FORM 8-K

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FILER

STANDARD MOTOR PRODUCTS INC

CIK:**93389**| IRS No.: **111362020** | State of Incorp.:**NY** | Fiscal Year End: **1231**
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SIC: **3690** Miscellaneous electrical machinery, equipment & supplies

Mailing Address
3718 NORTHERN BLVD
LONG ISLAND CITY NY 11101

Business Address
37 18 NORTHERN BLVD
LONG ISLAND CITY NY 11101
7183920200

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

February 7, 2003
(Date of earliest event reported)

STANDARD MOTOR PRODUCTS, INC.
(Exact name of registrant as specified in its charter)

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New York	1-4743	11-1362020
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
37-18 Northern Blvd. Long Island City, N.Y. (Address of principal executive offices)		11101 (Zip Code)

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Registrant's telephone number, including area code (718) 392-0200

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ITEM 5. OTHER EVENTS

On February 10, 2003, Standard Motor Products, Inc. (the "Registrant") announced that it had signed a definitive agreement to acquire substantially all of the assets and to assume substantially all of the operating liabilities of Dana Corporation's Engine Management Division. The related asset purchase agreement is attached hereto as Exhibit 2.1. At the acquisition closing, the Registrant and Dana will enter into a Share Ownership Agreement in connection with Dana receiving the applicable number of shares of the Registrant's common stock. A form of such Share Ownership Agreement is filed herewith as Exhibit 4.6. The acquisition is subject to customary closing conditions, including the expiration of the Hart-Scott-Rodino waiting period.

The Registrant plans to finance a portion of the cash portion of the purchase price and the one time costs associated with the acquisition and integration expenses with an expansion of its existing revolving credit facility with General Electric Capital Corporation, as agent. The Amended and Restated Credit Agreement is filed herewith as Exhibit 99.1.

The Registrant hereby incorporates by reference the contents of the press release of the Registrant dated February 10, 2003, filed herewith as Exhibit 99.2.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements and Exhibits:

(1) None

(b) Pro forma financial information:

(1) None

(c) Exhibits:

2.1 Asset Purchase Agreement, dated as of February 7, 2003, by and among Dana Corporation, Automotive Controls Corp., BWD Automotive Corporation, Pacer Industries, Inc., Ristance Corporation and Engine Controls Distribution Services, Inc., as Sellers, and Standard Motor Products, Inc., as Buyer.

4.6 Form of Share Ownership Agreement by and between Standard Motor Products, Inc. and Dana Corporation.

99.1 Amended and Restated Credit Agreement, dated as of February 7, 2003 among Standard Motor Products, Inc., Stanric, Inc., and Mardevco Credit Corp., as Borrowers, the other Credit Parties signatory thereto, General Electric Capital Corporation, for itself, as Lender, and as Agent for Lenders, Bank of America, N.A., for itself, as Lender, and as Syndication Agent, GMAC Commercial Finance LLC (as successor by merger to GMAC Commercial Credit LLC), for itself as Lender, and as Documentation Agent, and the other Lenders signatory thereto from time to time.

99.2 Press release of the Registrant, dated as of February 10, 2003.

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SIGNATURE

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

STANDARD MOTOR PRODUCTS, INC.

By: /s/ James J. Burke

James J. Burke
Vice President Finance, Chief Financial Officer

Dated as of February 10, 2003

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EXHIBIT INDEX

2.1	Asset Purchase Agreement, dated as of February 7, 2003, by and among Dana Corporation, Automotive Controls Corp., BWD Automotive Corporation, Pacer Industries, Inc., Ristance Corporation and Engine Controls Distribution Services, Inc., as Sellers, and Standard Motor Products, Inc., as Buyer.
4.6	Form of Share Ownership Agreement by and between Standard Motor Products, Inc. and Dana Corporation.
99.1	Amended and Restated Credit Agreement, dated as of February 7, 2003 among Standard Motor Products, Inc., Stanric, Inc., and Mardevco Credit Corp., as Borrowers, the other Credit Parties signatory thereto, General Electric Capital Corporation, for itself, as Lender, and as Agent for Lenders, Bank of America, N.A., for itself, as Lender, and as Syndication Agent, GMAC Commercial Finance LLC (as successor by merger to GMAC Commercial Credit LLC), for itself as Lender, and as Documentation Agent, and the other Lenders signatory thereto from time to time.
99.2	Press release of the Registrant, dated as of February 10, 2003.

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ASSET PURCHASE AGREEMENT

by and among

Dana Corporation
and
Certain of its Subsidiaries
as Sellers

and

Standard Motor Products, Inc.
as Buyer

Providing for the Sale of Substantially all of the Assets of
Dana's Engine Management Business

Dated as of February 7, 2003

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Exhibits

Appendix

Schedules

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of February 7, 2003, by and among DANA CORPORATION, a Virginia corporation ("Dana"), AUTOMOTIVE CONTROLS CORP., a Connecticut corporation, BWD AUTOMOTIVE CORPORATION, a Delaware corporation, PACER INDUSTRIES, INC., a Missouri corporation, RISTANCE CORPORATION, an Indiana corporation, ENGINE CONTROLS DISTRIBUTION SERVICES, INC., a Delaware corporation (each a "Seller" and, collectively, "Sellers"), and STANDARD MOTOR PRODUCTS, INC., a New York corporation ("Buyer"). Buyer and Sellers are referred to collectively herein as the "Parties." Capitalized terms are used herein with the meanings assigned those terms in Appendix A hereto.

RECITALS:

A. Sellers, by and through Dana's Engine Management Group, have been engaged in the business of manufacturing and distributing certain aftermarket parts for the passenger car and light vehicle markets in the United States.

B. Buyer desires to purchase from Sellers, upon the terms and subject to the conditions set forth in this Agreement, substantially all of the assets, properties, rights and interests of Sellers in the EMG Business (more particularly identified herein as the Acquired Assets), and Sellers desire to sell the Acquired Assets to Buyer in consideration of certain payments by Buyer and the assumption by Buyer of certain liabilities and obligations of Sellers, on the terms and conditions contained in this Agreement and the other agreements contemplated hereby.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, and subject to the terms and conditions set forth herein, Sellers and Buyer hereby agree as follows:

ARTICLE I

PURCHASE AND SALE OF ASSETS

1.1 Sale and Transfer of Assets. At the Closing and effective as of the Closing Date, Sellers shall, and shall cause their Affiliates to, sell, assign, convey, transfer and deliver to Buyer, and Buyer shall purchase and acquire from Sellers and such Affiliates, subject only to Permitted Liens, all right, title and interest of Sellers and such Affiliates in and to all of the assets and properties owned, used, occupied or held by or for the benefit of Sellers and such Affiliates primarily in the operation of, or otherwise relating primarily to, the EMG Business, excluding only the Retained Assets (the "Acquired Assets"), which Acquired Assets include, by way of example and not limitation, the following:

(a) Leased Real Property. All of Sellers' right, title and interest in, to and under the leases listed on Schedule 1.1(a) (the "Real Estate Leases") and, to the extent covered

by such leases, any and all buildings, structures, improvements and fixtures located on the real property covered by such leases.

(b) Fixed Assets. All of Sellers' right, title and interest in the machinery and equipment, furniture, automobiles, trucks, tractors, trailers, tools, jigs, dies and other tangible personal property used primarily in the EMG Business (the "Fixed Assets").

(c) Inventory. All inventories and supplies of raw materials, work-in-process, finished goods, spare parts, supplies, storeroom contents and other inventoried items owned or held by or on behalf of Sellers relating primarily to the EMG Business.

(d) Lockbox. Sellers' lockbox number 93307 with Bank One, N.A., but excluding the account number currently associated with such lockbox number (the "Franklin Park Lockbox").

(e) Accounts Receivable. All trade accounts receivable of the EMG Business and of the portion of the Retained Business Lines relating to fuel pumps and water pumps, other than those retained under Section 1.2(b) (the "Accounts Receivable").

(f) Prepaid Amounts. All deposits and prepayments, to the extent related to the EMG Business.

(g) Contracts. All rights and incidents of interest of, and benefits accruing to, Sellers in and to or arising out of all Contracts entered into by any Seller, but only to the extent such Contracts relate to the EMG Business (the "Acquired Contracts"), including the Contracts listed on Schedule 1.1(g).

(h) Purchase Orders. All open purchase and sales orders, but only to the extent such Contracts relate to the EMG Business (the "Purchase Orders").

(i) Intellectual Property. All Intellectual Property owned or used by a Seller in connection with the EMG Business (the "Acquired Intellectual Property"), including the registered Intellectual Property and the trade names and brand names listed on Schedule 1.1(i), and all rights thereunder, remedies against infringement thereof, and rights to protection of interests therein.

(j) Permits. To the extent transferable under applicable Law, all franchises, registrations, certificates, variances, permits, licenses, authorizations, approvals and similar rights obtained, issued or granted to any Seller by any Governmental Authority related primarily to the EMG Business (the "Permits").

(k) Books and Records. All books and records (or true and correct copies thereof), including all computerized books and records and all Contracts, files, documents, lists, plats, correspondence, architectural plans, drawings and specifications, invoices, forms, customer records, promotional and advertising materials, technical data, operating records, operating manuals, instructional documents, employee files (to the extent permitted under applicable Law) and other printed or written materials, in each case, to the extent related to the EMG Business.

(l) Warranties. All rights under or pursuant to all warranties, representations and guarantees, whether express or implied, made by suppliers, manufacturers, contractors and other third parties with respect to any of the Acquired Assets.

(m) Claims and Causes of Action. All claims, defenses, causes of action, choses in action, rights of recovery, rights of set off, and rights of recoupment related to the EMG Business or the Acquired Assets or Assumed Liabilities, excluding, however, any claims or rights under the insurance policies described in Section 1.2(i) and excluding any of the foregoing that relate to any Retained Assets or Retained Liabilities.

(n) Real Property. All of Sellers' right, title and interest in and to the real property described on Schedule 1.1(n), and all buildings, structures,

improvements, and fixtures located thereon (the "Owned Real Property"), except as otherwise provided in Section 3.3(b).

(o) Other Intangible Assets. The EMG Business as carried on and conducted by Sellers as a going concern, including any and all goodwill and similar intangible assets associated therewith and all customer lists, supplier lists, catalogues, sales brochures and other marketing data.

1.2 Retained Assets. Sellers shall retain the following assets only (collectively, the "Retained Assets") and Buyer will in no way be construed to have purchased or acquired (or to be obligated to purchase or to acquire) any interest whatsoever in any such Retained Assets:

(a) Cash and Cash Equivalents. Any cash, cash equivalents, marketable securities, deposit accounts, payroll accounts, lockboxes (other than the Franklin Park Lockbox) and investment accounts of Sellers.

(b) Retained Accounts Receivable. All trade accounts receivable owed to a Seller by any other Seller or by any Affiliate of any Seller and all trade accounts receivable of the EMG Business that have been sold to Dana Asset Funding L.L.C. on or prior to December 31, 2002.

(c) Retained Real Property. All right, title and interest of any Seller in (i) any Owned Real Property retained by Sellers and leased to Buyer pursuant to Section 3.3(b) and (ii) the Branford Rental Properties.

(d) Contracts. All Contracts of Sellers other than those described in Sections 1.1(a), 1.1(g) and 1.1(h), including those Contracts listed on Schedule 1.2(d).

(e) Retained Business Lines. All right, title and interests of any Seller in and to the Retained Business Lines and all buildings, land, inventory, machinery, equipment and other assets used primarily in the Retained Business Lines, including, without limitation, those listed on Schedule1.2(e).

(f) Former EMG Facilities. All right, title and interests of any Seller in the buildings, land, machinery and equipment and other personal property located at the Former EMG Facilities.

(g) Other Assets. All assets not used primarily in the EMG Business and all assets of Sellers exclusively used in businesses of Sellers other than the EMG Business, including all rights (beyond those provided to Buyer under Section 7.14) to the Dana name or any derivation thereof.

(h) Other Retained Assets. The assets identified on Schedule 1.2(h).

(i) Insurance Policies. All insurance policies of Sellers and their Affiliates and all rights, including any prepayments or deposits, thereunder.

(j) Employee Benefits Plans. All Seller Benefit Arrangements and all Seller ERISA Plans.

(k) Retained Records. All books, records and other data that relate to the Retained Assets or the Retained Liabilities and all books, records and other data that Sellers are required by Law to retain.

(l) Tax Refunds. All rights or claims to refunds or credits relating to Taxes paid by any Sellers.

1.3 Nonassignable Assets; Beneficial Ownership.

(a) Notwithstanding any provision in this Agreement to the contrary, this Article I does not constitute an agreement to assign, transfer or convey any of the Acquired Assets that are not capable of being validly sold, assigned, transferred or conveyed without the Consent of any third party and which Consent is not obtained on or prior to the Closing Date (a "Nonassignable Asset").

(b) Subject to Section 7.9(b) hereof, to the extent that any conveyances, assignments, transfers and deliveries contemplated by this Agreement have not occurred as of the Closing Date, Sellers and Buyer shall cooperate to effect such action as promptly thereafter as is practicable. Notwithstanding the foregoing, neither Sellers nor Buyer will be liable in any manner to any Person who is not a party to this Agreement for any failure of any of the transfers contemplated by this Agreement to be consummated on or subsequent to the Closing Date. Whether or not all of the Acquired Assets or the Assumed Liabilities have been legally transferred to or assumed by Buyer as of the Closing Date, Buyer will have, and will be deemed to have acquired, complete and sole beneficial ownership over all of the Acquired Assets, including any Nonassignable Assets, together with all of Sellers' rights, powers and privileges incident thereto, and Buyer will be deemed to have assumed in accordance with the terms of this Agreement all of the Assumed Liabilities and all of Sellers' Liabilities, duties, obligations and responsibilities incident thereto.

(c) Nothing in this Section 1.3 shall be construed to waive or modify any right of Buyer to require a Consent set forth on Schedule 4.2(p) as a condition to Buyer's obligation to consummate the transactions contemplated by this Agreement.

ARTICLE II

ASSUMPTION OF LIABILITIES

2.1 Assumed Liabilities. At the Closing and effective as of the Closing Date, on and subject to the terms and conditions of this Agreement, Buyer shall assume and thereafter perform, pay and discharge in accordance with their terms only the following Liabilities of Sellers relating to the EMG Business (collectively, the "Assumed Liabilities"):

(a) Final Net Book Value Statement. All Liabilities reflected on the Final Net Book Value Statement.

(b) Real Estate Leases. All Liabilities arising under the Real Estate Leases.

(c)Trade Payables. All Liabilities for trade accounts payable of the EMG Business and all Liabilities for trade accounts payable, outstanding on the Closing Date, of the portion of the Retained Business Lines relating to fuel pumps and water pumps, to the extent such trade accounts payable are reflected on the Final Net Book Value Statement (the "Trade Payables").

(d) Contracts. All Liabilities arising under the Purchase Orders and the Acquired Contracts.

(e) Employment Liabilities. All Liabilities arising out of the employment of the Transferred Employees (including accrued compensation and vacation) except only those Liabilities to be retained by Sellers or paid by Sellers pursuant to Article XI of this Agreement.

(f) Workers' Compensation and Other Employee Claims. (i) All Liabilities resulting from workers' compensation claims asserted by any Transferred Employee relating to accidents or incidents occurring on or after

the Closing Date, including any occupational disease losses and any recurrences (as distinct from reaggravations) of any prior injuries, (or if such accident or incident is of a recurring or continuing nature that commenced prior to the Closing Date, a pro rata portion of such Liability based on the ratio of the number of days that such Transferred Employee was employed by Buyer while such accident or incident continued to the total number of days that such accident or incident continued), (ii) all Liabilities for claims (other than those arising from such workers' compensation claims) asserted by any Transferred Employee on or after the Closing Date and relating to an event or action that occurs on or after the Closing Date (or if such claim is made prior to December 31, 2004 and such event or action is of a recurring or continuing nature that commenced prior to the Closing Date, a pro rata portion of such Liability based on the ratio of the number of days that such Transferred Employee was employed by Buyer while such event or action continued to the total number of days that such event or action continued), and (iii) all Liabilities for claims (other than those arising from workers' compensation claims) asserted by any Transferred Employee after December 31, 2004 and relating to an event or action that occurred prior to the Closing Date.

