i) repair or replace such tangible property, or (ii) pay to Buyer, on the Closing Date or as soon as practicable thereafter, the amount of the proceeds of the replacement cost insurance policy in respect of such loss, provided that such insurance coverage shall be reasonably determined by Seller and concurred with by Buyer; provided further, however, that in the event that such destroyed or damaged property shall have a replacement cost of more than Two Million Five Hundred Thousand Dollars ($2,500,000), Buyer may, at its sole election, within ten (10) days after notice from Seller of such destruction or damage, terminate this Agreement in which case the Buyer and Seller shall have no obligations to one another hereunder or otherwise. Seller's foregoing option to repair or replace in no way creates any obligation for Seller to repair or replace. With respect to any insurance claim which is pending on the Closing Date, if Buyer has not theretofore elected to terminate this Agreement, Seller shall assign all of its right, title and interest to collect such insurance to Buyer on the Closing Date and Buyer shall release Seller from any liability to Buyer as a result of such insured loss. The

parties hereby acknowledge that the actual proceeds payable in respect of such insurance shall be determined by whether Buyer elects, subject to the provisions of any of the Leases, to (i) rebuild, in which event the proceeds shall be limited in amount to the cost to replace such damaged or destroyed property, or (ii) not rebuild, in which event the proceeds shall be limited in amount to the actual cash value of such damaged or destroyed property.

(b) Within five (5) days of the date of this Agreement, Seller shall cause Buyer to be named as an additional insured with Seller, as their interests may appear, on a business interruption insurance policy with respect to the Business and a replacement cost hazard insurance policy with respect to the Real Property, each of which shall be in an amount and from an insurer reasonably satisfactory to Buyer, such coverage to extend to events occurring up to and including the Closing Date. The cost of such insurance shall be borne equally by Seller and Buyer.

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ARTICLE VI

OTHER AGREEMENTS AND COVENANTS

6.1 Delivery of Property Received after Closing. From and after the Closing, (a) Buyer shall promptly transfer and deliver to Seller from time to time any cash or other property, including mail, which it may receive which belongs to Seller, and (b) Seller shall promptly transfer and deliver to Buyer from time to time, any cash or other property, including mail, that Seller may receive which belongs to Buyer.

6.2 Trademark and Names. After the Closing, Buyer shall have the unrestricted right to use any trademark or trade name listed on Exhibit E on its letterhead or logo, on any products, or the packaging or labeling thereof, or in any other manner. After the Closing, Buyer shall have certain temporary, limited rights to use the logo of Seller to the extent set forth in a License Agreement to be entered into between Buyer and Seller on the Closing Date, substantially in the form attached hereto as Exhibit BB.

6.3 Cooperation on Claims. Buyer and Seller shall cooperate in good faith with one another in connection with the defense or presentation by any of them of each product liability, worker's compensation or other lawsuit or claim arising out of the Business. Such cooperation shall include (a) supplying, at the expense of the other, such factual and technical information as it

shall possess and the other may reasonably require in connection with any such defense, (b) making available, at the expense of the other, appropriate persons employed by it to testify as fact or expert witnesses at trial and on deposition in connection with such suits and (c) providing, at the expense of the other, such information as may be required by it to respond to discovery proceedings in any such lawsuits. Payment of expenses hereunder shall be limited to reasonable out-of-pocket expenses and reimbursement of salaries or wages for employee time. Seller has informed Buyer that the obligations described in (a), (b) and (c) above may require a substantial amount of the time of one or more persons employed in the Business, particularly with respect to product liability lawsuits and claims; and, accordingly, after consultation with Seller, Buyer shall, prior to the Closing Date and from time to time thereafter, designate one or more appropriate employees of the Business reasonably acceptable to Seller for the purposes described in (a), (b) and (c) above in order to provide Seller continuity and expertise in connection with its defense of product liability lawsuits and claims, provided, however, that Buyer shall be entitled to change such designated persons at any time reasonably convenient to Seller based on the status of said lawsuits and claims, and substitute other persons employed in the Business who are reasonably acceptable to Seller.

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6.4 Covenant Not to Compete.

(a) For a period of thirty (30) months after the Closing Date, neither Seller nor any subsidiary or affiliate of Seller shall directly or indirectly engage or attempt to engage anywhere in the United States or Canada (subject to the provisions of Section 6.6 hereof), in the Business engaged in by Seller during the twelve (12) month period prior to the Closing Date; provided, however, that neither Seller nor any affiliate of Seller shall be deemed to be in violation hereof in the event that either Seller, or any of the affiliates thereof, acquire, within the said period, all or substantially all of the issued and outstanding capital stock or assets of a company which derives less than fifteen (15%) percent of its revenues or $10,000,000, whichever is greater, from any activity in competition with the Business; and provided further, that in the event that either Seller or any affiliate thereof acquires, during said period, all or substantially all of the issued and outstanding capital stock or assets of a company which derives more than $10,000,000 or fifteen (15%) percent of its revenues, whichever is greater, from any activity in competition with the Business as engaged in by Seller during the twelve (12) month period prior to the Closing Date, neither Seller nor said affiliate shall be deemed to be in violation hereof in the event that Seller or said affiliate undertake to use its reasonable best efforts to sell or otherwise transfer such "competing assets."

(b) If the restriction set forth in Section 6.4(a) above or any part thereof should, for any reason whatsoever, be declared invalid by a court of competent jurisdiction, the validity or enforceability of the remainder of such restriction shall not thereby be adversely affected. Seller agrees that the foregoing territorial and time limitations are reasonable and properly required for the adequate protection of the Business and that in the event that any such territorial or time limitation is deemed to be unreasonable by a court of competent jurisdiction, then Seller agrees and submits to the reduction of either said territorial or time limitation to such an area or period as said court shall deem reasonable.

(c) The Covenant Not to Compete set forth in Section 6.4(a) is made in consideration of Buyer's undertaking its obligations pursuant to this Agreement and for no further consideration payable hereunder or otherwise.

6.5 Accounts Receivable.

(a) For a period of twelve (12) months from the Closing Date, if any account receivable created before the Closing Date and included among the Assets is reasonably determined by Buyer to be uncollectable in accordance with its terms, Buyer shall at its sole option, upon not less than ten (10) days prior notice to Seller, elect to have Seller pay such uncollected account to Buyer in cash and Buyer shall assign, without recourse, except with

respect to compliance by Buyer with the terms of this Section 6.5, such account receivable (the "Defaulted Account") to Seller. If Buyer does not elect to have Seller pay such amount within the time period set forth above, Seller shall have no further obligation hereunder with respect to such account receivable. Any deductions or credits due to any account debtor against any invoice for an account receivable transferred hereunder shall be credited against such account receivable for purposes of determining Seller's obligations under this Section 6.5.

(b) Buyer agrees to use its best efforts to collect all accounts receivable in a manner consistent with collection practices of the Group prior to the date hereof but shall not be required to bring suit against the account debtor.

(c) Seller uses the so-called "lock-box" system in connection with the collection of its accounts receivable. Seller shall, not later than the Closing Date, change the designation of the bank accounts to which such items received in the lock-box are to be deposited to such bank accounts designated by Buyer on or before the Closing Date. Any sums received by Seller in payment of such accounts receivable shall promptly be paid by Seller to Buyer.

(d) In the event Buyer shall assign any Defaulted Account to Seller in accordance with Section 6.5(a), Buyer shall, at the same time, assign and deliver to Seller all contracts,

promissory notes and other records relating to such Defaulted Account, and further Buyer shall execute such documents as Seller may reasonably require to assign to Seller, without recourse, such Defaulted Account and shall otherwise cooperate with Seller in collecting such account receivable at no out-of-pocket cost to Buyer. Seller will be entitled to collect any Defaulted Account assigned to it pursuant to Section 6.5(a) above by any lawful means.

(e) For purposes of determining the liability of Seller under Section 6.5(a), payments made on or after the Closing Date to Buyer for the purpose of paying accounts receivable shall be applied on a customer-by-customer basis in the following order:

(i) First, to those invoices designated by the debtor remitting payment;

(ii) Second, to accounts receivable (other than documented, disputed items) accrued prior to the Closing Date, in the order accrued; and

(iii) Third, to accounts receivable accrued subsequent to the Closing Date.

(f) For the purpose of determining Buyer's compliance with the aforementioned covenant as to order of application of payment and Buyer's best efforts to collect the account receivables, Seller shall have the right to enter upon Buyer's premises

on the twentieth (20th) business day of each month, until the earlier of (i) thirteen (13) months after the Closing Date, or (ii) one (1) month after the date on which all accounts receivable of the Business on the Closing Date have been collected or reassigned to Seller, for the purpose of examining Buyer's books and records relating to any customer of any of such accounts whose receivables have not been fully collected by Buyer.

(g) It is the intention of the parties that Seller shall transfer to Buyer for no consideration, certain accounts receivable determined by Seller to be uncollectable and designated as such to Buyer. Buyer agrees to use its best efforts to collect such accounts receivable and shall, within thirty (30) days of receipt thereof, pay to Seller ninety-five percent (95%) of the amount actually received by Buyer in respect of each such account receivable.

(h) If Seller at any time reasonably determines that Buyer is not using its best efforts to collect any accounts receivable transferred hereunder Buyer shall, upon the written request of Seller, promptly transfer such accounts receivable back to Seller and shall be entitled to receive payment in cash for all such accounts receivable except those described in subsection (g) hereof.

6.6 Foreign Assets.

(a) Seller and Buyer shall use their mutual best efforts prior to Closing to obtain any consent or approval required under the laws of any foreign nation, including but not limited to the Foreign Investment Review Act of Canada, in relation to Buyer's acquisition hereunder of certain of the Assets located outside of the United States. Thereafter, Buyer shall continue to use its best efforts to obtain such consents. At such time as (i) any such required consent or approval is specifically and finally denied, or (ii) Buyer has not obtained any such required consent or approval, and the failure to obtain such consent or approval has deprived Buyer of the opportunity to operate the Business in the manner in which it was being operated by Seller in such foreign nation prior to the Closing Date, Seller will, at Buyer's request within thirty (30) days thereafter, enter into such agreements as may be reasonably required for the orderly liquidation by Buyer or Seller or both of that portion of the Assets affected by such failure to obtain such consent or approval provided the amount of such Assets involved shall not exceed Seller's book value, expressed in U. S. dollars, of the Assets affected by such failure to obtain such required consent or approval on the Closing Date (the "Affected Assets"), and thereafter Buyer and Seller shall promptly commence such orderly liquidation. The difference between the cost to Buyer of the Affected Assets and the amount actually recovered upon such

liquidation shall be shared equally by Buyer and Seller, provided that Seller's share of any such liquidation loss shall not exceed in amount one-half (1/2) of the Seller's book value, expressed in U.S. dollars, on the Closing Date, of the Affected Assets and provided further that Seller's obligation to share such loss shall not be effective unless (A) Buyer has kept Seller fully informed of its efforts to obtain such consent or approval, has exercised its best efforts to secure such consent or approval, and has given Seller a reasonable opportunity at Seller's expense to participate in Buyer's efforts to obtain the consent or approval and (B) Buyer has operated the portion of the Business subject to such consent or approval in the ordinary course of business and otherwise in a manner not designed to generate losses.

(b) Notwithstanding any other provision of this Agreement to the contrary, with respect to the portion of the Assets located in the countries of France, Belgium and Germany, Seller and Buyer agree as follows:

(i) the accounts receivable located in such countries shall be among the Excluded Assets; and

(ii) with respect to the inventories located in such countries or finished goods inventories located elsewhere but designated by Seller for ultimate sale or distribution in those counties, Seller shall act as the agent of Buyer to dispose of such inventories after the

Closing Date in such manner as Buyer shall reasonably direct.

6.7 Termination of Employees.

(a) Buyer hereby agrees with Seller that any employee of the Group immediately prior to the Closing shall become employees of Buyer upon Closing, provided, however, that no third party beneficiary rights shall be created in any person by virtue of such agreement by Buyer. With respect to any employees of the Group as of the Closing Date who are terminated by Buyer within six (6) months thereafter, Seller shall pay to Buyer an amount equal to fifty percent (50%) of the aggregate severance payments made to such persons, up to the maximum amount of $500,000. Severance payments to such terminated employees shall be at least equal in amount to those payments provided under the policy of Seller existing as of the Closing Date, a copy of which policy is attached hereto as Exhibit CC, subject to any minimum payments required by any governmental authority. In computing such severance payments, Buyer shall credit each terminated employee with the prior service of such employee under Seller, provided, however, that no such severance payment shall be made to any employee whose employment with the Seller is terminated prior to the Closing Date and who is subsequently reemployed by the Buyer after the Closing Date.

(b) On the tenth (10th) day of each month following the Closing Date, Buyer shall deliver to Seller a statement setting forth (i) the persons whose employment was terminated by ~~Seller~~ Buyer during the preceding month, (ii) the computation of the amount paid as severance to such persons and the amount thereof due from Seller with respect to such terminated persons pursuant to the provisions of subsection (a) above, and (iii) the total amount paid by Seller during the preceding months since the Closing Date. Seller shall pay the amount indicated therein as due to Buyer within ten (10) days of receipt of such statement subject to the maximum limitations set forth in subsection (a) above. Seller may, at its option exercisable within ten (10) days of receipt of such statement, enter upon Buyer's premises for the purpose of examining Buyer's books and records to verify the matters set forth in the satement delivered to Seller hereunder.

6.8 Leases.

(a) With respect to those Leases set forth on Exhibit DD, Seller shall not be required to assign such Leases to Buyer, but in each case shall sublet the portion of the space devoted to the Business to Buyer. The terms and conditions of such subleases between Buyer and Seller shall be reasonably satisfactory to Buyer and Seller and their respective counsel.

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(b) (i) With respect to all of the Leases except those set forth on Exhibit DD, Seller agrees to use its best efforts to secure the landlord's consent to the assignment of each such Lease or sublease of the leased premises to Buyer or its designee, and shall use its best efforts to afford Buyer the reasonable opportunity in cooperation with Seller to negotiate directly with each landlord in the event that such consent shall initially be denied. The terms of each such assignment or sublease shall be in form and substance reasonably satisfactory to Seller and Buyer and mutually acceptable to Seller, Buyer and the Landlord under each such Lease. With respect to each such assigned Lease for which Seller agrees to or does remain liable pursuant to Section 6.8(d) below, Seller shall be entitled, as a condition precedent to becoming so liable, to (A) a written agreement by the landlord thereof to the effect that the landlord shall give Seller notice of any default under such Lease occurring after the Closing Date (and shall use best efforts to give Seller copies of all other notices), the right for a period of not less than thirty (30) days after receipt of any such notice by Seller to cure such default, including, at Seller's option, to enter and sublet the leased premises, or to enter into a new lease on substantially the same terms as the

defaulted Lease, and (B) an opinion of counsel, at Buyer's sole cost, in the jurisdiction where such leased premises is located that said agreement is enforceable by Seller in such jurisdiction, in accordance with its terms. The terms of any such written agreement shall be reasonably satisfactory to Seller and Buyer.

(ii) If despite its best efforts, Seller is unable to secure the consents to assignment of any of the Leases in accordance with the provisions of subsection (b)(i) above, Buyer shall at Closing accept a sublease of the leased premises, the terms and conditions of each of which shall be reasonably satisfactory to Buyer and Seller and their respective counsel; provided, however, that with respect to the Leases listed on Exhibit EE, Seller and Buyer shall continue to use their mutual best efforts for a period of one (1) year after the Closing to secure the landlord's consent to the assignment of such Leases to Buyer under the terms of subsection (b)(i), and provided, further, that Buyer shall nevertheless be entitled to receive at Closing an assignment of all of Seller's right, title and interest in and to any option to purchase any of the leased premises to the extent any such option is assignable as a right separate and distinct from the lease, or in the alternative, at any time up to one (1) year from the

Closing Date upon written request by Buyer, Seller shall agree to exercise any such option and resell the premises to Buyer at Seller's option price under such option. Any expenses in connection with such purchase and resale shall be borne equally by the parties. Any deposit or payment of the option price required to be made in order to exercise and consummate the option shall be paid by Buyer.

(c) Seller shall use its best efforts to assure that, no later than the Closing Date, there shall have been received by one or more lending institutions to be designated hereafter by Buyer from the landlord under each of the Leases (and from any mortgagee of any such landlord) a waiver and consent and/or disclaimer substantially in one of the two (2) forms attached hereto as Exhibit FF which Buyer shall designate, and an estoppel certificate substantially in the form attached hereto as Exhibit GG.

(d) With respect to any of the Leases, Seller acknowledges that, if required by law or by any landlord as a condition to the assignment of any of the Leases or the subletting of the leased premises to Buyer or its designee, Seller will remain liable to such landlord for the payment of rent and the full performance of the covenants, conditions and obligations of such Leases, subject to the conditions precedent of

Section 6.8(b)(i) and provided that Seller shall be entitled to an indemnification by Buyer against any and all obligations arising out of Seller's agreement to remain or Seller remaining liable under such Leases pursuant to this Section 6.8(d), which indemnification shall be consistent with Section 8.2 of this Agreement, except that the limitation set forth at Section 8.2 as to threshold amount shall be inapplicable.

(e) For purposes of this Section 6.8, the term "best efforts" in respect of Seller shall not require Seller to execute any guaranty, incur any other obligation, or pay any money or give any other form of consideration to the landlord under any lease or under any other document relating to the premises, or mortgagee of a landlord, or commence any legal, administrative or other proceeding. Subject to the provisions of this Section 6.8, Seller shall take such actions in regard to securing of such consents as may be specifically required by the terms of any of the Leases.

CONFIDENTIAL

ARTICLE VII

CONDITIONS TO CLOSING

7.1 Buyer's Conditions. The obligations of Buyer to consummate the transactions contemplated hereby at the Closing are subject to the satisfaction (unless waived) of the following conditions:

(a) Seller shall deliver to Buyer certified Resolutions of the Board of Directors of Seller and, to the extent required, of the Subsidiaries Engaged in the Business authorizing Seller or such subsidiaries to consummate the transactions contemplated hereunder.

(b) Subject to Section 1.3, Seller shall deliver or cause to be delivered to Buyer, dated the Closing Date and in proper form for recording when appropriate, such bills of sale, assignments and other good and sufficient instruments of transfer conveying and transferring to Buyer or Buyer's designee the entire right, title and interest in and to the Assets as provided in this Agreement (the "Transfer Documents"), in form and substance reasonably satisfactory to counsel to the Buyer and counsel to the Seller. In the case of those Assets title to which is held in the name of any of the Subsidiaries Engaged in the Business, Seller

shall cause such subsidiaries to execute such Transfer Documents as may be necessary to consummate the transactions contemplated hereunder. As of the Closing, Buyer shall have made arrangements to file for record such of the Transfer Documents as are reasonably requested by Buyer.

(c) Seller shall deliver, or cause to be delivered, to Buyer executed assignments of the Licenses to the extent such Licenses are transferable as a matter of law, except to the extent that failure to transfer any such transferable License shall not have a material, adverse effect on the Business.

(d) Buyer and any financial institution lending money to Buyer for purposes of the consummation of the transactions contemplated hereby shall receive the opinion of Richard Sexton, Esq., Vice President and General Counsel of the Seller, in form and substance reasonably satisfactory to Buyer, dated the Closing Date, to the effect that:

(i) Seller is a corporation validly existing and in good standing under the laws of the State of New York, and is in good standing under the laws of the states of Maryland and North Carolina, and the Commonwealth of Pennsylvania;

(ii) Seller has taken all necessary corporate action to authorize this Agreement and the transactions contemplated hereby, including but not limited to the Services Agreement (this Agreement and the Services Agreement being herein collectively referred to in this Section 7.1(d) as the "Agreements"); the Agreements have been duly authorized, executed and delivered by Seller which has the corporate authority to perform its obligations thereunder and the Agreements constitute valid and binding obligations of Seller enforceable as to it in accordance with their respective terms, except as the same may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws from time to time in effect affecting creditors' rights generally and except that such counsel need express no opinion as to the availability of the remedies of specific performance and other equitable relief under or by virtue of such agreements (except that such opinion need not address the matter of compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 or

the law of any jurisdiction outside of the United States);

(iii) except as stated herein or in the Exhibits hereto, such counsel has no knowledge of any authorization, consent or approval of any governmental authority which has not been obtained and which is necessary for the lawful consummation by Seller of the transactions contemplated by the Agreements (except that such opinion need not address the matter of compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 or the law of any jurisdiction outside of the United States);

(iv) the execution, delivery and performance of the Agreements and all other agreements described therein by Seller and the consummation of the transactions contemplated thereby will not violate or result in the breach of any of the terms, conditions or provisions of (A) Seller's Restated Certificate of Incorporation or Bylaws or any amendment thereto, or (B) any agreement, contract or commitment which is material to

the Business, the Assets or the Real Property, of which such counsel has knowledge; and

(v) to the knowledge of such counsel, no judgments are outstanding against Seller with respect to the Business, nor is there now pending any material litigation or governmental proceeding by or against Seller with respect to the Business of which such counsel has knowledge except as set forth in Exhibit S or G to this Agreement. To the knowledge of such counsel, Seller, with respect to the Business, is not in default with respect to any order, writ, injunction or decree of any court and is not in default in any material respect under any law, order or regulation of any governmental agency or instrumentality, a default under which would materially adversely affect the Business or the ability of Seller to perform its obligations under the Agreements and all other agreements described therein (except that such opinion need not address the matter of compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 or the law of any jurisdiction outside of the United States).

(e) On the Closing Date, Buyer and Seller shall enter into an agreement relating to data processing and related services to be performed by Seller for Buyer subsequent to the Closing Date, substantially in the form attached hereto as Exhibit HH (the "Services Agreement").

(f) On the Closing Date, Buyer and Seller shall enter into the License Agreement.

(g) Each of the representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects both on the date of this Agreement and on the Closing Date as though made on and as of each such date (except with respect to the effect of transactions permitted or contemplated by the provisions of this Agreement), except as to (i) matters of the type described in Section 8.1(b)(i) hereof within the threshold amount provided therein and (ii) any other matter waived by Buyer, and Seller shall deliver to Buyer for its benefit at the Closing a certificate dated as of the Closing Date and executed by its President or any authorized Vice President, to that effect.

(h) There shall have been no material adverse change to the financial condition of the Business or the Group as reflected on the Closing Balance Sheet from the effective date thereof until the Closing Date, except as specifically provided herein.

(i) Seller shall have complied in all material respects with all of its covenants and agreements herein contained to be performed by it at or prior to the time fixed for the Closing.

(j) Buyer shall have received consents to the assignment by Seller of the contracts set forth on Exhibit F in form and substance reasonably satisfactory to Buyer.

(k) Buyer shall have received a consent executed by Seller to Buyer's assignment of its rights hereunder to financial institutions lending money to Buyer to consummate the transactions contemplated hereby in the form reasonably required by such financial institutions and reasonably satisfactory to Seller.

7.2 Seller's Conditions. The obligation of Seller to consummate the transactions contemplated hereby at the Closing are subject to the satisfaction (unless waived) of the following conditions:

(a) Buyer shall deliver to Seller appropriate instruments of assumption with respect to the Assumed Obligations in form and substance reasonably satisfactory to counsel for Seller.

(b) Buyer shall deliver to Seller a certified Resolution of the Board of Directors of Buyer authorizing Buyer to consummate the transactions contemplated hereunder.

(c) Seller shall receive the opinion of Lane and Edson, P.C., counsel for Buyer, in form and substance satisfactory to Seller, dated the Closing Date, to the effect that:

(i) Buyer is a corporation validly existing and in good standing under the laws of the State of Delaware. Buyer has the power under its Certificate of Incorporation and By-Laws to own or to lease, as applicable the Assets and the Real Property and to carry on the Business;

(ii) Buyer has taken all necessary corporate action to authorize this Agreement and the transactions contemplated hereby including but not limited to the Services Agreement and the Promissory Note to be

delivered pursuant to Section 2.4(a) (this Agreement, the Services Agreement and the Promissory Note being hereinafter collectively referred to in this Section 7.2(c) as the "Agreements"); the Agreements have been duly authorized, executed and delivered by Buyer which has the corporate authority to perform its obligations thereunder; and the Agreements constitute valid and binding obligations of Buyer enforceable as to it in accordance with their respective terms except as the same may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws from time to time in effect affecting creditors' rights generally and except that such counsel need express no opinion as to (i) the availability of the remedies of specific performance and other equitable relief under or by virtue of the Agreements, or (ii) the law of any jurisdiction outside of the United States;

(iii) except as stated herein or in the Exhibits hereto, such counsel has no knowledge of any authorization, consent or approval of any governmental authority which

has not been obtained and which is necessary for the lawful consummation by Buyer of the transactions contemplated by the Agreements (except that such opinion need not address the law of any jurisdiction outside of the United States);

(iv) the execution, delivery and performance of the Agreements and all other agreements described therein by Buyer and the consummation of the transactions contemplated thereby will not violate or result in the breach of any of the terms, conditions or provisions of (A) Buyer's Certificate of Incorporation or Bylaws or any amendment thereto, or (B) any agreement, contract or commitment which is material to the business or properties of Buyer of which such counsel has knowledge; and

(v) to the knowledge of such counsel, no judgments are outstanding against Buyer nor is there now pending any material litigation or governmental proceeding by or against Buyer of which such counsel has knowledge. To the knowledge of such counsel,

Buyer is not in default with respect to any order, writ, injunction or decree of any court and is not in default in any material respect under any law, order or regulation of any governmental agency or instrumentality, a default under which would materially adversely affect the ability of Buyer to perform its obligations under the Agreements and all other agreements described therein (except that such opinion need not address the law of any jurisdiction outside of the United States).

As to any matter contained in such opinion which involves the laws of a jurisdiction other than the United States, the District of Columbia or the State of Delaware, such counsel may rely upon opinions of local counsel of established reputation reasonably satisfactory to Seller, which opinions shall expressly state that they may be relied upon by Lane and Edson, P.C. and by Seller. Such opinion may also expressly rely as to matters of fact upon certificates furnished by appropriate officers of Buyer or appropriate governmental officials.

(d) Buyer shall deliver to Seller at the Closing the Cash Portion of the Purchase Price and the

Promissory Note, as provided for in Sections 2.4(a) and (b) hereof and any other promissory notes and payments required by the terms of this Agreement.

(e) Each of the representations and warranties of Buyer set forth in Section 4.2 shall be true and correct in all material respects both on the date of this Agreement and on the Closing Date as though made on and as of each such date (except with respect to the effect of transactions permitted by the provisions of this Agreement) and Buyer shall deliver to Seller at the Closing a certificate dated the Closing Date and executed by its Chairman, President or any authorized Vice President, to that effect.

(f) On the Closing Date, Buyer and Seller shall enter into the Services Agreement.

(g) On the Closing Date, Buyer and Seller shall enter into the License Agreement.

(h) Buyer shall have complied in all material respects with all of its covenants and agreements herein contained to be performed by it at or prior to the time fixed for the Closing.

7.3 Failure of a Condition. If any of the conditions set forth in Section 7.1 or 7.2 has not been met on the date fixed for

the Closing hereunder, the party whose obligations are subject to such condition may, at its sole option if such party is ready, willing and able to perform its obligations hereunder, (a) terminate this Agreement, (b) extend the date for the Closing for up to thirty (30) days (during which period the parties shall use their best efforts to cause all such conditions to be satisfied), or (c) proceed to Closing, waiving any rights hereunder with respect to the other party hereunder or as a matter of law, including but not limited to the right of specific performance, as to any such condition. If this Agreement is terminated pursuant to this Section, neither party shall have any rights or obligations to the other hereunder or otherwise. If the Closing Date is extended pursuant to this Section, the only alternatives available to the party exercising such right upon expiration of the extension period shall be as set forth in subsections (a) and (c) of this Section 7.3.

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ARTICLE VIII

INDEMNIFICATION

8.1 Indemnification by Seller. From and after the Closing Date, but subject to the conditions and limitations set forth in this Agreement, Seller shall indemnify and save Buyer harmless from and against any and all actual loss, cost, damage or expense (including attorneys' fees) whatsoever resulting from or arising out of (i) any breach of any representation or warranty asserted as provided in Section 4.3 hereof but only to the extent that the aggregate amount of all actual damages and losses suffered by Buyer by reason of such breach of a representation or warranty exceeds Five Hundred Thousand Dollars ($500,000), (ii) any breach of any covenant or obligation of Seller contained herein, (iii) any actual or alleged liability or obligation arising directly or indirectly out of the conduct of the Business on or before the Closing Date which is not an Assumed Obligation, including but not limited to (A) the Excluded Liabilities, and (B) all liabilities and obligations of Buyer (including fines and penalties) for death, personal injury, other injury to persons, property damage or losses or deprivations of rights, including, without limitation, any such liabilities or obligations for failure to warn, resulting from, caused by or arising out of, directly or indirectly, use of or exposure to any of the products of the Business (or any part or element thereof) which occurred on or

before the Closing Date, and (iv) any failure to comply with the so-called bulk sales law of any state or of any foreign jurisdiction in which the assets or any portion thereof are located including without limitation, any claim by a creditor or other third party to the extent it is derived from or arises out of any failure to comply with the so-called bulk sales law of any state or foreign jurisdiction. Seller represents and warrants that it will, at its expense, defend Buyer in each action relating to any of the foregoing, provided, however, that Buyer may, at its own expense, retain such additional attorneys as it may deem necessary, which attorneys will be permitted by Seller and its attorneys to observe and/or participate in all aspects of the defense of such action against Buyer. Seller shall have the right, after consultation with Buyer, to resolve and settle any such claims or actions which result only in the payment of money damages by Seller, unless Buyer notifies Seller that such settlement would not be in its best interests or the interests of the Business, in which event Buyer may at its own expense defend such claims or disputes, and any resulting damages in excess of the proposed settlement amount shall be paid by Buyer. In no event shall Seller be liable for loss of profits, loss of goodwill, loss of business opportunity, loss of business reputation or punitive damages claimed by Buyer.

8.2 Indemnification by Buyer.

(a) From and after the Closing Date, but subject to the conditions and limitations set forth in this Agreement, Buyer shall defend, indemnify and save Seller harmless from and against any and all actual loss, cost, damage or expense (including attorneys' fees) whatsoever resulting from or arising out of (i) any breach of any warranty or representation asserted as provided in Section 4.3, (ii) any breach of any covenant or obligation of Buyer contained herein, (iii) the Assumed Obligations, (iv) the conduct of the Business after the Closing Date, and (v) liabilities and obligations described in Section 8.1(iii)(B) if, and to the extent that, the particular use or exposure alleged to be the basis for such liability or obligation occurred after the Closing Date. Buyer represents and warrants that it will, at its expense, defend Seller in each action relating to any of the foregoing, provided, however, that Seller may, at its own expense, retain such additional attorneys as it may deem necessary, which attorneys will be permitted by Buyer and its attorneys to observe and/or participate in all aspects of the defense of such action against Seller. Buyer shall have the right, after consultation with Seller, to resolve and settle any such claims or actions which result only in the payment of money damages by Buyer, unless Seller notifies Buyer that such settlement would not be in its best interests, in which event Seller may at its own expense defend such claims or disputes, and any resulting damages in excess of the proposed settlement amount shall be paid by Seller.

(b) Notwithstanding the provisions of Subsection 8.2(a), Seller shall be entitled to be indemnified by Buyer pursuant to such subsection only in the event the aggregate amount of all actual damages and losses suffered by Seller shall exceed Five Hundred Thousand Dollars ($500,000), provided, however, that such threshold amount shall not apply in respect of any breach by Buyer of any covenant or obligation of Buyer contained herein.

8.3 Claims. In the event Buyer or Seller (the "Claimant") desires to make a claim against the other (the "Indemnitor") under Section 8.1 or 8.2, the Claimant shall give prompt notice to the Indemnitor of the institution of any actions, suits or proceedings and demands at any time instituted against or made upon Claimant or any state of facts known to Claimant in connection with which the Claimant would claim indemnification under Section 8.1 or 8.2 and Claimant shall, at the time of giving such notice, if the Indemnitor shall agree that it would have responsibility to indemnify under this Section 8.3, give the Indemnitor full authority to defend, adjust, compromise or settle the action, suit, proceeding or demand of which such notice shall have been given, in the name of the Claimant or otherwise as the Indemnitor shall elect. In the event of any claims under Section 8.1 or 8.2 for indemnification, the Claimant shall advise the Indemnitor in writing of the amount and circumstances surrounding said claim. With respect to liquidated claims, if within thirty (30) days the Indemnitor has not contested said claim in writing, the Indemnitor

will pay the full amount thereof in cash within ten (10) days after the expiration of such period. Each party shall be responsible for its own expenses in any arbitration or litigation between the parties hereto and any expenses not attributable to either party, such as the cost of a third-party arbitrator (in the event that the parties agree to arbitration) shall be shared equally by the parties.

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ARTICLE IX

EXPENSES

9.1 Taxes and Expenses.

(a) All federal, state and municipal income, state and local real estate, manufacturer's excise, federal and state withholding, Federal Insurance Contributions Act, federal and state employment and unemployment taxes, license fees and other charges levied or imposed upon or in connection with the Business or the operation thereof on or before the Closing Date, shall be borne and paid by Seller and all such taxes, fees and charges so levied or imposed upon or in connection with the Business or the operation thereof after the Closing Date, shall be borne and paid by Buyer. All sales, use and personal property transfer taxes or registration fees or expenses applicable to the transactions contemplated by this Agreement shall be borne equally by Buyer and Seller.

(b) Except as otherwise provided in this Article IX, each party shall bear and pay its own expenses and taxes incurred in connection with the transactions referred to in this Agreement.

9.2 Payments between Parties. In the event either party ("Payor") pays any of the amounts for which the other party ("Payee") is obligated in whole or in part under this Article IX, the Payor shall present to the Payee evidence of payment and a

statement setting forth the Payee's proportionate share of such amount, and the Payee shall promptly pay such share to the Payor. In the event either party ("Recipient") receives payments of any amount to which the other party ("Beneficiary") is entitled in whole or in part under this Agreement, the Recipient shall promptly pay such share to the Beneficiary.

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ARTICLE X

EMPLOYEE BENEFITS

10.1 Employee Plans. The term "Employee Plan" shall mean any pension, retirement, profit-sharing, deferred compensation, bonus or other incentive plan, any other employee benefit program, arrangement, agreement or understanding, any medical; vision, dental or other health plan, any life insurance plan, or any other employee benefit plan, including without limitation, any "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1954, as amended ("ERISA") to which Seller contributes or is a party or is bound or under which it may have liability and under which employees associated with the Business and operation of the Group (or their beneficiaries) are eligible to participate or derive a benefit.

10.2 Representations and Warranties. Seller hereby represents and warrants as follows:

10.2.1 List of Plans. Set forth on Exhibit II hereto is a list of all Employee Plans. Except as specifically provided herein, Buyer shall assume no liability whatsoever with respect to any Employee Plan.

10.2.2 The Plans. The only Employee Plans which are defined benefit plans (as defined in Section 3(35) of ERISA) are (i) the SCM Corporation Retirement Plan for Salaried Employees (the "SCM Salaried Plan"), and (ii) the Proctor-Silex Corporation SCM Hourly (Fixed Benefit) Pension Plan (the "SCM Hourly Plan"); the SCM Salaried Plan and the SCM Hourly Plan are hereinafter collectively referred to as the "Plans". No Employee Plan is a multi-employer plan within the meaning of Section 3(37) of ERISA. No material liability to the Pension Benefit Guaranty Corporation has been incurred by Seller with respect to any plan.

10.3 Vesting of Benefits Under the Plans and Adoption of Buyer's Plans.

(a) The Plans shall remain the exclusive obligation of Seller, and in no event shall Buyer assume any liability whatsoever with respect to either of the Plans; Seller shall retain all assets, liabilities and obligations accrued under the Plans on behalf of employees and former employees of Seller or their beneficiaries. Seller further agrees to amend each of the Plans to provide that all accrued benefits under the Plans shall be fully vested as of the Closing Date for each participant in the Plans of the Seller who is actively employed by Seller as of the Closing Date and who becomes an employee of Buyer within thirty (30) days of the Closing Date, as a result of the sale of the Assets contemplated by this Agreement (the "Buyer's Employees");

provided, however, that employees who continue in the employment of the Buyer will be eligible to receive benefits under the Plans not earlier than upon termination of their employment from the Buyer. For the purposes of computing benefits under the SCM Salaried Plan, the calculation of the Social Security Benefit shall assume no further earnings by any employee after the Closing Date. For any hourly employee at the Baltimore plant who terminates service with Buyer on or after March 24, 1984, the annual benefit for year of service shall be increased from $102 to $108. Service with the Buyer will not be credited for any purpose under the Plans. The factors for early commencement of benefit payments for employees who qualify for early retirement benefits as of the Closing Date or who have completed ten or more years of credited service under the Plans as of the Closing Date will be based on the employee's age at his or her termination from the Buyer. As soon as practical but not later than six months after the Closing Date, Seller shall deliver to the Buyer a schedule of employees who are participants under the Plans and the amount of their Credited Service and vested pension benefit, if any, under each of the Plans.

(b) Prior to the Closing Date, Buyer shall adopt new defined benefit plans (the "Buyer's Plans") and shall establish trusts thereunder which shall provide benefits substantially similar to the benefits provided under the Plans immediately before the Closing Date for the Buyer's Employees. The Buyer's

Plans shall recognize, for the purposes of determining vesting and eligibility to receive benefits, all periods of service recognized under the Plans, but in determining the amount of any pension benefit, the Buyer's Plans need not include any prior service with the Seller.

10.4 U.K. and Canadian Pension Plans. The Seller agrees to fully vest all employees of the Business in the United Kingdom and Canada who participated in a pension plan of the Business in their accrued pension benefits as of the Closing Date and agrees to provide such benefits in accordance with the provisions of said plans and applicable laws.

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ARTICLE XI

MISCELLANEOUS

11.1 Bulk Transfer Laws. In reliance upon the indemnity specified in Section 8.1(a)(iv), Buyer hereby waives any rights it might have against Seller, as a result of the failure of Seller to comply with the provisions of any applicable laws relating to the bulk sale of assets in connection with consummation of the transactions contemplated by this Agreement.

11.2 Further Assurance.

(a) After the Closing, Seller shall from time to time, at Buyer's request and without further cost or expense to Buyer, prepare, execute and deliver to Buyer such other instruments of conveyance and transfer (including without limitation, additional assignments suitable for recording, with respect to the patents and trademarks included in the Assets) and take such other action as Buyer may reasonably request so as more effectively to sell, transfer, assign and deliver and vest in Buyer, title to and possession of the Assets as provided in this Agreement or otherwise to consummate the transactions contemplated by this Agreement.

(b) After the Closing, Buyer shall from time to time, at Seller's request and without further cost or expense to Seller, prepare, execute and deliver to Seller, such other instruments of

assumption and security and take such other action as Seller may reasonably request so as more effectively to cause Buyer to assume the Assumed Obligations or otherwise to consummate the transactions contemplated by this Agreement.

11.3 Notices. All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or five (5) days after being mailed by registered or certified first class mail, return receipt requested, postage prepaid, and in each case addressed:

If to Seller, to:

SCM Corporation
299 Park Avenue
New York, New York 10171-0161
Attention: Vice President
Planning and Acquisitions

With a copy to:

SCM Corporation
299 Park Avenue
New York, New York 10171-0161
Attention: Vice President
and General Counsel

If to Buyer, to:

Wesray Appliances, Inc.
330 South Street, CN-1975
Morristown, New Jersey 07960
Attention: Frank E. Walsh, Jr.

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with a copy to:

Lane and Edson, P.C.
1800 M Street, N.W.
Suite 400 South
Washington, D.C. 20036
Attention: Frank H. Pearl, Esq.

provided, however, that if any party shall have designated a different address by notice to the other, then to the last address so designated.

11.4 Assignment. This Agreement and the rights and duties hereunder shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto, but shall not be assigned or delegated by either party without the prior written consent of the other, except that prior to Closing Buyer may assign any or all of its rights under this Agreement, without the prior written consent of Seller: (1) to an entity controlled by, controlling, or under common control with, Buyer; (2) to an entity which will acquire the Real Property or any portion thereof and sublease it to Buyer (provided, however, that in the event Seller agrees to remain or remains liable under any of the Leases pursuant to Section 6.8, any sublease thereof after assignment pursuant to this Section 11.4 shall contain a provision making Seller a third-party beneficiary of the obligation of the Buyer to pay rent thereunder, and such assignment shall be subject to the agreement referred to in Section 6.8(b)(i) and Seller shall be entitled, notwithstanding such assignment pursuant to this Section 11.4, to the benefits of such agreement and opinions described in

Section 6.8(b)(i) hereof); or (3) to financial institutions lending money to Buyer to consummate the transactions contemplated hereby as collateral security for the repayment of such indebtedness; provided that such assignees shall agree to assume all of the obligations of Buyer hereunder with respect to the period from and after the date any such assignment becomes fully exercised, effective and unconditional as to such assignee. This provision shall not restrict assignment of the Promissory Note by Seller so long as the provisions thereof concerning assignments are complied with by Seller.

11.5 Waivers. Any waiver by Seller or Buyer of any breach of or failure to comply with any provision of this Agreement by the other party must be in writing and shall not be construed as, or constitute, a continuing waiver of such provision, or a waiver of any other breach of, or failure to comply with, any other provision of this Agreement.

11.6 Complete Agreement. Except as set forth in any contemporaneous written instruments signed by each of the parties hereto, this Agreement and the Exhibits hereto set forth the entire understanding of the parties hereto and supersede all prior agreements, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party.

11.7 Governing Law. This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of New York without giving effect to the principles of conflicts of laws thereof.

11.8 Third Parties; Amendment and Termination. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity, other than the parties hereto, any rights or remedies under or by reason of this Agreement. This Agreement may not be amended or terminated orally but only by an instrument in writing duly executed by the parties hereto.

11.9 Certain Post-Closing Matters.

(a) The parties agree that all books and records of Seller (including without limitation, tax records and underlying data) relating to the period prior to the Closing Date and transferred hereunder to Buyer shall be open for inspection by representatives of Seller at any time during regular business hours for a period of seven years (or for such longer period as may be required by law or governmental regulation) following the Closing and that Seller may during such period at its own expense make such copies thereof as they may reasonably request. Without limiting the generality of the foregoing, neither party shall destroy or give up possession of any original or final copy of any of such books and records of Seller without first offering the

other party the opportunity, at the other party's expense (without any payment to the party possessing the records), to obtain such original or final copy or a copy thereof. Both parties shall promptly notify the other party when it shall have no further need for such party to maintain such original records and thereafter such party shall be free to dispose of such records as it deems fit.

(b) Buyer shall afford Seller access to such employees of Buyer as Seller shall reasonably request for its proper corporate purposes, including without limitation, the defense of legal proceedings and activities in connection with tax audits and other investigations. Such access may include interviews or attendance at depositions or legal proceedings; provided, however, that in any event, all out-of-pocket expenses (including wages and salaries) reasonably incurred by any party in connection with this Section 11.9(b) shall be paid or promptly reimbursed by Seller.

11.10 Remedies Upon Default.

(a) In the event of a default by Buyer in respect of any of its obligations hereunder, or under other agreements or instruments delivered pursuant to this Agreement, the sole and exclusive recourse and remedy of Seller shall be against Buyer and its assets and Buyer's assignees hereunder and thereunder and under no circumstances shall any officer, director, stockholder or affiliate of Buyer be liable in law or equity for any obligations of Buyer hereunder or under such other agreements.

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(b) In the event of a default by Seller in respect of any of its obligations hereunder, or under other agreements or instruments delivered pursuant to this Agreement, the sole and exclusive recourse and remedy of Buyer shall be against Seller and its assets and under no circumstances shall any officer, director, stockholder or affiliate of Seller be liable in law or equity for any obligations of Seller hereunder or under such other agreements.

11.11 Certification and Delivery of Documents Required Hereunder.

(a) In the context of this Agreement, when a party is required to make delivery of documents, other information or exhibits hereto to the other party, the obligation to deliver shall be deemed fulfilled upon delivery of such documents and information bearing a certificate of an authorized officer of the delivering party stating to his or her knowledge that such items comprise all items of a specified category required to be delivered and upon execution of the receipt by the receiving party, which certificate and receipt shall be placed as a legend on the delivered items.

(b) For a period of ten (10) days after the date of this Agreement, Seller shall be entitled to submit additional materials or documents to Buyer for purposes of inclusion in or modification of any Exhibit to this Agreement, subject to the

approval of Buyer. If Buyer in its sole discretion approves such after-delivered items, the Exhibits hereto shall be amended by the parties to reflect such additional items.

11.12 Rights Cumulative. All rights, powers and privileges conferred hereunder upon the parties, unless otherwise provided, shall be cumulative and shall not be restricted to those given by law. Failure to exercise any power given any party hereunder or to insist upon strict compliance by any other party shall not constitute a waiver of any party's right to demand exact compliance with the terms hereof.

11.13 Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purpose of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

11.14 Headings. The headings of the Articles and Sections of this Agreement and in the Exhibits to this Agreement are inserted for convenience of reference only and shall not be deemed to constitute a part hereof.

11.15 Exhibits. The Exhibits attached hereto and referred to herein are a part of this Agreement for all purposes. Terms which

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are defined in this Agreement shall have the same meanings when used in the Exhibits hereto.

11.16 Counterparts. More than one counterpart of this Agreement may be executed by the parties hereto, and each executed counterpart shall be deemed an original.

11.17 Publicity. Any public announcements with respect hereto or the transactions contemplated hereby shall be made only at such time and in such manner as Seller and Buyer shall mutually agree, except that either party shall be free to make such public announcements as it shall deem reasonably necessary to comply with federal or state securities laws or a request by the New York Stock Exchange.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

ATTEST:

[Corporate Seal]

SCM CORPORATION

By: _____

Victor E. Feuerherd

Vice-President

ATTEST:

Dennis K. Moyer

ASSISTANT SECRETARY

[Corporate Seal]

WESRAY APPLIANCES, INC.

By: _____

Frank E. Walsh, Jr.

President

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EXHIBIT A

Pursuant to Section 1.1.1 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

REAL PROPERTY

LEASES AND OPTIONS TO PURCHASE

United States

Lessor		Date	Location
* Lin-Dev Corporation	(L)	9/24/69	San Carlos, CA.
* N.Y. Life Ins. Co.	(L)	8/12/82	Atlanta, GA.
* Crow Touhy Associates [Bromasio N.V.]	(L)	8/4/78	Des Plaines, IL.
*F Scott General Corp.	(L)	3/1/62	Arbutus, MD
	(L')	3/9/62	
	(L')	12/27/62	
	(O)	4/18/66	
	(L')	7/25/66	
	(O')	7/25/66	
[Plaza Corp.]	(L')	11/29/68	
*F Lymington Associates	(L)	7/1/66	Baltimore, MD.
* P. Paolella/A. Cella	(L)	11/1/82	Union, N.J.
*F Jarlo Realty Corp. [Ryan/Duberstein]	(L)	2/20/63	Southern Pines, N.C.
		5/10/63	
	(L')	2/28/66	
	(L')	7/11/66	
*F Jarlo Realty Corp. [Ryan/Duberstein]	(L)	2/20/63	Mt. Airy, N.C.
	(L')	8/9/66	
	(L')	5/26/67	
*F Altoona Enterprises, Inc.	(L)	10/15/68	Altoona, PA
	(L')	3/1/69	

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Exhibit A 2

		(L')	6/18/74	
		(L')	2/10/75	
	[PA Elec. Co.-4]	(E)	Undated	
	[Hunt's Country Garden Market]	(E)	Undated	
*	Eastman Venture	(L)	7/7/77	King of Prussia, PA
		(L')	11/9/77	
		(L')	7/27/78	
			2/14/79	
	[Pru. Ins. Co. of Am.]	(L')	2/26/80	
		(L')	9/26/80	
		(L')	6/15/81	
*	D. Haug	(L)	10/11/82	King of Prussia, PA
	Mack-R Company	(L)	6/30/78	Plymouth Meeting, PA
	Proctor-Silex (to Pen-Del Coach Lines)	(SL)	12/11/80	
*	G. Pointer	(L)	3/28/79	Farmers Branch, TX

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Exhibit A 3

Foreign

			Date	Location
*	H.J. McFarland Construction Co., Ltd.	(L)	3/01/62 3/02/62 10/5/66 10/5/66 7/02/68 7/02/68 3/14/69 10/1/71 6/01/73	Picton, Ontario
	Keystone Secretarial and Office Services, Inc.	(L)	2/21/83	Winnipeg, Canada
*	Inmobiliaria Gonvar, S.A.	(L)	1/17/80	Ciudad Juarez, Mexico
*	Atlantic Assurance Co Ltd.	(L)	10/1/76	Billingshurst, U.K.

Listed in Exhibit DD are certain leases of Seller under which Buyer will enter into a sublease with Seller pursuant to Section 6.8(a) of the Agreement. To the extent that any rights, obligations or liabilities of Seller under such leases are conveyed under such subleases, such leases are deemed to be incorporated into this Exhibit by reference.

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EXHIBIT B

Pursuant to Section 1.1.1 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

PERSONAL PROPERTY ASSOCIATED
WITH THE OPERATION OF THE LEASED PROPERTY

To the extent not deemed a fixture under applicable state law or the Leases, items of personal property located in or on the Leased Property or Improvements and necessary to the present or future operation of the Improvements or the maintenance of the integrity of the Improvements as buildings, including but not limited to awnings, storm windows, storm doors, screens, blinds, shades, curtains, attached floor coverings, antennas, trees and plants, heating, ventilation, air-conditioning and plumbing equipment; excluding any such items that may have been leased by Seller or any division or group of Seller.

EXHIBIT C

Pursuant to Section 1.1.4 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

CONTRACTUAL RIGHTS

(i) Customer Contracts

Purchaser		Date
Navy Resale & Services Support Office		09/23/82
Sears Roebuck		05/15/83
Sears Roebuck		01/01/83
Breville (Australia)		05/13/76
* J.C. Penney		06/29/83
Farberware		12/02/82
* Panasonic		06/06/83
Borun Brothers, Inc.		06/30/83
K-Mart		03/14/83
Cleary Powercord		11/08/77
Curry's U.K.	$342,000	--

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Exhibit C 2

EXHIBIT C

CONTRACTUAL RIGHTS

(continued)

(ii) Supplier Contracts

Supplier	P.O. No.	P.S. Site	Date
* National Semiconductor	N/A		3/10/80
General Electric Co.	N/A		9/14/81
Udylite Plating Systems	N/A		5/09/83
Radix Wire Co.	N/A		7/15/83
* N.C. Salvage Co.	N/A		9/01/79
Bethlehem Steel	3551	Baltimore	--
Bethlehem Steel	13065	Baltimore	--
Plaslok	06261	Mt. Airy	--
N.C. Salvage	7813	So. Pines	--
Computina Ltd.	11020	Altoona	7/12/83
Computina Ltd.	09279	Altoona	7/12/83
Tex. Instrument	10169	Altoona	4/29/83
Amoco Chemical Co.	11643	Altoona	7/20/83
Anchor Hocking Co.	10156	Altoona	7/08/83
National Semi-Conductor	06892	Altoona	5/16/83
Owens Illinois	08374	Altoona	6/08/83
Owens Illinois	08373	Altoona	6/06/83
Owens Ilinois	11019	Altoona	6/06/83
Owens Illinois	11018	Altoona	6/06/83
McCann Erickson	08807-1	KOP	

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Exhibit C 3

EXHIBIT C

CONTRACTUAL RIGHTS

(Continued)

(iii) Services Agreements

	Contractor	P.S. Site	Date
*	National Demographics, Ltd.	N/A	1/25/79
	DCA, Inc.	N/A	10/15/79
*	Consumer Products Marketing	N/A	5/25/83
	McCann-Erickson, Inc.	N/A	9/05/80
*	Consumer Products Marketing	N/A	1/03/83
R	ADT (Security Systems)	K of P	9/08/80
	Brown Bag (Cafeteria Services)	K of P	7/15/82
*R	General Sound (Maintenance Agreement)	K of P	10/05/82
	Dun & Bradstreet, Inc.	N/A	12/27/82
	Dun & Bradstreet International	N/A	4/20/83
R	ADT (Protective Signaling Service)	Balt.	12/06/82
*	Continental ConsuLease (Drivers)	Balt.	7/23/82
*	Continental ConsuLease (Consulting)	Balt.	7/23/82
	DTI Warehouses, Inc.	N/A	2/26/82
R	Globe Security Systems	Balt.	12/28/82
R	Mid South Vending Company	So. Pines	10/01/82
*	Underwriters Laboratories, Inc. -- Product Submittal		12/10/76
*	Underwriters Laboratories, Inc. -- Recognition and Service		
	Macke Co.	Mt. Airy	6/01/76

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Exhibit C 4

	Asset Recovery Consultants	N/A	7/14/83
*	Xerox Canada Inc.		1/01/80
R	Shamrock Maintenance, Inc. (maint.) [amended]	Balt.	2/07/83 4/29/83 4/19/83 6/27/83
	Forest Vending Machine Co. (proposal for vending service)		1/28/77
*	IBM Mag Card Typewriter & Printer Maintenance Agreement	K of P	9/01/83
	Sandhills Center-Employee Assistance Program		12/01/83
	PSG/SAI Fall/Holiday Savings Spectacular Promotion Agreement		6/25/82
R*	Service Agreement with Muzak	K of P	8/26/81
R	Star Telephone System Agreement	K of P	1/30/81
R	ADP Protective Signaling Service	Balt.	7/ 5/77
	Fulfillment Services Agreement		8/01/83
R	Electric Service Agreement with Duke Power	Mt. Airy	9/24/70
R	Electric Service Agreement with Duke Power	Mt. Airy	Undated
R	The Peoples Natural Gas Co.	Altoona	9/24/82
R	PBW Inc. (maintenance)	Mt. Airy	6/01/82
	Varco (preventive maintenance service)		5/01/83
	McCartney's Inc. (annual maintenance)		6/20/83

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EXHIBIT C

CONTRACTUAL RIGHTS

(Continued)

(iv) Personal Property Leases

Lessor		Date
* Superior Transfer, Inc. (vehicles)	Balt.	7/01/82
* C. I. Harris, Inc. (hanker)	Balt.	1/31/83
* C.I. Harris, Inc. (hanker)	Balt.	6/22/82
* C. I. Harris, Inc. (hanker)	Balt.	6/22/81
* Leaseway Systems (vehicles)	Balt.	7/14/80
* National Pallet Leasing Systems	Balt.	9/16/81
* T/M Leasing (Trailmobiles)	Balt.	7/02/79
Chicago Rivet & Machine Co. 2 leases on auto rivet setting machines	Altoona	10/15/82
* Chicago Rivet & Machine Co. 8 leases on auto rivet setting machines	Mt. Airy	3/04/80
* Eaton Corporation - 1 fork lift truck	Mt. Airy	
* Eaton Corporation - 2 fork lift trucks	Mt. Airy	8/11/82
Carolina Tel. & Tel. (PBX equipment)	So. Pines	11/10/81
* Wrenn Rentals, Inc. - 5 Hysters	So. Pines	7/20/81
* Nabel Leasing (Canada) - Xerox	Canada	3/14/80
Garbage Service, Inc. (Dempster packer)	Mt. Airy	8/27/74
* Avco Financial Services (SCM copiers)	Phila.	12/19/77
* Xerox Corporation	K of P	10/30/82
Xerox of Canada Limited		10/01/79

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Exhibit C 6

	Milford Rivet and Machine Co. (automatic setting machine) [Amendments to absent lease agreement. Three amendments]	So. Pines	11/13/79
*	National Rivet & Mfg. Co. (Rivet Setting Machine)	Balt.	7/30/74
*	Pitney Bowes (mailing machine and postage meter machine)	So. Pines	Date unknown
*	Milford Rivet & Machine Co. (automatic setting machine)	So. Pines	6/15/79
*	Allis-Chalmers Corp. (fork lift)	Balt.	Undated
	Pitney-Bowes	K of P	Undated

* Chicago Rivet & Machine Co. (Automatic Rivet Setting Machine) - Altoona

Serial No.	912-55-9046	6/05/74
	912-55-9047	6/05/74
	912-55-9048	6/05/74
	912-55-9053	6/05/74
	555-05-1401	6/05/74
	555-05-1415	11/21/75
	176-55-298	10/21/74
	155-55-158	6/05/74
	555-05-1470	5/05/74
	912-55-10535	3/26/81
	555-05-1470	12/19/79
	555-05-1473	4/25/80
	555-05-1478	4/25/80
	555-05-1502	10/15/82
	912-55-10380	4/25/80
	912-55-10382	4/25/80
	912-55-10383	4/25/80
	912-55-10384	4/25/80
	912-55-10385	4/25/80
	722-05-1198	4/25/80
	912-55-10377	4/25/80
	912-55-10378	4/25/80
	912-55-10381	4/25/80
	722-05-1203	7/16/80
	555-05-1480	7/16/80
	555-05-1481	7/16/80
	555-05-1471	12/19/79
	722-05-1204	8/18/80
	555-05-1483	8/18/80
	555-05-1494	3/26/81

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Exhibit C 7

		555-05-1495		3/26/81
		555-05-1497		6/17/82
		555-05-1498		6/17/82
		555-05-1501		10/15/82
		155-55-191		10/15/83
*	Malco (Lease Agreements) - Mt. Airy			
	Serial No.	55612		4/10/79
		DD7401		4/10/79
		7410-7		4/10/79
		7411-2		4/10/79
		7407-2		4/10/79
		7409-14		4/10/79
		8007-4		7/31/80
		7411-1		4/10/79
		7609-2		5/27/77
		7607-1		4/10/79
		1-0776		4/10/79
		7407-12		4/10/79
		DD7402		4/10/79
*	Allis-Chalmers Credit Corp. (fork lift)			
	Serial No.	126324	Alt.	9/17/80
		111060	Alt.	10/02/80
		126325	Balt.	10/02/80
	(battery)	327521J		10/02/80
	(charger)	B91051		10/02/80
*	Planters National Bank & Trust Co. (van lease)	Mt. Airy		8/80
	Savin Corp. (copier)	Altoona		5/28/82
	Molex, Inc. (crimp machine)	Altoona		8/11/80
	Ark-les Switch Corp (dial applicator)	Altoona		9/11/80
				11/26/80
				12/15/80
				5/08/81
				8/11/81
	M.I.L. Leasing, Inc. (truck)	Canada		9/30/77
R	Alarm Systems (security system)	Canada		12/09/82
	ACE Auto Leasing Limited (motor vehicle)	Canada		8/04/82

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Exhibit C 8

EXHIBIT C

CONTRACTUAL RIGHTS

(Continued)

(v) Employment Agreements	Date
Ronald Chamberlain (U.K.)	3/13/79
Sheila Holmes (U.K.)	4/15/76
J. T. Lorente (Mgr. - Eur. Sales)	3/23/82

EXHIBIT C

CONTRACTUAL RIGHTS

(Continued)

(vi) Collective Bargaining Agreements

Union	Date	Location
United Steel	3/24/82	Baltimore, MD.
United Steel	6/03/83	Altoona, PA.
Prince Edward	1/07/83	Picton, Canada

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EXHIBIT C

CONTRACTUAL RIGHTS

(Continued)

(vii) Other Agreements

Subject	Date
Joint Venture Agreement between KOP Holdings, Ltd. and Robinson Industries (New Zealand)	
P-S Machinery Lease to AML	1/14/83
Distributor Sales Agreement w/Fortress Limited (Hong Kong/Macao)	9/01/81
Distributor Sales Agreement w/ Katz International Corp. (S. Africa)	6/07/76
Distributor Agreement w/Amcor Ltd. (Israel)	1/01/81
Sales Rep. - George Lebette (France)	12/15/82
Sales Rep. - R. S. Allen (N. Ireland)	7/01/82
Tech. Approval Rep. - E. Semrad (Austria)	8/01/79
Tech. Approval Rep. - Brimato (Sweden)	9/80
Sales Rep. - C. Alexandre (France)	1/01/83
KEMA Approval Agreement (Netherlands)	12/08/80
Keystone Secretarial (Canada)	2/21/83
* CSA Service Agreement (Canada)	11/01/76
Tech. Approval Rep. - M. Borer (Switzerland)	3/06/81
Tech. Approval Rep. - A. Hannagan (U.K.)	9/10/79
Agreement between Town of Antis and PSG pertaining to installation of traffic signals.	11/03/80

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EXHIBIT D

Pursuant to Section 1.1.5 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

PATENTS, PATENT OR TRADEMARK LICENSES, COPYRIGHTS, TRADEMARKS, TRADE NAMES AND FRANCHISES, AND APPLICATIONS THEREFOR

(i) U.S. and Foreign Patents (including Design Patents) and Applications

Attached hereto.