(g) Warranties and Sales Returns. All Liabilities for product warranties, product recalls, refunds or sales returns, repair or replacement and all performance guarantees

and similar obligations, related to products delivered, manufactured or sold or services performed by the EMG Business regardless of whether such Liabilities relate to periods or events occurring before or after the Closing Date.

(h) Product Liability. All Liabilities for personal or bodily injury (including death) or property damage relating to any products delivered, manufactured or sold or services performed by the EMG Business, but only to the extent that such injury, death or damage occurs on or after the Closing Date.

2.2 Retained Liabilities. All Liabilities of Sellers of any nature, whether known or unknown, contingent or fixed, that are not Assumed Liabilities are "Retained Liabilities," provided, however, that "Retained Liabilities" shall not include any Liabilities arising under any Environmental, Health or Safety Requirements or with respect to Environmental Claims or Environmental Costs arising from Environmental Conditions at the Real Property, irrespective of whether such Liability attaches or accrues to Buyer or Sellers in the first instance, other than: (i) any Liability resulting from the transport, disposal or treatment, or the arrangement for transport, disposal or treatment, prior to the Closing Date, to or at any locations other than the Real Property, of any waste or substance (including any hazardous waste, Hazardous Substance or petroleum product); (ii) any off-site Liability resulting from a private Third-Party claim for personal injury, property damage, diminution and/or cleanup costs in connection with any Hazardous Substances which are identified as emanating from the Real Property during the Buyer's Further Investigations and/or Sellers' Further Investigations or during Sellers' remediation; (iii) Liability arising from a private Third-Party claim for personal injury to the extent arising from exposure or alleged exposure to Hazardous Substances at the Real Property prior to the Closing Date, except workers compensation and other employee claims assumed by Buyer pursuant to Section 2.1(f) above; (iv) the Site Assessment Environmental Liabilities as defined under Section 8.1; (v) all Liabilities for those matters identified on Schedule 5.19; or (vi) any penalties or fines to the extent arising from Sellers' violations of any affirmative obligation or duty pursuant to Environmental, Health and Safety Requirements.

ARTICLE III

PURCHASE PRICE

3.1 Purchase Price. In full consideration for the transfer of the Acquired Assets, Buyer shall pay to Sellers an aggregate amount equal to the lesser of the Closing Net Book Value or $125,000,000, except as otherwise provided in Section 3.3(h) (the "Purchase Price"), and shall assume the Assumed Liabilities.

3.2 Payment of Purchase Price.

(a) On the Closing Date, Buyer shall pay the Estimated Purchase Price (as defined in Section 3.3(b)) to Dana, as agent for Sellers, as follows:

(i) Seventy-five percent (75%) of the Estimated Purchase Price in cash by wire transfer of immediately available funds to an account designated by Dana prior to the Closing;

(ii) the number of fully paid and non-assessable shares of Buyer's common stock, $2.00 par value (the "Common Shares"), obtained by dividing the amount equal to twelve and one-half percent (12.5%) of the Estimated Purchase Price by the average closing price of the Common Shares on the New York Stock Exchange during the ten trading days immediately preceding the Closing Date (the "Price Per Share"); the Common Shares to be issued pursuant to this Section 3.2(a)(ii) are herein referred to as the "Seller Shares," and the Seller Shares shall be issued to the Seller Designee and held by it pursuant to the terms of the Share Ownership Agreement; and

(iii) a promissory note, payable to the Seller Designee and having an original principal amount equal to twelve and one-half percent (12.5%) of the Estimated Purchase Price, substantially in the form of Exhibit A hereto (the "Seller Note").

(b) To the extent that the computation provided for in Section 3.2(a)(ii) would result in the issuance to the Seller Designee of fractional shares, the number of Seller Shares will be reduced to the next lowest whole number and the cash payment to be made by Buyer under Section 3.2(a)(i) will be increased by an amount equal to the Price Per Share multiplied by such fractional interest.

3.3 Purchase Price Adjustment.

(a) As used herein, the term "Closing Net Book Value" means the net book value of the Acquired Assets less the net book value of the Assumed Liabilities as of the close of business on the Closing Date and as such values are determined in accordance with the Specified Accounting Principles and reflected in the Final Net Book Value Statement.

(b) On the Business Day immediately preceding the Closing Date, Sellers shall prepare and deliver to Buyer an Estimated Closing Net Book Value Statement determined using the most recent financial statements delivered to Buyer pursuant to Section 7.17 (the "Estimated Closing Net Book Value Statement"). The net book value of the Acquired Assets less the net book value of the Assumed Liabilities as reflected on the Estimated Closing Net Book Value Statement shall be the "Estimated Closing Net Book Value." Buyer shall pay Dana, as agent for Sellers, an aggregate amount equal to the lesser of $125,000,000 or the Estimated Closing Net Book Value (the "Estimated Purchase Price"), allocated among cash, the Seller Shares and the Seller Note in accordance with the percentages set forth in Section 3.2(a). If the Estimated Closing Net Book Value as determined from the Estimated Closing Net Book Value Statement delivered by Sellers would exceed $125,000,000 (such excess being referred to below as the "Estimated NBV Excess"), then there shall be excluded from the Acquired Assets, and included within the Retained Assets, Owned Real Property selected by Dana as agent for the Sellers and having a net book value (determined on the basis of

the Estimated Closing Net Book Value Statement) that equals as closely as possible (but is not in any event less than) the Estimated NBV Excess. Such excluded Owned Real Property shall be leased by the applicable Seller pursuant to a Seller Lease. In such event, the Estimated Closing

Net Book Value Statement and the Specified Accounting Principles shall be revised to give effect to the exclusion of such Owned Real Property from the Acquired Assets, and the Estimated Purchase Price shall be determined on the basis of such revised Estimated Closing Net Book Value Statement.

(c) Within sixty days after the Closing Date, Sellers shall prepare and deliver to Buyer a statement of the Closing Net Book Value (the "Closing Net Book Value Statement"). The Closing Net Book Value Statement will be prepared in accordance with the Specified Accounting Principles.

(d) Buyer shall allow Sellers and Sellers' independent accountants ("Sellers' Accountants") access during normal business hours to the business, books, records and personnel of the EMG Business to the extent necessary for the preparation of the Closing Net Book Value Statement, and Buyer shall cooperate and direct its personnel and its independent accountants ("Buyer's Accountants") to cooperate with Sellers and Sellers' Accountants in all reasonable respects to facilitate preparation and delivery of the Closing Net Book Value Statement and in connection with the resolution of any disputes with respect thereto and the determination of the Final Net Book Value Statement. Buyer and its representatives, including Buyer's Accountants, will be entitled to review all work papers, if any, of Sellers' Accountants prepared subsequent to the date hereof and related to the Closing Net Book Value Statement to the extent necessary for Buyer to review the Closing Net Book Value Statement and to resolve any disputes concerning the same.

(e) The Closing Net Book Value Statement delivered by Sellers to Buyer will be the Final Net Book Value Statement and will be conclusive and binding on the Parties unless Buyer, within the thirty-day period after the delivery to Buyer of the Closing Net Book Value Statement, notifies Sellers in writing that Buyer disputes any of the amounts set forth therein, specifying the nature of each dispute and the basis therefor (the "Dispute Notice"); provided, however, that Buyer may deliver a Dispute Notice to Sellers only if Buyer reasonably believes that the Closing Net Book Value Statement contains mathematical errors or has not been prepared in accordance with the Specified Accounting Principles. Sellers and its representatives, including Sellers' Accountants, will be entitled to review all work papers, if any, of Buyer's Accountants prepared subsequent to the date hereof and related to the Closing Net Book Value Statement to the extent necessary for Seller to resolve any disputes concerning the Closing Net Book Value Statement. Failure by Buyer to dispute the amounts reflected in the Closing Net Book Value Statement within such thirty-day period will be deemed by Buyer's acceptance of the Closing Net Book Value Statement as the Final Net Book Value Statement. The Parties shall attempt in good faith to reach agreement resolving all of the disputes set forth in the Dispute Notice within thirty days after the Dispute Notice is delivered by Buyer to Sellers, in which event the Closing Net Book Value Statement, as amended, if necessary, to reflect the resolution of all such disputes, will be the Final Net Book Value Statement and will be conclusive and binding on the Parties. If the Parties are unable to resolve any or all of such disputes within the aforesaid thirty-day period, the Parties will, promptly after the expiration of such time period, submit for resolution all unresolved disputes to a mutually acceptable independent accounting firm (the "Designated Accounting Arbitrator") as an arbiter for resolution. Promptly, but no later than thirty days after its acceptance of its appointment as Designated Accounting Arbitrator, the Designated

Accounting Arbitrator shall determine, based solely on presentation by Buyer and Sellers and not by independent review, those items in dispute on the Closing Net Book Value Statement and shall render a written report to Buyer and Sellers as to the resolution of each dispute and the resulting calculation of the Final Net Book Value Statement and the Closing Net Book Value. In resolving any disputed item, the Designated Accounting Arbitrator may not assign a value to such item greater than the greatest value for such item claimed by either Party or less than the smallest value for such item claimed by either Party. The Designated Accounting Arbitrator will have exclusive jurisdiction over, and resort to the Designated Accounting Arbitrator as provided in this Section 3.3(e) will be the sole recourse and remedy of, the Parties against one another or any other Person (including Sellers' Accountants or Buyer's Accountants) with respect to any disputes arising out of or relating to the Closing Net Book Value Statement and/or the Final Net Book Value Statement. The Designated Accounting Arbitrator's determination will be conclusive and binding on the Parties and will be enforceable in a court of law.

(f) Sellers shall pay the fees and expenses of Sellers' Accountants, and Buyer shall pay the fees and expenses of Buyer's Accountants. Buyer and Sellers shall share equally the fees and expenses of the Designated Accounting Arbitrator.

(g) As used herein, the term "Final Net Book Value Statement" means (i) the Closing Net Book Value Statement if no Dispute Notice is given by Buyer within the time period set forth in Section 3.3(e); (ii) if the Dispute Notice is timely given and all of the disputed items are resolved by mutual agreement of the Parties, the Closing Net Book Value Statement, as amended, if necessary, to reflect such resolution of all disputes; or (iii) if any or all of the disputed items are submitted to the Designated Accounting Arbitrator for resolution, the Closing Net Book Value Statement, as amended, if necessary, to reflect any resolution of any disputes by mutual agreement of the Parties and the resolution of all other disputes by the Designated Accounting Arbitrator.

(h) If the Closing Net Book Value exceeds $125,000,000, then Buyer shall, at its option, (i) pay to Sellers the amount of such excess in cash or (ii) assign to the Seller Designee accounts receivable of the EMG Business, selected on the basis of the criteria set forth on Schedule 3.3(h), in an aggregate amount which equals the amount of such excess. If the Purchase Price is less than the Estimated Purchase Price, then: effective as of the Closing Date, such difference shall be applied to reduce the amount of the cash, the number of Seller Shares, and the principal amount of the Seller Note that were paid or delivered on the Closing Date, such reduction to be made in accordance with the percentages in Section 3.2(a); and in furtherance thereof, Sellers shall pay to Buyer the amount of any reduction in the cash component of the Purchase Price (plus interest thereon at a rate of 5% per annum from the Closing Date) and shall transfer to Buyer the applicable number of Seller Shares, and Buyer shall issue to the Seller Designee a replacement Seller Note for the reduced principal amount. Alternatively, if the Purchase Price is greater than the Estimated Purchase Price, then: effective as of the Closing Date, such difference shall be applied to increase the amount of the cash, the number of Seller Shares and the principal amount of the Seller Note, such increase to be made in accordance with the percentages set forth in Section 3.2(a); and in furtherance thereof, Buyer shall pay to the Seller Designee the amount of any increase in the cash component of the Purchase Price (plus interest thereon at a rate of 5% per annum from the Closing Date) and

shall issue to Seller Designee the applicable number of Seller Shares, and Buyer shall issue to the Seller Designee a replacement Seller Note for the increased principal amount. Seller and Buyer shall make payment, shall transfer or issue such Seller Shares and shall issue such replacement Seller Note within ten (10) Business Days after the date on which the Final Net Book Value Statement is determined. Any such payment of cash shall be made by wire transfer of immediately available funds to an account designated by the payee. To the extent that the adjustments provided for in the foregoing sentences would result in the transfer or issuance of fractional shares, the number of Seller Shares so transferred or issued will be reduced to the next lowest whole number and the Party transferring or issuing such shares shall pay the other Party an amount in cash equal to the Price Per Share multiplied by such fractional interest. Upon receipt from Buyer of a replacement promissory note providing for any such revised principal amount, the Seller Designee shall promptly return the original Seller Note.

3.4 Purchase Price Allocation. The Purchase Price, plus the aggregate amount of the Assumed Liabilities included in the amount realized on the sale of Acquired Assets for federal income tax purposes, will be allocated among the Acquired Assets and the non-competition agreement described in Section 7.16 in accordance with the allocation schedule attached hereto as Schedule 3.4. Such schedule shall be adjusted as the parties agree to reflect any adjustment pursuant to Section 3.3(h) to the Purchase Price or to the amount of Assumed Liabilities included in the amount realized on the sale of the Acquired Assets for federal income tax purposes. Unless otherwise required under applicable Law, Buyer and Sellers shall report the purchase and sale of the Acquired Assets on all Tax Returns, including timely filed Internal Revenue Service Forms 8594, in accordance with the allocation shown on such schedule, as adjusted. All allocations made pursuant to this Section 3.4 will be binding upon the Parties and their respective successors and assigns. Neither Buyer nor Seller shall take any position (whether in returns, audits, or otherwise) which is inconsistent with the allocation shown on such schedule.

ARTICLE IV

CLOSING AND DELIVERIES

4.1 Closing. The closing of the transactions contemplated hereby (the "Closing") is to take place at the offices of Jones, Day, Reavis & Pogue, 222 East 41st Street, New York, New York 10017, at 10:00 a.m. local time on the first Business Day following the satisfaction or waiver of each of the conditions set forth in Article IX (other than those conditions that are to be satisfied at the Closing), or on such other date or at such other time and place or in such other manner as the Parties agree in writing (the "Closing Date"). All proceedings to be taken and all documents to be executed and delivered by all Parties at the Closing will be deemed to have been taken and executed simultaneously and no proceedings will be deemed to have been taken nor documents executed or delivered until all have been taken, executed and delivered.

4.2 Deliveries by Sellers. At the Closing, Sellers shall deliver or cause to be delivered to Buyer the following items:

(a) the Nashville Sub-Lease, duly executed by Dana;

(b) the Nashville Sub-Sub-Lease, duly executed by the Seller party thereto;

(c) the Real Estate Conveyances, each duly executed by the Seller party thereto;

(d) the Seller Leases, if any, each duly executed by the Seller party thereto;

(e) the Real Estate Lease Assignments, each duly executed by the Seller party thereto;

(f) the Bill of Sale, duly executed by each Seller;

(g) such assignments, substantially in the forms of Exhibits B-1, B-2 and B-3 hereto, as are necessary to effectuate the transfer of the Acquired Intellectual Property listed on Schedule 1.1(i) (the "IP Assignments"), each duly executed by the applicable Seller;

(h) the IP Licenses, duly executed by the applicable Sellers;

(i) the Branford Access Agreement, duly executed by the applicable Seller;

(j) the Share Ownership Agreement, duly executed by the Seller Designee;

(k) the Subordination Agreement, duly executed by Dana;

(l) subject to Section 7.15, the Supply Agreements, each duly executed by the applicable Seller;

(m) the Replacement Leases, each duly executed by the Seller party thereto and the lessor party thereto;

(n) the Transition Services Agreements, each duly executed by Dana;

(o) such other documents, instruments of sale, transfer, conveyance and assignment as Buyer shall reasonably require to vest Sellers' right, title and interest in and to the Acquired Assets in Buyer;

(p) evidence satisfactory to Buyer that Sellers have obtained the Consents listed on Schedule 4.2(p);

(q) copies of the resolutions of the Board of Directors of each Seller authorizing this Agreement and the Ancillary Agreements and the transactions contemplated hereby and thereby, certified by the secretary or other appropriate officer of such Seller;

(r) legal opinions from Dana's law department and Dana's outside counsel substantially in the form of Exhibits C-1 and C-2; and

(s) the certificate from Sellers referred to in Section 9.3(c).