(ii) U.S. and Foreign Trademarks and Trade Names and Applications

Attached hereto.

(iii) Copyrights

None

(iv) Patent or Trademark Licenses

Licensor	Licensee	Date
Proctor-Silex Corp.	Proctor-Silex, Ltd. [Canada] (P/T)	03/21/66
SCM Corporation	SCM (Canada) Limited (P)	12/01/77
Proctor-Silex Inc.	SICER SnC [Italy] (P/T)	09/02/70
The Liv Group, Inc.	SCM (Canada) Limited (T)	09/21/81
SCM Corporation	MPT Corporation (T)	06/01/77
SCM Corporation	MPT Corporation (P)	06/01/77

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SCM Corporation	Stanley Motta Ltd. (T)	01/01/79
Proctor-Silex Inc./ SCM (Canada) Limited	Gustin-Kramer Co. (T)	01/10/72
SCM Corporation [amended]	Western Auto Supply (T)	04/02/76 11/01/76
Proctor-Silex Corp. [amended]	Bloomfield Industries (P/T)	08/31/61 02/11/71
Proctor-Silex Corp. [amended]	Bloomfield Industries (T)	10/01/61 02/11/71
Proctor-Silex Corp. [amended]	Bloomfield Industries (P)	08/31/61 02/11/71
The Silex Company, Ltd.	Bloomfield Industries (O)	08/31/61
Proctor-Silex, Ltd.	Bloomfield Industries (P/T)	10/01/63
Proctor-Silex, Ltd.	Bloomfield Industries (T)	10/01/63
K Mart Corporation	Proctor-Silex Group (T)	01/04/82
E.I. DuPont	Proctor-Silex	02/01/83

(v) <u>Franchises</u>

None

PATENT REPORT

July, 1983

A. United States

1. Registered Patents

Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
3,282,196	Coffee Percolator	Proctor-Silex Corp.	Case 229	11/1/83	
3,323,441	Coffee Percolator	Proctor-Silex Corp.	Case 248	6/6/84	
3,333,084	Electric Iron	Proctor-Silex Corp.	Case 240	7/25/84	
3,333,087	Thermostatically Controlled Electric Percolator	Proctor-Silex Corp.	Case 249	7/25/84	
3,369,103	Electric Iron	Proctor-Silex Corp.	Case 244	2/13/85	
3,392,662	Coffee Percolator	Proctor-Silex Inc.	Case 251	7/16/85	
3,393,900	Food Mixer	Proctor-Silex Inc.	Case 243	7/23/85	
3,413,741	Electric Iron	SCM Corporation	Case 246	12/3/85	
3,425,016	Thermostatic Control Switch	Proctor-Silex Inc.	Case 247	1/28/86	

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PATENT REPORT

Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
3,428,780	Electric Iron	Proctor-Silex Inc.	Case 242	2/18/86	
3,468,043	Nozzle for Spray Pump	Proctor-Silex Inc.	Case 253	9/23/86	
3,483,814	Bread Toaster	Proctor-Silex Inc.	Case 250	9/16/86	
3,524,266	Hair Dryer Attachment	Proctor-Silex Inc.	Case 262 PAP 10	8/18/87	
3,535,493	Electric Percolator	Proctor-Silex Inc.	Case 252	10/20/87	
3,537,711	Pressure Differential Seal	Proctor-Silex Inc.	PAP 17	11/3/87	
3,545,585	Centrifrugally Interlocked Coupling	Proctor-Silex Inc.	PAP 16	12/8/87	
3,596,371	Hair Dryer	Proctor-Silex Inc.	PAP 21	8/3/88	
3,599,358	Ironing Table with Magnetic Keeper for Iron	Proctor-Silex Inc.	PAP 54	8/17/88	Assigned to MPT Corp.
3,609,298	Electric Kettle	Proctor-Silex Inc.	PAP 26	9/28/88	

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PATENT REPORT

Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
3,609,879	Hair Dryer Bonnet	Proctor-Silex Inc.	PAP 12	10/5/88	
3,669,004	Toaster-Oven	Proctor-Silex Inc.	PAP 27	6/13/89	
3,691,661	Unitary Ironing Table Pad and Cover Set and Method of Manufacture	Proctor-Silex Corp.	PAP 57	9/19/89	Non-exclusive royalty-free license to MPT Corp. for use with tables
3,800,691	Toaster-Oven	Proctor-Silex Inc.	PAP 60	4/2/91	
3,828,452	Steam Generating Subassemby for Electric Iron	SCM Corporation	PAP 62	8/13/91	For super-steam iron
3,881,265	Steam-Spray Iron	SCM Corporation	PAP 61	5/6/92	For super-steam iron
3,926,333	Percolator Top Fastening Means	SCM Corporation	PAP 76	12/16/92	
3,939,760	Percolator	SCM Corporation	PAP 69	2/24/93	
3,941,518	Steam Spray Iron	SCM Corporation	PAP 61-1	3/2/93	Divisional Application of Patent 3,881,265 (covers Super Steam Iron)

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PATENT 'ORT

Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
3,968,688	Liquid Level Gauge	SCM Corporation	PAP 67	7/13/93	
4,029,940	Percolator	SCM Corporation	PAP 87	6/14/94	
4,123,743	Termination for an Electrical Resistance Element	SCM Corporation	PAP 88	10/31/95	
4,142,094	Electrical Appliance (Fry Pan)	SCM Corporation	PAP 90	2/27/96	
4,300,870	Pump Chambers Minimizing Formation of Deposits	SCM Corporation	PAP 91	11/17/98	
4,360,725	Appliance Overtemperature Protector	SCM Corporation	PAP 93	11/23/98	
4,313,047	Compact Overtemperature Protectors for Appliance	SCM Corporation	PAP 94	1/26/99	
4,328,034	Pinched Valve	SCM Corporation	PAP 99	5/11/99	
4,328,740	Coffeemaker with a variable brew strength apparatus	SCM Corporation	PAP 100	5/11/99	
4,396,825	Air Cooled Toaster with Deflector	SCM Corporation	PAP 102	8/2/00	

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Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
2. Design Patents					
D215,132	Power Unit for a Blender or the like	Proctor-Silex Inc.	Case 258	9/2/83	
D215,680	Power Unit for a Blender or the like	Proctor-Silex Inc.	Case 257	10/21/83	
D220,422	Can Opener or the like	Proctor-Silex Inc.	PAP 25	4/13/85	
D223,066	Toaster-Oven or the like	Proctor-Silex Inc.	PAP 28	3/7/86	
D229,884	Rug Contacting Grill for a Vacuum Cleaner Nozzle or the like	Proctor-Silex Inc.	PAP 58	1/15/88	
D234,666	Design for Coffee Percolator	SCM Corporation	PAP 66	4/1/89	
D235,124	Bread Toaster	SCM Corporation	PAP 63	5/20/89	
D235,128	Design for Electric Iron Soleplate	SCM Corporation	PAP 65	5/20/89	

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Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
D237,242	Design for Toaster-Oven	SCM Corporation	PAP 70	10/21/89	
D238,206	Ice Cream Freezer Container	SCM Corporation	PAP 64	12/23/89	
D239,758	Coffeemaker	SCM Corporation	PAP 71	5/4/90	Covers ADC
D241,602	Toaster Oven	SCM Corporation	PAP 72	9/28/90	Covers LOTO
D244,341	Toaster	SCM Corporation	PAP 73	5/17/91	
D244,343	Toaster	SCM Corporation	PAP 74	5/17/91	
D244,342	Toaster	SCM Corporation	PAP 75	5/17/91	
D246,629	Steam Iron	SCM Corporation	PAP 80	12/13/91	
D246,628	Steam Iron	SCM Corporation	PAP 81	12/13/91	
D247,090	Steam Iron	SCM Corporation	PAP 77	1/31/92	
D265,044	Toaster	SCM Corporation	PAP 95	6/22/96	
D266,732	Toaster	SCM Corporation	PAP 96	11/2/96	

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PATENT REPORT

Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
D265,160	Toaster	SCM Corporation	PAP 97	6/22/96	
D265,042	Coffee Maker	SCM Corporation	PAP 98	6/22/96	
D247,089	Steam Iron	SCM Corporation	PAP 78	1/31/92	
D247,088	Steam Iron	SCM Corporation	PAP 79	1/31/92	
D252,493	Fry Pan	SCM (Canada) Ltd.	PAP 86	7/31/93	
D262,771	Steam Iron	SCM Corporation	PAP 92	1/26/96	
D219,408	Coffee Maker with Variable Brew Strength Apparatus	SCM Corporation	PAP 100	5/11/99	
D269,213	Steam Iron	SCM Corporation	PAP 101	5/31/97	

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United States

3. Applications

Serial Number	Title	Registered Owner	File Number	Filing Date	Comments
247,041	Steam Iron (Universal II)	SCM Corporation	PAP 101	3/24/81	
309,299	Gravity Switch	SCM Corporation	PAP 103	10/7/81	
368,545	Toaster Tilt Switch	SCM Corporation	PAP 104	4/15/82	
488,556	Enhanced Heat and Mass Transfer Apparatus	SCM Corporation	PAP 105	4/25/83	
491,746	Electrode Shield (EHT)	SCM Corporation	PAP 106	5/5/83	
493,936	Heating structure for an oven	SCM Corporation	PAP 107	5/12/83	
507,739	Mechanical Electrodes	SCM Corporation	PAP 108	6/27/83	
489,787	Kettle	SCM Corporation	PAP 109	4/29/83	
	Dry Iron		PAP 110		To be filed

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B. Foreign

1. Registered Patents

Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
Argentina					
28,384	Toaster Oven Design (LOTO)	SCM Corporation	PAP 72(1)	10/29/84	Renewable between 10/29/84 and 1/29/85
Australia					
66,752	Coffeemaker (ADC) Design	SCM Corporation	PAP 71i	1/9/85	Next tax due 1/9/85 and will renew for 5 yrs.
67,521	Toaster Oven (LOTO) Design (Class 3)	SCM Corporation	PAP 72i	4/16/85	Next tax due 4/11/85 and will renew for 5 yrs.
67,369	Toaster Oven (LOTO) Design (Class 1)	SCM Corporation	PAP 72i	4/16/85	Next tax due 4/11/85 and will renew for 5 yrs.
73,670	Fry Pan (Design)	SCM (Canada) Ltd.	PAP 86(a)	1/3/83	Being renewed
79,311	Steam Iron (Design)	SCM (Canada) Ltd.	PAP 92(j)	10/18/94	Renewable on 10/18/84 and 10/18/89
82,992	Toaster, Pedestal (Design)	SCM Corporation	PAP 95	7/14/85	Renewable on 7/14/85 and 7/14/90
82,993	Toaster, Tapered (Design)	SCM Corporation	PAP 96	7/10/85	Renewable on 7/10/85 and 7/10/90
85,214	Universal II steam iron	SCM Corporation	PAP 101	3/24/86	Renewable 3/24/86 and 3/24/91
Benelux					
06117-00	Steam Iron (Design for Universal Iron)	SCM Corporation	Pap 92c	10/19/94	Due for renewal 10/19/84 and 10/19/89

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PATENT REPORT

Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
Benelux (Cont'd)					
07837-00	Toaster (Tapered)	SCM Corporation	PAP-96	1/9/91	Due for renewal 1/9/86
07853-00	Toaster (Design)	SCM Corporation	PAP-95	1/9/91	Due for renewal 1/9/86
08794-00	Steam Iron	SCM Corporation	PAP-101	9/18/91	Due for renewal 9/18/86 and 9/18/91
Canada					
751,009	Thermally Operated Control Switch	Proctor-Silex		1/17/84	
767,258	Thermal Switch with Calibrator Means	Proctor-Silex		9/12/84	
768,871	Percolator	Proctor-Silex Inc.	Case 248	10/10/84	
769,395	Percolator with Removable Glass Container	Proctor-Silex Corp.	Case 229	10/17/84	

Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
Canada (Cont'd)					
808,774	Busless Electric Iron	Proctor-Silex Corp.	Case 238	3/18/86	
812,458	Apparatus for Selectively Polishing, Scrubbing and Cleaning Floors	Signal Manufacturing	Case 265	5/13/86	
825,889	Coffee Percolator	Proctor-Silex Inc.	Case 251	10/28/86	
833,161	Electric Iron	Proctor-Silex Inc.	Case 242	1/27/87	
837,844	Percolator	Proctor-Silex Corp.	Case 249	3/31/87	
874,518	Hair Dryer Attachment	Proctor-Silex Inc.	PAP 10a	6/29/88	
882,991	Electric Percolator	Proctor-Silex Inc.	Case 252	10/12/88	
889,592	Centrifrugally Interlocked Coupling	Proctor-Silex Inc.	PAP 16a	1/4/89	
900,161	Hair Dryer	Proctor-Silex Inc.	PAP 21c	5/16/89	
933,563	Electric Kettle	Proctor-Silex Inc.	PAP 26e	9/11/90	

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Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
Canada (Cont'd)					
939,717	Toaster-Oven	Proctor-Silex Inc.	PAP 27b	1/8/91	
956,690	Toaster-Oven	Proctor-Silex Inc.	PAP 27b	10/22/91	
974,012	Vacuum Cleaner Nozzle	SCM Corporation	PAP 59a	9/9/92	Assigned to Lewyt Corp. Canada Ltd.
39,857	Coffeemaker (ADC) Design	SCM Corporation	PAP 71n	11/10/85	
39,967	Toaster-Oven (LOTO) Design	SCM Corporation	PAP 72n	12/1/85	
1,001,543	Steam Spray Iron	SCM Corporation	PAP 61h	12/14/93	
1,017,665	Steam Spray Iron	SCM Corporation	PAP 61h	9/20/94	Div. of 1,001,543
1,020,760	Liquid Level Gauge	SCM Corporation	PAP 67a	11/15/94	
1,025,762	Steam Generating Sub-assembly for Iron	SCM Corporation	PAP 62f	2/7/95	

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Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
Canada (Cont'd)					
42,904	Coffee Maker	SCM Corporation	PAP 83	11/21/87	
42,906	Coffee Maker	SCM Corporation	PAP 84	11/21/87	
42,905	Coffee Maker	SCM Corporation	PAP 85	11/21/87	
43,207	Fry Pan (Design)	SCM (Canada) Ltd.	PAP 86b	2/6/88	
1,089,524	Termination for an Electrical Resistance Heating Element	SCM Corporation	PAP 88	11/11/97	
46,402	Steam Iron (Design for Universal Iron)	SCM Corporation	PAP 92	12/24/89	
48,477	Coffee Maker (Design)	SCM Corporation	PAP 98	7/27/91	Five-year renewal due 7/27/86
48,058	Toaster (Design)	SCM Corporation	PAP 95	3/13/86	Next renewal due 3/13/86
48,057	Toaster (Design)	SCM Corporation	PAP 96	3/13/91	Next renewal due 3/13/86
49,365	Steam Iron (Design)	SCM Corporation	PAP-101	2/22/87	Next renewal due 2/22/87

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PATENT REPORT

Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
France					
73,471	Design for Toaster-Oven	SCM Corporation	PAP 70a	12/31/99	
116,729	Coffeemaker (ADC) Design	SCM Corporation	PAP 71d	6/3/00	
117,248	Toaster-Oven (LOTO) Design	SCM Corporation	PAP 72d	8/25/00	
125,229	Fry Pan (Design)	SCM (Canada) Ltd.	PAP 86	12/27/02	
131,704	Steam Iron (Design)	SCM Corporation	PAP 92	8/4/05	
167,965	Toaster	SCM Corporation	PAP 95	1/28/06	
168,830	Toaster	SCM Corporation	PAP 96	1/28/06	
813,007	Steam Iron	SCM Corporation	PAP 101	11/9/06	

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Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
Germany					
MR 10569	Coffeemaker (ADC) Design	SCM Corporation	PAP 71c	4/10/90	
MR 10886	Toaster-Oven (LOTO) Design	SCM Corporation	PAP 72c	7/24/90	
MR 13735	Fry Pan (Design)	SCM (Canada) Ltd.	PAP 86	2/1/93	
MR 15-938	Steam Iron, Universal (Design)	SCM Corporation	PAP 92(f)	10/20/94	
MR 17568	Toaster (Pedestal)	SCM Corporation	PAP 95	1/8/96	
MR 17567	Toaster (Tapered)	SCM Corporation	PAP 96	1/8/96	
MR 17894	Coffee Maker (Design)	SCM Corporation	PAP 98	3/28/96	
MR 18470	Steam Iron (Design)	SCM Corporation	PAP-101	9/9/96	

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Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
Great Britain					
969,468	Toaster-Oven (Design)	SCM Corporation	PAP 70b	3/13/90	renewal fee due 1/17/85
970,891	Coffeemaker (Design)	SCM Corporation	PAP 71a	1/9/90	renewal fee due 1/9/85
971,914	Toaster-Oven (LOTO) Design	SCM Corporation	PAP 72a	4/16/90	renewal fee due 4/16/85
1,569,834	Electrical Resistance Element	SCM Corporation	PAP 88	6/18/96	
992,168	Steam Iron (Design for Universal Iron)	SCM Corporation	PAP 92(b)	10/30/94	renewable on 10/30/84 and 10/30/89
998,403	Toaster (Pedestal)	SCM Corporation	PAP 95	7/14/95	renewable on 7/14/85 and 7/14/90
998,404	Toaster (Tapered)	SCM Corporation	PAP 96	7/10/95	renewable on 7/10/85 and 7/10/90
999,649	Coffee Maker	SCM Corporation	PAP 98	10/14/95	renewable on 10/14/85 and 10/14/90
1,002,305	Steam Iron (Design)	SCM Corporation	PAP-101	3/24/96	renewable on 3/24/86 and 3/24/91

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Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
Holland					
06117	Steam Iron, Universal (Design)	SCM Corporation	PAP 92	10/19/94	
Italy					
013,041	Coffeemaker (ADC) Design	SCM Corporation	PAP 71f	4/10/93	
Jamaica					
2,364	Electric Kettle	SCM Corporation	PAP 26f	3/3/86	
Japan					
910,678	Steam Spray Iron	SCM Corporation	PAP 61-1	10/7/92	7th annuity due 10/7/83
915,083	Steam Generating Sub-assembly for Electric Iron	SCM Corporation	PAP 62i	11/18/92	7th annuity due 11/18/83
South Africa					
75/1169	Toaster-Oven (LOTO)	SCM Corporation	PAP 72(g)	4/16/85	Renewal due 4/16/85

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Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
South Africa (Cont'd)					
79/0840	Steam Iron (Design for Universal Iron)	SCM Corporation	PAP 92(i)	10/30/84	Renewal due 10/30/84
D75/0369	Coffeemaker (ADC)	SCM Corporation	PAP 71(g)	1/9/85	Renewal due 1/9/85
81/0016	Toaster (Design)	SCM Corporation	PAP 95	7/14/85	Renewable 7/14/85
81/0017	Toaster	SCM Corporation	PAP 96	7/10/85	Renewable 7/10/85
81/0649	Steam Iron	SCM Corporation	PAP 101	3/24/86	Renewable 3/24/86 and 3/24/91
Spain					
95,623	Steam Iron	SCM Corporation	PAP 92	6/16/90	Tax due 6/16/85
497257	Combined Thermostatic Control and Thermal Fuse Overtemperature Protector for Electrical Heating Appliances	SCM Corporation	PAP 94	5/27/01	Tax due 5/27/84 Working must be proved 5/27/84
100,230	Universal II Steam Iron	SCM Corporation	PAP 101	4/19/92	Tax due 4/19/87

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Patent Number	Title	Registered Owner	File Number	Expiration Date	Comments
Switzerland					
107,705	Coffeemaker (ADC) Design	SCM Corporation	PAP 71(m)	5/1/90	5 yr. renewal due 5/1/85
107,838	Toaster Oven (LOTO) Design	SCM Corporation	PAP 72(m)	7/14/90	5 yr. renewal due 7/14/85
110,788	Universal Steam Iron (Design)	SCM Corporation	PAP 92	10/10/94	Renewable 10/10/84
111,542	Toaster (Design)	SCM Corporation	PAP 96	12/30/95	Renewable 12/30/85
111,543	Toaster (Design)	SCM Corporation	PAP 95	1/7/96	Renewable 1/7/86
111,974	Steam Iron (Design)	SCM Corporation	PAP 101	9/11/96	Renewal due 9/11/86

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2. Applications

Serial Number	Title	Registered Owner	File Number	Filing Date	Comments
Canada					
394726	Air Cooled Toaster With Deflector	SCM Corporation	PAP 102	1/22/82	
France					
80200330.1	Pump Chambers Minimizing Formation of Deposits	SCM Corporation	PAP 91EP	4/11/80	
Germany					
80200330.1	Pump Chambers Minimizing Formation of Deposits	SCM Corporation	PAP 91	9/9/81	
Great Britain					
8020030.1	Pump Chambers Minimizing Formation of Deposits	SCM Corporation	PAP 91EP	4/11/80	
1002305	Steam Iron	SCM Corporation	PAP 101	9/3/81	

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Serial Number	Title	Registered Owner	File Number	Filing Date	Comments
Italy					
22992B/79	Steam Iron (Design)	SCM Corporation	PAP 92	10/30/79	
20481B/81	Toaster (Design)	SCM Corporation	PAP 95	1/14/81	
20440B/81	Toaster (Design)	SCM Corporation	PAP 96	1/9/81	
23126B/77	Fry Pan (Design)	SCM Corporation	PAP 86	12/27/77	
22918B/81	Steam Iron (Design)	SCM Corporation	PAP 101	9/16/81	
Holland					
80200330.1	Pump Chambers Minimizing Formation of Deposits	SCM Corporation	PAP 91EP	4/11/80	
South Africa					
81/0649	Steam Iron	SCM Corporation	PAP 101	8/28/81	

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Serial Number	Title	Registered Owner	File Number	Filing Date	Comments
Spain					
98556	Toaster (Design)	SCM Corporation	PAP 95, 96	1/9/81	
Sweden					
80200330.1	Pump Chambers Minimizing Formation of Deposits	SCM Corporation	PAP 91	1/9/81	

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TRADEMARK REPORT

PROCTOR-SILEX

July, 1983

A. United States

1. Registered Trademarks

Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
Bread Brain	1,150,928	SCM Corporation	4/14/01	Thermostatic Control for Toasters	Use affidavit due 4/14/86	
Breadmates	1,184,632	SCM Corporation	1/5/02	Toasters	Use affidavit due 1/5/87	11
Brew For Two	1,083,395	SCM Corporation	1/24/98	Filter baskets for coffeemakers		11
Citation	776,930	SCM Corporation	9/15/84	Electric irons and toasters	Western Auto License	21
Citation	776,995	SCM Corporation	9/15/84	Ironing tables	Western Auto License	24
Citation	912,645	SCM Corporation	6/8/91	Irons, toasters, coffee-makers, juicers, drink mixers, blenders, ice crushers	Western Auto License	7,9,11
Cordminder	761,593	Proctor-Silex Corp.	12/17/83	Cord supporting device arranged for mounting on an ironing board to conveniently position an electric iron cord		11
Corn Popper Topper	1,108,037	SCM Coporation	12/5/98	Lid or Cover placed over heating element such as fry pan	Use affidavit due 12/5/83-12/4/84	21

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Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
Hydro Clean	1,187,532	SCM Corporation	1/26/02	Water pump sold as a component of domestic electric coffeemakers	Use affidavit 1/26/87	11
Juicit	353,979	Chicago Electric Mfg. Company	1/25/98	Household appliances for extracting the juice from fruit and more particularly electric motor-driven machines for reaming the juice from oranges		21
Lady Light	1,168,163	SCM Corporation	9/8/01	Domestic electric irons	Use affidavit due 9/8/86	9
Lifelong	899,580	Proctor-Silex Inc.	9/29/90	Vacuum Cleaners, irons, toasters, coffeemakers		9,11
Lifelong and Design	850,107	Proctor-Silex Inc.	6/4/88	Irons, toasters, coffeemakers		9, 11
Mary Proctor	1,094,499	SCM Corporation	6/27/98	Ironing tables	Use affidavit 6/27/83-6/26/84	20
Mary Proctor	696,024	Proctor-Silex Corp.	4/12/00	Ironing tables, laundry carts, laundry baskets	Exclusive royalty-free license granted to MPT Corp. for use with tables; Exclusive license to Gustin-Kramer for pads and covers	24
Mary Proctor	1,019,910	SCM Corporation	9/9/95	Electric percolators and coffeemakers		11

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TRADEMARK REPORT

Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
Meal Maker	1,104,277	SCM Corporation	10/17/90	Domestic electric cooking appliance which toasts, bakes, broils and slow cooks	Use affidavit 10/17/83-10/17/84	11
New Shape	873,244	Proctor-Silex	7/15/89	Ironing tables		11
Panhandler	1,163,591	SCM (Canada) Ltd.	8/4/01	Electric fry pans	Use affidavit 8/4/86	
Proctor	777,833	Proctor-Silex Corp.	9/29/84	Ironing tables, ironing table pads and covers	Exclusive royalty-free license granted to MPT Corp. for use w/tables	20, 24
Proctor	803,788	Proctor-Silex Corp.	2/15/86	Electric irons, toasters and coffeemakers		9, 11
Proctor-Silex	902,528	SCM Corporation	11/17/90	Electric can openers and ice crushers, electric coffeemakers, irons, toasters, juicers, blenders, drink mixers, cord supporting device for ironing board used to conveniently position an electric iron cord, ice cream freezers, coffee filters		11

Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
P & S Block Interlocking with Black Border	1,211,450	SCM Corporation	10/5/02	Domestic electric coffeemakers, toasters and toaster-ovens	A/U due 10/5/87	11
P & S Interlocking with Black Border	1 211,412	SCM Corporation	10/5/02	Domestic electric irons	A/U due 10/5/87	9
P & S Block Interlocking with White Border	1,211,448	SCM Corporation	10/5/02	Domestic electric toasters, toaster-ovens and coffee-makers	A/U due 10/5/87	11
P & S in Block Interlocking Arrangement	1,211,449	SCM Corporation	10/5/02	Domestic electric toasters, toaster-ovens, coffeemakers and coffee carafes	A/U due 10/5/87	11
P & S Block Interlock Form	1,211,411	SCM Corporation	10/5/02	Domestic electric irons	A/U due 10/5/87	9
P & S Block Interlocking with White Border	1,211,410	SCM Corporation	10/5/02	Domestic electric irons	A/U due 10/5/87	9
Put Your Reliance On A P.S. Appliance	818,249	Proctor-Silex Corp.	11/8/86	Ironing tables and ironing table covers		20, 24
Put Your Reliance On A P.S. Appliance	823,315	Proctor-Silex Corp.	11/8/86	Electrical appliances namely, spray, steam and dry irons, toaster-broilers, toasters, percolators, drink mixers, juicers, ice cream freezers		31