4.3 Deliveries by Buyer. At the Closing, Buyer shall deliver or cause to be delivered to Sellers the following items:

(a) one or more share certificates evidencing the Seller Shares, duly signed by such officers of Buyer as are required by its By-Laws to sign the same;

(b) the Seller Note, duly executed by Buyer;

(c) the Nashville Sub-Lease, duly executed by Buyer;

(d) the Nashville Sub-Sub-Lease, duly executed by Buyer;

(e) the Seller Leases, if any, each duly executed by Buyer;

(f) the Real Estate Lease Assignments, each duly executed by Buyer;

(g) the Bill of Sale, duly executed by Buyer;

(h) the IP Assignments, each duly executed by Buyer;

(i) the IP Licenses, duly executed by Buyer;

(j) the Branford Access Agreement, duly executed by Buyer;

(k) the Share Ownership Agreement, duly executed by Buyer;

(l) the Subordination Agreement, duly executed by Buyer and Buyer's Lender;

(m) subject to Section 7.15, the Supply Agreements, each duly executed by Buyer;

(n) the Replacement Leases, each duly executed by Buyer;

(o) the Transition Services Agreements, each duly executed by Buyer;

(p) such other documents and instruments as Sellers shall reasonably require to evidence the assumption of the Assumed Liabilities by Buyer;

(q) evidence satisfactory to Sellers that Buyer has obtained the Consents listed on Schedule 4.3(q);

(r) copies of the resolutions of the Board of Directors of Buyer authorizing this Agreement and the Ancillary Agreements and the transactions contemplated hereby and thereby, certified by the secretary or other appropriate officer of Buyer;

(s) a legal opinion from Buyer's outside counsel substantially in the form of Exhibit D, and

(t) the certificate from Buyer referred to in Section 9.2(c).

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF SELLERS

Each Seller jointly and severally represents and warrants to Buyer as follows:

5.1 Organization and Standing. Each Seller is a corporation duly incorporated, validly existing and in good standing under the laws of the state of its incorporation. Each Seller is duly qualified to do business and in good standing in the states of the United States in which the character of the properties owned or leased by it and used by it in the EMG Business or in which the conduct of the EMG Business requires it to be so qualified, except where the failure to be so qualified or to be in good standing would not reasonably be expected to have a Material Adverse Effect on the EMG Business.

5.2 Authority, Validity and Effect. Each Seller has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement and each of the Ancillary Agreements and to consummate the transactions contemplated hereby and thereby. Each Seller's execution, delivery

and performance of its obligations under this Agreement and each of the Ancillary Agreements, and the consummation of the transactions contemplated hereby and thereby, have been duly authorized by all required corporate action. This Agreement has been, and each of the Ancillary Agreements will be as of the Closing Date, duly executed and delivered by each Seller party hereto or thereto. This Agreement is, and each Ancillary Agreement will, when so executed and delivered, be, the legal, valid and binding obligation of each Seller party hereto or thereto, enforceable against it in accordance with the terms hereof or thereof, except as limited by (i) applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally from time to time in effect and (ii) the availability of equitable remedies (regardless of whether enforceability is considered in a proceeding at law or in equity).

5.3 No Conflict; Required Filings and Consents.

(a) Neither the execution and delivery by any Seller of this Agreement or any of the Ancillary Agreements, nor the consummation by such Seller of the transactions contemplated herein or therein, nor compliance by such Seller with any of the provisions hereof or thereof, will, except as set forth on Schedule 5.3(a), (i) conflict with or result in a breach of any provision of such Seller's Certificate of Incorporation or By-Laws (or equivalent organizational documents); (ii) conflict with, constitute or result in the breach of any term, condition or provision of, or constitute a default under, result in or give rise to any right of termination, cancellation or acceleration with respect to, or result in the creation or imposition of any Lien upon any of the Acquired Assets pursuant to, or require any notice under, any note, bond, mortgage, indenture, Contract or other instrument or obligation to which any Seller is a party or by which the EMG Business is subject, and that, in any such event, would reasonably be expected to have a Material Adverse Effect on the EMG Business; or (iii) subject to receipt of the requisite approvals referred to in Section 5.3(b), violate any Order or Law to which any of the Sellers, the EMG Business or the Acquired Assets are subject.

(b) Other than (i) those required under the HSR Act, (ii) those set forth on Schedule 5.3(b), and (iii) where the failure to give such notice, make such filing or receive such Consent would not reasonably be expected to have a Material Adverse Effect on the EMG Business, no notice to, filing with, authorization of, exemption by or Consent of any Person is necessary for the consummation by any Seller of the transactions contemplated in this Agreement and the Ancillary Agreements.

5.4 Financial Statements.

(a) Attached hereto as Exhibit E-1 are the following financial statements with respect to the EMG Business and the Retained Business Lines relating to fuel pumps and water pumps (collectively, the "EMG Financial Statements"): (i) audited balance sheets as of December 31, 2001 and September 30, 2002 and (ii) results of operations and cash flows for the years ended December 31, 2000 and December 31, 2001 and for the nine-month period ended September 30, 2002. Each of the EMG Financial Statements presents fairly, in all material respects, the financial position of the EMG Business and the Retained Business Lines relating to fuel pumps and water pumps as of the respective date thereof, and the results of operations of the EMG Business and the Retained Business Lines relating to fuel pumps and water pumps for the respective period, all in conformity with GAAP consistently applied during the periods involved as described in Note 1 to the EMG Financial Statements.

(b) Attached hereto as Exhibit E-2 is a pro forma unaudited balance sheet as of September 30, 2002 representing the Acquired Assets and the Assumed Liabilities (the "Pro Forma Balance Sheet"), along with a reconciliation to the

audited balance sheet in the EMG Financial Statements as of the same date. The Pro Forma Balance Sheet presents the financial position of the EMG Business and the Retained Business Lines relating to fuel pumps and water pumps in accordance with the Specified Accounting Principles. The Final Net Book Value Statement will accurately present all Liabilities for trade accounts payable of the EMG Business and the Retained Business Lines relating to fuel pumps and water pumps in accordance with the Specified Accounting Principles.

5.5 Absence of Certain Changes. Except as set forth on Schedule 5.5, since September 30, 2002, there has not been any Material Adverse Effect on the EMG Business or the Acquired Assets. Without limiting the generality of the foregoing, since September 30, 2002, except as described on Schedule 5.5:

(a) no Seller has sold, leased, transferred, or assigned any of the material assets, tangible or intangible, of the EMG Business other than for fair value in the Ordinary Course of Business;

(b) no Seller has entered into any Contract or series of related Contracts with respect to the EMG Business outside the Ordinary Course of Business;

(c) no party (including a Seller) has accelerated, terminated, modified or cancelled any Contract with respect to the EMG Business involving more than $75,000;

(d) no Seller has made any capital expenditure (or series of related capital expenditures) related to the EMG Business involving more than $75,000;

(e) no Seller has made any capital investment in, any loan to, or any acquisition of the securities or assets of any other Person (or series of related capital investments, loans or acquisitions) with respect to the EMG Business outside the Ordinary Course of Business;

(f) no Seller has cancelled, compromised, waived or released any right or claim (or series of related rights or claims) related to the EMG Business outside the Ordinary Course of Business;

(g) no Seller has experienced any damage, destruction or loss (whether or not covered by insurance) to any of its material property used in the EMG Business; and

(h) no Seller has committed to any of the foregoing.

5.6 Acquired Assets. Except as disclosed on Schedule 5.6:

(a) Sellers have title to, and the unqualified right to use and transfer to Buyer, the Acquired Assets, free and clear of all Liens other than Permitted Liens; and

(b) none of the Fixed Assets are subject to, or held under, any security, conditional sales or other title retention Contract or will be located on the Closing Date at any location in which Buyer will not be conveyed an interest under this Agreement or one of the Ancillary Agreements.

5.7 Accounts Receivable. The Accounts Receivable represent sales actually made in the Ordinary Course of Business. The EMG Financial Statements contain, as of their respective dates adequate reserves for uncollectible accounts in accordance with the Specified Accounting Principles.

5.8 Inventory. Except as set forth on Schedule 5.8, and except to the extent of the reserves provided for on the Final Net Book Value Statement, all

inventories of goods held by Sellers is of merchantable quality and usable or salable in the ordinary course of the EMG Business.

5.9 EMG Contracts.

(a) Schedule 5.9(a) sets forth a list, as of the date hereof, of the following Contracts regarding the EMG Business (the "EMG Contracts"):

(i) Each Contract (or group of related Contracts) to which a Seller is a party requiring payment in excess of $75,000 per year, except those that are terminable at the option of a Seller upon thirty (30) days' notice or less;

(ii) Each Contract (including each Purchase Order) covering the lease, purchase or service of tangible personal property to which a Seller is a party requiring payments in excess of $75,000 per year, except those that are terminable at the option of a Seller upon thirty (30) days' notice or less;

(iii) Each Contract concerning a partnership or joint venture;

(iv) Each Contract under which a Seller has created, incurred, assumed or guaranteed Indebtedness in excess of $75,000 or under which it has imposed a Lien (other than a Permitted Lien) on any of the Acquired Assets;

(v) Each management, consulting, employment, severance or similar Contract requiring the payment of compensation to a Transferred Employee in excess of $75,000 annually to which a Seller or any of its Affiliates is a party;

(vi) Each Contract under which any amount has been advanced or loaned to any employees of the EMG Business outside the Ordinary Course of Business;

(vii) Each collective bargaining agreement;

(viii) Each Contract with any manufacturer's representative, distributor or sales agent;

(ix) Each Contract concerning noncompetition or confidentiality;

(x) Each Real Estate Lease;

(xi) Each Contract between one Seller and another Seller or any of the Sellers' Affiliates; and

(xii) Each license, sublicense, agreement, or other permission which any of the Sellers has granted to any third party with respect to any of the Acquired Intellectual Property.

(b) Prior to the date hereof, except as otherwise provided in Section 7.3(a), Sellers have delivered to Buyer a correct and complete copy of each of the EMG Contracts (or described to Buyer in writing the material terms of any EMG Contract that is not written).

(c) Each of the EMG Contracts is valid, binding and enforceable in accordance with its terms, except as limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (whether or not considered in a court of law or equity) and is in full force and

effect. Except as set forth on Schedule 5.9(c), the transactions contemplated by this Agreement will not give rise to any material breach of, or right of acceleration or termination under, any EMG Contract. To Sellers' Knowledge, there are no existing material defaults under any of the EMG Contracts by any Seller or any other party thereto, and no Seller has received notice of the occurrence of any event that (whether with or without notice, lapse of time or the happening or occurrence of any other event) would constitute a material default under any of the EMG Contracts by any party thereto. To Sellers' Knowledge, except as disclosed to Buyer pursuant to the last sentence of Section 7.2, no party to an EMG Contract or customer of the EMG Business (other than a Seller) has indicated in writing, or orally with respect to any customer Contracts or accounts, an intention to terminate such EMG Contract or customer relationship or, except in accordance with the terms of such

EMG Contract, to cease or materially reduce the purchase of products or services from any Seller thereunder.

(d) Except as set forth on Schedule 5.9(d), there are no outstanding powers of attorney executed on behalf of any Seller related to the EMG Business.

5.10 Intellectual Property.

(a) Schedule 1.1(i) sets forth, with the title, filing date, issue date, registration or application indicated, as applicable, a complete and correct list of (i) all Acquired Intellectual Property that is registered or pending registration anywhere in the world, including all: (A) patents and patent applications, (B) trademark registrations and applications therefor, (C) internet domain names, and (D) copyright registrations and applications therefore; and (ii) all other trade names, brand names and logos not described under clause (i)(B) of this sentence used in the EMG Business.

(b) Except as set forth on Schedule 5.10, there are no Actions instituted, commenced or pending or, to Sellers' Knowledge, threatened in writing, that (i) challenge the rights of any Seller regarding the exclusive ownership or scope of any of the Acquired Intellectual Property or is otherwise adverse to the use, registration, right to use, validity or enforceability of the Acquired Intellectual Property or (ii) asserts that the operation of the EMG Business as conducted by Sellers is or was infringing or otherwise in violation of any Intellectual Property of any other Person. To Sellers' Knowledge, no Person is infringing or otherwise in violation of any of the Acquired Intellectual Property.

(c) Schedule 1.1(i) sets forth each item of Acquired Intellectual Property that any Seller uses pursuant to license, sublicense, agreement, or permission. The Sellers have delivered to the Buyer correct and complete copies of all such licenses, sublicenses, agreements, or permissions, or have described to the Buyer the material terms of any such item that is not written. No breach or default by any Seller or, to Sellers' Knowledge, any other party thereto exists under any such license, sublicense, agreement or permission.

(d) The Acquired Intellectual Property represents all material Intellectual Property necessary for the operation of the EMG Business as conducted by Sellers.

5.11 Real Property.

(a) Other than the Real Property, no Seller owns, leases or otherwise uses any real property that is material to the operation of the EMG Business.

(b) Except as set forth on Schedule 5.11, none of the Sellers has leased or otherwise granted to any Person the right to use or occupy any Real

Property or any portion thereof. There are no outstanding options, rights of first offer or rights of first refusal to purchase any Real Property or any portion thereof or interest therein.

(c) To Sellers' Knowledge, all buildings, structures, fixtures, building systems included in the Owned Real Property (the "Improvements") are in adequate condition and repair for the operation of the EMG Business as currently conducted by Sellers. To

Sellers' Knowledge, there are no material structural deficiencies affecting the Improvements and there are no facts or conditions affecting the Improvements that would reasonably be anticipated to interfere in any material respect with the use or occupancy of the Improvements or any material portion thereof in the operation of the EMG Business as currently conducted thereon.

(d) All Permits which are required or appropriate to use or occupy the Owned Real Property or operate the EMG Business as currently conducted thereon, have been issued and are in full force and effect. Schedule 5.11 lists all Permits held by the EMG Business and the Sellers with respect to each parcel of Owned Real Property where the failure to hold such Permits would have a Material Adverse Effect on the EMG Business or the Owned Real Property.

(e) To Sellers' Knowledge, as of the date hereof, Sellers have not received written notice that their use or occupancy of the Owned Real Property or any material portion thereof or any building or structures thereon, or the operation of the EMG Business as currently conducted thereon, materially violates any zoning Law or constitutes a non-conforming use or structure thereunder.

5.12 Legal Proceedings. Except as set forth on Schedule 5.12, there are no Actions instituted, commenced or pending, or to Sellers' Knowledge, threatened, against any Seller, or against any property, asset, interest or right of any Seller that would reasonably be expected to have a Material Adverse Effect on the EMG Business or the Acquired Assets if decided adversely or that would restrict the consummation of the transactions under this Agreement and the Ancillary Agreements. No Seller is subject to any Order that would reasonably be expected to have a Material Adverse Effect on the EMG Business or the Acquired Assets. None of the Actions set forth on Schedule 5.12 would reasonably be expected to have a Material Adverse Effect on the EMG Business or the Acquired Assets if decided adversely.