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Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
Silex	97,369	SCM Corporation	6/2/94	Coffee percolators		15
Silex	302,212	SCM Corporation	4/4/93	Stoves, gas and spirit	Bloomfield license	34
Silex	307,541	SCM Corporation	10/31/93	Electric coffee makers	Bloomfield license	21
Silex	340,170	SCM Corporation	11/3/96	Strainers for coffee makers	Bloomfield license	13
Silex	764,648	Proctor-Silex Corp.	2/11/84	Ironing tables		24
Starflite	920,083	Proctor-Silex Inc.	9/14/91	Electric irons, toasters, coffeemakers, juicers, drink mixers, blenders		21
Sterling	521,407	Proctor-Silex Inc.	2/28/90	Electric flatirons, electric toasters		21
Super/Steam	1,025,977	Proctor-Silex	11/25/95	Domestic electric irons		21
Windsor	903,409	SCM Corporation	12/1/90	Electric irons, toasters		21

Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
oreign						
. **Registered Trademarks**						
Argentina						
Proctor-Silex	1,013,099	Proctor-Silex, Inc.	10/16/91	Coffeemakers, toasters, ice crushers, juicers, etc.		10
Australia						
Bread Brain	320,478	SCM Corporation	7/20/85	Thermostatic Control for toasters		9
Panhandler	A307,109	SCM (Canada) Ltd.	5/7/84	Electric cooking utensils including electric frypans		11
Silex	A299,751	SCM Corporation	8/19/97	Electric coffee makers, stoves, filters, strainers and water heaters		11
Belgium						
Silex	47,387	Proctor-Silex Inc.	Unlimited	Portable electric heaters, heating apparatus, glass and glass ware, coffee pots, electric coffeemakers		
Benelux						
Bread Brain	355,558	SCM Corporation	11/17/88	Thermostatic Control for toasters		9

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TRADEMARK REPORT

Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
Benelux (Cont'd)						
Light Fantastique	381,091	SCM Corporation	5/4/92	Domestic electric irons		9
Panhandler	353,627	SCM (Canada) Ltd.	8/7/88	Electric fry pans		11
Silex	341,807	SCM Corporation	9/28/86	Electric coffee makers, stoves, filters, strainers and water heaters		11,21
Canada						
Bread Brain	246,305	SCM (Canada) Ltd.	6/20/95	Thermostatic Control for Toasters		
Brew for Two	268,058	SCM Corporation	4/8/97	Filter baskets for coffeemakers		
Citation	143,276	SCM (Canada) Ltd.	12/31/95	Irons, toasters, electric kettles, blenders, electric percolators, ice crushers		
Coffee Magic	214,275	SCM (Canada) Ltd.	6/11/91	Coffeemakers		
Cordminder	139,386	SCM (Canada) Ltd.	3/3/95	Iron cord supports		

TRADEMARK REPO

Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
Canada (Cont'd)						
Juicit	202,644	SCM (Canada) Ltd.	10/25/89	Juicers		
Lifelong	166,910	SCM (Canada) Ltd.	12/19/84	Electric Irons, toasters and coffee-makers		
Lifelong & Design	166,911	SCM (Canada) Ltd.	12/19/84	Electric kettles and toaster-ovens		
Lox-In	NS113/29058	SCM (Canada) Ltd.	1/7/93	Glass filters for coffeemakers		
Mary Proctor	134,081	SCM (Canada) Ltd.	1/10/94	Ironing tables, electric blenders, toasters, electric irons, electric coffeemakers	Exclusive license to Gustin-Kramer for use w/pads and covers	
Meal Maker	246,299	SCM Corporation	6/9/95	Toaster-Ovens		
Proctor	NS94/24490	SCM (Canada) Ltd.	6/24/91	Electric irons; electric toasters, waffle irons, coffeemakers, toasters, heaters, hot plates, tea kettles		

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Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
Canada (Cont'd)						
Proctor-Silex	203,649	SCM (Canada) Ltd.	12/6/89	Electric hand irons for domestic use, toasters, ironing tables, ice cream freezers, electric kettles, electric blenders, electric coffeemakers, toaster-ovens		
Silex	173/38,519	SCM (Canada) Ltd.	9/15/90	Electric and non-electric coffeemakers and tea brewers, electric irons, stoves and plugs, candle warmers and carafes and electric frypans		
Starflite	141,701	SCM (Canada) Ltd.	8/27/95	Toasters, irons, juicers, electric kettles, drink mixers, electric percolators, blenders		
Super-Steam	265,242	SCM (Canada) Ltd.	12/24/96	Hand irons for domestic use		

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Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
Chile						
Proctor-Silex	263,638	SCM Corporation	7/8/92	Domestic electric irons, toasters and toaster-ovens		9, 11
Columbia						
Proctor-Silex	88,587	SCM Corporation	2/8/87	Can openers, ice crushers		7
Proctor-Silex	88,588	SCM Corporation	2/8/87	electric coffee makers, irons, toasters, juicers, blenders, drink mixers		9
Proctor-Silex	88,589	SCM Corporation	2/8/87	Ice cream freezers and coffee filters		11
Costa Rica						
Proctor-Silex	47,104	SCM Corporation	2/7/89	Filters and refrigerators		31
Proctor-Silex	47,073	SCM Corporation	2/6/89	Electric appliances		21
Ecuador						
Proctor	254	Proctor-Silex Corp.	8/4/86	Irons, toasters, coffeemakers		9

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TRADEMARK REPORT

Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
France						
Bread Brain	1,075,763	SCM Corporation	11/14/88	Thermostatic Control for toasters		9
Light Fantastique	1,202,918	SCM Corporation	4/29/92	Domestic electric irons		9
Panhandler	1,025,118	SCM (Canada) Ltd.	5/27/87	Electric Frypans		21
Silex	1,021,059	SCM Corporation	10/27/86	Electric irons, coffee percolators, coffeemakers and filters		8,9,11, 21
Germany						
Bread Brain	988,559	SCM Corporation	8/2/88	Thermostatic Control for toasters	Working due before 8/1/84	9
Panhandler	971,081	SCM (Canada) Ltd.	5/26/87	Electric Frypans		11
Proctor-Silex	1,011,077	SCM Corporation	5/10/90	Electric irons, coffee percolators, coffee makers and filters		11,16,21,24

CONFIDENTIAL

Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
Great Britain						
Bread Brain	1,099,558	SCM Corporation	5/18/85	Thermostatic control for toasters		9
Proctor-Silex	838,837	SCM Corporation	9/3/83	Electric domestic apparatus and appliances	Being renewed	9
Silex	838,838	SCM Corporation	9/3/83	Electric domestic apparatus and appliances	Being renewed	9
Silex	648,113	SCM Corporation	5/24/95	Non-electric coffee and tea makers, percolators made of metal or glass		21
Silex	648,112	SCM Corporation	5/24/95	Alcohol, gas and electric stoves		11
Silex	630,597	SCM Corporation	7/21/93	Coffeemakers and electric irons		9
Silex	546,833	SCM Corporation	12/6/89	Non-electric coffeemakers		13

CONFIDENTIAL

Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
Guatemala						
Proctor-Silex	28,621	SCM Corporation	10/14/84	Electrical Appliances, machines and accessories		7,9,11
Proctor-Silex	28,620	SCM Corporation	10/14/84	Filters & Refrigerators		21,31
Honduras						
Proctor-Silex	22,117	SCM Corporation	4/28/85	Electric coffee makers, stoves, filters, strainers and water heaters		7,9, 11
Italy						
Lifelong	267,117	Proctor-Silex, Inc.	1/13/91	Electric irons, toasters, coffeemakers, vacuum cleaners, hair dryers, kettles		9,11
Proctor-Silex	267,116	Proctor-Silex, Inc.	1/13/91	Electric coffemakers, irons, toasters, juicers, blenders, drink mixers, can openers, ice crushers, ice cream freezers, hair dryers and kettles		9,11
Silex	209,753	Proctor-Silex Corp.	12/11/83	Coffeemakers, electric toasters, grills, stoves, irons, glassware		7,9,11

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TRADEMARK REPORT

Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
Jamaica						
Proctor-Silex	16,015	SCM Corporation	7/23/94	Irons	Registered User: Stanley Motta Ltd.	9
Proctor-Silex	16,017	SCM Corporation	7/23/94	Electric coffeemakers, toasters, ice cream freezers, coffee filters	Registered User: Stanley Motta Ltd.	11
Proctor-Silex	16,082	SCM Corporation	7/23/94	Juicers, blenders, drink mixers, electric can openers, ice crushers	Registered User: Stanley Motta Ltd.	7
Japan						
Mary Proctor	1,493,083	SCM Corporation	12/25/91	Steam, spray & dry irons; food blenders, juicers, electric kettles, coffeemakers and percolators, toasters, toaster-ovens		11

CONFIDENTIAL

Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
Japan (Cont'd)						
Proctor-Silex	1,493,084	SCM Corporation	12/25/91	Steam, spray & dry irons, food blenders, juicers, electric kettles, coffeemakers and percolators, toasters, toaster-ovens		11
Mexico						
Proctor-Silex	178,820	SCM Corporation	6/10/83	Ice cream freezers and coffee filters and in general all kinds of filters and refrigerators	Being renewed	31
Nicaragua						
Proctor-Silex	1006	SCM Corporation	3/25/84	Electrical machines, accessories and appliances		7,9,11
Norway						
Panhandler	101,183	SCM (Canada) Ltd.	11/16/88	Electric frypans		7
South Africa						
Panhandler	77/1944	SCM (Canada) Ltd.	5/9/87	Electric Frypans		11
Proctor-Silex	76/4296	SCM Corporation	8/17/86	Toasters		11
Proctor-Silex	77/4295	SCM Corporation	5/9/87	Electric irons, kettles		9

CONFIDENTIAL

Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
Spain						
Panhandler	049,647	SCM (Canada) Ltd.	4/5/99	Electric Frypans	Tax due 5/4/84	11
Silex	96,965	SCM (Canada) Ltd.	5/18/94	Coffeemakers and coffee filters	5/18/84 third quinquennial tax due 5/18/89 fourth quinquennial tax due	21
Sweden						
Panhandler	164,291	SCM (Canada) Ltd.	8/4/88	Electric Frypans		21
Switzerland						
Bread Brain	295,907	SCM Corporation	8/16/98	Thermostatic control for toasters	Non-use for more than 3 consecutive years may cancel	9,11
Panhandler	288,758	SCM (Canada) Ltd.	5/24/97	Electric Frypans		11,21
Proctor-Silex	273,833	SCM Corporation	8/30/94	Irons, toasters, toaster-ovens, blenders, juicers, and coffee makers		7,8,9,11,21
Silex	270,760	SCM Corporation	12/12/93	Coffee percolators		21

CONFIDENTIAL

Trademark	Reg. Number	Registered Owner	Expiration Date	Products Covered	Comments	Class
Trinidad						
Proctor-Silex	8122	SCM Corporation	7/11/87	Electric domestic appliances		8
Proctor-Silex	8123	SCM Corporation	7/11/87	Electric domestic appliances		18
Venezuela						
Proctor	18,397	SCM Corporation	7/25/92	Electric irons, electric toasters, waffle irons, coffeemakers, roasters, heaters, hot plates and tea kettles		31
Proctor	78,769F	SCM Corporation	4/9/90	Coffee filters		31
Silex	78,744F	SCM Corporation	4/8/90	Coffeemakers, irons, toasters, juicers, blenders, ice cream freezers		7,9,11,21
Silex	17,735	SCM Corporation	12/13/91	Electric coffeemakers and tea brewers made of glass, pottery and metal, electric stoves for coffee and tea brewers, accessories and parts thereof, electric irons		21

CONFIDENTIAL

3. Applications

United States

Trademark	Serial Number	Registered Owner	Filing Date	Products Covered	Comments	Class
Flavor Master	406,290	SCM Corporation	12/16/82	Brew Control Systems used with domestic electric coffee makers		11

Australia

Proctor-Silex	363,896	SCM Corporation	8/6/81	Electric toasters and toaster-ovens and all other goods included		11
Proctor-Silex	363,895	SCM Corporation	8/6/81	Domestic electric irons and all other goods included		9

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TRADEMARK REPORT

Trademark	Serial Number	Registered Owner	Filing Date	Products Covered	Comments	Class
Finland						
Silex	3683/76	SCM Corporation	8/17/76	Coffee makers, stoves, filters		11,21
Germany						
Silex	830203/11	SCM Corporation	9/3/76	Electric coffeemakers, stoves, filters, strainers for coffee-makers and water heaters		11,27
Great Britain						
Hydro Clean	1,168,645	SCM Corporation	1/26/82	Water pumps, components of domestic electric coffeemakers and parts and fittings		
Light Fantastique	1,172,541	SCM Corporation	3/31/82	Domestic electric irons		9
Select-Ronic	1,157,937	SCM (UK) Ltd.	7/17/81	Cooking apparatus and installations, toasters, and toaster-ovens		

CONFIDENTIAL

Trademark	Serial Number	Registered Owner	Filing Date	Products Covered	Comments	Class
Greece						
Proctor-Silex	71812	SCM Corporation	5/7/82	Domestic electric irons, toasters, toaster-ovens and automatic drip coffeemakers		9, 11
Ireland						
Proctor-Silex	1090/83	SCM Corporation	4/20/83	Domestic appliances and apparatus, including electric steaming and pressing irons, electric coffeemakers and parts		9
Proctor-Silex	1091/83	SCM Corporation	4/20/83	Alcohol stoves, gas stoves, and electric stoves		11
Proctor-Silex	1092/83	SCM Corporation	4/20/83	Non-electric coffee and tea makers and percolators made wholly or substantially of common metal or glass		21

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TRADEMARK REPORT

Trademark	Serial Number	Registered Owner	Filing Date	Products Covered	Comments	Class
Italy						
Panhandler	18927 C/77	SCM (Canada) Ltd.	5/24/77	Electric Frypans		9
Japan						
Panhandler	52-036432	SCM (Canada) Ltd.	5/27/77	Electric fry pans		
Silex	67115/76	SCM Corporation	10/1/76	Electric coffee-makers, stoves, filters, strainers for coffeemakers and water heaters		11
Mexico						
Proctor-Silex	71,741	SCM Corporation	7/3/73			21

CONFIDENTIAL

Trademark	Serial Number	Registered Owner	Filing Date	Products Covered	Comments	Class
New Zealand						
Proctor Silex	138,201	SCM Corporation	7/29/81	Electric irons and household appliances		
Proctor Silex	138,202	SCM Corporation	"	Apparatus for heating and cooking		
Portugal						
Proctor-Silex	188,894	SCM Corporation	3/27/75	Electric coffee makers and blenders		7
Proctor-Silex	188,896	SCM Corporation	3/27/75	Ice cream freezers and coffee filters		11
Spain						
Silex		SCM Corporation		Coffeemakers and filters		56

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Trademark	Serial Number	Registered Owner	Filing Date	Products Covered	Comments	Class
Sweden						
Silex	3733/1976	SCM Corporation	8/16/76	Electric coffeemakers, stoves, filters, strainers for coffee-makers and water heaters		11
Venezuela						
Proctor-Silex	2975	SCM Corporation	4/23/82	Domestic electric irons, juicers, toasters, and toaster-ovens		21

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IN-HOUSE LIABILITY CLAIMS

7-28-83

NAME	PRODUCT	DAMAGE	AMOUNT OF CLAIM
[redacted]	Iron	Clothing	$-30.00
[redacted]	Oven	Unknown	-----
[redacted]	ADC	Unknown	-----
[redacted]	Oven	Unknown	-----
[redacted]	ADC	Unknown	-----
[redacted]	Toaster	Unknown	-----
[redacted]	Toaster	Smoke	50.00
[redacted]	Iron	Clothing	5.00
[redacted]	Oven	Unknown	-----
[redacted]	Toaster	Cabinet	75.00
[redacted]	Iron	Counter	400.00
[redacted]	Oven	Counter	758.00
[redacted]	Juicit	Unknown	-----
[redacted]	Iron	Clothing	35.00
[redacted]	Toaster	Wall	75.00
[redacted]	Oven	Unknown	-----
[redacted]	Iron	Floor Covering	300.00
[redacted]	Iron	Board & Cover	40.00
[redacted]	Oven	Smoke	40.00
[redacted]	Oven	None	-----
[redacted]	Toaster	Unknown	-----
[redacted]	ADC	None	-----
[redacted]	Toaster	Counter Top	450.00
[redacted]	Oven	Appliance	50,00
[redacted]	Toaster	Smoke	-----
[redacted]	Oven	Cabinets	80.00

4lzer	Iron	Clothing	45.00
[redacted]	Iron	Clothing	30.00
[redacted]	Iron	Clothing	30.00
[redacted]	Oven	Counter Top	500.00
[redacted]	ADC	Counter & Floor	750.00
[redacted]	Oven	None	-----
[redacted]	Iron	Counter & Sink	750.00
[redacted]	Iron	Clothing	25.00
[redacted]	Iron	Unknown	-----
[redacted]	Iron	Board & Cover	40.00
[redacted]	Juicit	None	-----
[redacted]	Iron	Clothing	12.00
[redacted]an	Toaster	Cupboard	75.00
[redacted]	Oven	Wall	70.00
[redacted]	Iron	Clothing	35.00
[redacted]	Oven	Counter Top	350.00
[redacted]	Oven	Unknown	-----
[redacted]	Iron	Clothing	40.00
[redacted]	Oven	None	-----
[redacted]	Iron	Clothing	100.00
[redacted]	Iron	Clothing	55.00
[redacted]	Oven	Smoke	50.00
[redacted]	Toaster	Cupboard	50.00
[redacted]	Toaster	Counter Top	400.00
[redacted]	Iron	Clothing	35.00
[redacted]	Oven	None	-----
[redacted]	Iron	Unknown	-----
[redacted]	Iron	Clothing	53.00
[redacted]	Iron	Clothing	90.00
[redacted]	Oven	Unknown	-----

[redacted]	Iron	Clothing	45.00
	ADC	Smoke	30.00
	ADC	Counter Top	525.00
	Iron	Clothing	25.00
	Iron	Clothing	30.00
	Toaster	Smoke	------
		TOTAL	$6,628

Jerry Haines

Jerry Haines

Supervisor Consumer Affairs

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PROCTOR-SILEX
SELF-INSURED WORKERS' COMPENSATION CLAIMS PENDING @ 8/3/83

FILE #	CLAIMANT	D/A	AMOUNT RESERVED	DESCRIPTION
82006	[redacted]	7/16/82	$ 20,000	Fx leg
4701	[redacted]	2/26/78	86,037	Death
82000	[redacted]	12/8/81	3,000	Soft tissue
4223	[redacted]	10/5/73	2,000	Soft tissue
4803	[redacted]	9/20/79	2,000	Soft tissue
4801	[redacted]	1/5/79	29,000	Amp. Rt. hand
4921	[redacted]	9/11/80	3,502	Amp. Thumb
5023	[redacted]	8/27/81	5,587	Back Strain
82007	[redacted]	7/22/82	5,035	Lacerations
308	[redacted]	8/4/82	3,290	Amp. Mid Finger
83002	[redacted]	2/1/83	2,000	Fx foot
83004	[redacted]	3/24/83	7,000	Amp. Rt. Finger
83010	[redacted]	4/1/83	1,500	Sprain Wrist
83011	[redacted]	5/1/83	3,000	Soft tissue
83014	[redacted]	6/23/83	750	Soft tissue
			$175,000	

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PROCTOR-SILEX
PENDING WORKERS' COMPENSATION @ 4/1/83
(CNA HANDLED CLAIMS)

CNA ILE #	D/L	CLAIMANT	AMOUNT RESERVED	DESCRIPTION
-230829	3/3/82	[redacted]	$ 821	Unspecified
-231008	3/11/82	[redacted]	10,000	Back
-230243	5/3/82	[redacted]	11,213	Burns
-230920	8/12/82	[redacted]	5,959	Soft tissue
-224588	10/14/80	[redacted]	1,000	Cuts
-225361	1/19/81	[redacted]	10,618	Finger amp.
-229832	6/21/82	[redacted]	6,692	Unspecified
-231418	11/5/82	[redacted]	2,577	Burns
-230719	10/18/82	[redacted]	5,196	Fx Lt. Thumb
-230523	9/20/82	[redacted]	587	Cuts
2055	10/28/82	[redacted]	2,217	Cuts
-231887	9/30/82	[redacted]	6,817	Back
-231012	11/29/82	[redacted]	19,625	Lt. Shoulder
-224256	9/8/80	[redacted]	8,012	Lt. Shoulder
-231301-26	6/1/83	[redacted]	115	Fx Toe
-231301-28	6/2/83	[redacted]	115	Laceration
-217551	8/9/79	[redacted]	3,170	Unspecified
-228060	11/3/81	[redacted]	7,600	Amp. Mid Finger
			$102,334	

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PENDING AUTO LIABILITY CLAIMS @ 6/30/83
(CNA HANDLED)

CNA FILE #	D/L	CLAIMANT	AMOUNT RESERVED
23-249029	4/15/83	[redacted]	$1,000 PD
52-318415	3/22/83	[redacted]	290 PD
			$1,290

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The following liability claims are pending further action in Canada:

Claimant's Name	Product	Amount of Claim	Explanation
[redacted]	Oven	$500.00	Counter Top
[redacted]	Iron	150.00	Clothing
[redacted]	ADC	340.00	Counter Top
[redacted]	Kettle	200.00	Counter Top
[redacted]	Oven	400.00	Counter & Curtains
[redacted]	Oven	300.00	Counter Top
[redacted]	Iron	120.00	Clothing
		$2,010.00	

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Claim 912-4008 [redacted]
Amputation of the 2nd and 3rd finger on the right hand.
Date of the Accident - 4-1-71.

Current liability - Annual replacement of the prosthetic devices.

Claim 912-4223 [redacted]
Strain of the back and neck
Date of the Accident 10-5-73

Current liability - Payment of medical bills for periodic doctor visits, medication, and back brace

Claim 912-4701 [redacted]
Automobile accident resulting in death.
Date of the Accident 2-26-78

Current liability - Payment of $123.32 every two weeks for the next fifteen years.

Claim 912-4803 [redacted]
Traffic accident resulting in severe leg injuries
Date of the accident 9-20-79

Current liability- Worsening of an existing condition resulting in a higher permanent partial disability settlement.

Claim 912-5006 [redacted]
Dislocated left shoulder
Date of the Accident: 12-8-81

Current liability - We have been ordered to pay $2,075.00 to [redacted] as an award for 5% permanent partial disability. Claim is currently under appeal.

Claim 3505-82003 [redacted]
Minor fracture of the right index finger
Date of the Accident - 4-21-82

Current liability - None. [redacted] is no longer employed by Proctor Silex, however because of her mental condition, she may pursue a permanent partial claim in the future.

Claim 3505-82006 [redacted]
Lacerations and serious fractures of the lower left leg.
Date of the Accident - 7-16-82

Current liability - Permanent partial disability payments.

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EXHIBIT E

Pursuant to Section 1.1.6 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

GOVERNMENTAL LICENSES, PERMITS AND APPROVALS

(i) Environmental

N.C. RCRA Classification	NCD003229358	Mt. Airy, N.C.
* N.C. NPDES Permit	NC0005703	Mt. Airy, N.C.
* N.C. PSD Permit	2681R3	Mt. Airy, N.C.
N.C. RCRA Classification	NCD003234549	Southern Pines, N.C.
* N.C. NPDES Permit	NC0002194	Southern Pines, N.C.
* N.C. PSD Permit	1662R2	Southern Pines, N.C.
Pa. RCRA Determination		Altoona, Pa.
Pa. Indust. Waste Permit	0768201	Altoona, Pa.
Pa. Sewerage Permit	568S027	Altoona, Pa.
Water Discharge Agreement		Altoona, Pa.

(ii) Other

Certificate of Occupancy	MA70782 03/06/69	Altoona, Pa.
Certificate of Boiler or Pressure Vessel Oper.	080650 11/21/81	Altoona, Pa.
Certificate of Boiler or Pressure Vessel Oper.	063290 03/02/81	Altoona, Pa.

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Certificate of Boiler or Pressure Vessel Oper.	063290 06/17/81	Altoona, Pa.
* Canada Vendor's Permit	32269048 01/28/69	Toronto, Ontario

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EXHIBIT F

Pursuant to Section 1.2 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

NONASSIGNABLE ITEMS

Each item marked with an asterisk (*) on any Exhibit to this Agreement is a Nonassignable Item pursuant to Section 1.2 of this Agreement and is deemed incorporated hereon by reference.

EXHIBIT G

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Pursuant to Section 1.3 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

EXCLUDED ASSETS

All electronic data processing equipment other than any such equipment located at the Proctor-Silex King of Prussia offices and Altoona, Southern Pines, Mount Airy and Baltimore facilities.

All Computer Software.

All written material relating to computer software, electronic data processing or related equipment (other than as transferred hereunder) or the use thereof.

All tangible Assets in the United Kingdom and Europe other than Inventories, Accounts Receivable in the United Kingdom and the Billinghurst facilities.

Accounts Receivable located in France, Belgium and Germany.

Cash and Marketable Securities.

Non-transferable prepaid expenses.

Wholesale Agreement dated August 21, 1980, between General Merchandise Specialists, Inc. and Proctor-Silex Group of SCM Corporation.

Claims accruing prior to Closing against the following parties:

Moulinex Espana (breach of contract to purchase)
Sicer S n C (breach of royalty settlement agreement)
N.R. Drenning (property damage Altoona warehouse)
Mediators, Inc. (failure to perform advertising obligations)
Recon Cablaggi (supply of defective cord sets)
MPT Corporation (failure to pay for agreement not to compete)
SCM v. Brian Campbell v. Excello (Workmen's Compensation Subrogation Claim)
Braun (Patent Claim)
Wickes Corp. (Bankruptcy failure to pay for merchandise approximately $106,000).

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EXHIBIT H

Pursuant to Section 2.3(c) of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

ALLOCATION OF PURCHASE PRICE

Allocation of Gross Purchase Price - (Amount prior to reduction for assumed liabilities)

The following allocation is based on the Proctor-Silex Condensed Balance Sheet prepared as of May 31, 1983 as included in SCM Corporation's letter to Wesray Corporation dated July 1, 1983. Values for fixed assets, accounts receivable, prepaid expenses and inventory are to be increased or decreased based on increases or decreases in book values of such accounts from May 31, 1983 to the Final Balance Sheet (Exhibit J).

(AMOUNTS IN THOUSANDS OF U.S. DOLLARS)

	TOTAL	U.S.	CANADA	U.K.	OTHER
Fixed Assets	$12,366	$12,084	$ 126	$ 52	$ 104
Inventories	19,000	12,550	5,339	936	175
Receivables	22,555	18,599	2,913	963	80
Prepaid Expenses	280	268	5	4	3
Patents	2,500	2,500			
Leases:					
Altoona, Arbutus and Baltimore	4,000	4,000			
All Other Leases	1,000	1,000			
Customer List	50	50			
Time Sharing	1,600	1,600			
Trademarks	2,000	2,000			
Covenant not to Compete	50	50			
	$65,401	$54,701	$ 8,383	$ 1,955	$ 362

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EXHIBIT I

Pursuant to Section 2.4 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

FORM OF PROMISSORY NOTE

Attached hereto.

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SUBORDINATED PROMISSORY NOTE

$3,000,000.00 _____, 1983

For value received, the undersigned, WESRAY APPLIANCES, INC., a Delaware corporation (hereinafter called "Maker"), hereby promises to pay to the order of SCM CORPORATION, a New York corporation, or to the holder from time to time of this Note (hereinafter called the "Payee"), subject to the restrictions set forth on Annex I attached hereto and incorporated herein by reference, the principal sum of Three Million Dollars ($3,000,000.00) (the "Principal Amount") with interest from the date hereof on the unpaid principal sum from time to time outstanding at a rate per annum (the "Actual Rate") which shall be the lesser of (a) ten percent (10%), or (b) the rate equal to the interest rate charged, from time to time, by _____ to its most substantial commercial customers on ninety (90) day loans (the "Prime Rate"). The Actual Rate shall be determined monthly on the first day of each calendar month based on the Prime Rate in effect on such day. The Actual Rate in effect on such first day of each month shall remain fixed until the next determination thereof pursuant to the preceding sentence regardless of any fluctuations in the Prime Rate during such month and of whether the first day of a month is a business day.

Principal and interest on this Note shall be payable as follows:

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Interest only shall accrue from _____, 1983 to _____, 1985 and shall be added to the amount of principal payable over the term of this note beginning _____, 1985; and

Beginning _____, 1985 principal and interest (including the interest accrued during the first two years) shall be payable in twenty (20) quarterly installments on the ____ day of _____, _____, _____, and _____ (the "Payment Dates"), to and including _____, 1990; provided, however, that (i) the last of said payments shall be in the full amount of the balance of the Principal Sum and interest then remaining unpaid. The amount of each installment of principal shall be the appropriate amount set forth in Annex II hereto.

Payments of principal and interest shall be made in immediately available funds at the offices of SCM Corporation, 299 Park Avenue, New York, New York 10171, or at any other place in the United States hereafter designated by the Payee in writing delivered to Maker.

By accepting this Note, Payee agrees that this Note shall be subordinated to other debts of Maker as set forth on Annex I, and Payee shall not, pursuant to this Note, have any priority over any other creditors of Maker solely as relates to this Note.

Prepayments

Maker shall have the right at any time to prepay, without premium or penalty, all or any part of the unpaid principal balance of this Note, provided that at the time of any such prepayment, Maker shall also pay all accrued interest on the amount of such principal sum so prepaid. Prepayments shall be credited against quarterly installments in the inverse order of their maturity.

Covenants

Maker covenants that, so long as it shall have any obligation to pay principal or interest under this Note, it shall comply with all affirmative and negative covenants contained in the agreements then in force with the lenders or other holders of the Superior Debt as defined in Annex I hereto as such agreements for Superior Debt may be modified from time to time including but not limited to delivery to Payee of an annual financial statement and compliance certificate in the from required by such agreements.

Events of Default

If any of the following events ("Events of Default") shall occur:

(a) default by Maker in the payment of any installment of principal or interest on this Note when the same becomes due and payable which default continues

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unremedied for a period of fifteen (15) days after the applicable due date;

(b) default by Maker in the performance of or compliance with any other term, representation, warranty or covenant contained in this Note which default continues unremedied for a period of thirty (30) days after notice by Payee requesting that such default be cured;

(c) if Maker shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file any answer admitting or not contesting the material allegations of a petition filed against Maker in any such proceeding or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Maker;

then, and in any such event, the Payee may at any time (unless all defaults shall have been remedied) at its option, by written

notice to Maker, declare the entire amount of principal and interest remaining unpaid on this Note due and payable, whereupon the same shall forthwith become due and payable, subject to the terms of Annex I.

In case any one or more Events of Default shall occur and be continuing, Payee may proceed to protect and enforce its rights by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any covenant contained in this Note, or for an injunction against a violation of any of the terms hereof, or in aid of the exercise of any power granted hereby or by law. No course of dealing and no delay on the part of Payee in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice rights of Payee or such holder. No right conferred hereby on Payee shall be exclusive of any other right referred to herein or now or hereafter available at law, in equity, by statute or otherwise. Maker hereby waives demand, protest, presentment for payment and diligence in bringing action against any party.

Other Matters

This Note may be assigned and transferred by Payee and/or any assignee at any time. Maker shall keep at its principal office a register in which Maker shall provide for the registration of this Note and of assignment and transfer of this Note. Upon surrender of this Note for assignment and transfer at the office of Maker in

accordance with the terms of this paragraph, Maker shall execute and deliver, in the name of the designated assignee(s) a new Note or Notes in a principal amount or amounts equal, in the aggregate, to the unpaid principal amount of, and dated the date to which interest has been paid on, the Note so surrendered. When this Note shall be presented or surrendered for assignment and transfer, it shall be accompanied by a written instrument of assignment and transfer duly executed by the registered holder thereof or his attorney duly authorized in writing and by an opinion of counsel for the registered holder thereof that the assignment and transfer will not be in violation of the Securities Act of 1933. Maker may treat the registered holder as the owner of the Note for the purpose of receiving payment of principal of and interest on the Note and for all other purposes whatsoever. The terms "Note," "Notes," and "this Note" shall include any note or notes issued under this paragraph.

Any term of this Note may be amended and the observance of any term, representation, warranty or covenant thereof may be waived (either generally or in a particular instance) only with the written consent of Maker and of Payee; provided that no such amendment or waiver shall, without prior written consent of Payee and/or its assigns which are the holders of all of the Notes at the time outstanding, (a) extend the fixed maturities or reduce the principal amount of, or reduce the rate or extend the time of payment of interest on any Note, or (b) increase the percentage of

the principal amount of Notes the holders of which are entitled to accelerate the maturity of the Notes as provided herein. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each holder of any Note at the time outstanding, each future holder of any Note and Maker.

All of the provisions of this Note shall bind and inure to the benefit of Maker, Payee and their respective successors and assigns and, in particular, shall inure to the benefit of and be enforceable by any holder or holders at the time of the Notes or any part thereof.

Any notice or other required or permitted communication to Maker hereunder shall be deemed received by Maker and to be effective on the date delivered to Maker at 330 South Street, CN-1975, Morristown, New Jersey 07960, or such other address as Maker may hereinafter designate in writing to Payee, or, if sent by registered or certified mail, return receipt requested, first class, postage prepaid, on the fifth (5th) day after the date on which mailed, addressed to Maker at such address.

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This Note shall be governed by, and construed in accordance with, the laws of the State of _____.

ATTEST:

_____

WESRAY APPLIANCES, INC.

By: _____
President

CONFIDENTIAL

ANNEX I

Restrictions on Payment of Promissory Note

Maker's payment of this Note shall be subject to the following restrictions:

Anything in this Note to the contrary notwithstanding, the obligations of Maker in respect of the principal of and interest on this Note shall be subordinate and junior in right of payment, to the extent and in the manner hereinafter set forth, to (i) any indebtedness of Maker in respect of a certain loan agreement between Maker and _____, dated as of the Closing Date, including any advances or readvances under or refinancings of the aforementioned loan agreement (the "Institutional Debt"), and (ii) debts to trade and all other creditors of Maker (such indebtedness and other debts of Maker to which the obligations of Maker in respect of this Note are to be subordinate and junior as hereinafter provided being herein called the "Superior Debt").

(a) In the event of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization, arrangement, readjustment, composition or other similar proceedings in connection therewith, relative to Maker or to its creditors, as such, or to its property, or in the event of any proceedings for

CONFIDENTIAL

voluntary liquidation, dissolution or other winding-up of Maker, whether or not involving insolvency or bankruptcy, or in the event of any assignment by Maker for the benefit of creditors or in the event of any other marshalling of the assets of Maker, then the holders of Superior Debt shall be entitled to receive payment in full of all principal, premium and interest on all Superior Debt (including interest thereon accruing after the commencement of any such proceedings) before the holder of this Note is entitled to receive any payment on account of principal or interest upon this Note, and to that end the holders of Superior Debt shall be entitled to receive for application in payment thereof any payment or distribution of any kind or character, whether in cash or property or securities, which may be payable or deliverable in any such proceedings in respect of this Note.

(b) In the event that this Note is declared due and payable before its expressed maturity because of the occurrence of an Event of Default (under circumstances when the provisions of the foregoing clause (a) shall not be applicable), the holders of the Superior Debt outstanding at the time this Note so becomes due and payable because of such occurrence of such Event of Default shall be entitled to receive payment in full of

CONFIDENTIAL

all principal of, and premium and interest on, all Superior Debt before the holder of this Note is entitled to receive any payment on account of the principal of, or the interest on, this Note.

(c) No payment of principal of or interest or distribution of any kind on this Note shall be made at any time when a default involving the payment of principal, interest or premium, if any, has occurred and is continuing under any Superior Debt, and, if any such payment or distribution is made, then the holder or holders of this Note will hold the same in trust and pay it over to the holders of the Superior Debt.

(d) The terms of this Note shall not be modified without the prior written consent of the holders of the Superior Debt.

(e) The holders of Superior Debt may, at any time, in their discretion, renew or extend the time of payment of Superior Debt so held or exercise any of their rights under the Superior Debt including, without limitation, the waiver of defaults thereunder and the amendment of or any of the terms or provisions thereof (or any notice evidencing or creating the same), all without notice to or assent from the holder of this Note. No compromise, alteration, amendment, modification, extension, renewal

or other change of, or waiver, consent or other action in respect of any liability or obligation under or in respect of, any terms, covenants or conditions of the Superior Debt (or any instrument evidencing or creating the same) and no release of property subject to the lien of the Superior Debt (or any instrument evidencing or creating the same), whether or not such release is in accordance with the provisions of the Superior Debt (or any instrument evidencing or creating the same), shall in any way alter or affect any of the provisions of this Note.

(f) The holder of this Note shall not take any action against the Payee with respect to any Event of Default until such thirty (30) days have expired and after at least forty-five (45) days notice by the holder hereof to the holders of the Institutional Debt, during which period any such holder of the Institutional Debt may cure such default.

No present or future holder of Superior Debt shall be prejudiced in his right to enforce the subordination of this Note by any act or failure to act on the part of the Maker. This subordination of this Note, and the rights of the holders of Superior Debt with respect thereto, shall not be affected by any amendment or other modification of any Superior Debt or any exercise or nonexercise of any right, power or remedy with respect thereto.

The provisions of this Annex I shall not alter or affect, as between Maker and Payee, the obligations of Maker to pay in full the principal of and interest on this Note, which obligations are absolute and unconditional. In the event that by virtue of this Annex I any amounts paid or payable to the Payee in respect of the Note shall instead be paid to the holders of Superior Debt, Payee shall to this extent be subrogated to the rights of such holders; provided, however, that no such rights of subrogation shall be asserted against Maker until the Superior Debt has been paid in full.

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ANNEX II

Payment No.	Principal Amount

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EXHIBIT J

Pursuant to Section 2.5(b) of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

FORM OF AUDIT REPORT

Attached hereto.

CONFIDENTIAL

SCM Corporation:

We have examined the specified assets (other than accounts receivable) and liabilities set forth in the accompanying Statement of Net Assets Acquired and Assumed (the "Statement") of the Proctor-Silex Group ("Proctor") of the Consumer Products Division of SCM Corporation ("SCM") as of August 28, 1983, sold and transferred pursuant to the Agreement of Purchase and Sale of Assets between SCM and Wesray Appliances, Inc. dated August xx, 1983 (the "Agreement") determined as described in Note Y. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such specified assets (other than accounts receivable) and liabilities as of August 28, 1983 are presented fairly in accordance with generally accepted accounting principles [describe any exceptions] applied on a basis consistent with that used by SCM Corporation in the preparation of its consolidated financial statements as of June 30, 1983 [describe any exceptions].

In addition, we performed the following agreed-upon procedures with respect to the accounts receivable balance set forth in the Statement:

1. We read the Agreement.

2. We compared the balance of accounts receivable shown on the Statement to the balance of general ledger account 03-0000 as shown in the general ledger of Proctor and found it to be in agreement. As contemplated by Section XX of the Agreement which provides for the guarantee of accounts receivable by SCM, such balance is stated before any allowance for doubtful accounts.

Because these procedures with respect to accounts receivable were not sufficient to constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on the net assets acquired and assumed as set forth in the Statement. In performing these procedures, however, no matters came to our attention that caused us to believe that the net assets acquired and assumed should be adjusted. Had we performed additional procedures or had we made an examination in accordance with generally accepted auditing standards, matters may have come to our attention that would have been reported to you.

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Proctor-Silex Group
Consumer Products Division of SCM Corporation
Statement of Net Assets Acquired and Assumed
August 28, 1983
(In thousands)

Specified Assets (Other than Accounts Receivable) and Liabilities

Assets:		
Inventories:		
Raw Materials and work in process	$	
Finished		$XXXXX
Property, plant and equipment, at cost:		
Land		
Building		
Machinery and other equipment		
Less accumulated depreciation		XXXXX
Prepaid Expenses and other assets		XXXXX
Total Assets		XXXXX
Liabilities:		
Accounts Payable		
Accrued Liabilities		
Total Liabilities		XXXXX
Specified Assets (Other than Accounts Receivable) and Liabilities		$XXXXX
Accounts Receivable		XXXXX
Net Assets Acquired and Assumed		$XXXXX

See accompanying Notes.

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Notes

Note X - Accounting Policies:

This note will describe the significant accounting policies applicable to the amounts presented in the Statement of Net Assets Acquired and Assumed.

Note Y - Description of Net Assets Acquired and Assumed

This note will identify those assets (sold) and liabilities (transferred) which have been included in the Statement of Net Assets Acquired and Assumed by reference to specific Articles/Exhibits in the Agreement which more fully describe such assets and liabilities.

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EXHIBIT K

Pursuant to Section 3.1 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

EXCLUDED LIABILITIES

(a) Any and all liability for loss, cost, damage or expense resulting from or arising out of the matters set forth in Section 8.1 of this Agreement, with respect to which Seller has agreed to indemnify Buyer;

(b) Any and all liability for loss, cost, damage or expense resulting from or arising out of the failure of Seller to comply with one or more provisions of the Employee Retirement Income Security Act of 1974, as amended, or the rules and regulations of the Pension Benefit Guaranty Corporation;

(c) Any and all liability for loss, cost, damage or expense (except to the extent that Buyer's cooperation and involvement provided for herein entails cost and expense by Buyer) resulting from or arising out of the pending or potential litigation set forth on Exhibit S, (except as provided in Section 3.1(d)) and (except for the Hart-Scott-Rodino Antitrust Improvements Act), any civil or criminal liabilities or obligations under any state or federal antitrust statute or other law regulating competitive activity (and any expense related thereto) that now exist or may arise as a result of or in connection with conduct of Seller occurring prior to the Closing Date to the extent that such liability, loss, cost, damage or expense is attributable to events occurring prior to the Closing Date, provided, however, that if any liability for loss, cost, damage or expense results from or arises out of the matter referred to in item 2 of Exhibit S to this Agreement as a result of Buyer placing advertisements containing equivalent claims as to Automatic Drip Coffeemaker pump durability in any trade or consumer publications, such liability shall not be an Excluded Liability for purposes of this Exhibit K or Section 3.1 of the Agreement.

(d) Any and all liability for loss, cost, damage or expense resulting from or arising out of any written or express oral employment agreements with management personnel entered into solely by Seller on or prior to the Closing Date subject to the provisions of the Agreement; provided, however, that it is understood that Buyer shall assume any and all liability for loss, cost, damage or expense resulting from or arising out of any written or express oral employment agreements with management personnel entered into solely by Buyer, subject to the provisions of the Agreement.

(e) Liabilities and expenses accrued on the books and records of the Business on the Closing Date which are not listed on Exhibit L.

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EXHIBIT L

Pursuant to Sections 3.1(e) and 3.3(b) of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

ASSUMED LIABILITIES

PROCTOR-SILEX DOMESTIC

Accrued Salary and Wages

Accrued Commissions (Including Agents)

Accrued Vacation (Seller's Vacation Pay Policy is attached hereto and made a part hereof)

Accrued Holidays

FICA - Accrued

Bonds Withheld

Union Dues

Credit Union

United Fund

Accrued Federal Unemployment Tax

Accrued State Unemployment Tax

Accrued Workmen's Compensation

Reserve for Donations

Volume Discount

Under/Overbilling

Accrued Warranty

Accrued Promotion

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Local Promotion

Local Promotion - Matching Money

Meeting Competition

Accrued Legal/Patents

Freight and Duty

Building Escalation

National Advertising

Rebates

Accrued Duty - Mexico

Reserve Old Style Iron Exit

Miscellaneous

Deferred Revenue/Guaranteed Sales

Outside Service

Trip Promotion (Salesmen Incentive)

Sales Meeting/Shows

Accrued Personal Property Tax

Accrued Rents

Accrued Utility Bills

CONFIDENTIAL

82-18

Company Policy: VACATIONS

Date Issued: 2/5/80 Reissued 5/28/82, 6/9/82
Organizational Segments Affected:

Approved By: _____ Plant Manager _____ Personnel Manager

Effective immediately this vacation policy supercedes all previous vacation policies for hourly paid employees.

SHUT DOWN PERIOD OF TIME

1.1 The duration of plant shut down established for vacations and the date of such shut down will be at the discretion of the Company.

1.2 The Company will provide advance notice before any vacation shut down.

AMOUNT OF VACATION DUE

2.1 The vacation year is calculated from June 1 to May 31, each calendar year.

2.2 On June 1 of each year the eligibility of each employee will be calculated.

2.3 Incentive operators will be paid on hourly vacation pay rate based upon their average hourly earnings less shift and overtime premium pay for the preceding quarter of January, February, March.

2.4 Hourly paid employees will be paid vacation pay at their regular hourly rate of pay less shift and overtime premium as of March 31.*

2.5 The hours of vacation pay based upon length of continuous service are as follows:

Length of Service	Paid Vacation	Length of Service	Paid Vacation
0-90 Days	0	1-2 Years	40 Hours
91-180 Days	8 Hours	2-10 Years	80 Hours
181-270 Days	20 Hours	10-20 Years	120 Hours
271-364 Days	32 Hours	20 Years	160 Hours

* Revised 4/28/83

R.E. Slack
Personnel Director

G.P. LaShomb
Plant Manager

c/o Ed Silverstein

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LEAVES OF ABSENCE

3.1 Employees who are on leaves of absence during the vacation year will have their vacation pay prorated in the following manner:

Length of Leave	Percentage of Vacation Pay Received	Length of Leave	Percentage of Vacation Pay Received
0-60 Days	100%	241-270 Days	30%
61-90 Days	90%	271-300 Days	20%
91-120 Days	80%	301-330 Days	10%
121-150 Days	70%	331-365 Days	0%
151-180 Days	60%		
181-210 Days	50%		
211-240 Days	40%		

SEPARATIONS:

4.1 If an employee quits or is discharged for cause, he or she is entitled to no vacation pay.

4.2 If an employee is terminated due to a reduction in workforce, he or she is entitled to vacation pay as follows:

4.21 Length of service will be computed up to the day of termination and vacation pay will be prorated under the following schedule.

Vacation Year Length of Service	Percentage of Pay Received
0-60 Days	0%
61-90 Days	10%
91-120 Days	20%
121-150 Days	30%
151-180 Days	40%
181-210 Days	50%
211-240 Days	60%
241-270 Days	70%
271-300 Days	80%
301-330 Days	90%
331-365 Days	100%

INTENT:

5.1 The purpose of a vacation is to provide needed rest for the human body and spirit. When employees are called upon to work during a plant shut down for maintenance or inventory purposes, the Company insists that they take their vacation at another time. The time off for vacation should be worked out between the employee and his supervisor. Advance notice from employees is required prior to taking vacation time off.

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Kol + Salaried

85.2
Vacation - Salaried Employees

3/3/81
All Previous Policies

1. All full time salaried employees throughout the Company will receive vacation as follows:

   a. At least 6 months completed during fiscal year in which employed - 1 week's vacation

   b. *12 months or more completed - 2 week's vacation

   c. 7 years or more completed - 3 week's vacation

   d. 15 years or more completed - 4 week's vacation

   e. 25 years or more completed - 5 week's vacation

   * Employees who do not complete six months service during the fiscal year in which employed are eligible for one week's vacation in the following fiscal year when they have completed six months' service and are eligible for the second week upon completion of 12 months service.

2. Employees are eligible for two week's vacation any time in the fiscal year in which their second through sixth anniversaries fall.

3. Employees are entitled to three week's vacation any time in the fiscal year in which their seventh through fourteenth employment anniversaries fall.

4. Employees are entitled to four week's vacation any time in the fiscal year in which their fifteenth through subsequent anniversaries fall.

5. Employees are entitled to five week's vacation any time in the fiscal year in which their twenty-fifth through subsequent anniversaries fall.

6. In case of broken service, the period of service prior to the break is included in the vacation eligibility calculation.

7. Vacations may be scheduled throughout the fiscal year at the mutual convenience of the employees and the department. Vacations may not be accumulated or carried forward from year to year. Each department Manager is responsible for scheduling and maintaining adequate vacation records.

United States only.

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tion - Salaried Employees

When a holiday occurs during a scheduled vacation, an extra day is allowed at the beginning or end of the vacation, provided prior supervisory approval is received.

When an employee resigns or is otherwise terminated and has not taken all vacation to which s/he is entitled in that fiscal year, s/he will be paid a vacation allowance for the unused portion, in accordance with the Policy on Salaried Employee Terminations (90.1).

Employees on the Key Management List (see Corporate Policy) may be provided three week's vacation each year irrespective of length of continuous service.

Any variations from this policy must have the prior written approval of the Group Director, Employee Relations.

CONFIDENTIAL

Bob Walton - 299 Park Avenue, New York, NY

Mt Airy

VACATION:

Proctor-Silex, Mount Airy Plant, normally closes the first two weeks of July for employees' vacation. Proctor-Silex has one of the best vacation pay plans in our area. Employees working at vacation time receive pay as follows:

0 - 3 months	0
3 - 6 months	8 hours
6 - 9 months	20 hours
9 - 12 months	32 hours
1 - 2 years	40 hours
2 - 10 years	2 weeks
10-20 years	3 weeks (will pay at time of third week)
20 years	4 weeks (will pay at time of fourth week)

Proctor-Silex will close the plant another week of each year for a third week vacation. All employees completing 10 years service before June 1 of that year and working prior to this week will receive 40 hours pay for this week of vacation.

Employees completing 20 years continuous employment before June 1 of that year will receive a fourth week of vacation time. This will be taken at a time agreed upon by you and your supervisor. Forty hours pay will be received for this week.

The three months of January, February, and March were used to determine the average hourly rate. If an employee was not present during that period, the prior three months were used.

SCM CORPORATION

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No. 1978-5
Subject. Vacation - Salaried Employees

Date. March 20, 1978
Supersedes.
Amends. 1976-7

This policy describes paid vacations for salaried employees.

The policy is amended by adding a new Paragraph 5, as follows:

"5. In case of broken service, the period of service prior to the break is included in the vacation eligibility calculation."

The previous Paragraph 5 becomes Paragraph 6, and subsequent paragraphs are numbered sequentially.

. . .

10. Employees on the Key Management List (see policy No. 1973-12) may be provided three weeks' vacation each year irrespective of length of service.

George E. Hall
Senior Vice President-Administration

Approved:

Paul H. Elicker
President

Distribution:

U.S. and Canada only

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See 1978-5

No. 1976-7
Subject. Vacation - Salaried Employees

Date. June 29, 1976
Supersedes. 1973-11, April 9, 1973
Amends. None

1. All salaried employees throughout the company will receive vacation as follows:

   a. At least 6 months completed during calendar year employed - 1 week's vacation

   b. *12 months or more completed - 2 week's vacation

   c. 7 years or more completed - 3 week's vacation

   d. 15 years or more completed - 4 week's vacation

   *Employees who do not complete six months' service during the calendar year in which employed are eligible for one week's vacation in the following calendar year when they have completed six months' service and are eligible for the second week upon completion of the 12 months' service.

2. Employees are eligible for two week's vacation any time in the calendar year in which their second through sixth anniversaries fall.

3. Employees are entitled to three week's vacation any time in the calendar year in which their seventh through fourteenth employment anniversaries fall.

4. Employees are entitled to four week's vacation any time in the calendar year in which their fifteenth through subsequent anniversaries fall.

5. Vacations may be scheduled throughout the calendar year at the mutual convenience of the employees and the organizational unit. Vacations may not be accumulated or carried forward from year to year.

6. When a holiday occurs during a scheduled vacation, an extra day is allowed at the beginning or end of the vacation.

7. When an employee resigns or is otherwise terminated and has not taken all the vacation to which he is entitled that calendar year, he will be paid a vacation allowance for the unused portion.

See Next page

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8. While it is the corporate policy to provide employees with a competitive and fair vacation program, it is recognized that practices vary widely by industry. Therefore, it may be proper for a division or business group to vary the foregoing policy for its salaried employees. In such an event, advance approval of the corporate vice president-employee relations is required.

9. Employees on the Key Management List (see Corporate Policy) may be provided three week's vacation each year irrespective of length of continuous service.

10. Divisions should continue to issue procedures on vacation scheduling and rules.

George E. Hall
Senior Vice President-Administration

Approved:

Paul H. Elicker
President

J. W. Duva
Director Employee Benefits and
Compensation
Corporate Headquarters

CONFIDENTIAL

EXHIBIT M

[Intentionally omitted.]

EXHIBIT N

CONFIDENTIAL

Pursuant to Section 4.1.2 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

SUBSIDIARIES ENGAGED IN THE BUSINESS

Smith-Corona (France), S.A.
SCM Europe, S.A. (Belgium)
SCM (Canada) Limited
SCM (United Kingdom) Limited (Delaware)
Proctor-Silex S.A. de C.V. (Mexico)
KOP Holdings Limited (New Zealand)
KOPAR Limited (New Zealand) - 50%
SCM International Ltd. (Delaware)

Stock of the Subsidiaries Engaged in the Business which is not owned by Seller is owned as follows:

1. Proctor-Silex, S.A. De C.V. Mexico Shareholders

SCM Corporation	496
Henry R. Murphy	1
Harry Hill	1
Robert Walton	1
Gerald P. Lashomb	1

2. KOP Holdings Ltd. New Zealand

SCM Corporation	9,999
Joe Cole	1

3. KOPAR Appliances Ltd. New Zealand
(50% owned by KOP - 50% owned by KOPAR)

KOP Holdings	10,000	Class B
Robinson Industries	10,000	Class A

4. Others - Certain minority stock interests in those Subsidiaries Engaged in the Business, the stock of which is not being transferred to Buyer hereunder, are owned by directors, officers or other employees of Seller of such Subsidiaries.

CONFIDENTIAL

EXHIBIT O

Pursuant to Section 4.1.5 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

GOVERNMENTAL CONSENTS

Governmental consents, approvals, orders or authorizations, whether in the United States, Canada, U.K., Mexico, New Zealand, Belgium, France and Germany or any other country in which the Business is conducted or any country containing Seller's assets to be transferred or assigned hereunder may be required for the execution and delivery of this Agreement by Seller or the consummation by Seller of the transactions contemplated hereby including but not limited to the transfer of the Assets to Buyer.

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EXHIBIT P

Pursuant to Section 4.1.9 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

INVENTORIES

Attached hereto.

SUMMARY

CONFIDENTIAL

PROCTOR-SILEX
INVENTORIES AS OF JUNE 30, 1983

:ATION		RAW MATERIAL		WORK IN PROCESS		FINISHED GOODS	TOTAL
:oona	(1)	$1,618,316	(2)	$ 762,615	(3)	$ 39,653	$2,420,584
ltimore	(4)	389,378	(5)	118,912	(6)	15,129	523,419
. Airy	(7)	1,964,351	(8)	957,657		-	2,922,008
. Pines	(9)	1,752,914	(10)	660,822		-	2,413,736
:al Factories		$5,724,959		$2,500,006		$ 54,782	$8,279,747
ltimore D.C.					(11)	$11,070,557	$11,070,557
:vice		$ 450,470		-		-	$ 450,470
:ico Consigned		569,645		-		-	569,645
:c. (Printing, Litho)		14,148		-		-	14,148
:-total Domestic		$6,759,222		$2,500,006		$11,125,339	$20,384,567
:ada	(12)	$ 300,882		-	(13)	$ 4,035,706	$ 4,336,588
ited Kingdom		159,704		-	(15)	1,748,789	1,908,493
lgium		-		-	(16)	51,060	51,060
:many		-		-	(17)	33,957	33,957
ance		-		-	(18)	77,876	77,876
xico		-		-		-	-
tal		$7,219,808		$2,500,006		$17,072,727	$26,792,541

serves		
Domestic	(19)	$(1,007,429)
Canada	(20)	(53,895)
United Kingdom	(21)	(375,376)
Elimination Entries		(596,000)
AND TOTAL		$24,759,841

REVISED 7/22/83

CONFIDENTIAL

PROCTOR-SILEX
CANADIAN INVENTORY RESERVE
JUNE 30, 1983

OBSOLESCENCE	VALUE
SERVICE PARTS	$ 16,250
FINISHED GOODS	4,062
SUB-TOTAL	$ 20,312
SPECIAL	
KETTLE RAW MATERIAL	$ 23,063
REVALUATION RESERVE CARRY-FORWARD	10,520
TOTAL CANADIAN RESERVE DOLLAR	$ 53,895

REVISED
7/22/83

CONFIDENTIAL

PROCTOR-SILEX
FIXED ASSETS
JUNE 30, 1983

	COST	CAP INT	RESERVE	NET
(1) KING OF PRUSSIA	$ 824,762	$ -	$ (535,013)	$ 289,749
(2) ALTOONA	11,594,963	245,211	(7,556,286)	4,283,888
(3) BALTIMORE	3,542,060	54,762	(1,993,977)	1,602,845
(4) MT. AIRY	11,988,146	160,536	(6,744,087)	5,404,595
(5) SO. PINES	12,828,390	278,759	(6,137,041)	6,970,108
SUBTOTAL	$40,778,321	$739,268	$(22,966,404)	$18,551,185
(6) CIP	$ 161,430			$ 161,430
(7) JUAREZ	132,476		(28,614)	103,862
(8) CANADA	1,037,321		914,080	123,241
(9) U.K.	221,122		(172,423)	48,699
(10) RESERVE FOR LOSS			(691,833)	(691,833)
TOTAL	$42,330,670	$739,268	$(24,773,354)	$18,296,584

REVISED
7/22/83

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EXHIBIT Q

Pursuant to Section 4.1.12 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

PATENT OR TRADEMARK INFRINGEMENT

None

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EXHIBIT R

Pursuant to Section 4.1.14 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

EXCEPTIONS TO BUSINESS IN THE ORDINARY COURSE

None

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EXHIBIT S

Pursuant to Section 4.1.16 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

LITIGATION

See attachment hereto.