5.13 Compliance with Laws. Except (a) with respect to employee benefit matters, the only representations and warranties as to which are made in Section 5.18, (b) with respect to Environmental Laws, the only representations and warranties as to which are made in Section 5.19, (c) as would not be reasonably expected to have a Material Adverse Effect on the EMG Business, and (d) as set forth on Schedule 5.13, each Seller (i) is in compliance with, and since July 1, 1998, has been in compliance with, all Laws and Orders applicable to the EMG Business, and (ii) since July 1, 1998 has not received any written notification or communication from any Governmental Authority (A) asserting that such Person is not in compliance with any Law or Order applicable to the EMG Business or (B) threatening to revoke any material Permit necessary for the operation of the EMG Business.

5.14 Product Warranty. Except as set forth on Schedule 5.14, each product manufactured, sold or delivered by any Seller in connection with the EMG Business has been manufactured, sold or delivered, as the case may be, in conformity with all applicable contractual commitments (including any applicable warranties), and no Seller has any Liability in connection with the EMG Business (and there is no basis for any present or future Action against any of them giving rise to any Liability) for replacement or repair thereof or other damages

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connection therewith, except to the extent of the reserve for product warranty claims set forth on the most recent EMG Financial Statements as adjusted for the passage of time through the Closing Date in the Ordinary Course of Business. No product manufactured, sold or delivered by any Seller in connection with the EMG Business is subject to any guaranty, warranty or other indemnity beyond such Seller's applicable standard terms and conditions of sale. Schedule 5.14 includes copies or complete descriptions of the standard terms and conditions of sale for each Seller in connection with the EMG Business.

5.15 Product Liability. Except as set forth on Schedule 5.15, no Seller has manufactured, sold or supplied products or services that are or were or will become in any material respect faulty or defective or that do not comply in any material respect with any warranties or representations expressly or impliedly made by any Seller and, to Seller's Knowledge, there is no basis for any present or future Action arising out of any injury to individuals or property as a result of the ownership, possession or use of any product manufactured, sold or delivered by such Seller in connection with the EMG Business.

5.16 Employees. Schedule 5.16 lists all employees of Sellers engaged in the EMG Business as of a date within thirty days of the date hereof (other than employees who are employed primarily in a Retained Business Line or who provide administrative or support services to the EMG Business and other businesses of Sellers) and, with respect to each such employee, his or her position, the date on which he or she became employed (or has been deemed by Sellers to have become employed) by Sellers and, as applicable, his or her annual salary or hourly wage. Except as set forth on Schedule 5.16, other than the Sellers, no Subsidiary of Dana employs any Person who is engaged primarily in the EMG Business. No Seller is a party to or bound by any collective bargaining agreement that covers the employees of the EMG Business. Except as set forth on Schedule 5.16, since January 1, 2001, no Seller has experienced any strikes, grievances, claims of unfair labor practices or other collective bargaining disputes relating to employees of the EMG Business. Except as set forth on Schedule 5.16, to Sellers' Knowledge, there has not been, since January 1, 2001, any organizational effort made or threatened by or on behalf of any labor union with respect to employees of any Seller engaged in the EMG Business. With respect to the employees of the EMG Business, each Seller has complied in all material respects with all Laws and Orders which relate to employment or labor, civil rights or equal employment opportunity, including, without limitation, the Americans with Disabilities Act. Except as set forth on Schedule 5.12, no Seller has received any written notice or otherwise has knowledge that any employee of the EMG Business has threatened any Action or made any claim against any Seller alleging any violation of such Laws and Orders or otherwise seeking to impose any material Liability on any Seller in respect of such employee's employment with any Seller. To Sellers' Knowledge, there is no basis for any Action or claim.

5.17 Taxes. Each Seller has filed all Tax Returns required to be filed by it, and has paid (or made adequate provision in the applicable balance sheet for the payment of) all Taxes shown on such returns to be owed by it, except where the failure to file the Tax Returns or to pay such Taxes would not reasonably be expected to have a Material Adverse Effect on the EMG Business or the Acquired Assets, and no claims for additional Taxes for any prior fiscal years are pending except as disclosed on Schedule 5.17. No Seller is a party to any pending Action, nor, to Sellers' Knowledge, is any Action threatened, by any Governmental Authority for the assessment or collection of Taxes.

5.18 Employee Benefit Plans.

(a) Each "employee benefit plan," as defined in Section 3(3) of ERISA, maintained, contributed to or required to be contributed to by any Seller or any ERISA Affiliate of any Seller for the benefit of current, former or retired employees of the EMG Business (the "Seller ERISA Plans") and each other plan, contract, program or arrangement maintained, contributed to or required to be contributed to by any Seller or any ERISA Affiliate of any Seller for the benefit of current, former or retired employees of the EMG Business (the "Seller Benefit Arrangements") complies in all material respects with its terms and all applicable Laws, including ERISA, and no "reportable event" or "prohibited transaction" (as such terms are defined in ERISA) or termination has occurred with respect to any Seller ERISA Plan under circumstances that present a risk of any material liability to Sellers or a Material Adverse Effect on the EMG Business or could result in the imposition of any Lien on the Acquired Assets. Copies or descriptions of each Seller ERISA Plan and Seller Benefit Arrangement in which current employees of the EMG Business participate have been made available to Buyer for review prior to the date hereof. Except as set forth on Schedule 5.18(a), no Seller or any ERISA Affiliate of any Seller has any obligation to provide medical or life insurance coverage to retired employees under the Seller ERISA Plans, the Seller Benefit Arrangements or any other plan or agreement.

(b) No Seller ERISA Plan or any other plan sponsored or contributed to by Sellers or any of their ERISA Affiliates has incurred any "accumulated funding deficiency" (as such term is defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived.

(c) Neither any Seller nor any ERISA Affiliate of any Seller has completely or partially withdrawn from a "multiemployer plan," as such term is defined in Section (3)(37) of ERISA within the last six years.

5.19 Environmental Matters.

Except as set forth on Schedule 5.19 or in the Environmental Reports, to the Seller's Knowledge:

(a) The Sellers and the EMG Business have been and are currently in compliance with, and have not received any written notice of any potential or actual Liability pursuant to, Environmental, Health, and Safety Requirements, common law or contractual obligation relating to any Hazardous Substances or structure containing Hazardous Substances. There are no conditions or circumstances that would prevent the continued and uninterrupted operation of the EMG Business in compliance with Environmental, Health, and Safety Requirements after the Closing.

(b) None of the Real Property has been affected by any Hazardous Substances Contamination or Environmental Condition. There are no Hazardous Substances at, on, in or under any of the Real Property, whether contained in barrels, sumps, tanks, equipment (moveable or fixed) or other containers incorporated into any structure on the Real Property, or in any landfills, surface impoundments, or disposal areas, or otherwise existing

thereon, except for such Hazardous Substances as have been or are being handled, stored and disposed of in accordance with applicable Environmental, Health, and Safety Requirements.

(c) None of the Sellers, in connection with the EMG Business, has transported or arranged for the disposal or treatment of any Hazardous Substances to or at any off-site property that is not authorized to receive such Hazardous Substances for disposal or treatment under applicable Environmental, Health, and Safety Requirements or any off-site property that is or has been designated for investigation or cleanup on the National Priorities List or any other similar local, provincial, state or federal list.

(d) All Environmental Permits necessary for the construction, equipping, ownership, use and uninterrupted operation of the EMG Business or the Real Property have been obtained and are in full force and effect and each Seller is in compliance therewith. Schedule 5.25 hereto contains a complete and accurate list of all Environmental Permits required for the ownership, use and operation of the EMG Business and the Real Property, correct and complete copies of which have been delivered to the Buyer. All Environmental Permits that are required to be transferred to the Buyer in order to allow the Buyer to continue to own, use and operate the EMG Business the Real Property without interruption after the Closing will have been assigned by each Seller to the Buyer at the Closing.

(e) None of the Sellers has received written notice of, or are subject to, any Environmental Claim against any Seller in connection with the EMG Business or the Real Property or notice from any Governmental Authority or any other Person related to any actual or threatened Release or the presence of any Environmental Condition at, in, on, under or about the Real Property, or any property adjacent to or within the immediate vicinity of the Real Property, and no Environmental Claims are pending against any of the Sellers with respect to the EMG Business or any of the Real Property.

(f) Each Seller has provided to the Buyer all information, including all studies, analyses and test results, in the possession, custody or control of each Seller and its respective Affiliates relating to (i) any Environmental Conditions on, under or about the Real Property, and (ii) Hazardous Substances used, managed, handled, transported, treated, generated, stored or Released by any Seller or any other Person at any time on any of the Real Property.

(g) Each Seller has provided Buyer with complete and accurate copies of all written agreements pursuant to which any third party has promised to indemnify, reimburse or perform any action on behalf of Seller in connection with any Environmental Condition that existed at or originated from any of the Real Property or with respect to the EMG Business on or prior to the Closing Date.

5.20 Acquisition for Investment. Each Seller acknowledges that the Seller Shares and Seller Note have not been registered under the Securities Act or any state securities laws and are being issued hereunder in reliance upon applicable exemptions from such registration for transactions not involving a public offering. The Seller Shares and the Seller Note will be acquired for investment purposes by the Seller Designee as nominee for the Sellers, but not as a nominee or agent for any other Person, and not with a view to the resale or distribution of any

part thereof (except as permitted under the Share Ownership Agreement). The Seller Designee and the Sellers have no present intention of selling, granting any participation in or otherwise distributing the Seller Shares or the Seller Note; provided, however, that notwithstanding the foregoing, the Seller Designee may sell the Seller Shares as permitted under the Share Ownership Agreement and the Seller Note as permitted therein.

5.21 Investment Experience. Each of the Seller Designee and each Seller

acknowledges that it can bear the economic risk and lack of liquidity of its investment or beneficial interest in the Seller Shares and the Seller Note. Each of the Seller Designee and each Seller has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Seller Shares and the Seller Note. None of the Seller Designee or any Seller has been organized for the purpose of acquiring the Seller Shares or the Seller Note.

5.22 Accredited Investor. Each of the Seller Designee and each Seller is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act.

5.23 No General Solicitation. Sellers acknowledge that the Seller Shares and Seller Note were not offered to Sellers by means of any form of general or public solicitation or general advertising, or publicly disseminated advertisements or sales literature, including (a) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media, or broadcast over television or radio or (b) any seminar or meeting to which Sellers were invited by any of the foregoing means of communication.

5.24 No Brokers. Except for the compensation payable to Credit Suisse First Boston Corporation ("CSFB") in connection with the transactions contemplated by this Agreement and the Ancillary Agreements, which Dana shall pay, no broker, finder or similar agent has been employed by or on behalf of Sellers or Dana, and other than CSFB no Seller has any Liability or obligation to pay any brokerage commission, finder's fee or any similar compensation in connection with this Agreement or the Ancillary Agreements, or the transactions contemplated hereby or thereby.

5.25 Permits. Schedule 5.25 identifies any Permit held by any Seller which is not transferable under applicable law.

5.26 Necessary Assets. Except as set forth on Schedule 5.26, no subsidiary or Affiliate of Dana other than one of the Sellers owns, leases, or holds other rights for any asset or property used primarily in the EMG Business; and upon Closing, the Acquired Assets together with Buyer's rights under the Transition Services Agreements, the Seller Leases, and the Supply Agreements will constitute materially all of the assets, property and rights necessary to conduct the EMG Business substantially as currently conducted by the Sellers.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers as follows:

6.1 Organization and Standing. Buyer is a corporation duly incorporated, validly existing and in good standing under the laws of the state of its incorporation. Buyer is duly qualified to do business and in good standing in the states of the United States in which the character of the properties owned or leased by it or in which the conduct of its business requires it to be so qualified, except where the failure to be so qualified or to be in good standing would not reasonably be expected to have a Material Adverse Effect on Buyer's business.

6.2 Authority, Validity and Effect. Buyer has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement and each of the Ancillary Agreements and to consummate the transactions contemplated hereby and thereby. The Buyer's execution, delivery and performance of its obligations under this Agreement and each of the Ancillary Agreements, and consummation of the transactions contemplated hereby

and thereby, have been duly authorized by all required corporate action. This Agreement has been, and each of the Ancillary Agreements will be as of the Closing Date, duly executed and delivered by Buyer. This Agreement is, and each Ancillary Agreement will, when so executed and delivered, be, the legal, valid and binding obligation of Buyer, enforceable against it in accordance with the terms hereof or thereof, except as limited by (i) applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally from time to time in effect and (ii) the availability of equitable remedies (regardless of whether enforceability is considered in a proceeding at law or in equity). No approval by the holders of the Common Shares is required in order for Buyer to execute, deliver and perform its obligations under this Agreement or any of the Ancillary Agreements, including its obligation to deliver the Seller Shares in accordance with the terms hereof.

6.3 Capitalization; Title to Stock. The authorized capital stock of Buyer consists of 30,000,000 shares of common stock, $2.00 par value per share, of which 12,557,009 shares were issued and outstanding as of December 31, 2002. All of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable. When issued in accordance with the terms of this Agreement, the Seller Shares will be validly authorized and issued, fully paid and nonassessable and will not be issued in violation of preemptive rights. Except as disclosed in the Buyer Reports (including the financial statements included therein): there are no outstanding subscriptions, Contracts, options, rights (preemptive or otherwise) or warrants to purchase or to subscribe for any shares of common stock or any other securities of Buyer, including through the conversion, exchange or exercise of any other right or securities; and there are no stockholder agreements or voting trusts relating to the Common Shares.

6.4 No Conflict; Required Filings and Consents.

(a) Neither the execution and delivery by Buyer of this Agreement or of any of the Ancillary Agreements, nor the consummation by Buyer of the transactions contemplated herein or therein, nor compliance by Buyer with any of the provisions hereof or thereof, will (i) conflict with or result in a breach of any provision of Buyer's Articles of Incorporation or By-Laws, (ii) except as set forth on Schedule 6.4(a), conflict with, constitute or result in the breach of any term, condition or provision of, or constitute a default under, result in or give rise to any right of termination, cancellation or acceleration with respect to, or result in the creation or imposition of any Lien upon any material property or assets of Buyer pursuant to, or require

any notice under, any note, bond, mortgage, indenture, Contract or other instrument or obligation to which Buyer is a party or by which it or any of its material properties or assets may be subject, and that, in any such event, would reasonably be expected to have a Material Adverse Effect on Buyer's business or (iii) subject to receipt of the requisite approvals referred to in Section 6.4(b), violate any Order or Law to which Buyer or its Subsidiaries or any of their businesses are subject.

(b) Other than (i) those required under the HSR Act, (ii) those set forth on Schedule 6.4(b) and (iii) where the failure to give such notice, make such filing or receive such Consent would not reasonably be expected to have a Material Adverse Effect on Buyer's business, no notice to, filing with, authorization of, exemption by or Consent of any Person is necessary for the consummation by Buyer of the transactions contemplated by this Agreement and the Ancillary Agreements.

6.5 SEC Filings. Buyer has filed all reports required to be filed by it with the Securities and Exchange Commission (the "SEC") since January 1, 1999

(collectively, together with any amendments, the "Buyer Reports"). None of the Buyer Reports, as of their respective dates, contained any untrue statement of material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6.6 Absence of Certain Changes. Except as set forth in the Buyer Reports, neither Buyer nor any of its Subsidiaries has sustained since the date of the latest financial statements included or incorporated by reference in the Buyer Reports, any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or Action or Order of any Governmental Authority. Except as set forth in the Buyer Reports, since the date of such financial statements, there has not been any change in the capital stock or long-term Indebtedness of Buyer (other than changes in the outstanding principal balance of such long-term Indebtedness permitted by the terms thereof described in the Buyer Reports) or any of its Subsidiaries or any Material Adverse Effect, or any development that is reasonably likely to result in a Material Adverse Effect, in or affecting Buyer and its Subsidiaries, taken as a whole.