OTHER LITIGATION

1. Breville Holdings Pty. Ltd. (Australia v. Proctor-Silex, on an epidemic failure warranty claim in the amount of $43,000.

2. General Electric threat of action based solely on Automatic Drip Coffeemaker pump durability advertising claim made by Seller in trade publications prior to the Closing Date as set forth in letter dated March 10, 1983 from GE to Seller.

3. Frank Natoli: potential discussions with FTC regarding Proctor-Silex sales practices.

4. Revco v. Proctor-Silex, in the amount of $6.5 million, on a claim for breach of warranty and misrepresentation.

5. Jessie Williams v. Proctor-Silex, regarding unemployment compensation, in the amount of $75,000.

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CLAIMS AND SUITS - PROCTOR-SILEX (U.K.)

1. General Liability

No outstanding claims.

2. Products Liability

Product	Damage	Reserve
Iron	Burnt clothing	120 pounds
Toaster	Burnt curtains	150 pounds
Iron	Iron burnt out; smoke damage to curtains	250 pounds

3. Other claims

7/12/83	Windshield	123 pounds

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PRODUCT LIABILITY CLAIMS & SUITS
CONSUMER PRODUCTS
APPLIANCES

E #	CLAIMANT	D/A	AMOUNT CLAIMED	LOSS DESCRIPTION
)7	[redacted]	7-19-81	Unspecified	Toaster (BI)
90		11-30-77	$ 32,000	Toaster fire (PD
10		7-25-78	5,668	Toaster fire (PD
99		6-30-80	10,000	ADC (PD)
35		11-13-79	46,058	Toaster (PD)
)1		1981	7,500	Iron (PD)
96		4-26-81	Unspecified	ADC (BI)
55		1-4-78	51,756	Iron fire (PD)
52		12-12-80	5,000	Toaster fire (PD
30		6-12-81	36,000	ADC (PD)
26		10-13-81	Unspecified	G.L. (BI)
48		1-81 ?	Unspecified	Iron burns (BI)
46		9-1-81	573	Toaster (PD)
51		5-9-78	150,000	ADC fire (PD)
)01		4-2-81	4,500	ADC fire (PD)
)20		1981	116,000	ADC (PD)
)30		1-26-82	12,534	Toaster (PD)
23		10-5-81	4,300	Unknown (PD)
		9-8-80	1,041,000	Toaster (PD & BI
		10-4-80	18,000	ADC (PD & BI)
)54		1-14-82	1,171	Toaster (PD)
)57		10-27-80	22,150	ADC (PD)
)59		4-13-82	5,725	Unknown (PD)
)60		11-6-81	2,322	ADC (PD)
)67		11-22-81	1,400	ADC (PD)
)98		5-10-82	2,233	ADC (PD)
)99		9-82	2,497	ADC (PD)
.07		5-21-82	609	Toaster (PD)
.09		3-23-82	78,091	Toaster fire (PD
.15		10-14-82	1,061	Iron (PD)
.16		10-12-82	89,440	ADC (PD)
.18		8-2-81	Unspecified	Silex pot
.21		5-26-81	Unspecified	ADC (BI)
.23		1-13-82	5,000	T-Oven (BI)
24		11-21-82	10,000	Toaster (PD)
)71		5-1-82	1,201	Toaster (PD)
)72		10-14-81	3,132	Toaster (PD)
)76		2-17-82	7,320	T-Oven (PD)
0		6-19-80	71,000	Coffeemaker (PD)
.72		3-22-81	3,300	Unknown
69		5-1-83	560	Coffeemaker (PD)

CONFIDENTIAL

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E #	CLAIMANT	D/A	AMOUNT CLAIMED	LOSS DESCRIPTION
077	[redacted]	5-17-82	$ 69,869	Toaster (PD)
078		1982	1,757	Iron (BI)
086		1-19-82	5,000	ADC (PD)
090		10-18-81	250,000	ADC (BI)
091		5-14-82	750	ADC (BI)
094		2-11-82	70,000	Toaster (PD)
001		9-16-82	4,783	ADC (PD)
002		12-16-82	2,783	Toaster (PD)
004		7-23-82	548	Toaster (PD)
010		9-4-81	Unspecified	Meat Grinder case
012		9-5-82	7,500	ADC (BI)
013		11-5-82	3,000	ADC-lid (BI)
016		1-21-83	7,500	ADC-pot (BI)
018		1-16-83	2,737	Toaster (PD)
019		1-6-83	2,150	Toaster (PD)
017		12-2-82	500	Iron (PD)
021		1-24-83	2,500	T-Oven Elect. shoc
022		12-18-82	500	Toaster (PD)
[illegible]		6-28-82	50,000	Coffee pot-not ours
[illegible]		11-8-82	3,123	Coffeemaker (PD)
029		1-10-83	731	Unknown (PD)
030		7-24-82	20,639	Iron fire (PD)
031		10-15-82	1,341	Toaster fire (PD)
036		9-7-82	1,611	Toaster (PD)
040		9-25-82	29,000	Toaster fire (PD)
043		4-10-82	20,000	Coffeemaker (PD)
048		2-22-83	39,000	Toaster fire (PD)
049		3-21-83	19,658	Toaster fire (PD)
050		3-31-83	1,000	Toaster fire (PD)
060		1983	12,000	Toaster fire (PD)
062		2-22-83	2,173	Toaster fire (PD)
065		12-17-82	1,569	Toaster fire (PD)
067		5-26-83	10,000	Coffeemaker (PD,BI)
			$2,492,823	

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PRODUCT LIABILITY CLAIMS & SUITS
CONSUMER PRODUCTS
CANADA

FILE #	CLAIMANT	D/A	AMOUNT CLAIMED	LOSS DESCRIPTION
)24(C)	[redacted]	3-7-78	$160,000	ADC (PD)
)34(C)	[redacted]	2-1-80	300,000+	Fire on premises
·008(C)	[redacted]	10-7-82	Unspecified	ADC-lid (BI)
·009(C)	[redacted]	6-29-82	3,156	T-Oven
·068(C)	[redacted]	8-82	23,210	Coffeemaker
			$486,366	

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IN-HOUSE LIABILITY CLAIMS

7-28-83

LINE	PRODUCT	DAMAGE	AMOUNT OF CLAIM
[redacted]	Iron	Clothing	$-30.00
	Oven	Unknown	-----
	ADC	Unknown	-----
	Oven	Unknown	-----
	ADC	Unknown	-----
	Toaster	Unknown	-----
	Toaster	Smoke	50.00
	Iron	Clothing	5.00
	Oven	Unknown	-----
	Toaster	Cabinet	75.00
	Iron	Counter	400.00
	Oven	Counter	758.00
	Juicit	Unknown	-----
	Iron	Clothing	35.00
	Toaster	Wall	75.00
	Oven	Unknown	-----
	Iron	Floor Covering	300.00
	Iron	Board & Cover	40.00
	Oven	Smoke	40.00
	Oven	None	-----
	Toaster	Unknown	-----
	ADC	None	-----
	Toaster	Counter Top	450.00
	Oven	Appliance	50.00
	Toaster	Smoke	-----
	Oven	Cabinets	80.00

Iron	Clothing	45.00
Iron	Clothing	30.00
Iron	Clothing	30.00
Oven	Counter Top	500.00
ADC	Counter & Floor	750.00
Oven	None	-----
Iron	Counter & Sink	750.00
Iron	Clothing	25.00
Iron	Unknown	-----
Iron	Board & Cover	40.00
Juicit	None	-----
Iron	Clothing	12.00
Toaster	Cupboard	75.00
Oven	Wall	70.00
Iron	Clothing	35.00
Oven	Counter Top	350.00
Oven	Unknown	-----
Iron	Clothing	40.00
Oven	None	-----
Iron	Clothing	100.00
Iron	Clothing	55.00
Oven	Snoke	50.00
Toaster	Cupboard	50.00
Toaster	Counter Top	400.00
Iron	Clothing	35.00
Oven	None	-----
Iron	Unknown	-----
Iron	Clothing	53.00
Iron	Clothing	90.00
Oven	Unknown	-----

[redacted]	Iron	Clothing	45.00
[redacted]	ADC	Smoke	30.00
[redacted]	ADC	Counter Top	525.00
[redacted]	Iron	Clothing	25.00
[redacted]	Iron	Clothing	30.00
[redacted]	Toaster	Smoke	------
		TOTAL	$6,628

Jerry Haines

Jerry Haines

Supervisor Consumer Affairs

CONFIDENTIAL

PROCTOR-SILEX
SELF-INSURED WORKERS' COMPENSATION CLAIMS PENDING @ 8/3/83

FILE #	CLAIMANT	D/A	AMOUNT RESERVED	DESCRIPTION
2006	[redacted]	7/16/82	$ 20,000	Fx leg
701	[redacted]	2/26/78	86,037	Death
2000	[redacted]	12/8/81	3,000	Soft tissue
223	[redacted]	10/5/73	2,000	Soft tissue
803	[redacted]	9/20/79	2,000	Soft tissue
801	[redacted]	1/5/79	29,000	Amp. Rt. hand
921	[redacted]	9/11/80	3,502	Amp. Thumb
023	[redacted]	8/27/81	5,587	Back Strain
2007	[redacted]	7/22/82	5,035	Lacerations
[illegible]	[redacted]	8/4/82	3,290	Amp. Mid Finger
3002	[redacted]	2/1/83	2,000	Fx foot
3004	[redacted]	3/24/83	7,000	Amp. Rt. Finger
3010	[redacted]	4/1/83	1,500	Sprain Wrist
3011	[redacted]	5/1/83	3,000	Soft tissue
3014	[redacted]	6/23/83	750	Soft tissue
			$175,000	

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PROCTOR-SILEX
PENDING WORKERS' COMPENSATION @ 4/1/83
(CNA HANDLED CLAIMS)

:A .E #	D/L	CLAIMANT	AMOUNT RESERVED	DESCRIPTION
:30829	3/3/82	[redacted]	$ 821	Unspecified
:31008	3/11/82	[redacted]	10,000	Back
:30243	5/3/82	[redacted]	11,213	Burns
:30920	8/12/82	[redacted]	5,959	Soft tissue
:24588	10/14/80	[redacted]	1,000	Cuts
:25361	1/19/81	[redacted]	10,618	Finger amp.
:29832	6/21/82	[redacted]	6,692	Unspecified
:31418	11/5/82	[redacted]	2,577	Burns
:30719	10/18/82	[redacted]	5,196	Fx Lt. Thumb
:30523	9/20/82	[redacted]	587	Cuts
55	10/28/82	[redacted]	2,217	Cuts
:31887	9/30/82	[redacted]	6,817	Back
:31012	11/29/82	[redacted]	19,625	Lt. Shoulder
:24256	9/8/80	[redacted]	8,012	Lt. Shoulder
:31301-26	6/1/83	[redacted]	115	Fx Toe
:31301-28	6/2/83	[redacted]	115	Laceration
:17551	8/9/79	[redacted]	3,170	Unspecified
:28060	11/3/81	[redacted]	7,600	Amp. Mid Finger
			$102,334	

CONFIDENTIAL

PENDING AUTO LIABILITY CLAIMS @ 6/30/83
(CNA HANDLED)

CNA FILE #	D/L	CLAIMANT	AMOUNT RESERVED
23-249029	4/15/83	[redacted]	$1,000 PD
52-318415	3/22/83	[redacted]	290 PD
			$1,290

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The following liability claims are pending further action in Canada:

Claimant's Name	Product	Amount of Claim	Explanation
[redacted]	Oven	$500.00	Counter Top
[redacted]	Iron	150.00	Clothing
[redacted]	ADC	340.00	Counter Top
[redacted]	Kettle	200.00	Counter Top
[redacted]	Oven	400.00	Counter & Curtains
[redacted]	Oven	300.00	Counter Top
[redacted]	Iron	120.00	Clothing
		$2,010.00	

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Claim 912-4008 [redacted]
Amputation of the 2nd and 3rd finger on the right hand.
Date of the Accident - 4-1-71.

Current liability - Annual replacement of the prosthetic devices.

Claim 912-4223 [redacted]
Strain of the back and neck
Date of the Accident 10-5-73

Current liability - Payment of medical bills for periodic doctor visits, medication, and back brace

Claim 912-4701 [redacted]
Automobile accident resulting in death.
Date of the Accident 2-26-78

Current liability - Payment of $123.32 every two weeks for the next fifteen years.

Claim 912-4803 [redacted]
Traffic accident resulting in severe leg injuries
Date of the accident 9-20-79

Current liability- Worsening of an existing condition resulting in a higher permanent partial disability settlement.

Claim 912-5006 [redacted]
Dislocated left shoulder
Date of the Accident: 12-8-81

Current liability - We have been ordered to pay $2,075.00 to [redacted] as an award for 5% permanent partial disability. Claim is currently under appeal.

Claim 3505-82003 [redacted]
Minor fracture of the right index finger
Date of the Accident - 4-21-82

Current liability - None. [redacted] is no longer employed by Proctor Silex, however because of her mental condition, she may pursue a permanent partial claim in the future.

Claim 3505-82006 [redacted]
Lacerations and serious fractures of the lower left leg.
Date of the Accident - 7-16-82

Current liability - Permanent partial disability payments.

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EXHIBIT T

Pursuant to Section 4.1.17 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

COMPLIANCE WITH LAW

OSHA citation number 43,784, dated August 5, 1983, against Southern Pines, N.C. plant.

CONFIDENTIAL

EXHIBIT U

Pursuant to Section 4.1.18 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

FINANCIAL STATEMENTS

Attached hereto.

(7a)

SCM CORPORATION
PROCTOR-SILEX GROUP
BALANCE SHEET
YEAR-TO-DATE THRU JUNE, 1983

EXPRESSED IN WHOLE DOLLARS

	DOMESTIC	DISC	CANADA	UNITED KINGDOM	BELGIUM	GERMANY	FRANCE	MEXICO	NEW ZEALAND	ELIMINATION ENTRIES	TOTAL GROUP
ASH/MKTBLE. SECURITIES	$ (610,762)	$1,600,500	$ (79,795)	$ 459	$ -	$ -	$ -	$ 34,880	$7,120	$ -	$ 952,402
CCOUNTS RECEIVABLE	$ 22,433,886	$1,304,011	$5,490,593	$ 758,048	$23,687	$ 355	$ 23,551	$ -	$ -	$ -	$ 30,034,131
OTES RECEIVABLE	-	-	-	-	-	-	10,669	-	-	-	10,669
ISC. RECEIVABLES	95,780	-	67,846	6,506	-	102	25,650	14,388	-	-	210,272
ECEIVABLE RESERVES	(577,514)	-	(216,937)	(16,074)	(1,795)	-	(8,216)	-	-	-	(820,536)
NET RECEIVABLES	$ 21,952,152	$1,304,011	$5,341,502	$ 748,480	$21,892	$ 457	$ 51,654	$ 14,388	$ -	$ -	$ 29,434,536
AW MATERIAL INV.	$ 6,481,940	$ -	$ 300,882	$ 159,704	$ -	$ -	$ -	$ -	$ -	$ (17,000)	$ 6,925,526
ORK-IN-PROCESS INV.	2,500,005	-	-	-	-	-	-	-	-	-	2,500,005
INISHED GOODS INV.	11,125,339	-	4,035,706	1,748,789	51,060	33,957	77,876	-	-	(579,000)	16,493,727
UPPLIES & OTHER INV.	277,282	-	-	-	-	-	-	-	-	-	277,282
INVENTORY RESERVE	(1,007,429)	-	(53,895)	(375,376)	-	-	-	-	-	-	(1,436,700)
NET INVENTORY	$ 19,377,137	$ -	$4,282,693	$1,533,117	$51,060	$33,957	$ 77,876	$ -	$ -	$(596,000)	$ 24,759,840
TAXES	$ (19,277)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	(19,277)
INSURANCE	25,701	-	21,152	1,632	-	-	-	-	-	-	48,485
RENT	4,647	-	3,133	5,874	-	-	-	-	-	-	13,654
OUTSIDE SERVICES	18,211	-	-	-	-	742	-	-	-	-	18,953
PREPAID EXP. - OTHER	86,835	-	3,159	-	-	-	367	379	-	-	90,740
NET PREPAID EXP.	$ 116,117	$ -	$ 27,444	$ 7,506	$ -	$ 742	$ 367	$ 379	$ -	$ -	$ 152,555
TOTAL CURRENT ASSETS	$ 40,834,644	$2,904,511	$9,571,844	$2,289,562	$72,952	$35,156	$129,897	$ 49,647	$7,120	$(596,000)	$ 55,299,333
PROP., PLANT & EQUIP.	$ 41,679,019	$ -	$1,037,321	$ 221,122	$ -	$ -	$ -	$132,476	$ -	$ -	$ 43,069,938
LESS: ACCUM. DEPRE.	(23,658,238)	-	(914,080)	(172,423)	-	-	-	(28,614)	-	-	(24,773,355)
NET PROPERTY	$ 18,020,781	$ -	$ 123,241	$ 48,699	$ -	$ -	$ -	$103,862	$ -	$ -	$ 18,296,583
TOTAL ASSETS	$ 58,855,425	$2,904,511	$9,695,085	$2,338,261	$72,952	$35,156	$129,897	$153,509	$7,120	$(596,000)	$ 73,595,916

REVISED 7/21/83

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SCM CORPORATION
PROCTOR-SILEX GROUP
BALANCE SHEET
YEAR-TO-DATE THRU JUNE, 1983

EXPRESSED IN WHOLE DOLLARS

	DOMESTIC	DISC	CANADA	UNITED KINGDOM	BELGIUM	GERMANY	FRANCE	MEXICO	NEW ZEALAND	ELIMINATION ENTRIES	TOTAL GROUP
BANK LOANS	$ -	$ -	$ -	$ 98,988	$ -	$ -	$ -	$ -	$ -	$ -	$ 98,988
ACCOUNTS PAYABLE	5,071,296	-	17,121	110,145	-	-	1,136	11,053	-	-	5,210,751
ACCR. & WITHHELD COMP.	2,870,822	-	99,395	12,630	-	-	-	57,115	-	-	3,039,962
TAXES	2,261	-	7,452	204,733	-	-	1,616	-	-	-	216,062
RENTALS, STORAGE, & UTIL.	-	-	-	-	-	-	309	-	-	-	309
OUTSIDE SERVICES	13,338	-	-	40,684	-	-	1,980	-	-	-	56,002
ROYALTIES	-	-	-	-	-	-	-	-	-	-	-
OTHER ACCURED LIAB.	3,485,391	-	666,834	95,920	-	2,486	1,048	-	-	-	4,251,687
ACCRUED TAXES ON INCOME	(7,624)	-	-	-	-	-	-	-	-	-	(7,624)
LONGTERM LEASE-CUR. PORTION	25,299	-	-	-	-	-	-	-	-	-	25,299
TOTAL CURRENT LIAB.	$ 11,460,783	$ -	$ 790,802	$ 563,100	$ -	$ 2,486	$ 6,089	$ 68,168	$ -	$ -	$ 12,891,436
DEFERRED REVENUE	$ 95,772	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 95,772
DEFERRED INCOME TAXES	-	-	-	-	-	-	-	-	-	(274,000)	(274,000)
LONGTERM LEASE-NON-CUR POR.	34,470	-	-	-	-	-	-	-	-	-	34,470
INTERCOMPANY ACCT. BAL.	41,721,982	(522,099)	6,144,520	3,295,014	108,691	39,987	255,483	(9,560)	-	-	51,034,018
TOTAL LIABILITIES	53,313,007	(522,099)	6,935,322	3,858,122	108,691	42,473	261,572	58,608	-	(274,000)	63,781,696
RETAINED EARNINGS	-	2,498,931	1,486,555	(705,428)	(28,042)	-	(92,552)	98,190	-	(248,000)	3,009,654
CAPITAL STOCK	(29,020)	-	-	-	-	-	-	21,900	7,120	-	-
INC./(LOSS) FROM OPER.	5,571,438	927,679	1,273,208	(814,433)	(7,697)	(7,317)	(39,123)	(25,189)	-	(74,000)	6,804,566
TOTAL LIAB. & EQUITY	$ 58,855,425	$2,904,511	$9,695,085	$2,338,261	$72,952	$35,156	$129,897	$153,509	$7,120	$(596,000)	$ 73,595,916

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CURRENT MONTH							YEAR TO DATE					
Actual	%	Budget	%	Prior Year	%		Actual	%	Budget	%	Prior Year	%
$21,854	108.3	$19,598	112.9	$21,994	108.4	Gross Sales - Trade	$163,903	109.1	$186,465	112.1	$167,908	110.5
1,681	8.3	2,243	12.9	1,700	8.4	Sales Returns & Ded.	13,732	9.1	20,193	12.1	15,901	10.5
20,173	100.0	17,355	100.0	20,294	100.0	Net Sales - Trade	150,171	100.0	166,272	100.0	152,007	100.0
-	-	-	-	-	-	Net Sales - Interco.	-	-	-	-	-	-
20,173	100.0	17,355	100.0	20,294	100.0	Total Net Sales	150,171	100.0	166,272	100.0	152,007	100.0
14,686	72.8	12,079	69.6	14,504	71.5	Cost of Sales - Std.	106,950	71.2	116,639	70.2	107,763	70.9
5,487	27.2	5,276	30.4	5,790	28.5	Standard Margin	43,221	28.8	49,633	29.8	44,244	29.1
(502)	(2.5)	260	1.5	5	-	Material Variance	(2,941)	(2.0)	(18)	-	231	.1
(194)	(1.0)	81	.5	68	.3	Labor Variance	(1,987)	(1.3)	386	.2	1,280	.8
520	2.6	397	2.3	1,179	5.8	Burden Variance	4,296	2.9	3,540	2.1	6,013	4.0
(725)	(3.6)	(114)	(.7)	(21)	(.1)	Inventory Adj.	595	.4	(766)	(.5)	542	.4
-	-	-	-	-	-	Other Mfg. Costs	-	-	-	-	-	-
13,785	68.3	12,703	73.2	15,735	77.5	Total Cost of Sales	106,913	71.2	119,781	72.0	115,829	76.2
6,388	31.7	4,652	26.8	4,559	22.5	Gross Margin	43,258	28.8	46,491	28.0	36,178	23.8
1,184	5.9	958	5.5	1,117	5.5	Variable Selling	8,226	5.5	9,131	5.5	8,691	5.7
(92)	(.5)	416	2.4	473	2.3	Advertising	3,274	2.2	4,040	2.4	5,910	3.9
714	3.5	990	5.7	789	3.9	Period Selling	8,945	6.0	10,253	6.2	9,184	6.0
616	3.1	828	4.8	1,425	7.0	Guarantee	7,571	5.0	8,800	5.3	9,699	6.4
2,422	12.0	3,192	18.4	3,804	18.7	Total Mktg. Serv.	28,016	18.7	32,224	19.4	33,484	22.0
213	1.1	273	1.6	257	1.3	Finance	2,559	1.7	2,963	1.8	2,939	1.9
107	.5	122	.7	173	.8	Research & Develop.	1,176	.8	1,266	.8	1,435	1.0
399	2.0	390	2.2	359	1.8	Exec. & Admin. Serv.	4,351	2.9	4,241	2.5	4,399	2.9
127	.6	113	.7	119	.6	Engineering	1,246	.8	1,154	.7	975	.6
3,268	16.2	4,090	23.6	4,712	23.2	Total Func. Exp.	37,348	24.9	41,848	25.2	43,232	28.4
56	.3	(9)	(.1)	(43)	(.2)	Misc. (Profit)/Loss	(53)	-	(136)	(.1)	304	.2
(4)	-	-	-	(4)	-	For. Exc. (Profit)/Loss	(65)	-	-	-	(11)	-
140	.7	274	1.6	200	1.0	Corp. Admin. Assess.	1,569	.9	2,644	1.6	2,402	1.6
$ 2,928	14.5	$ 297	1.7	$ (306)	(1.5)	Operating Profit/(Loss) Before LIFO Adjustment	$ 4,459	3.0	$ 2,135	1.3	$ (9,749)	(6.4)
489	2.4	-	-	-	-	LIFO Adjustment	79	.1	-	-	-	-
$ 2,439	12.1	$ 297	1.7	$ (306)	(1.5)	Operating Profit/(Loss) After LIFO Adjustment	$ 4,380	2.9	$ 2,135	1.3	$ (9,749)	(6.4)

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CURRENT MONTH							YEAR TO DATE					
Actual	%	Budget	%	Prior Year	%		Actual	%	Budget	%	Prior Year	%
$21,994	108.4	$22,354	113.6	$25,618	108.6	Gross Sales - Trade	$167,908	110.5	$223,831	111.1	$194,734	109.[illegible]
1,700	8.4	2,675	13.6	2,032	8.6	Sales Returns & Ded.	15,901	10.5	22,427	11.1	17,091	9.[illegible]
20,294	100.0	19,679	100.0	23,586	100.0	Net Sales - Trade	152,007	100.0	201,404	100.0	177,643	100.[illegible]
-	-	-	-	-	-	Net Sales - Interco.	-	-	-	-	-	-
20,294	100.0	19,679	100.0	23,586	100.0	Total Net Sales	152,007	100.0	201,404	100.0	177,643	100.0
14,504	71.5	12,977	65.9	16,522	70.1	Cost of Sales - Std.	107,763	70.9	135,959	67.5	125,563	70.7
5,790	28.5	6,702	34.1	7,064	29.9	Standard Margin	44,244	29.1	65,445	32.5	52,080	29.3
5	-	344	1.8	57	.2	Material Variance	231	.1	2,636	1.3	(226)	(.1
68	.3	34	.2	234	1.0	Labor Variance	1,280	.8	404	.2	1,499	.8
1,179	5.8	67	.3	288	1.2	Burden Variance	6,013	4.0	2,392	1.2	2,950	1.7
(171)	(.8)	(143)	(.7)	(583)	(2.5)	Inventory Adj.	392	.3	(316)	(.2)	(1,821)	(1.0
-	-	-	-	-	-	Other Mfg. Costs	-	-	-	-	-	-
15,585	76.8	13,279	67.5	16,518	70.0	Total Cost of Sales	115,679	76.1	141,075	70.0	127,965	72.1
4,709	23.2	6,400	32.5	7,068	30.0	Gross Margin	36,328	23.9	60,329	30.0	49,678	27.9
1,117	5.5	1,254	6.4	1,454	6.2	Variable Selling	8,691	5.7	12,331	6.1	10,058	5.7
473	2.3	766	3.9	583	2.5	Advertising	5,910	3.9	7,774	3.8	6,493	3.7
789	3.9	1,121	5.7	1,039	4.4	Period Selling	9,184	6.0	11,418	5.7	9,666	5.4
1,425	7.0	739	3.7	886	3.7	Guarantee	9,699	6.4	7,453	3.7	6,848	3.8
3,804	18.7	3,880	19.7	3,962	16.8	Total Mktg. Serv.	33,484	22.0	38,976	19.3	33,065	18.6
257	1.3	306	1.6	120	.5	Finance	2,939	1.9	3,340	1.7	2,847	1.6
173	.8	164	.8	147	.6	Research & Develop.	1,435	1.0	1,722	.9	1,437	.8
359	1.8	443	2.2	580	2.4	Exec. & Admin. Serv.	4,399	2.9	4,925	2.4	4,320	2.5
119	.6	115	.6	132	.6	Engineering	975	.6	1,209	.6	1,103	.6
4,712	23.2	4,908	24.9	4,941	20.9	Total Func. Exp.	43,232	28.4	50,172	24.9	42,772	24.1
(43)	(.2)	1	-	137	.6	Misc. (Profit)/Loss	304	.2	(25)	-	180	.1
(4)	-	-	-	16	.1	For. Exc. (Profit)/Loss	(11)	-	-	-	56	-
200	1.0	285	1.5	249	1.1	Corp. Admin. Assess.	2,402	1.6	2,984	1.5	2,498	1.4
$ (156)	(.8)	$ 1,206	6.1	$ 1,725	7.3	Operating Profit/(Loss) Before LIFO Adj	$ (9,599)	(6.3)	$ 7,198	3.6	$ 4,172	2.3
150	.7	-	-	-	-	Adj for LIFO Conversion	150	.1	-	-	-	-
$ (306)	(1.5)	$ -	-	$ -	-	Operating Profit/(Loss) After LIFO Adj	$ (9,749)	(6.4)	$ -	-	$ -	-

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EXHIBIT V

Pursuant to Section 4.1.20 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

OTHER LIENS

None

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EXHIBIT W

Pursuant to Section 4.1.26 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

OTHER LEASES OF THE REAL PROPERTY

Keystone Secretarial and Office Services, Inc.	2/21/83	Winnipeg, Canada

CONFIDENTIAL

EXHIBIT X

Pursuant to Section 4.1.27 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

AGREEMENTS RELATING TO REAL PROPERTY

Each item marked with an R on any Exhibit to this Agreement is an agreement relating to real property pursuant to Section 4.1.27 of this Agreement and is deemed incorporated hereon by reference.

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EXHIBIT Y

Pursuant to Section 4.1.28 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

CONDEMNATION PROCEEDINGS

Potential action regarding sewer pipe right-of-way at the Baltimore, Md. warehouse described in letter dated April 8, 1983, from Baltimore County, Bureau of Land Acquisition.

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EXHIBIT Z

Pursuant to Section 4.1.32 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

WARRANTIES

Attached hereto.

USE AND CARE BOOK

PROCTOR-SILEX® CONFIDENTIAL

Super/Steam

with deluxe self-cleaning action

® DuPont's registered trademark for it's premium non-stick surface

CONFIDENTIAL

CANADA

LIMITED WARRANTY

YOUR NEW PROCTOR-SILEX APPLIANCE IS WARRANTED FOR A PERIOD OF ONE YEAR FROM THE DATE OF PURCHASE.

THIS WARRANTY PROVIDES FOR REPAIR OR REPLACEMENT WITH A COMPARABLE APPLIANCE AT OUR OPTION FREE OF CHARGE, IF THE APPLIANCE IS HAND CARRIED OR MAILED PREPAID TO A PROCTOR-SILEX AUTHORIZED SERVICE CENTER IN THE COUNTRY WHERE THE APPLIANCE WAS PURCHASED

THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS AND YOU MAY ALSO HAVE OTHER RIGHTS WHICH VARY FROM STATE TO STATE (USA) OR PROVINCE TO PROVINCE (CANADA). THIS WARRANTY APPLIES IN THE UNITED STATES AND CANADA, AND DOES NOT COVER MISUSE OR USE FOR COMMERCIAL PURPOSES. PROCTOR-SILEX AUTHORIZED SERVICE CENTERS ARE INDEPENDENT BUSINESSES (NOT OWNED OR OPERATED BY PROCTOR-SILEX). A LIST OF THE AUTHORIZED SERVICE CENTERS IS ENCLOSED WITH YOUR APPLIANCE

PROCTOR-SILEX

DIVISION OF SCM (CANADA) LIMITED, PICTON, ONTARIO

U.K.

CONFIDENTIAL

PROCTOR-SILEX®

Dear Customer

Congratulations on becoming the proud owner of a Proctor-Silex appliance which we are sure will give you many years of lasting satisfaction

Although every attempt is made to provide you with the finest in workmanship and materials, it may be necessary during your product s life to seek after sales service

In the event of defects which under proper storage and use occur in your product within a period of 12 months from the date of purchase and which in our opinion arose solely from faulty workmanship or design, we will undertake at our discretion to repair or replace your appliance completely free of charge You should either send or take your appliance to your nearest Proctor-Silex service agent stating the date and place of purchase

This guarantee will not affect your statutory rights arising from consumer legislation

Should you find it necessary for your appliance to be serviced during the guarantee period or for any other reason after the 12 month period, you should contact your nearest Proctor-Silex service agent whose address may be found in your local Yellow Pages Directory or from the list in this leaflet.

It is not necessary for you to return this leaflet to us

Yours faithfully

Proctor-Silex Division,
S.C.M. (United Kingdom) Limited.

AVON

C.D. Hall (Installation Engineering) Ltd.,
744 Fishponds Road,
BRISTOL BS16 2HJ
Tel: 0272 659471/2/3

Hill Bros.,
184 Henleaze Road,
BRISTOL BS9 4NE
Tel: 0272 629625

Kingswood Domestic Electrics,
9a Bath Hill,
KEYNSHAM
Tel: 02756 61362

Kingswood Domestic Electrics,
181 Two Mile Road,
KINGSWOOD
Tel: 0272 672040

Farthing & Short Ltd.,
The Island,
Midsomer Norton,
Nr. BATH
Tel: Midsomer Norton 413117

B.R. Read (Yate) Ltd.,
21 South Parade,
Yate,
Nr Bristol
Tel: Chipping Sodbury 318839

Kingswood Domestic Electrics,
51 Moorland Road,
OLDFIELD PARK
Tel: 0225 29879

Popham & Balsom Ltd.,
60 Severn Road,
WESTERN-SUPER-MARE BS23 1 DT
Tel: 0934 24005

BEDFORDSHIRE

Service & Sales,
78 Bromham Road,
BEDFORD
Tel: Bedford 50470

Victor Furse,
6 King Street,
LUTON LU1 2DP
Tel: Luton 22875

BERKSHIRE

D.Coles & Son,
11 St. Marks Crescent,
MAIDENHEAD
Tel: 0628 26755

Olive of Newbury Ltd.,
4 Shandelford Parade,
Newtown Road,
NEWBURY
Tel: 0635 41717

Berkshire Domestic Appliance Service,
105 Bartholomew Street,
NEWBURY

Domestic Electrical Services Ltd.,
Multi-Storey Car Park,
Chatham Street,
READING
Tel: 0734 583417/8/9

BUCKINGHAMSHIRE

Foxman Domestic Appliance Service,
Nightingale's Corner,
Little Chalfont,
AMERSHAM
Tel: 02404 2450

Aylesbury Washing Machine & Vac Centre,
9 George Street,
AYLESBURY
Tel: 0296 22216

J Morrison Electrical,
12-15 Lower Friars Square,
AYLESBURY

Turner's Electrical Services,
37 Public Market,
High Street,
SLOUGH
Tel: 0753 26142

The Electrical Shop,
13, Market Square,
Stony Stratford,
BUCKS
Tel: 0908 563692

CAMBRIDGESHIRE

Eastern Electrical Co. (Sales) Ltd.,
63-65 Bridge Street,
CAMBRIDGE CB2 1US
Tel: Cambridge 52225

Peterlec (Sales & Service) Ltd.,
8 Cowgate,
PETERBOROUGH PE1 1NA
Tel: Peterborough 69363

Electric Services (Hitchin) Ltd.,
24b Market Square,
ST. NEOTS
Tel: 0480 73275

CHANNEL ISLANDS—GUERNSEY

Colin Torode,
Taranaki,
Epinal Road,
FOREST
Tel: 0481 64621

CHANNEL ISLANDS—JERSEY

Norman Carter Ltd.,
21 Providence Street,
ST HELIER
Tel. Jersey Central 33010

CHESHIRE

Eric Alcock Ltd
28 Lawton Road,
ALSAGER
Tel: Alsager 3073

A.W. Domestic Services,
178a Wilmslow Road,
Heald Green,
CHEADLE
Tel: 499-3197

Sigma Electric,
New Crane Street,
CHESTER
Tel: 312563

W.A. & J. Jones,
135 Edleston Road,
CREWE
Tel:Crewe 2046

L.A. Bailey & Son Electrical Ltd.,
3 Toft Road,
KNUTSFORD
Tel: Knutsford 3515

K.M. Electrical,
20 Eagle Brow,
LYMM WA 13 OLJ
Tel: Lymm 5252

Hanson Reece & Greenwood,
131 Chester Gate
MACCLESFIELD
Tel Macclesfield 23656

Bramwell & Singleton Ltd.,
9 The Hollins,
MARPLE SKS 6AY
Tel: 061 427 2914

Dalow Electrical,
55a Church Street,
RUNCORN
Tel: Runcorn 68119

Teller Industries,
19 Winwick Street,
WARRINGTON WA1 1XR
Tel: 35821

Teller Industries
29 London Road,
Stockton Heath,
WARRINGTON
Tel Warrington 58192

David Beesley,
Roundabout,
2 Delamare Road,
Over Square,
WINSFORD
Tel. Winsford 2247

Eric Johnson of Northwich Ltd.,
73/77 Station Road,
Northwich,
CHESHIRE. CW9 5LT
Tel: 0606-2135

CLEVELAND

Rollos Electrical Spares,
5-7 Borough Road,
MIDDLESBOROUGH
Tel: Middlesborough 242281

CORNWALL

K.J. Hellings Service Co.,
17 Lower Bore Street,
BODMIN
Tel: 0208 3586

Froyco Services Ltd.,
2 Vyvyan Street,
CAMBOURNE
TEL 0209 713549

D.A.R.
80 Killecrew Street
FALMOUTH
Tel. 0326 314600

Stan Richards Ltd.,
(Behind) South Parade,
PENZANCE
Tel: 0736 2621

K.J. Hellings Service Co.,
6 Trenance Road,
ST. AUSTELL
Tel: 0726 2010

CUMBRIA

Messrs Kirkby Elec. Contractors
Millans Park,
AMBLESIDE
Cumbria, LA22 9AL
Tel: Ambleside 2366

H.A. Bailey & Son,
Market Place,
APPLEBY
Tel: Appleby 51466

E. Tees Electrical Ltd.,
138 Dalton Road,
BARROW-IN-FURNESS
Tel: Barrow-in-Furness 23080

Stan Mercer,
37 Station Street,
COCKERMOUTH CA13 9DW
Tel Cockermouth 3462

CONFIDENTIAL

CANADA
RETURNISHED
PRODUCT

LIMITED 90 DAY WARRANTY

WARRANTY FOR FACTORY SERVICED APPLIANCES

This product is warranted against mechanical or electrical failure for a period of ninety (90) days from the date of purchase. The warranty is limited to the repair of the appliance and replacement of defective parts free of charge during the warranty period if your product is hand carried or mailed prepaid to an authorized Proctor-Silex Service Centre, which is independent of Proctor-Silex. Look in the Yellow Pages under "Electrical Appliances - Small" for the one nearest you. You will be required to show your sales receipt to establish the purchase date.

This warranty does not cover shipping damage, broken glass, or cosmetic flaws which do not inhibit mechanical or electrical performance of the product.

This warranty gives you specific legal rights, and you may also have other rights which vary from province to province. This warranty applies in Canada only and does not cover misuse or use for commercial purpose.

When submitting a product for warranty work please identify the claimed defect.

SCM PROCTOR-SILEX
DIVISION OF SCM (CANADA) LIMITED
P.O. BOX 1630, PICTON, ONTARIO, CANADA K0K 2T0

CONFIDENTIAL

U.S.A.
REFURBISHED
PRODUCT

LIMITED 90 DAY WARRANTY

WARRANTY FOR FACTORY SERVICED APPLIANCES

This product is warranted against mechanical or electrical failure for a period of ninety (90) days from the date of purchase. The warranty is limited to the repair of the appliance and replacement of defective parts free of charge during the warranty period. You will be required to show your sales receipt to establish the purchase date.

To make use of the warranty deliver or ship the appliance to a Proctor-Silex Authorized Service Center. All shipping charges will be at the purchaser's expense and paid to an Authorized Service Center, which is independent of Proctor-Silex.

This warranty does not cover shipping damage, broken glass, or cosmetic flaws which do not inhibit mechanical or electrical performance of the product.

You have specific legal rights, and you may also have other rights which vary from state to state. This warranty applies in the United States only and does not cover misuse or use for commercial purposes.

SCM
PROCTOR-SILEX
2209 Sulphur Spring Rd
Baltimore, MD 21227

FS001
Rev. C

Printed In U.S.A.

CONFIDENTIAL

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PROCTOR-SILEX

WARRANTY INFORMATION

USA - IRONS, TOASTERS, JUICERS, KETTLES

ONE YEAR LIMITED WARRANTY

Your new Proctor-Silex appliance is warranted for a period of one year from the date of purchase.

This warranty provides for repair or replacement with a comparable appliance at our option, free of charge, if the appliance is hand carried or mailed pre-paid to a Proctor-Silex Authorized Service Center. You must show proof of the date of purchase.

This warranty gives you specific legal rights and you may also have other rights which vary from state to state. This warranty applies in the United States only and does not cover misuse or use for commercial purposes.

Proctor-Silex Authorized Service Centers are independent businesses (not owned or operated by Proctor-Silex). A list of these Authorized Service Centers is enclosed with your appliance.

SCM PROCTOR-SILEX
SCM CORPORATION
2200 SULPHUR SPRING ROAD BALTIMORE MD 21227

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WARRANTY INFORMATION

USA - ADC & OVENS

ONE YEAR LIMITED WARRANTY EXCLUDING GLASS

Your new Proctor-Silex appliance is warranted for a period of one year from the date of purchase.

This warranty provides for repair or replacement with a comparable appliance at our option, free of charge, if the appliance is hand carried or mailed pre-paid to a Proctor-Silex Authorized Service Center. You must show proof of the date of purchase.

This warranty gives you specific legal rights and you may also have other rights which vary from state to state. This warranty applies in the United States only and does not cover misuse or use for commercial purposes.

Proctor-Silex Authorized Service Centers are independent businesses (not owned or operated by Proctor-Silex). A list of these Authorized Service Centers is enclosed with your appliance.

GLASS: THERE ARE NO WARRANTIES WITH RESPECT TO GLASS BOWLS OR CARAFES.

SCM PROCTOR-SILEX
SCM CORPORATION
7208 SULPHUR SPRING ROAD, BALTIMORE, MD 21227

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PROCTOR-SILEX
SCM CORPORATION

EXECUTIVE OFFICES
1016 W. 9TH AVENUE
KING OF PRUSSIA, PA. 19406
(215) 265-8000

uly 2, 1982

O: All Proctor-Silex Customers

UBJECT: Over-the-Counter Exchange Policy and Procedure

roctor-Silex appliances carry a One Year Warranty. The implementation f the warranty is replacement for the first 30 days from the date of onsumer purchase and eleven months repair.

or defectives exchanged for the consumer during initial use, 30 days rom date of purchase, the program is as follows:

1. Once each month, telephone Proctor-Silex Warranty Central - collect 301/242/8485. This telephone is a direct line to be used only for warranty defectives exchanged. Please give your company name and explain that you have warranty defectives.

2. Provide the Warranty Control Clerk with the model numbers and quantities of appliances to be returned. Make sure the appliances are Proctor-Silex models and were exchanged within the 30 day period of the one year warranty.

3. The Warranty Control Clerk will record the information for the in-warranty units. Proctor-Silex will then mail a Service Inspection Report which consists of two copies (Yellow and Pink). This form will represent your return authorization.

4. Upon receipt of the authorization, ship the defectives, freight prepaid, to Proctor-Silex, 2209 Sulphur Spring Road, Baltimore, Maryland, 21227. Ship only those units shown on the authorization documents. Include the yellow copy with the shipment and retain the pink copy until credit is received. Freight for returns is the responsibility of the customer.

5. Credit will be issued by Proctor-Silex after the units have been received and inspected. To simplify the paperwork for your company, a "Credit Price Sheet" has been printed and is enclosed. These credit prices reflect the exact amount of credit that will be issued for respective models received by Proctor-Silex and truly defective under the warranty provisions.

6. Do not deduct balances for returns until you receive our credit memo.

By use of this simplified administrative procedure, the appropriate credits can be processed most efficiently and extraneous debiting and paperwork will be unnecessary.

John A. Dilde
Manager, Service Operations

Vice President, Marketing

ATT: E. SILVERSTONE

CONFIDENTIAL

AREA CODE 613 — 476-2191

P.O. BOX 1830, PICTON, ONT.

INTER-OFFICE MEMO

DATE: August 9, 1983

TO: Bob Walton

FROM: Jim Giguere

OFFICE SCM, New York

OFFICE Proctor-Silex, Picton

SUBJECT: Canadian Warranty Policy

The Special Exchange Program provides Proctor-Silex Dealers through their Distributors the benefits of an immediate, over-the-counter replacement for all Proctor-Silex appliances which become inoperative, or fail to perform properly within 30 days from the date or receipt of purchase.

Should an appliance become inoperative within the one year warranty period, but not within 30 days from date of purchase, the product should be returned (PREPAID) or taken to an Authorized Service Centre for warranty service. These locations are shown in the yellow pages of your phone book under "Electric Appliances - Small". The Proctor-Silex product warranty will be honoured at any one of the Proctor-Silex service locations across Canada. The product will be repaired without charge under the terms of the warranty and returned to the sender.

Jim Giguere

JRG/sm

CONFIDENTIAL

AUGUST 10, 1983

TO: ROBERT WALTON
NEW YORK

FROM: JOHN DOBLE
BALTIMORE

In the U.K. the Proctor-Silex trade policy is to permit retailers to make over-the-counter exchange of defective units with consumers during the warranty period. The warranty period is one year. With the exception of 1 customer (Electricity Boards) the agreements are verbal and non contractual. Electricity Boards has a letter authorizing. Currently, approximately 45% of warranty defective appliances are exchanged per this policy. The remaining warranty defectives are repaired at Proctor-Silex expense by service centers.

John A. Doble

JAD/lu

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EXHIBIT AA

Pursuant to Section 4.1.33 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

UNION PETITIONS FOR RECOGNITION

None

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EXHIBIT BB

Pursuant to Section 6.2 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

LICENSE AGREEMENT

Attached hereto.

CONFIDENTIAL

LICENSE AGREEMENT

This License Agreement, made and entered into as of the ____ day of _____, 1983, by and between WESRAY APPLIANCES, INC., a Delaware corporation (hereinafter referred to as "Buyer"), and SCM CORPORATION, a New York corporation, (hereinafter referred to as "Seller").

W I T N E S S E T H:

WHEREAS, Buyer and Seller have entered into an Agreement of Purchase and Sale of Assets dated as of August __, 1983, in respect of the Proctor-Silex Group of the Consumer Products Division of Seller (hereinafter referred to as the "Asset Purchase Agreement");

WHEREAS, Seller is the owner of all right, title and interest in and to the name, trademark and logo "SCM" as applied to the inventories and certain other Assets (as that term is defined in the Asset Purchase Agreement"); and

WHEREAS, Buyer desires a license to make use of the name, trademark and logo "SCM" for certain temporary and limited purposes, as set forth hereafter;

NOW, THEREFORE, for value received, receipt of which is hereby severally acknowledged, and in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto as follows:

1. Seller hereby licenses to Buyer the following rights in respect of the afore-mentioned name, trademark and logo:

(a) for a period of up to twelve (12) months from the date of the Closing, to use all packaging and labeling materials (excluding bills of lading, packaging slips or stationery) and other standard forms used directly in the Business at such date and on hand on the Closing Date, which bear Seller's name, trademark or logo or any other name, trademark or logo theretofore used by the Group in conjunction with the Proctor-Silex trademark;

(b) to sell any and all inventories of the Group to which Seller's name, trademark or logo is affixed that are completed or in process as of the Closing;

(c) to sell products manufactured from dies or molds transferred to Buyer on the Closing Date to which Seller's name, trademark or logo or other marking identifying Seller as the manufacturer, is affixed, provided, however, that any replacement dies or molds shall not include Seller's name, trademark or logo; and provided further, that as soon as practicable after Closing, Buyer shall remove Seller's name, trademark or logo from dies or molds transferred to Buyer on the Closing Date wherever reasonably possible without incurring substantial expense;

(d) for a period of up to ninety (90) days after Closing, to operate trucks, automobiles and other rolling stock owned or leased by the Group as of the Closing Date to which Seller's name, trademark or logo is affixed on the Closing Date;

(e) for a period of up to one hundred eighty (180) days after Closing, to use the Seller's name, trademark, and logo on any signs or identifying items which are included in the Assets of the Group as of the Closing (except for business forms and stationery).

2. During the period of this License Agreement, Buyer agrees that all products manufactured from dies or molds transferred to Buyer on the Closing Date shall meet the standards of quality embodied in the same products manufactured by Seller prior to the Closing Date. Buyer agrees to permit SCM's authorized agents at any and all times during regular business hours to enter Buyer's premises to inspect the finished products. If Seller determines that the finished products do not meet the standards of quality as set forth above, Seller shall notify Buyer of such fact and if Buyer does not improve the quality of said products within 30 days of such notification, then Seller shall have the right to terminate this Agreement upon written notice to Buyer.

3. From and after the Closing Date, Buyer shall indemnify and save Seller harmless from and against any and all loss, cost, damage or expense (including attorney's fees) whatsoever resulting from or arising out of the use of Seller's name, trademark or logo as licensed to Buyer pursuant to Sections 1(a) through (e) herein. In this regard, for a period of three years after the termination of this License Agreement in accordance with the provisions of

CONFIDENTIAL

Section 1 herein, Buyer shall name Seller as an additional insured under Buyer's liability insurance policy as respects the Buyer's use of Seller's name, trademark or logo during the period of this License Agreement with minimum coverage of one million dollars ($1,000,000) and shall furnish Seller a certificate of insurance naming Seller as an additional insured.

4. All capitalized terms used in this License Agreement shall have the meanings as set forth in the Asset Purchase Agreement.

5. This License Agreement shall not be assignable by Buyer, nor shall Buyer have any right to license or sublicense others to use the trade name, trademark or logo "SCM" or any trade names, trademarks or logos confusingly similar thereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

ATTEST:

SCM CORPORATION

By: _____

_____
[Corporate Seal]

WESRAY APPLIANCES, INC.

_____
[Corporate Seal]

By: _____

CONFIDENTIAL

EXHIBIT CC

Pursuant to Section 6.7 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

SELLER'S SEVERANCE PAYMENT POLICY

Attached hereto.

SCM CORPORATION

ED CONFIDENTIAL
SILVERSTONE
5pgs.

No	1983-1
Subject	Salaried Employee Termination
Date	January 1, 1983
Supersedes	1976-4
Amends	None

This policy outlines general reasons for salaried employee terminations and provides guidelines for action.

Termination may be initiated by reason of the employee's resignation or retirement or by reason of release or discharge by the company.

a. <u>Employee Initiated Termination</u>

(1) Employees who resign are expected to provide their supervisors with at least two weeks' written notice of termination. An employee resigning with notice may be asked to leave on the day the resignation is received, in which event he will be paid for a two-week notice period.

(2) Normal retirement is at age 65, but employees may retire as early as age 50 in accordance with the early retirement provision in the SCM Retirement Plan.

b. <u>Company Initiated Termination</u>

(1) Employees may be released due to reduction in force or when unable to attain or maintain a satisfactory level of work performance. Such employees receive no less than two weeks' pay in lieu of notice.

(2) Employees may be discharged when in the judgement of management this action is warranted due to misconduct. Discharge may be based on the severity of an individual action or after repeated violations of a less serious nature despite warnings by supervisors.

(3) No employee may be terminated without prior review by the applicable employee relations department and appropriate management approval.

T. E. Gettle
Dir.-Employee Relations
Appliance Group
Consumer Products Div.
King of Prussia

TC
EDS Investor
CONFIDENTIAL

Compensation Upon Termination

a. Termination allowance is not authorized when employees resign or retire, are discharged for cause, or, in the event of sale by SCM of an operation or entity, when employment is offered by the acquiring company.

b. Termination allowance may be granted when an employee is released pursuant to Paragraph 2b(1). The amount of termination allowance is calculated on the following basis except where existing divisional policies provide for similar amounts of payment.

(1) One weeks' salary for each year of continuous service.

(2) Total allowance shall not exceed twenty (20) weeks.

c. In the event of unusual circumstances, additional termination consideration may be provided subject to the approval of the division president and/or corporate vice president-employee relations.

Method of Payment

a. The termination allowance should be paid during the first pay period following the employee's effective date of termination.

b. This payment will be in a lump sum unless the employee requests that continuous payments be made over a period of time. Such continuous payments are paid on a normal pay period basis until expiration of the termination allowance period.

c. If the employee obtains other employment before the full termination allowance has been paid, the balance due will promptly be paid in a lump sum.

d. In the case of death before the full termination allowance payment has been paid, the difference between total payment due and the amount actually paid to date will be paid in a lump sum to a designated beneficiary.

Benefits Coverage

a. Employees who elect lump sum payment shall cease to be covered by all benefit plans including insurance coverage on date of termination.

b. Employees who elect to receive termination allowance in the form of regular paychecks during the severance period shall continue to be covered by the Life, Medical and Accidental Death & Dismemberment Insurance plans. Coverage will cease if the employee obtains other employment or the severance period ends, whichever occurs first. Accrual of credits

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toward pension coverage shall also continue to the end of the severance period. Long Term Disability and Travel & Accident plans for those eligible shall cease on the last day worked.

c. Participation in the RSIP Plan ceases on the effective date of termination, and withdrawal payments shall be made pursuant to the provisions of the plan.

General

a. Terminated employees, on or before their last day worked, are to account for personal loans through the company, keys, identification cards, and credit cards.

b. Vacation pay due but not taken at time of involuntary termination shall be payable in addition to the termination allowance. (Additional vacation shall not accrue for the number of weeks covered by the termination allowance.)

The administration of this policy is the responsibility of the applicable employee relations department; however, the termination circumstances of key management employees (Policy 1973-12) are to be reviewed with corporate vice president-employee relations.

George E. Hall
Senior Vice President-Administration

roved:

Paul H. Blicker
Chairman and President

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EXHIBIT DD

Pursuant to Section 6.8(a) of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

SHARED OFFICE LEASES

Lessor/Lessee/Sublessee	Location	Date
Wall Properties/ Proctor-Silex w/SCM	Toronto, Canada	1/15/65
Dalfen's Limited/ Proctor-Silex w/SCM	Montreal, Canada	4/01/83

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EXHIBIT EE

Pursuant to Section 6.8(b) of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

PRINCIPAL FACILITY LEASES

Each item marked with an F on Exhibit A to this Agreement is a principal facility lease pursuant to Section 6.8(b) of this Agreement and is deemed incorporated hereon by reference.

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EXHIBIT FF

Pursuant to Section 6.8(c) of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

FORMS OF LANDLORD DISCLAIMER

Attached hereto.

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CONSENT AND WAIVER BY LANDLORD OF REAL ESTATE

The Undersigned, _____, is the landlord of the real estate described on Exhibit A attached hereto (the "Real Estate"). The Real Estate is being occupied by _____ ("Occupant"), which has granted to _____, a corporation having an office at _____ ("Lender"), a security interest in the following personal property owned by it (the "Property"):

All present and future Inventory and Equipment

For good and valuable consideration, the Undersigned does hereby agree as follows:

1. The Property may be affixed to the Real Estate and is to remain personal property notwithstanding the manner in which it is affixed to the Real Estate. The Property shall remain subject to the security interest and lien of Lender, its legal representatives, successors, agents or assigns until such time as such security interest or lien is released or conveyed by Lender to other parties.

2. This Consent and Waiver shall apply equally to all Property which now is located on the Real Estate or which hereafter may be delivered thereto or installed thereon.

3. The Undersigned waives each and every right which the Undersigned now has or hereafter may have, under the laws of the State of _____ or any other State or by the terms of any real estate lease or mortgage now in effect or hereafter executed by the Undersigned or the Occupant, to levy or distrain upon for rent, in arrears, in advance or both, or to claim or assert title to the Property.

4. The Undersigned recognizes and acknowledges that any claim that Lender now or hereafter may have against the Property is superior to any lien or claim of any nature which the Undersigned now has or hereafter may have to the Property by statute, or otherwise.

5. Lender or its assigns or agents, without liability or accountability to the Undersigned, may remove the Property from the Real Estate whenever Lender believes such removal is necessary to protect its interests.

6. Lender may, without affecting the validity of this Consent and Waiver, extend the times of payment of any indebtedness of Occupant to Lender or alter the performance of any of the terms and conditions of any agreement between Lender and the Occupant, without the consent of the Undersigned and without giving notice to the Undersigned.

CONFIDENTIAL

7. This agreement shall inure to the benefit of the successors and assigns of Lender and shall be binding upon the heirs, personal representatives, successors and assigns of the Undersigned.

IN WITNESS WHEREOF, the Undersigned has set his hand and seal, or caused its seal to be affixed, this ____ day of _____, 1983.

LANDLORD

By: _____

CONFIDENTIAL

[TO BE COMPLETED FOR CORPORATE LANDLORD]

STATE OF)
: ss
COUNTY OF)

I, _____, a Notary Public within and for said County, in the State aforesaid, duly commissioned and acting do hereby certify that on this ____ day of _____, 1983, personally appeared before me _____, to be personally known and known to be the person who signed the foregoing Consent and Waiver, and known to me to be and who, being by me duly sworn and being informed of the contents of said Consent and Waiver, stated and acknowledged to me on oath that he was the _____ of the Corporation named in and which executed the said Consent and Waiver, and that he knows the corporate seal of said Corporation, and that the seal affixed to said Consent and Waiver is the corporate seal of said Corporation, that he was duly authorized to execute said Consent and Waiver, for, in the name of and on behalf of said Corporation, and that same was signed, sealed, executed and delivered by him in the name of and on behalf of said Corporation by authority of its Board of Directors and that the execution of said Consent and Waiver was his free and voluntary act and deed in his said capacity and acknowledged to me that said Corporation executed the same as its free and voluntary act and deed and was by him voluntarily executed, on behalf of said Corporation for the uses, purposes and considerations therein mentioned and set forth.

WITNESS my hand and seal as such Notary Public the day and year in this certificate above written.