6.7 Legal Proceedings. Except as set forth in the Buyer Reports, there are no Actions instituted, commenced or pending, or to Buyer's Knowledge, threatened, against Buyer or any of its Subsidiaries, or against any of their respective properties, assets, interests or rights that would reasonably be expected to have a Material Adverse Effect on the business of Buyer or its Subsidiaries if decided adversely or that would restrict the consummation of the transactions under this Agreement and the Ancillary Agreements. Neither Buyer nor any of its Subsidiaries is subject to any Order that would reasonably be expected to have a Material Adverse Effect on its business.

6.8 Compliance with Laws. Except as would not reasonably be expected to have a Material Adverse Effect on its business, or as set forth in the Buyer Reports, each of Buyer and its Subsidiaries (a) is in compliance with, and since January 1, 1999, has been in compliance with, all Laws and Orders applicable to it or its business; and (b) since January 1, 1999, has not received any written notification or communication from any Governmental Authority

(i) asserting that such Person is not in compliance with any Law; or (ii) threatening to revoke any material Permit necessary for the operation of its business.

6.9 Exemption from Registration. Assuming the accuracy of the representations and warranties made by Sellers and Seller Designee in Section 5.20 through Section 5.23, Buyer is entitled to issue to the Seller Shares and the Seller Note to the Seller Designee pursuant to an exemption from registration under Section 4(2) of the Securities Act and/or Regulation D promulgated thereunder and under similar exemptions from registration under applicable state securities Laws.

6.10 Financial Ability. Buyer has delivered to Sellers true and complete copies of the Amended and Restated Credit Agreement by and among Buyer, General Electric Capital Corporation and the other lenders party thereto, in the form anticipated to be executed contemporaneously with this Agreement (together with any other agreements contemplated thereby, the "Financing Agreements"), pursuant to which such lenders have agreed to provide Buyer with debt financing for the transactions contemplated by this Agreement and for other purposes, subject only to the satisfaction of the Financing Conditions. The Financing Agreements have not been modified in any material respect or terminated since they were delivered to Sellers. If the Financing Conditions are satisfied, Buyer will have sufficient funds to consummate the transactions contemplated by this Agreement and the Ancillary Agreements.

6.11 No Brokers. Except for the compensation payable to Goldman Sachs ("Goldman") in connection with the transactions contemplated by this Agreement and the Ancillary Agreements, which Buyer shall pay, no broker, finder or similar agent has been employed by or on behalf of Buyer, and no Person with which Buyer has had any dealings or communications of any kind other than Goldman is entitled to any brokerage commission, finder's fee or any similar compensation in connection with this Agreement or the Ancillary Agreements or the transactions contemplated hereby or thereby.

ARTICLE VII

COVENANTS

7.1 Interim Operations of the EMG Business. From the date hereof until the Closing Date, except as contemplated by any other provision of this Agreement or the Ancillary Agreements or as set forth on Schedule 7.1, unless Buyer has previously consented in writing thereto, Sellers shall not engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business, and, without limiting the generality of the foregoing, Sellers shall not cause or permit the EMG Business to:

(a) incur any Indebtedness in connection with the EMG Business, other than Indebtedness incurred in the Ordinary Course of Business;

(b) acquire or dispose of any material property or assets used in the EMG Business or create or permit to exist any Lien on any such property or assets except in the Ordinary Course of Business;

(c) enter into any Contracts in connection with the EMG Business, except Contracts made in the Ordinary Course of Business;

(d) engage in any transactions with, or enter into any Contracts with, any Affiliates of Sellers in connection with the EMG Business, except for any such transactions or Contracts in the Ordinary Course of Business on terms no less favorable than would be obtained in an arms' length third-party transaction;

(e) enter into, adopt, amend or terminate any Contract relating to the compensation of any employee employed in the EMG Business or any severance with respect to an employee that is subject to the Reimbursement Agreement, except to the extent required by Law or any existing Contracts;

(f) accelerate the rate of collection of Accounts Receivable other than in the Ordinary Course of Business; or

(g) agree to take any of the actions described in Sections 7.1(a) through 7.1(f) above.

7.2 Preservation of Business. From the date hereof until the Closing, each Seller will use commercially reasonable efforts to keep its business and properties relating to the EMG Business substantially intact, including its present operations, physical facilities, working conditions and relationships with lessors, licensors, suppliers, customers and employees relating to the EMG Business, except that Sellers may close or relocate the operations of the EMG Business located at Franklin Park, Illinois and Guilford, Connecticut upon thirty (30) days prior written notice to Buyer, such notice to contain the details of such proposed closure or relocation. Sellers shall provide Buyer prompt written notice of any of the events described in the proviso to the definition of the term "Material Adverse Effect".

7.3 Reasonable Access; Confidentiality.

(a) From the date hereof until the Closing, Sellers shall (i) give Buyer and its representatives (including its lenders, underwriters or other financing sources and its consultants preparing the Environmental Reports), upon reasonable written notice to Sellers, access during normal business hours, and in a manner so as not to interfere with the normal business operations of the EMG Business or Sellers, to all assets, properties, books, records (including Tax records), Contracts, documents and personnel relating to the EMG Business; (ii) permit Buyer to make such inspections as it may reasonably require, including, without limitation, the inspections contemplated in subsection (b) of the Section 7.3; and (iii) furnish Buyer during such period with all such information relating to the EMG Business as Buyer may reasonably request. Notwithstanding the foregoing: in no event will Sellers be required to give Buyer access if the nature or timing of such access would interrupt any Seller's normal business operations; and, except as set forth in the next succeeding sentence, Sellers shall not be required to deliver to Buyer copies of any Contracts, or any other information regarding the terms of Sellers' arrangements, with the material customers of the EMG Business, to the extent that Sellers in good faith deem such information to be of a nature that they would not reasonably be expected to provide to a competitor (the "Customer Information"). Not later

than eighteen (18) days prior to the anticipated Closing Date, Sellers shall provide to representatives of Buyer an opportunity to review copies of any Customer Information not previously provided to Buyer, at 4500 Dorr Street, Toledo, Ohio. Buyer's representatives shall be permitted to make notes regarding such Customer Information but not to remove or retain copies of the Customer Information prior to the Closing Date. Sellers shall make available to Buyer's representatives during such review representatives of Sellers who are familiar with and able to respond to questions about the Customer information.

(b) From the date hereof until the Closing, Sellers shall, upon reasonable written notice to Sellers, permit Buyer, during normal business hours, and in a manner so as not to interfere with the normal business operations of the EMG Business or Sellers, to inspect the Acquired Assets and the Retained Assets and Sellers' books and records in order to verify the accuracy of the information with respect thereto set forth in the Disclosure Schedules or on any Exhibit to this Agreement. In the event that Buyer believes that any asset classified as a Retained Asset in the Disclosure Schedules or on an Exhibit has not been properly so classified in accordance with the provisions of Section 1.2, or that any liability classified as an Assumed Liability in the Disclosure Schedules or on an Exhibit has not been properly so classified in accordance with the provisions of Section 2.1, Buyer may notify Dana of such belief in writing. If, after such further discussions as the parties deem necessary or desirable, Dana and Buyer agree that any such assets or liabilities were improperly classified, then Sellers and Buyer shall amend the applicable Disclosure Schedules or Exhibits accordingly.

(c) Any information provided to or obtained by Buyer pursuant to Section 7.3(a) above is "Evaluation Material" as defined under the Confidentiality Agreement dated January 25, 2002, by and between Dana and Buyer (as amended through the date hereof, the "Confidentiality Agreement") and is to be held by Buyer in accordance with and subject to the terms of the Confidentiality Agreement.

(d) Each Party will be bound by and comply with the provisions of the Confidentiality Agreement as if such provisions were set forth herein, and such provisions are hereby incorporated herein by reference.

(e) Buyer shall indemnify Sellers and hold Sellers and their Related

Persons harmless from and against any and all Liabilities for property damage or personal injury suffered or incurred by Sellers or their Related Persons arising out of or resulting from the gross negligence or willful misconduct of Buyer or Buyer's representatives in connection with any inspection or other activities conducted by Buyer or Buyer's representatives pursuant to this Agreement.

7.4 Antitrust Filings.

(a) Subject to the terms and conditions of this Agreement, the Parties shall use all commercially reasonable efforts to (i) file a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated hereby within fourteen (14) days after the date hereof; (ii) supply as promptly as practicable any additional information and documentary material that may thereafter be requested pursuant to the HSR Act; and (iii) cause

the expiration or termination of the applicable waiting periods under the HSR Act as soon as practicable.

(b) In connection with the efforts referenced in Section 7.4(a), each of the Parties shall use all commercially reasonable efforts to (i) cooperate with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party, (ii) keep the other Parties informed in all material respects of any material communication received by such Party from, or given by such Party to, the Federal Trade Commission (the "FTC"), the Antitrust Division of the Department of Justice (the "DOJ") or any other Governmental Authority and of any material communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated hereby and (iii) permit the other Parties to review any material communication given to it by, and consult with each other in advance of any meeting or conference with, the FTC, the DOJ or any other Governmental Authority or in connection with any proceeding by a private party. Each of the Parties shall coordinate and cooperate fully with the other Parties in exchanging such information and providing such assistance as such other Parties may reasonably request in connection with the foregoing and in seeking early termination of any applicable waiting periods under the HSR Act.

(c) If any objections are asserted with respect to the transactions contemplated hereby or if any suit is instituted by any Governmental Authority or any private party challenging any of the transactions contemplated hereby as violative of the HSR Act, each of the Parties shall use all commercially reasonable efforts to resolve such objections or challenge as such Governmental Authority or private party may have to such transactions, including to vacate, lift, reverse or overturn any Order, whether temporary, preliminary or permanent, so as to permit consummation of the transactions contemplated by this Agreement and the Ancillary Agreements.

(d) Notwithstanding anything in this Section 7.4 to the contrary, Buyer shall not be required to take any action or to agree to any modification of the terms of this Agreement or any Ancillary Agreement in order to cause the expiration or termination of the waiting periods under the HSR Act or to resolve any objection or challenge of any Governmental Authority or a private party if the Buyer determines in its good faith judgment that the effect of such action or modification would be to cause a Material Adverse Effect to Buyer or the EMG Business or to impair materially the value to the Buyer of the EMG Business.

7.5 Other Actions. Subject to the terms and conditions of this Agreement, Sellers and Buyer shall use commercially reasonable efforts to (a) cooperate with each other in making any filings that are required to be made prior to the Closing Date with, and seeking any Consents that are required to be obtained prior to the Closing Date from, Governmental Authorities in connection with the

execution and delivery of this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby (in addition to the filings and Consents contemplated by Section 7.4); and (b) cause the conditions to their respective obligations under this Agreement and the Ancillary Agreements to be fulfilled.

7.6 Buyer Financing. Buyer shall use commercially reasonable efforts to satisfy all of the Financing Conditions, including consummation of the Equity Offering; and (b) provide Sellers such information as they may reasonably request from time to time about the performance by Buyer of its obligations under Section 7.6(a). Buyer shall give Dana reasonable prior notice of any amendment to the Financing Agreements that would modify any of the Financing Conditions applicable to the consummation of the transactions contemplated by this Agreement.

7.7 Notice of Developments. Each Party will give prompt written notice to the other Party of any material adverse development causing a breach of any of its own representations and warranties in Article V and Article VI above. No disclosure by any Party pursuant to this Section 7.7, however, shall be deemed to amend or supplement the Disclosure Schedules or to prevent or cure any misrepresentation, breach of warranty, or breach of covenant.

7.8 Publicity. Sellers and Buyer shall make a joint press release announcing the execution of this Agreement, the Ancillary Agreements and the transactions contemplated hereby and thereby, which release will be acceptable to each of Sellers and Buyer. No other publicity release or announcement concerning the transactions contemplated by this Agreement or the Ancillary Agreements is to be issued by either Party without the advance written consent of such other Party; provided that either Party may make any such release or announcement that is required under applicable Law or any listing or trading agreement concerning its publicly traded securities (in which case the disclosing Party will use commercially reasonable efforts to advise the other Party prior to making the disclosure).

7.9 Further Assurances; Subsequent Transfers.

(a) Each Seller and Buyer will execute and deliver such further instruments of conveyance, transfer and assignment and will take such other actions as either of them may reasonably request of the other in order to effectuate the purposes of this Agreement and the Ancillary Agreements and to carry out the terms hereof and thereof. Without limiting the generality of the foregoing, at any time and from time to time after the Closing Date, at the request of Buyer and without further consideration therefor, Sellers will execute and deliver to Buyer such other instruments of transfer, conveyance, assignment and confirmation and will take such action as Buyer may reasonably deem necessary or desirable in order more effectively to transfer, convey and assign to Buyer and to confirm Buyer's title to any Acquired Assets, to put Buyer in actual possession and operating control thereof and to permit Buyer to exercise all rights with respect thereto (including rights with respect to Nonassignable Assets). In addition, at the request of Sellers and without further consideration therefor, Buyer will execute and deliver to Sellers all instruments, undertakings or other documents and will take such other action as Sellers may reasonably deem necessary or desirable in order to cause Buyer to properly assume and discharge the Assumed Liabilities and to relieve Sellers of any Liability with respect thereto and to evidence the same to third parties.

(b) Sellers will use commercially reasonable efforts to obtain any Consent required to assign the Nonassignable Assets to Buyer, and Buyer will cooperate in any commercially reasonable manner that Seller requests; provided, however, that neither Sellers nor Buyer will be obligated to pay any consideration (except for de minimis filing fees and

other administrative charges) to the third party from whom such Consents are requested; and provided, further, that nothing in this Section shall be construed to waive any requirement that a Consent be obtained as a condition to the Buyer's obligation to consummate the transactions contemplated by this Agreement and the Ancillary Agreements. In the event and to the extent that Sellers and Buyer are unable to obtain any such required Consent through the use of commercially reasonable methods, and if Buyer waives the receipt of such Consent as a condition precedent under Section 9.3, then from and after the Closing Date, unless prohibited by Law or the terms thereof, (i) Sellers will continue to be bound by the terms of such Nonassignable Assets and (ii) Buyer shall pay, perform and discharge fully all the obligations of Sellers thereunder from and after the Closing Date and indemnify Sellers and their Related Persons for all Damages arising out of any failure of such performance by Buyer. Sellers shall, without further consideration therefor, pay, assign and remit to Buyer promptly all monies, rights and other considerations received in respect of such performance by Buyer. Sellers shall exercise or exploit its rights and options under all such Nonassignable Assets only as reasonably directed by Buyer and at Buyer's expense. If and when any such Consent is obtained or such Nonassignable Assets otherwise become assignable or able to be novated, Sellers shall promptly assign and novate all its rights and obligations thereunder to Buyer, without payment of further consideration therefor, and Buyer shall, without the payment of any further consideration therefor, assume all such rights and obligations.

7.10 Seller Share Certificates; Seller Note.

(a) All certificates representing the Seller Shares shall bear the following legend, in addition to any other legends that are necessary to comply with applicable Law:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES OR BLUE SKY LAWS AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE ASSIGNED EXCEPT (1) PURSUANT TO A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES THAT IS EFFECTIVE UNDER THE ACT OR (2) PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE ACT RELATING TO THE DISPOSITION OF SUCH SECURITIES, EVIDENCE OF WHICH MAY INCLUDE A WRITTEN OPINION TO THAT EFFECT DELIVERED TO AND SATISFACTORY TO STANDARD MOTOR PRODUCTS, INC. (THE "COMPANY") IN FORM AND SUBSTANCE FROM COUNSEL SATISFACTORY TO THE COMPANY BY REASON OF EXPERIENCE AND (3) IN ACCORDANCE WITH APPLICABLE STATE SECURITIES AND BLUE SKY LAWS.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO THE PROVISIONS OF A SHARE OWNERSHIP AGREEMENT DATED AS OF _____ ___, 200_ BY AND BETWEEN [THE SELLER DESIGNEE] AND STANDARD MOTOR PRODUCTS, INC., WHICH CONTAINS CERTAIN RESTRICTIONS ON TRANSFERABILITY OF THE SECURITIES REPRESENTED HEREBY.