_____
Notary Public [SEAL]

My Commission Expires:

CONFIDENTIAL

[TO BE COMPLETED FOR PARTNERSHIP LANDLORD]

STATE OF)
: ss
COUNTY OF)

I, , a Notary Public within and for said County, in the State aforesaid, duly commissioned and acting do hereby certify that on this day of , 1983, and personally appeared before me , who executed the foregoing to me personally known and known to be the persons who signed said Disclaimer and known to be and who, being by me duly sworn and being informed of the contents of said Disclaimer stated and acknowledged on oath that they were Partners of , the Partnership named in and which executed the said Disclaimer and that they signed, executed, sealed and delivered same individually and in behalf of the said Partnership, with authority, as their free and voluntary act and deed, for the uses, purposes and considerations therein mentioned and set forth.

WITNESS my hand and seal as such Notary Public the day and year in this certificate above written.

My commission expires_____

_____
Notary Public

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Disclaimer

WHEREAS, _____ ("Lender") proposes to make a loan to _____, _____, a Delaware corporation ("_____"), which loan will be secured by a prior perfected security interest in all equipment and fixtures (as such terms are defined in Article 9 of the Uniform Commercial Code) now owned or hereafter acquired by _____ (the "Equipment"); and

WHEREAS, a portion of the Equipment is or will be located at _____, _____ County, State of _____, which real property is more fully described on Annex 1 hereto (the "Real Property"); and

WHEREAS, the undersigned is either the record owner or the holder of a lien on or other interest in the Real Property; and

WHEREAS, Lender has requested the undersigned to make this Disclaimer, and the undersigned is willing to do so;

NOW, THEREFORE, the undersigned, for the benefit of Lender and in order to induce Lender to make the aforesaid loan to _____ hereby (i) agrees that the Equipment shall be deemed severed from the Real Property and shall be personal property owned by _____, even though attached to the Real Property, (ii) agrees that none of the Equipment shall be deemed to be a fixture or a part of the Real Property or subject to the lien of any mortgages or deed of trust heretofore or hereafter placed on the Real Property by the undersigned, and (iii) consents to the prior perfected security interest of Lender in the Equipment.

The undersigned further agrees to permit Lender, its agents and assigns, full access upon the Real Property to inspect, disassemble or remove the Equipment without notice to, or further permission of, or obligation to, the undersigned or its successors or assigns.

This Disclaimer shall be binding upon the undersigned and its successors and assigns for the benefit of _____ _____.

Executed this ___ day of _____, 1983.

[Corporate Name]

_____

By: _____

[Corporate Seal]

Attest:

_____

CONFIDENTIAL

[TO BE COMPLETED FOR CORPORATE LANDLORD]

STATE OF)
: ss
COUNTY OF)

I, _____, a Notary Public within and for said County, in the State aforesaid, duly commissioned and acting do hereby certify that on this ____ day of _____, 1983, personally appeared before me _____, to be personally known and known to be the person who signed the foregoing Consent and Waiver, and known to me to be and who, being by me duly sworn and being informed of the contents of said Consent and Waiver, stated and acknowledged to me on oath that he was the _____ of the Corporation named in and which executed the said Consent and Waiver, and that he knows the corporate seal of said Corporation, and that the seal affixed to said Consent and Waiver is the corporate seal of said Corporation, that he was duly authorized to execute said Consent and Waiver, for, in the name of and on behalf of said Corporation, and that same was signed, sealed, executed and delivered by him in the name of and on behalf of said Corporation by authority of its Board of Directors and that the execution of said Consent and Waiver was his free and voluntary act and deed in his said capacity and acknowledged to me that said Corporation executed the same as its free and voluntary act and deed and was by him voluntarily executed, on behalf of said Corporation for the uses, purposes and considerations therein mentioned and set forth.

WITNESS my hand and seal as such Notary Public the day and year in this certificate above written.

_____
Notary Public [SEAL]

My Commission Expires:

CONFIDENTIAL

[TO BE COMPLETED FOR PARTNERSHIP LANDLORD]

STATE OF)
: ss
COUNTY OF)

I, , a Notary Public within and for said County, in the State aforesaid, duly commissioned and acting do hereby certify that on this day of , 1983, and personally appeared before me , who executed the foregoing to me personally known and known to be the persons who signed said Disclaimer and known to be and who, being by me duly sworn and being informed of the contents of said Disclaimer stated and acknowledged on oath that they were Partners of , the Partnership named in and which executed the said Disclaimer and that they signed, executed, sealed and delivered same individually and in behalf of the said Partnership, with authority, as their free and voluntary act and deed, for the uses, purposes and considerations therein mentioned and set forth.

WITNESS my hand and seal as such Notary Public the day and year in this certificate above written.

My commission expires_____

_____
Notary Public

CONFIDENTIAL

EXHIBIT GG

Pursuant to Section 6.8(c) of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

FORM OF ESTOPPEL CERTIFICATE

Attached hereto.

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ESTOPPEL CERTIFICATE

August ___, 1983

Wesray Appliances, Inc.
330 South Street - CN-1975
Morristown, N.J. 07960

_____
_____
_____

Re: [Description of Lease] (the "Lease")

Gentlemen:

We have been advised that _____ ("Lender") intends to make a loan secured, inter alia, by a leasehold mortgage upon the Lessee's interest in the Lease. The Lease will be assigned on or about _____, 1983, to Wesray Appliances, Inc., a Delaware corporation, after which date all references herein to Lessee shall be deemed to refer to Wesray Appliances, Inc. In connection with that loan we have been requested, and do hereby certify to you as follows:

1. That we are the Lessor under the Lease.

2. That a true, correct and complete copy of the Lease is attached hereto as Exhibit A.

3. That the Lease has not been modified or terminated, and that to the best of our knowledge, the Lease continues in full force and effect.

4. That the Lessee has made all monthly payments of rent and other charges due under the Lease through the payment which was due on _____, 1983.

5. That we have not sent to the Lessee any notice of default under the Lease and, to the best of our knowledge, no event has occurred which with the giving of notice or the passage of time might constitute an event of default under the Lease.

CONFIDENTIAL

Wesray Appliances, Inc.

6. In the event of any default under the Lease, the ~~Landlord~~ Lessor shall give to Lender written notice of such default by certified mail, return receipt requested, and Lender shall have the opportunity to cure such default or enter into a new lease on substantially the same terms as the Lease, for a period of thirty (30) days from Lender's receipt of such notice.

7. The terms, conditions and provisions of this letter shall run to Lender and its participants, successors and assigns, and to Wesray Appliances, Inc., its successors and assigns.

ATTEST OR WITNESS:

_____

_____

By: _____

Its: _____

CONFIDENTIAL

EXHIBIT HH

Pursuant to Section 7.1(e) of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

SERVICES AGREEMENT

Attached hereto.

SERVICES AGREEMENT

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This AGREEMENT dated as of , 1983 between SCM CORPORATION, a New York corporation ("SCM"), and WESRAY APPLIANCES, INC., a Delaware corporation ("W.A.").

W I T N E S S E T H

WHEREAS, W.A. has heretofore agreed to purchase from SCM certain of the assets of the Proctor-Silex Group ("Proctor") of SCM's Consumer Products Division pursuant to the Agreement of Purchase and Sale of Assets dated as of August , 1983 between SCM and W.A. (the "Purchase Agreement"); and

WHEREAS, W.A. and SCM have agreed that SCM shall provide certain services to W.A. after the Closing Date, as defined in the Purchase Agreement (the "Closing Date").

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

ARTICLE I

COMPUTER SERVICES

Section 1.1 Processing Time.

1.1.1 SCM agrees to provide W.A., subject to the terms and conditions contained herein, at no charge to W.A. central unit processing time ("CPU") up to the following

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number of Standard Hours, as defined below, at its computer centers in Research Triangle, North Carolina, Cortland, New York or such other center as SCM may establish in the United States or Canada (the "EDP Centers") for each year during the three-year period commencing on the Closing Date (each of such years herein being called "Year 1", "Year 2" and "Year 3", respectively, or "Contract Year"; such maximum number of Standard Hours to be provided at no charge for each Contract Year being called herein a "Basic Allowance"):

	Basic Allowance
Year 1	220
Year 2	242
Year 3	266

1.1.2 Once the Basic Allowance for any Contract Year has been exhausted, W.A. may purchase from SCM, subject to the terms and conditions contained herein, CPU time and disk and tape drive access at the EDP Centers at the following rates:

	CPU Time (per Standard Hour)	Disk Drive (per thousand start input/outputs)	Tape Drive (per thousand start input/outputs)
Year 1	$3,000	$3.30	$14.20
Year 2	3,300	3.63	15.62
Year 3	3,630	3.99	17.18

Notwithstanding anything to the contrary contained herein, (i) the aggregate amount of all Standard Hours, whether

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part of the Basic Allowance or purchased hereunder, used by W.A. in any Contract Year may not exceed 125% of the Basic Allowance for such Contract Year; and (ii) the aggregate amount of all Standard Hours which have been modified by the modification contained in Section 1.3.1(A) used in any Contract Year shall not exceed 189. The unused portions of the Basic Allowance and of the limitation in clause (ii) of the preceding sentence for any Contract Year shall not be carried over to any other Contract Year.

1.1.3 "Standard Hour" means a "used hour", as that term is used in SCM's current accounting system for electronic data processing ("EDP") (or if the accounting system is changed the equivalent unit of CPU time), subject to the following modifications:

(A) in the case of any job run start which occurs between 7:00 A.M. and 6:59 P.M. Monday through Friday, other than holidays on which the relevant EDP Center is officially closed (a "holiday"), or between 12:00 A.M. and 11:59 P.M. on Saturday, Sunday or any holiday, then all "used hours" relating to such job run shall be multiplied by 1.5 before applying the formulas set forth in or referred to in (B), (C), (D), (E) and (F) below;

(B) one "used hour" of CPU time on an IBM 3033 with the configuration of the one currently installed in the Research Triangle EDP Center shall equal one Standard Hour;

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(C) ten "used hours" of CPU time on an IBM 370/148 with the configuration of the one currently installed in the Cortland EDP Center shall equal one Standard Hour;

(D) five "used hours" of CPU time on an IBM 370/158 with the configuration of the one currently installed in the Research Triangle EDP Center shall equal one Standard Hour; and

(E) if SCM installs a new central processing unit, W.A. may not use such unit until SCM provides W.A. with a Standard Hour - "used hour" formula for such central processing unit for use herein which is reasonably satisfactory to W.A.; and

(F) if SCM modifies any central processing unit it now owns, or in the future may own, and such modification materially affects, in the reasonable judgement of SCM, the processing speed of such central processing unit, SCM will provide W.A. with an appropriate adjustment to the applicable Standard Hour-"used hour" formula for such central processing unit.

1.1.4 W.A. may use the EDP Centers on Monday through Friday other than holidays during the same hours that the EDP Centers are available to SCM's businesses. If an EDP Center is open on a Saturday, Sunday or holiday for SCM's use, W.A. may use the EDP Center on the same terms, charges and conditions as those applied to SCM's businesses. If an EDP Center is not

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open on a Saturday, Sunday or holiday for use by SCM , W.A. may use such EDP Center, subject to the EDP Center being closed for maintenance, auditing or other administrative services, and pay all costs of opening and operating such EDP Center.

1.1.5 Access by W.A. personnel or personnel of W.A's representatives to EDP Centers shall be at the reasonable discretion of SCM upon prior written request by W.A.to SCM.

1.1.6 W.A. agrees that it will comply with all operating procedures and standards imposed by SCM on W.A. for use of the EDP Centers. If SCM requires a change to be made to such procedures and standards, W.A. will make or conform to such changes in the time period required by SCM. SCM agrees that the operating procedures and standards and changes imposed by it on W.A. will be similar in nature and scope to the operational procedures and standards and changes imposed by it on its own businesses. It is SCM's understanding that the written information relating to the EDP Centers operating procedures and standards located at the Proctor facilities being transferred to W.A. under the Purchase Agreement are current and complete in all material respects. SCM will provide W.A. with one copy of any update of such information at no charge to W.A. and at the same time such update is made available to SCM's business.

Section 1.2. <u>Hardware</u>.

1.2.1 SCM will provide to W.A., for its sole use and at no charge to W.A., subject to the terms and conditions contained

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herein, disk data storage space for data and program libraries equal to the storage space provided by eight IBM 3340 packs and four IBM 3350 spindles and tape storage space for data and program libraries equal to the storage space provided by 1,880 standard tape reels.

1.2.2. If SCM reasonably determines that the disk and tape storage space provided hereunder is insufficient to handle W.A.'s EDP, SCM will give W.A. notice of its determination together with the funding requirements for additional equipment or tape reels. Within thirty days of receipt by W.A. of SCM's notice, W.A. will give SCM notice of whether it will provide SCM with the funding set forth in SCM's notice, and, if W.A. will provide such funding, it shall provide such funds within (5) days of SCM's receipt of its notice. If W.A. provides SCM with such funds, SCM will install such equipment or tape reels at the appropriate EDP Center. If W.A. does not provide SCM with such funds, SCM may limit the computer services provided hereunder in a manner, to be mutually acceptable to both parties, that will eliminate the need for such additional equipment or tape reels; provided, however, if a limitation cannot be agreed upon SCM may take appropriate actions to eliminate such problem until a limitation can be agreed upon.

1.2.3 All EDP equipment, other than equipment purchased pursuant to Section 1.2.2, used by SCM in providing services hereunder

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is and will remain the property of SCM. Equipment purchased under Section 1.2.2. will be and will remain the property of W.A. Upon termination of this Agreement, SCM will transfer to W.A., at no additional charge to W.A. other than those set forth below, all equipment purchased under Section 1.2.2 and tape reels in a number equal to the number of tape reels purchased under Section 1.2.2. If W.A. requests that SCM transfer tape reels in addition to those purchased under Section 1.2.2, W.A. shall pay SCM $14 for each additional tape reel. Upon termination of this Agreement, SCM will give to W.A. tape reels containing all W.A. data and all Software Applications being transferred under Section 2.1.4. W. A. may either strip the data and Software Applications contained thereon and return such reels to SCM or purchase such reels pursuant to this Section 1.2.3. All costs of delivering W.A.'s EDP equipment and tape reels from the EDP Centers to W.A. shall be borne by W.A.

1.2.4 W.A. is solely responsible for providing any and all equipment needed to enable it to use the EDP Centers (such as terminals and telecommunications equipment and lines); provided, however, that SCM shall have the right to stipulate the technical qualifications for any equipment which interconnects or interacts with SCM's EDP equipment, system or network and approve the vendor of such equipment. Not less than thirty days prior to ordering any such equipment, W.A. shall notify SCM of its intentions to order such equipment.

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Section 1.3 Additional Representations, Warranties and Covenants.

1.3.1 W.A. understands, acknowledges and agrees with SCM that:

(A) Nothing contained herein obligates SCM in anyway to maintain any EDP equipment, EDP system, operating system, support software, operating procedure or standard, EDP Center or EDP operations. W.A. is receiving access hereunder to the SCM EDP operations that SCM determines, from time to time in its sole discretion, that it desires to maintain for its own businesses during the Contract Years.

(B) Subject to Section 1.3.2(B) SCM has no liability of any kind to W.A. for any losses, costs, damages or expenses of any kind resulting from or arising out of (i) any temporary or permanent disruptions in, or availability of, its EDP equipment, systems, network, EDP Centers, EDP operations in general or (ii) its operation or maintenance of its EDP equipment and EDP Centers.

(C) SCM makes no representations or warranties, express or implied, by operation of law or otherwise, about its EDP equipment, systems or network, the EDP Centers, the Software Applications, as defined below, its operating systems, its support software, or its EDP operations in general.

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1.3.2 SCM understands, acknowledges and agrees with W.A. that:

(A) SCM agrees with W.A. that it will take the same care in the installation, operation and maintenance of equipment or tape reels purchased under Section 1.2.2 as it in fact takes with its own equipment and tape reels of similar type and in similar location as said purchased equipment and tape reels.

(B) SCM agrees that it will not deny W.A. access to its EDP system, EDP Centers or EDP Operations for the primary purpose of not performing the obligations to provide services hereunder, and, if SCM shall fail to perform its obligations under this subsection (B) and such failure has not been cured for a period of 72 hours after written notice thereof shall have been given to SCM's Vice President-Finance, SCM shall be in default of such obligation; provided, however, that SCM's liability for any such default shall be limited to the out-of-pocket costs for substituted services and, in no case, shall SCM's liability for all such defaults exceed $1,600,000.

ARTICLE II

SOFTWARE APPLICATIONS

Section 2.1 Establishment of a Stand Alone System

2.1.1 SCM will make available, subject to the terms and conditions contained herein, for W.A.'s use (i) in the case of all W.A. Applications, as defined below, and all Multi-User Applications, as defined below (both together being called

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herein the "Software Applications") currently used by Proctor which may be made available to W.A. without the consent, license or other agreement of any third party, the current form of such Software Applications and the related written information located at the Proctor facilities to be transferred under the Purchase Agreement on the Closing Date and (ii) in the case of all Software Applications currently used by Proctor which may not be made available to W.A. without the consent, license or other agreement of a third party, the current form of such Software Applications and the related written information located at the Proctor facilities to be transferred under the Purchase Agreement when and if such consents, licenses or other agreements are obtained by W.A. It is W.A.'s sole responsibility to obtain, and bear all costs incurred in obtaining, such consents, licenses and other agreements. SCM agrees that it will use its best efforts to assist W.A. in obtaining any such consents, licenses or other agreements.

2.1.2 (A) All Software Applications owned by SCM are and shall remain the sole and exclusive property of SCM. This Agreement does not grant to W.A. any rights to such Software Applications other than as expressly set forth herein.

(B) SCM hereby grants, subject to the terms and conditions contained herein, to W.A. a non-exclusive license to use for a twenty year period commencing on the Closing Date the Software Applications made available to W.A. pursuant to Section 2.1.1 and the written information made available to W.A. pursuant

to Sections 1.1.6 , 2.1.1 and 2.3.2 (the "Licensed Material"). W.A. agrees that (i) all Licensed Material will only be used at EDP Centers or W.A. facilities; (ii) it will not sell or license to any other person, or allow any other person to use, any Licensed Material; (iii) it will not disclose any Licensed Material to any other person and (iv) it will provide the same security for Licensed Material in its possession as it provides for other important and confidential documents.

(C) At the end of the twenty year license period provided for above, all Licensed Material in possession of W.A. shall become the property of W.A.

2.1.3 Within 120 days of the date on which a Multi-User Application (other than DBOMP) is made available to W.A. pursuant to Section 2.1.1 or on which W.A. requests that DBOMP be made a stand alone Software Application, SCM will establish such Multi-User Application as a stand alone Software Application, and, once such Multi-User Application has been so established, it shall be deemed to be a W.A. Application for purposes of this Agreement. When and if a Multi-User Application is converted to a W.A. Application hereunder, SCM will make available, if it has not previously made available, one copy of all documentation necessary for W.A. to be able to support such W.A. Application. SCM and W.A. agree to provide sufficient personnel to accomplish the foregoing. All costs incurred by SCM in establishing stand alone Software Applications shall be borne equally by SCM and W.A.

2.1.4 Upon termination of this Agreement, SCM will transfer to W.A. one copy of all W.A. Applications and the related written information, subject, in the case of W.A. Applications owned by SCM, to the terms and conditions contained in Section 2.1.2; provided, however, that, if such transfer requires the consent, license or other agreement of a third party, SCM shall have no obligation to make such transfer until such consent, license or agreement is obtained by W.A. It is W.A.'s sole responsibilty to obtain, and bear all costs incurred in obtaining such consents, licenses and other agreements. SCM agrees that it will use its best efforts to assist W.A. in obtaining any such consents, licenses or other agreements.

Section 2.2. W.A. Applications.

2.2.1 W.A. shall have sole responsibility for the maintenance, enhancement, new systems development and operation of the applications software listed on Exhibit A attached hereto ("W.A. Application"). The software listed on Exhibit A is all the application software used exclusively by Proctor as of the date hereof.

2.2.2 Any changes to W.A. Applications made by W.A. or a third party or any applications software acquired by W.A. which W.A. desires to use on SCM's EDP system must pass to SCM's reasonable satisfaction the then current SCM Test to Production Turnover Procedure (the "Test"). SCM will provide all reasonable and necessary assistance to W.A. for implementing such Test. When and if newly acquired applications software

satisfactorily passes such Test, it will be deemed to be a W.A. Application for purposes of this Agreement.

2.2.3. If a problem arises in the operation of a purchased or modified W.A. Application as a result of a vendor defect of SCM's operating system or support software, the cost to SCM of solving such problem shall be shared equally by SCM and W.A.; provided, however, this Section shall not apply if SCM acquires a new operating system or support software and such problems occur with then existing purchased or modified W.A. Applications. and one or more other SCM businessess. Additions to, and deletions from, those data bases of W.A.'s which are currently maintained by Proctor (such as, vendor or suppliers lists, accounts receivable and customer lists,) and used by W.A. with Multi-User Applications will be made by SCM at no charge to W.A.; provided, however, that the foregoing does not include changes or modifications to the number or type of content of the fields in such data bases.

2.2.4 W.A. agrees that it will comply with all requirements and standards (such as interim cut-off and monthly closing schedules) for using Multi-User Applications imposed by SCM on W.A. and will make or comply with all changes thereto required by SCM in the time periods required by SCM. SCM agrees that the requirements, standards and changes imposed by it on W.A. will be similar in nature and scope to the requirements, standards and changes imposed by it on its own businesses.

2.3.3 If SCM decides, in its sole discretion, to cease using a Multi-User Application, it will give W.A. 90 days notice thereof. Upon W.A.'s request, SCM will set up such Multi-User Application as a W.A. Application; provided, however, that if the foregoing may not be done without the consent, license or other agreement from a third party, SCM will have no obligations hereunder until such consent has been obtained. It is W.A.'s sole responsibility to obtain, and bear all costs incurred in obtaining, such consents, licenses or other agreements. SCM agrees that it will use its best efforts to assist W.A. in obtaining any such consents, licenses or other agreements.

2.3.4 SCM will provide W.A. at no charge with essentially the same medium of output from Multi-User Systems with essentially the same information as it is currently delivering to Proctor. W.A. agrees that SCM shall be under no obligation to modify the medium or informational content of such output.

Section 2.4 Transition Services

SCM agrees that it will make available to W.A., on a reasonable and necessary basis, appropriate EDP personnel to assist W.A. in connection with transferring the W.A. Applications to a W.A. computer center. SCM will provide over the period of the Contract Years up to 200 man/hours of such services at no charge to W.A., except that W.A. agrees to pay all out-of-pocket expenses incurred by such personnel, provided, however, that no more than 50% of all man/hours used by W.A. will be performed by personnel from

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the Cortland EDP Center. If W.A. desires services in addition to the foregoing, SCM may at its option provide such services. If it does provide such services, W.A. agrees to pay SCM 1.5 times the salary of the personnel used for the man/hours used and all out-of-pocket expenses.

ARTICLE III

EUROPEAN SERVICES

SCM will provide W.A. after the Closing Date with substantially the services and facilities it is currently providing for Proctor at SCM's offices and warehouse in Wembley, United Kingdom in substantially the same manner on substantially the same cost basis as it is currently charging Proctor on the date hereof for a period of up to six months from the date hereof.

SCM presently has seven employees dedicated to providing the foregoing services to Proctor and presently intends to terminate such employees when it has completed providing the foregoing services. W.A. agrees that upon their termination, they will be considered terminated employees for purposes of Section 6.7 of the Purchase Agreement and shall be treated in accordance with the provisions thereof.

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ARTICLE IV

MISCELLANEOUS

Section 4.1 Statements.

Within 15 days of the end of each SCM accounting month close, SCM will deliver one or more statements to W.A. showing (i) CPU time used for the past month and, if appropriate, disk and tape start input/outputs, and (ii) all charges incurred hereunder during such month. Each such statement will be paid by W.A. within 30 days of receipt, except that charges relating to Article III will be paid within five days of receipt of a statement.

Section 4.2 Contract Representative; Notices.

4.2.1 Each of W.A. and SCM shall notify the other within ten days of the effective date of this Agreement under Section 4.11.1, a person to act as its representative with respect to all EDP matters hereunder and shall promptly notify the other of any change thereto.

4.2.2 All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or five (5) days after being mailed by registered or certified first class mail, return receipt requested, postage prepaid, and in each case addressed:

If to SCM, to:

SCM Corporation
299 Park Avenue
New York, New York 10171

Attention: Director - Information Systems

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With ,in the case of any notice given under

Section 4.11.2, a copy to:

SCM Corporation
299 Park Avenue
New York, New York 10171

Attention: Secretary

If to W.A., to:

Wesray Appliances, Inc.
330 South Street, CN-1975
Morristown, New Jersey 07960

With in the case of any notice given under

Section 4.11.2, a copy to:

Lane and Edson, P.C.
1800 M Street, N.W.
Suite 400 South
Washington, D.C. 20036

Attn: Frank H. Pearl, Esq.

provided, however, that if any party shall have designated a different address by notice to the other, then to the last address so designated.

Section 4.3 Assignment.

This Agreement and the rights and duties hereunder shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto, but shall not be assigned or delegated by either party without the prior written consent of the other.

Section 4.4 Waivers.

Any waiver by SCM or W.A. of any breach of or failure to comply with any provision of this Agreement

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by the other party must be in writing and shall not be construed as, or constitute, a continuing waiver of such provision, or a waiver of any other breach of, or failure to comply with, any other provision of this Agreement.

Section 4.5 Complete Agreement.

This Agreement and the Exhibits hereto set forth the entire understanding of the parties hereto and supersede all prior agreements, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party.

Section 4.6 Governing Law. This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of New York without giving effect to the principles of conflicts of laws thereof.

Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity, other than the parties hereto, any rights or remedies under or by reason of this Agreement.

Section 4.8 Rights Cumulative.

All rights, powers and privileges conferred hereunder upon the parties, unless otherwise provided, shall be cumulative and shall not be restricted to those given by law. Failure to exercise any power given any party

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hereunder or to insist upon strict compliance by any other party shall not constitute a waiver of any party's right to demand exact compliance with the terms hereof.

Section 4.9 Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purpose of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

Section 4.10 Headings. The headings of the Articles and Sections of this Agreement and in the Exhibits to this Agreement are inserted for convenience of reference only and shall not be deemed to constitute a part hereof.

Section 4.11 Effectiveness, Termination and Survival

4.11.1 This Agreement shall only become effective on the Closing Date.

4.11.2 This Agreement may be terminated at any time by W.A. upon 60 days notice to SCM. In the event of a default by W.A. of any of its obligations hereunder, SCM shall give prompt notice to W.A. of such default. If W.A. does not cure such default within 30 days of receiving such notice, SCM may terminate this Agreement upon written notice to W.A. If this Agreement is

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terminated by W.A. pursuant to this Section and SCM has not delivered a notice of default hereunder, neither party shall have any rights or obligations to one another other than the rights and obligations contained in Section 1.2.3, 2.1.2, 2.1.4, Article III, Section 4.1.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

SCM CORPORATION

By: _____
Victor E. Feuerherd
Vice President

WESRAY APPLIANCES, INC.

By: _____
Frank E. Walsh, Jr.
President

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MULTI-USER SYSTEMS

System	Processing Location
1. Accounts Payable	Durham
2. Salaried Payroll	"
3. Property Accounting	"
4. General Ledger	"
5. DBOMP	Cortland

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EXHIBIT II

Pursuant to Section 10.2.1 of an Agreement of Purchase and Sale of Assets, dated August 10, 1983, between SCM Corporation and Wesray Appliances, Inc.

LIST OF EMPLOYEE PLANS

SCM Benefits: Group Insurance & Employee Benefits - Domestic - Salaried Employees

SCM Benefits: Long Term Disability Plan - Domestic - Salaried Employees

SCM Corp. Proctor-Silex Short Term Disability Benefit Plan - Salaried Employees

SCM Dental Insurance Plan - Domestic - Salaried Employees

SCM Retirement Savings & Investment Plan - Domestic - Salaried Employees

SCM Benefits: Employee Stock Ownership Plan - Domestic Salaried Employees

HMO Pa. - King of Prussia Salaried Employees

HMO New Jersey - King of Prussia Salaried Employees

Health Services Plan - King of Prussia Salaried Employees

SCM Group Life and Health Plan - Canada Salaried Employees

SCM Long Term Disability Plan - Canada Salaried Employees

SCM Dental Insurance Plan - Canada Salaried Employees

SCM Canadian Retirement Savings & Investment Plan - Canada Salaried Employees

The Ontario Health Insurance Plan - Canada Salaried Employees

SCM Corporation Retirement Plan for Salaried Employees

SCM Corporation Hourly (Fixed Benefit) Pension Plan

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SCM Corporation Death Termination Pay

SCM Corporation Travel Accident Plan

SCM Group Bonus Plan (Proctor-Silex)

SCM (UK) Pension Scheme

SCM (Canada) Limited Retirement Plan (Proctor-Silex)

Proctor-Silex (Mexico) Group Insurance Plan