(b) The Seller Note shall bear the following legend, in addition to any other legends that are necessary to comply with applicable Law:

THIS SUBORDINATED PROMISSORY NOTE (THIS "NOTE") AND THE INDEBTEDNESS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH

IN THE SUBORDINATION AGREEMENT DATED AS OF EVEN DATE HEREWITH BY AND AMONG PAYEE, GENERAL ELECTRIC CAPITAL CORPORATION, AS AGENT (THE "AGENT"), AND MAKER (THE "SUBORDINATION AGREEMENT").

THIS NOTE WAS ORIGINALLY ISSUED ON _____ __, 2003 AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS A REGISTRATION STATEMENT UNDER THE ACT WITH RESPECT TO THIS NOTE HAS BECOME AND REMAINS EFFECTIVE OR UNLESS PAYEE ESTABLISHES TO THE SATISFACTION OF MAKER THAT AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

(c) Each holder desiring to transfer the Seller Note or any Seller Shares first must furnish Buyer with (i) evidence reasonably satisfactory to Buyer, which may include a written opinion satisfactory to Buyer in form and substance and from counsel reasonably satisfactory to the Buyer by reason of experience, to the effect that the holder may transfer the Seller Note or such Seller Shares as desired without registration under the Securities Act and (ii) a written assignment executed by the desired transferee, satisfactory to the Buyer in form and substance, agreeing to be bound by the terms of the Seller Note and the Subordination Agreement or the restrictions on transfer contained herein and in the Share Ownership Agreement, as applicable.

7.11 Prorations and Post-Closing Receipts.

(a) After the Closing Date, Buyer and Sellers will cooperate to make appropriate proration or other allocation (to the extent not reflected in the Final Net Book Value Statement) of real estate Taxes, personal property Taxes, utility expenses, payments under the Real Estate Leases, payroll and payroll-related expenses and any other significant prepaid expenses related to the EMG Business ("Apportionable Expenses"). Such prorations or allocations will be made in accordance with the principle that Apportionable Expenses related to or arising from time periods prior to the Closing Date will be borne by Sellers and Apportionable Expenses related to or arising from time periods including or after the Closing Date will be borne by Buyer.

(b) If, following the Closing Date, any Seller or Buyer receives any payment relating to any property of the other party, such payment will remain the property of the respective party and such Seller and Buyer will cooperate to immediately forward such payment to the appropriate party.

7.12 Financial Records. For a period of ten years after the Closing Date, Buyer shall not cause or permit the destruction or disposal of financial records (other than Tax records, which are provided for in Section 7.13) relating to periods prior to the Closing Date without first offering to surrender them to Sellers, and Buyer shall allow Sellers and their representatives access to such records during regular business hours.

7.13 Tax Matters. From and after the Closing:

(a) Sellers and Buyer shall each (i) provide the other party and shall cause their respective accountants to provide the other party's accountant with such assistance as may reasonably be requested by any of them in connection with the preparation of any Tax Return or the conduct of any audit or other examination by any taxing authority or judicial or administrative proceedings relating to liability for Taxes related to the EMG Business; (ii) retain and provide the other party and shall cause their respective accountants to provide the other party's accountant any records or other information that may be relevant to such Tax Return, audit or examination, proceeding or determination; and (iii) provide the other party with any final determination of any such audit or examination, proceeding or determination that affects any amount required to be shown on any such Tax Return of the other for any period. Without limiting

the generality of the foregoing, Buyer and Sellers shall retain, until the applicable statutes of limitation (including any extensions) prescribed by Law have expired, copies of all Tax Returns, supporting work schedules and other records or information related to the EMG Business that may be relevant to such returns for all Tax periods or portions thereof ending on or before the Closing Date and shall not destroy or otherwise dispose of any such records without first providing the other party with a reasonable opportunity to review and copy the same at the cost of such other party.

(b) Buyer shall pay any state and local sales, transfer or similar Taxes and all recording costs and fees, however styled or designated, that are required to be paid in connection with the transactions contemplated by this Agreement and the Ancillary Agreements, and, to the extent permitted under applicable law, the Buyer, at its own expense, shall prepare and file all necessary Tax Returns and other documentation with respect to all such Taxes, costs and fees.

(c) Sellers and Buyer shall provide to each other prompt notice of any audit or similar investigation or proceeding in which the Internal Revenue Service or any other Governmental Authority makes or proposes to make a Tax adjustment to any Tax period affecting the EMG Business ending on or before the Closing Date.

7.14 Trademark Transition. To the extent that any trade name or trademark of any Seller or any of their Affiliates (other than those included in the Acquired Assets) in any form (the "Retained Names") appears on any business form, packaging, container, sign, building or other property included in the Acquired Assets, Sellers grant and/or confirm the grant by their Affiliates of a royalty-free license to Buyer to use the Retained Names on such Acquired Assets until removal can be effected or until such materials are used and exhausted; provided, however, that Buyer shall use commercially reasonable efforts to remove the Retained Names from all Acquired Assets in a timely fashion and shall cease, in any event, all use of the Retained Names no later than six months following the Closing Date, and except that Buyer may use the Retained

Names for a period of twelve months following the Closing Date on all existing inventory and packaging included in the Acquired Assets. To the extent that any trade name or trademark included in the Acquired Intellectual Property appears on any inventory, packaging or sales, marketing or promotional materials not conveyed to Buyer under this Agreement, Buyer grants Sellers and their Affiliates a royalty-free license to use such Acquired Intellectual Property on such inventory, packaging or materials for a period of twelve months following the Closing Date.

7.15 Sale of Retained Business Lines. Buyer acknowledges that Sellers are in the process of marketing certain of the Retained Business Lines for sale to Persons other than Buyer. If, on or before the Closing Date, Sellers enter into any agreement providing for the sale of all or any portion of the Retained Business Lines, Sellers shall give prompt notice thereof to Buyer, and if any such sale is consummated prior to the Closing Date, neither Buyer nor Sellers will be obligated to enter into the Supply Agreements with respect to the Retained Business Lines (or portion thereof) so divested by Sellers. Between the date hereof and the Closing Date, Sellers shall keep Buyer reasonably apprised of developments related to Buyer's obligation to enter into the Supply Agreements on the Closing Date.

7.16 Non-Competition.

(a) For a period of three years beginning on the Closing Date, Sellers shall not, and shall cause its officers, directors, employees and Affiliates not to,

(i) acquire or invest in any business whose operations competes with the EMG Business within the United States;

(ii) sell any goods, services or products that compete with the EMG Business within the United States; or

(iii) (A) induce or attempt to induce any employee of Buyer to leave the employ of Buyer, or in any way interfere with the relationship between Buyer and any employee thereof; (B) hire directly or through another entity any person who was an employee of Buyer at any time prior to or during the three years from the Closing Date unless such person has approached Sellers without any solicitation or inducement by Sellers or (C) induce or attempt to induce any customer, supplier, licensee or other business relation of the EMG Business to cease doing business with the EMG Business, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the EMG Business.

(b) The provisions of Section 7.16(a) do not prohibit Sellers or their Affiliates from (i) acquiring another Person engaged in activities prohibited by Section 7.16(a) if at the time of the acquisition such other Person's sales during its most recently completed fiscal year from activities otherwise prohibited by Section 7.16(a) represents less than fifteen percent (15%) of such Person's consolidated sales for its most recently completed fiscal year (provided, however, that if sales from the prohibited activities represent five percent (5%) or more of such Person's consolidated sales for its most recently completed fiscal year, the Sellers and their affiliates shall dispose of or discontinue the business engaged in such prohibited activities within eighteen months after the consummation of such acquisition), (ii) acquiring up

to five percent of the securities of any Person that is engaged in activities prohibited by Section 7.16(a) if the securities of such Person are listed on a national securities exchange or the NASDAQ Automated Quotation System, (iii) selling products manufactured or marketed by the Echlin-Mexicana and CUMSA business lines to Persons in the United States, or (iii) engaging in any business activity other than the EMG Business in which Sellers or their Affiliates are currently engaged with any Person, including the Retained Business Lines (except that Dana Canada Inc. shall not sell in the United States any goods, services or products that compete with the EMG Business).

(c) Sellers shall not, nor shall any of their Affiliates, including, without limitation, Candados Universales de Mexico, S.A. de C.V. ("CUMSA") and Echlin Industrias de Mexico, S.A. de C.V. ("Echlin-Mexicana"), use in North America any of the trademarks, service marks, trade dress, logos, slogans, trade names, corporate names, together with all translations, adaptations, derivations, and combinations thereof, that are Acquired Assets, except as expressly provided in any license from Buyer to Seller with respect to any Acquired Intellectual Property.

(d) For a period of three years beginning on the Closing Date, Buyer shall not, and shall cause its officers, directors, employees and Affiliates not to (i) induce or attempt to induce any employee of Sellers to leave the employ of Sellers, or in any way interfere with the relationship between a Seller and any employee thereof or (ii) hire directly or through another entity any person who was an employee of a Seller at any time prior to or during the three years from the Closing Date unless such person has approached Buyer without any solicitation or inducement by Buyer.

(e) If the final judgment of a court of competent jurisdiction declares that any term or provision of this Section 7.16 is invalid or unenforceable, the Parties agree that the court making the determination of

invalidity or unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

7.17 Monthly Financial Statements. Sellers shall deliver to the Buyer, within 45 days after the end of the applicable month, the unaudited monthly balance sheet and income statement for the EMG Business for each month ended prior to the Closing Date, commencing with the month ended December 31, 2002, prepared in a manner consistent with similar unaudited financial information provided to Buyer and, where practical, consistent with the Specified Accounting Principles, except that for the months ending March 31, 2003 and June 30, 2003, such balance sheet and income statement shall be prepared in accordance with the Specified Accounting Principles and shall be delivered within 60 days after the end of each such month.

7.18 Title Insurance and Surveys. Sellers will use commercially reasonable efforts to assist the Buyer in obtaining on or prior to the Closing Date the Title Commitments, Title Policies and Surveys in form and substance as set forth in Article IX of this Agreement,

including removing from title any Liens which are not Permitted Liens. Each of the Sellers shall provide the Title Company with any affidavits, indemnities, memoranda or other assurances reasonably requested by the Title Company to issue the Title Policies.

7.19 Litigation Support. In the event and for so long as any Party actively is contesting or defending against any Action, investigation, charge, claim, or demand by a third party in connection with (i) any transaction contemplated under this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving the EMG Business, the other Party will cooperate with the contesting or defending Party and its counsel in the contest or defense, make available its personnel, and provide such testimony and access to its books and records as shall be reasonably necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party is entitled to indemnification therefor under Article X).

7.20 Exclusivity. From the date hereof until the Closing Date, the Sellers will not, directly or indirectly, (i) solicit, initiate, or encourage the submission of any proposal or offer from any Person relating to the acquisition of any capital stock or other voting securities of any Seller, or any substantial portion of the assets of the EMG Business (including any acquisition structured as a merger, consolidation, or share exchange) or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing. The Sellers will notify the Buyer immediately if any Person makes any proposal, offer, inquiry, or contact with respect to any of the foregoing. Notwithstanding the foregoing, the provisions of this Section 7.20 shall not apply to any transaction involving the capital stock or voting securities of Dana, or the assets of Dana or any of its Affiliates other than the remaining Sellers, so long after giving effect to any such transaction, Sellers remain obligated to perform their obligations under this Agreement.

7.21 Accounts Receivable.

(a) Sellers will execute and deliver, or cause to be executed and delivered, such agreements and instruments and take such other action as Buyer or Buyer's Lender reasonably requests in order to provide that the Accounts Receivable included in the Acquired Assets are conveyed to Buyer free and clear of all Liens arising from or related to the prior securitization of the Accounts Receivable.

(b) Sellers shall reimburse Buyer, within thirty (30) days after Buyer's demand, (i) for the amount of all credits, deductions and offsets taken or claimed by account debtors against Pumps Accounts Receivable, or (ii) for the amount of all understatements of Trade Payables of the portion of the Retained Business Lines relating to fuel pumps and water pumps. Buyer will include with its demand for payment copies of any correspondence from the applicable account debtor or creditor, as the case may be, regarding such credit, deduction or offset or understatement, as the case may be, and such other information with respect thereto in Buyer's possession that Sellers may reasonably request.

(c) Buyer shall reimburse Sellers, within thirty (30) days after Sellers' demand, (i) for the amount of all credits, deductions and offsets granted to Buyer with respect to Trade Payables of the portion of the Retained Business Lines relating to fuel pumps and water pumps, or (ii) for any amount collected by Buyer in respect of Pumps Accounts Receivable in excess of the amount thereof included in determining the Closing Net Book Value; provided, however, that Sellers shall indemnify Buyer and hold Buyer and its Related Persons harmless from and against any and all Liabilities suffered or incurred by Buyer or its Related Persons arising out of or resulting from Buyer's reimbursement of Sellers for such excess collections of Pumps Accounts Receivable. Seller will include with its demand for payment copies of any correspondence from the applicable account debtor or creditor, as the case may be, regarding such credit, deduction or offset or understatement, as the case may be, and such other information with respect thereto in Sellers' possession that Buyer may reasonably request.

7.22 Seller Designee. Each of the Sellers hereby appoints the Seller Designee as its agent and representative for the purpose of holding such Seller's rights and interests in the Seller Shares and Seller Note and exercising all of the rights and performing all of the obligations of the record owner of the Seller Shares and holder of the Seller Note. Each Seller agrees that the issuance of the Seller Shares and the Seller Note to the Seller Designee constitutes payment to such Seller of any amount represented by such Seller Shares or Seller Note to which such Seller may be entitled in respect of the Acquired Assets conveyed by such Seller pursuant to this Agreement. Each Seller agrees that Buyer and Buyer's Lender may deal exclusively with the Seller Designee with respect to all matters related to the Seller Shares and the Seller Note without seeking any consent, approval or confirmation from or giving any notice to such Seller.

7.23 Right of First Offer.

(a) For a period of three (3) years after the Closing Date neither Dana nor any of its Affiliates may assign, sell or transfer to any Person who is not an Affiliate of Dana either a controlling interest in the capital stock or a majority of the assets of CUMSA or Echlin-Mexicana or both unless Dana has delivered to Buyer notice of Dana's desire to undertake such assignment, sale or transfer and describing the assets or capital stock Dana or its Affiliates desires to assign, sell or transfer and providing basic financial information about the business being sold (the "Transfer Notice"). Within thirty (30) days after delivery of a Transfer Notice, Buyer may notify Dana whether Buyer wishes to consider the transaction described in the Transfer Notice, and if so, what range of price it might be prepared to pay. If Buyer notifies Dana that Buyer does not desire to consider such transaction or if Buyer does not submit any

notice to Dana within the thirty (30) day time period, neither Dana nor any of its Affiliates shall have any further obligation to Buyer in respect of any assignment, transfer or sale of the capital stock or assets of CUMSA, Echlin-Mexicana or both, and the provisions of Section 7.23(b) shall cease to apply. If Buyer notifies Dana within the thirty (30) day time period that Buyer desires to consider such a transaction, then during a period ending on the ninetieth (90th) day following the date of the Transfer Notice ("Negotiation Period"), Buyer and the applicable Sellers shall negotiate the terms and conditions of the purchase of the assets or capital stock of CUMSA, Echlin-Mexicana or both, as the case may be. During the Negotiation Period, Sellers shall use commercially reasonable efforts to(i) give Buyer and its representatives (including its lenders, underwriters or other financing sources), upon

reasonable notice to Sellers, full access at all reasonable times, and in a manner so as not to interfere with the normal business operations of the Sellers, to all assets, properties, books, records (including Tax records), Contracts, documents and personnel relating to CUMSA, Echlin-Mexicana or both, as the case may be, (ii) permit Buyer to make such inspections as it may reasonably require and (iii) furnish Buyer during such period with all such information as Buyer may reasonably request.

(b) During the Negotiation Period, the Sellers will not, directly or indirectly, (i) solicit, initiate, or encourage the submission of any proposal or offer from any Person other than Buyer relating to the acquisition of any capital stock of CUMSA, Echlin-Mexicana or both, as the case may be , or any substantial portion of the assets of CUMSA, Echlin-Mexicana or both, as the case may be (including any acquisition structured as a merger, consolidation, or share exchange) or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person other than Buyer to do or seek any of the foregoing.

(c) If (i) by the end of the Negotiation Period Buyer or its designee and the applicable Sellers have not executed a definitive agreement for the transaction described in the Transfer Notice or (ii) such an agreement has been executed by the end of the Negotiation Period but the purchase and sale contemplated thereby has not been consummated within sixty (60) days after the date of the definitive agreement for any reason except default by the applicable Sellers of their obligations thereunder, then neither Dana nor any of its Affiliates shall have any further obligation to Buyer in respect of any assignment, sale or transfer of the capital stock or assets of CUMSA, Echlin-Mexicana or both and shall be free to assign, sell or transfer capital stock or assets to any Person on any terms.

(d) The provisions of this Section 7.23 are not intended to apply to (i) any assignment, pledge or other transfer of the capital stock or assets of CUMSA, Echlin-Mexicana or both made in connection with financing arrangements undertaken in the ordinary course of business by Dana or any of its Affiliates, or (ii) any assignment, sale or transfer of the capital stock or assets of CUMSA or Echlin-Mexicana or both to any Affiliate of Dana.

7.24 Information Required for Buyer's Registration Statement. Buyer and Sellers acknowledge that Buyer is required to include in its registration statement for the Equity Offering audited financial statements for the EMG Business for the fiscal year ended December 31, 2002. Sellers shall prepare and deliver to Buyer as promptly as reasonably possible an audited balance sheet for the EMG Business (including the Retained Business Lines relating to fuel pumps and water pumps) for the fiscal year ended December 31, 2002 and audited statements of operations and cash flows for the fiscal year then ended, fairly presenting, in all material respects, the financial position and results of

operations of the EMG Business (including the Retained Business Lines relating to fuel pumps and water pumps) as at such date and for the period then ended, all in conformity with GAAP consistently applied as described in the notes thereto (the "EMG Year-End Statements"). Dana shall also cause PricewaterhouseCoopers to prepare and deliver to Buyer a comfort letter and consent, in form and substance reasonably acceptable to Buyer and its counsel, with respect to the EMG Financial Statements and the EMG Year-End Statements, as the case may be, for filing with Buyer's registration statement for the Equity Offering.

7.25 Tooling at Vendors. Not less than fourteen (14) days prior to the Closing Date, Sellers shall prepare and deliver to Buyer a reasonably complete schedule listing tooling, molds and dies used in the EMG Business that are located at any premises other than the Real Property, together with the address of each such premises and the identity of the Person holding such tooling, molds or dies at such premises.

ARTICLE VIII

ENVIRONMENTAL MATTERS

8.1 Site Assessment Environmental Liabilities. The term "Site Assessment Environmental Liabilities" means, until the required environmental remediation is complete at each respective site, all Environmental Costs relating to or arising in connection with the remediation of Environmental Conditions at the Branford Site, the Independence Site, and, if applicable, the Northvale Site, identified during the Buyer's Further Investigations and/or Seller's Further Investigations or during the performance of the Sellers' remediation. For purposes of this Section 8.1, a required environmental remediation shall not be deemed complete during the period of any continued operation and maintenance of any active remediation system or long-term monitoring program (excluding, by way of example, any static engineered controls such as a permanent cap) at the Real Property in connection with the remediation or in the event that a No Further Action letter or similar closure documentation is revoked, but only if the reason for the revocation is the inaccuracy of information contained in Sellers' submissions to Governmental Authorities.

8.2 Environmental Remediation.

(a) Phase II Investigations. Commencing not later than ten (10) days after the date of this Agreement: Buyer shall conduct a Phase II Environmental Site Assessment and such other investigation activities as Buyer deems necessary or appropriate in order to ensure its entitlement to the "bona fide prospective purchaser exemption" as defined under the federal Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 'SS''SS'9601 et seq. at the Real Property and facilities of Sellers located at (1) Independence, Kansas (the "Independence Site"), (2) Branford, Connecticut (the "Branford Site"), and (3) Northvale, New Jersey (the "Northvale Site") (in the event that Buyer's Phase I Environmental Site Assessment of the Northvale Site reveals the presence of any "recognized environmental condition" as defined in ASTM 1527-97 or 1527-00) (collectively, the "Buyer's Further Investigation"). After Buyer performs its Phase II Environmental Site Assessment at the Branford Site, Sellers shall conduct any activities at the Branford Site as necessary to discharge their obligations pursuant to the Connecticut Property Transfer Act, 'SS''SS'22a-134 et seq. (the "Sellers' Further Branford Investigation"). After Buyer performs its Phase II Environmental Site Assessment at the Northvale Site, Sellers shall conduct such activities at the Northvale Site as are necessary to discharge its obligations pursuant to the New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq. (the "Sellers' Further Northvale Investigation"). (Seller's Further Branford Investigation and Further Northvale Investigation, as well as any other investigation conducted by Sellers in discharging their

obligations under this Section 8.2, shall be collectively referred to herein as "Seller's Further Investigation"). Sellers shall provide Buyer with such access to the Northvale Site as Buyer deems necessary or desirable to

conduct the Phase I Environmental Assessment of that site and shall provide Buyer with such access to the Independence Site, Branford Site, and Northvale Site as Buyer deems necessary or desirable to conduct the Buyer's Further Investigation, as applicable. Sellers agree to reimburse Buyer for the amount of costs and expenses incurred by Buyer in connection with the Buyer's Further Investigation up to an aggregate maximum reimbursement of $150,000. Sellers shall make such reimbursement within thirty (30) days after receiving Buyer's request for payment, accompanied by such supporting information as Sellers may reasonably request. Sellers shall prepare and deliver to Buyer written reports of the Sellers' Further Investigation and Buyer shall prepare and deliver to Sellers written reports of the Buyer's Further Investigation, each in form and substance reasonably satisfactory to Sellers and Buyer.

(b) Remediation Activities. Sellers shall be solely responsible for, and shall pay all Environmental Costs associated with, remediating the Environmental Conditions identified during the Buyer's Further Investigations and/or Sellers' Further Investigations or the performance of Sellers' remediation at the Independence Site, the Branford Site and, if applicable, at the Northvale Site, in accordance with the Minimum Remediation Standards and the other terms and provisions of this Section 8.2. Except as otherwise provided in Section 8.2(e), Sellers shall have absolute control over all aspects of any remediation undertaken by Sellers. Sellers shall select and implement a remedy that, in addition to meeting the Minimum Remediation Standards, does not materially interfere with or disrupt Buyer's normal business activities at the Real Property. Sellers shall perform any investigation activities as required pursuant to this Section 8.2 in a manner that does not materially interfere with or disrupt Buyer's normal business activities at the Real Property. Sellers shall prepare a remediation plan within a reasonable time after receipt of Buyer's Further Investigation for each site, which plan shall contain a schedule that provides for the prompt completion of the remediation at each site. Upon completion of each plan for each site, Seller shall submit it to Buyer in advance of submitting it to any Governmental Authority. Buyer shall have the right to consult with Sellers, and comment on Sellers' remediation plans and remediation activities at Buyer's cost, provided that so long as Sellers have materially complied with their obligations under this Section 8.2, Sellers shall retain control over the preparation and implementation of the remediation plans and all remediation activities, and in its sole discretion, may accept or reject any comments or recommendations by Buyer. Buyer shall have the right to review, comment on, and observe Sellers' remediation activities at Buyer's cost, but Sellers shall retain control over Sellers' remediation activities, except as otherwise provided in Section 8.2(e). Sellers agree to provide to Buyer copies of all technical reports, studies, tests, documents or other materials in connection with Sellers' remediation activities in a timely manner. Buyer shall cooperate with and provide Seller with such access to the Independence Site and the Branford Site as Sellers deem necessary or desirable to conduct Sellers' Further Investigations and any remediation activities, provided, however, that Sellers shall do so in a manner that does not materially disrupt Buyer's normal business activities. Sellers shall obtain a "No Further Action" letter or equivalent document from the applicable state governmental agency concluding that no further remediation activities are required at the sites. Sellers shall submit to the appropriate regulatory authority a remediation plan in a reasonably timely manner, but in no case later than two (2) years after the Closing Date, unless a delay is caused by factors outside the control of Sellers, including but not limited to, unforeseen environmental conditions at the Site, delays caused by Third Parties, or delays in governmental review or approval of any submittals by Sellers. Sellers shall complete the remediation as set forth in the

remedial plans in a reasonably prompt manner, including, without limitation, by conforming to the extent possible with the schedule for completion of the remediation as set forth in the remedial plans. In the event that any of Sellers' remedial plans involve any active remediation system or long-term monitoring program (excluding, by way of example, any static engineered control such as a permanent cap), Seller shall maintain and operate such system at its sole expense until its receipt of a final No Further Action letter or similar documentation providing that no further active remediation or monitoring is required and until the remediation is complete within the meaning of Section 8.1 above.

(c) Connecticut Property Transfer Act Responsibilities. Sellers shall provide to Buyer by not later than 15 days prior to the Closing Date the following documents with respect to the Branford facility: (i), a fully completed Form III as defined pursuant to Conn. Stat. 'SS'22a-134(12), signed and certified by Sellers as the "certifying party," that complies in all respects with the Connecticut Property Transfer Act, 'SS''SS'22a-134 et seq.; and (ii) documentation showing that the completed Form III has been submitted to the Commissioner of the Connecticut Department of Environmental Protection ("DEP"). Sellers shall conduct any activities at the Branford Site as necessary to discharge its obligations pursuant to the Connecticut Property Transfer Act, 'SS''SS'22a-134 et seq. and under Section 8.2(b).

(d) New Jersey Industrial Site Recovery Act Responsibilities (ISRA). Sellers shall provide to Buyer by not later than 15 days prior to the Closing Date at least one of the following documents with respect to the Northvale facility: (1) a non-applicability letter, (2) written approval of Seller's negative declaration or "No Further Action" letter as to all areas of concern, (3) an approved Remediation Agreement with funding source; or (4) a non-qualified approval of Seller's Remedial Action Workplan, in each case as such terms are defined in or customarily used in connection with ISRA.

(e) Buyer's Right to Act. In addition to Buyer's rights to make a claim for indemnification under Section 10.2 for a material breach by Sellers of this Section 8.2, Buyer shall have the right, but not the obligation, in its sole discretion, to conduct any investigation or take any remedial or other appropriate action, at Sellers' cost and expense, if Sellers have not timely performed any material obligation under this Section 8.2, provided that Buyer shall have first provided written notice of such failure of Sellers to timely perform such material obligation and Sellers have failed to cure such failure within a 90-day period (except that this proviso shall not apply if Buyer reasonably believes that its immediate action is necessary to prevent an imminent threat to human health and, in such case, Buyer's right to act at Sellers' cost with respect to such condition shall continue only for such time and to such extent as appropriate under the circumstances to prevent and/or cure any condition causing an imminent threat to human health). Notwithstanding the 90-day limitation on Sellers' right to cure after notice as provided in foregoing sentence, if Sellers demonstrate in writing to Buyer that their failure to perform a material obligation under this Section 8.2 cannot be cured within such 90-day period, Seller shall have such additional time in which to cure such failure as is reasonable under the circumstances.

8.3 Environmental Records. For a period of ten years after the Closing Date, Buyer shall not cause or permit the destruction or disposal of environmental records regarding the

Acquired Assets or the EMG Real Property relating to periods prior to the Closing Date without first offering to surrender them to Sellers, and Buyer shall allow Sellers and their representatives access to such records during regular business hours.

ARTICLE IX

CONDITIONS TO CLOSING

9.1 Conditions to Obligations of Sellers and Buyer. The respective obligations of Sellers and Buyer to consummate the transactions contemplated by this Agreement and the Ancillary Agreements shall be subject to the satisfaction or waiver at or prior to the Closing of each of the following conditions:

(a) All applicable waiting periods (and any extensions thereof) to the consummation of the transactions contemplated by this Agreement under the HSR Act shall have expired or been terminated.

(b) All Consents of Governmental Authorities referred to in Sections 5.3 and 6.4 shall have been received.

(c) No Action shall be pending or threatened in writing before any Governmental Authority wherein an unfavorable Order would prevent consummation of the transactions contemplated by this Agreement, or cause any of the transactions contemplated by this Agreement to be rescinded.

9.2 Conditions to Obligation of Sellers. The obligation of Sellers to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver at or prior to the Closing of each of the following additional conditions:

(a) The representations and warranties of Buyer set forth in this Agreement shall have been true and correct in all material respects as of the date of this Agreement, and shall be true and correct in all material respects as of the Closing Date as though made on and as of the Closing Date (except to the extent that such representations and warranties are expressly intended to speak only as of an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such date, and except to the extent that such representations and warranties are already qualified by terms such as "material" or "Material Adverse Effect," in which case such representations and warranties shall be true and correct in all respects on and as of the Closing Date).

(b) Each of the agreements and covenants of Buyer to be performed and complied with by Buyer pursuant to this Agreement prior to the Closing Date shall have been duly performed and complied with in all material respects.

(c) Buyer shall have delivered to Sellers a certificate, dated as of the Closing Date and signed on its behalf by its chief executive officer and its chief financial officer, as to the satisfaction by it of the conditions set forth in Sections 9.1(c), 9.2(a) and 9.2(b).

(d) Between the date of this Agreement and the Closing Date, no change or event shall have occurred that has had a Material Adverse Effect on Buyer.

(e) Buyer shall have delivered the Estimated Purchase Price in accordance with Section 3.2 and the documents required to be delivered by Buyer

pursuant to Section 4.3.

9.3 Conditions to Obligation of Buyer. The obligation of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver at or prior to the Closing of the following conditions:

(a) The representations and warranties of Sellers set forth in this Agreement shall have been true and correct in all material respects as of the date of this Agreement, and shall be true and correct in all material respects as of the Closing Date as though made on and as of the Closing Date (except to the extent that such representations and warranties are expressly intended to speak only as of an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such date, and except to the extent that such representations and warranties are already qualified by terms such as "material" or "Material Adverse Effect," in which case such representations and warranties shall be true and correct in all respects on and as of the Closing Date).

(b) Each of the agreements and covenants of Sellers to be performed and complied with by Sellers pursuant to this Agreement prior to the Closing Date shall have been duly performed and complied with in all material respects.

(c) Sellers shall have delivered to Buyer a certificate, dated as of the Closing Date, as to the satisfaction by Sellers of the conditions set forth in Sections 9.1(c), 9.3(a) and 9.3(b).

(d) The Financing Conditions shall have been satisfied and Buyer shall have received the funds which Buyer is entitled to receive under the Financing Agreements and the Equity Offering as of the Closing Date.

(e) The title company that issued the Title Commitments or another title insurance company reasonably satisfactory to Buyer (the "Title Company") shall be prepared to issue (subject to any requirements to such issuance that are to be satisfied by Buyer) a 1992 ALTA Owner's Title Insurance Policy or other form of policy reasonably acceptable to the Buyer for each Owned Real Property, insuring the Buyer's fee simple title to each Owned Real Property as of the Closing Date (including all recorded appurtenant easements, insured as separate legal parcels), with gap coverage through the date of recording, subject only to Permitted Liens, in such amount as the Buyer reasonably determines to be the value of the Owned Real Property insured thereunder and including such endorsements as Buyer or Buyer's Lender reasonably requires (the "Title Policies").

(f) The Buyer shall have obtained a survey for each parcel of Owned Real Property, dated after the date of this Agreement, prepared by a surveyor licensed in the jurisdiction where the applicable Owned Real Property is located, reasonably satisfactory to the Buyer, and conforming to 1999 ALTA/ACSM Minimum Detail Requirements for Land Title Surveys, including Table A Items Nos. 1, 2, 3, 4, 6, 7(a), 7(b)(1), 7(c), 8, 9, 10, 11(b)(2), 13,

14, 15 and 16, and such other standards as the Title Company and the Buyer may reasonably require as a condition to the removal of any survey exceptions from the Title Policies, and certified to the Buyer, the Buyer's Lender and the Title Company, in a form and with a certification reasonably satisfactory to each of such parties (the "Surveys"); the Surveys shall not disclose any encroachment from or onto any of the Owned Real Property or any other material survey defect which has not been cured or insured over to the Buyer's reasonable satisfaction prior to the Closing.

(g) Between the date of this Agreement and the Closing Date, no change

or event shall have occurred that has had a Material Adverse Effect on the EMG Business.

(h) Sellers shall have delivered to Buyer the documents required to be delivered by Sellers pursuant to Section 4.2.

ARTICLE X

SURVIVAL AND INDEMNIFICATION

10.1 Survival Periods.

(a) Sellers' liability for any breach of the representations and warranties made by them in this Agreement shall survive until the date that is eighteen months after the Closing Date, except that:

(i) Sellers' liability for any breach of the representations and warranties set forth in Section 5.17 (Taxes) or Section 5.18 (Employee Benefit Plans) will survive until the expiration of all applicable periods under the Laws prescribing applicable statutes of limitation with respect to the subject matter of such representations and warranties;

(ii) Sellers' liability for any breach of the representations and warranties set forth in Section 5.19 (Environmental Matters) will survive for five years after the Closing Date; and

(iii) Sellers' liability for any breach of the representations and warranties set forth in Section 5.1 (Organization and Standing), Section 5.2 (Authority, Validity and Effect), Section 5.6 (Acquired Assets), or Section 5.24 (No Brokers) will survive indefinitely.

(b) Buyer's liability for any breach of the representations and warranties made by it in this Agreement shall survive until the date that is six months after the expiration of the Lock-Up Period (as defined in the Share Ownership Agreement), except that Buyer's liability for any breach of the representations and warranties set forth in Section 6.1 (Organization and Standing), Section 6.2 (Authority, Validity and Effect), Section 6.3 (Capitalization; Title to Stock), or Section 6.11 (No Brokers) will survive indefinitely.

(c) Each of the covenants and agreements of the Parties shall survive the Closing in accordance with its terms.

(d) No party providing indemnification pursuant to this Article X (an "Indemnifying Party") is obligated to provide such indemnification with respect to the representations and warranties (but not the covenants) to the other party (the "Indemnified Party") unless the Indemnified Party has delivered written notice of its claim for indemnification prior to the expiration of the applicable period set forth in Section 10.1(a) or 10.1(b), unless such claim is based upon the assertion that the Indemnifying Party had committed fraud; provided, however, that any claim for indemnification for which a notice has been given in accordance with Section 10.4 on or before the expiration of such period may continue to be asserted and indemnified against until finally resolved.

10.2 Indemnification. Subject to the other provisions of this Article X, from and after the Closing,

(a) Sellers shall indemnify and hold Buyer and its officers, directors, shareholders, employees and Affiliates harmless from and against any costs or expenses (including reasonable attorneys' fees), judgments, fines,

Liabilities, losses, claims and damages (collectively, "Damages") resulting from: (i) Sellers' breach of any representation or warranty made by them in or pursuant to this Agreement, provided that Sellers shall not be liable for breach of any representation or warranty to the extent (A) the fact, matter or circumstance giving rise to a claim for breach is fairly disclosed in any of the Disclosure Schedules to this Agreement or the documents attached thereto, or (B) the amount claimed is reflected in the Final Net Book Value Statement or was the subject of a Dispute Notice; (ii) Sellers' failure to perform or breach of any covenant made by them in or pursuant to this Agreement; or (iii) Sellers' failure to pay, perform or discharge in accordance with its terms any Retained Liability.

(b) Buyer shall indemnify and hold Sellers and their respective officers, directors, shareholders, employees and Affiliates harmless from and against all Damages resulting from (i) Buyer's breach of any representation or warranty made by it in or pursuant to in this Agreement, (ii) Buyer's failure to perform or breach of any covenant made by it in or pursuant to this Agreement, (iii) Buyer's failure to pay, perform or discharge in accordance with its terms any of the Assumed Liabilities, or (iv) all Liabilities arising under any Environmental, Health or Safety Requirements or with respect to Environmental Claims or Environmental Costs arising from Environmental Conditions at the Real Property, irrespective of whether such Liability attaches or accrues to Buyer or Sellers in the first instance, but not including any Retained Liability.

(c) The Buyer expressly releases and discharges Seller, its successors and assigns, from all claims, demands, actions, judgments and executions for the indemnified matters set forth in Section 10.2(b)(iv).

10.3 Indemnification Amounts.

(a) Notwithstanding any provision to the contrary contained in this Agreement, Sellers will not be obligated to indemnify Buyer for any Damages resulting from a breach of a representation or warranty made by Sellers:

(i) to the extent that Damages arising from any individual claim for indemnification are $10,000 or less (the "Buyer Minimum Claim Amount");

(ii) unless and until the amount of all such Damages (other than those for claims that do not satisfy the Buyer Minimum Claim Amount) exceeds $1,300,000 (the "Buyer Deductible"), and then only for the amount of the Damages in excess of the Buyer Deductible; provided, however, that the Buyer Deductible shall not apply to any Damages resulting from a breach of a representation or warranty made by Sellers pursuant to Section 5.19 (Environmental Matters); and

(iii) to the extent that the aggregate amount of all such payments for Damages (other than those for claims that do not satisfy the Buyer Minimum Claim Amount) to Buyer exceeds an amount equal to sixty-five percent (65%) of the amount of the Purchase Price paid in cash.

(b) Notwithstanding any provision to the contrary contained in this Agreement, Buyer will not be obligated to indemnify Sellers for any Damages resulting from a breach of a representation or warranty made by Buyer:

(i) to the extent that the Damages arising from any individual claim for indemnification are $10,000 or less; and

(ii) to the extent that the aggregate amount of all such payments for Damages to Sellers exceeds the aggregate amount of the Purchase Price paid in the form of the Seller Shares, as calculated on the basis of the Price Per Share and after giving effect to any adjustments to the Purchase

Price under Section 3.3.

(c) For purposes of this Article X, a representation or warranty shall be deemed breached if it would have been breached had the representation not been qualified by the words "material", "materiality", "Material Adverse Effect", "in all material respects", or words of similar import.

10.4 Claims.

(a) If an Indemnified Party intends to seek indemnification pursuant to this Article X, such Indemnified Party shall promptly notify the Indemnifying Party in writing of such claim describing such claim in reasonable detail; provided that the failure to provide such notice will not affect the obligations of the Indemnifying Party unless it is actually prejudiced thereby. If the claim for indemnification does not involve a claim by a third party then the Indemnifying Party shall be deemed to have accepted liability for the Damages arising from such claim (subject to the limitations set forth in this Article) unless the Indemnifying Party delivers a written objection to the Indemnified Party within 30 days after receiving the notice of claim. If such claim involves a claim by a third party against the Indemnified Party, the Indemnifying Party will have thirty days after receipt of such notice to elect to undertake, conduct and control, through counsel of its own choosing and at its own expense, the settlement or defense thereof, and if it so elects, the Indemnified Party shall cooperate with it in connection therewith; provided that the Indemnified Party may participate in such settlement or defense through counsel chosen and paid for by such Indemnified Party. The Indemnifying

Party shall not, without the written consent of the Indemnified Party, settle or compromise any action in any manner or consent to the entry of any judgment with respect to the matter unless the sole relief granted is the payment of money by the Indemnifying Party and the plaintiff or claimant releases the Indemnified Party from all liability. If the Indemnifying Party does not notify the Indemnified Party within thirty days after the receipt of the Indemnified Party's notice of a claim of indemnity hereunder that it elects to undertake the defense thereof, or if the Indemnifying Party assumes such defense but thereafter fails to pursue such defense actively, then the Indemnified Party will have the right to contest, settle or compromise the claim but shall not thereby waive any right to indemnity therefor pursuant to this Agreement. As long as the Indemnifying Party is contesting any such claim in good faith, the Indemnified Party shall not pay or settle any such claim. Notwithstanding the foregoing, the Indemnified Party has the right to pay or settle any such claim; provided that as long as the Indemnifying Party is contesting such claim in good faith, any such settlement is to include as an unconditional term thereof the delivery by the claimant or plaintiff to the Indemnifying Party of a duly executed written release of the Indemnifying Party from all liability and obligation in respect of such action; and provided further that in such event, unless the Indemnifying Party has consented to such payment or settlement, the Indemnified Party shall waive any right to indemnity therefor by the Indemnifying Party; and provided further that the Indemnified Party shall provide the Indemnifying Party reasonable advance notice of any proposed settlement or payment.

(b) The Indemnified Party shall cooperate fully in all aspects of any investigation, defense, pretrial activities, trial, compromise, settlement or discharge of any claim in respect of which indemnity is sought pursuant to this Article X, including, but not limited to, by providing the other party with reasonable access to employees and officers (including as witnesses) and other information. The Indemnified Party's actual costs and expenses of providing such cooperation shall constitute a part of its Damages for which it is entitled to indemnification in accordance with this Article X.

10.5 Exclusive Remedy. Except with respect to the availability of equitable relief or actual fraud, the indemnification provisions of this Article X are the exclusive remedy following the Closing for any breaches or alleged breaches of any representation, warranty, covenant, agreement or other provision of this Agreement or the transactions contemplated hereby and, without limitation of the foregoing, Buyer and each Seller hereby waives any and all rights that are or may otherwise be available to it at law or equity in respect of the transactions contemplated hereby, including, without limitation, any claim pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 'SS'SS'9601 et seq.; and none of the Parties, nor any of its Related Persons, may bring any action or proceeding, at law, equity or otherwise, against any other party or its Related Persons, in respect of any breaches or alleged breaches of any representation, warranty or other provision of this Agreement, except pursuant to the express provisions of this Article X. The Parties hereby acknowledge that no Party has made any representations and warranties, express or implied, with respect to this Agreement or the matters contemplated hereby, except as explicitly set forth in or made pursuant to this Agreement. The Parties also acknowledge that this Section 10.5 is not intended to restrict the rights of either party arising from and after the Closing Date under the Ancillary Agreements.

10.6 Tax and Insurance. The amount of any Damages suffered by an Indemnified Party is to be reduced by any net federal Tax, insurance or other benefits that such party receives in respect of or as a result of such Damages or the facts or circumstances relating thereto. A 34% tax rate is to be used in computing any such reduction for net federal Tax benefits. If any Damages for which indemnification is provided hereunder are subsequently reduced by any net tax benefit, insurance payment or other recovery from a third party, the Indemnified Party shall promptly remit the amount of such reduction to the Indemnifying Party.

ARTICLE XI

EMPLOYEE BENEFIT MATTERS

11.1 Employment. Buyer shall make offers of employment to, and employ for a period of not less than two months after the Closing Date, on the terms required by this Article XI, all individuals who are employed in the EMG Business immediately prior to the Closing Date and who accept such offers of employment, including, to the extent set forth in Section 11.5, those individuals who are on lay-off, leave of absence, disability leave or elect to retire immediately prior to the Closing Date (collectively, those employees who accept employment with Buyer as of the Closing Date shall collectively be referred to herein as the "Transferred Employees"); provided that, (a) except as otherwise required by the Employee Retention Incentive Agreements, Buyer will not be required to continue to employ any Transferred Employee who resigns or otherwise voluntarily terminates his employment by Buyer or who is terminated by Buyer for cause, (b) Buyer shall not make offers of employment to the individuals identified on Schedule 11.1 whom Sellers desire to retain after the Closing Date and such individuals shall not be considered "Transferred Employees".

11.2 Compensation and Employee Benefits.

(a) In General. Buyer shall provide each Transferred Employee, so long as he or she otherwise remains employed by Buyer, with compensation, employee benefits and severance programs that, in the aggregate, are substantially equivalent to those provided by Buyer immediately prior to the Closing Date to Buyer's employees serving in comparable capacities and with comparable years of service. Subject to the foregoing, the other provisions of this Article XI and the provisions of the Employee Retention Incentive Agreements, Buyer shall have the right to determine the compensation and employee benefits of the Transferred

Employees.

(b) Severance Payments. Buyer and Sellers will be obligated for severance payments to Transferred Employees as provided in the Reimbursement Agreement except that Exhibit III of that letter shall be amended as set forth on Schedule 11.2(b). Sellers shall be liable for and shall pay all eligible individuals employed by the EMG Business prior to the Closing severance benefits in accordance with the terms of Seller's severance policies; provided, however, that nothing in this Agreement should be construed to obligate Sellers to pay severance to any Transferred Employee or any employee of the EMG Business who is made an offer of employment by Buyer , except as provided in the Reimbursement Agreement. Seller shall also reimburse Buyer for all severance costs incurred by Buyer, up to an aggregate cumulative amount of $400,000, in connection with any Transferred Employee who was an

employee of Sellers' RAM Division on the Closing Date who is terminated by Buyer within six months after the Closing Date because of the closing or relocation of the operations of the RAM Division.

(c) Service Credit. For purposes of any employee benefit plan, program or arrangement established for or made available to Transferred Employees by Buyer (the "Buyer Plans"), other than Buyer's post-retirement medical benefit plan, Buyer shall credit such Transferred Employees with service for all periods of service prior to the Closing Date with Sellers or any Affiliate of Sellers. Such service will be credited for purposes of determining eligibility for, vesting in and the amount of benefits under all of the Buyer Plans and for all other purposes for which service is either taken into account or recognized; provided, however, that such service need not be credited to the extent it would result in duplication of coverage or benefits.

(d) Welfare Benefit Plans. Coverage for all Transferred Employees and their respective dependents under the Seller ERISA Plans and Seller Benefit Arrangements that are welfare benefit plans within the meaning of Section 3(1) of ERISA (the "Seller Welfare Plans"), will terminate effective as of the day immediately prior to the Closing Date. All Liabilities of Sellers under the Seller Welfare Plans prior to the effective date of such termination shall be Retained Liabilities. The Buyer Plans that are welfare benefit plans within the meaning of Section 3(1) of ERISA (the "Buyer Welfare Plans") shall provide coverage and benefits to Transferred Employees (and the eligible dependents of the Transferred Employees) beginning on the Closing Date. Buyer shall cause deductibles and out-of-pocket payments expended for coverage under the Seller Welfare Plans in the plan year in which the Closing Date occurs to be counted toward the deductibles and out-of-pocket maximums applicable to each Transferred Employee under the Buyer Welfare Plans. Sellers will provide Buyer, at Buyer's expense, with electronic or other copies of existing records regarding each Transferred Employee's status regarding deductibles and out-of-pocket expenses under the Seller Welfare Plans (it being understood that Sellers will not be required to generate any reports or provide any other information that it did not produce or maintain in the Ordinary Course of Business). In addition, no pre-existing condition, limitation, exclusion or waiting period applicable with respect to any Buyer Welfare Plan will apply to any Transferred Employee.

(e) Savings and Pension Plans.

(i) Effective as of the Closing Date, Sellers will cause all Transferred Employees to become fully vested in their account balances under the Dana Corporation Employee Incentive and Savings Investment Plan (the "Savings Plan") and their accrued benefits under the Pension Plan for Dana Automotive Aftermarket Group Employees (the "Pension Plan"). All Liabilities of Sellers under the Savings Plan and the Pension Plan shall be Retained Liabilities.

(ii) With respect to each Transferred Employee who has an outstanding loan under the Savings Plan, Buyer and Sellers shall take such action as shall be necessary to permit such Transferred Employee to rollover such loan to the applicable Buyer Plan.

11.3 COBRA; Retiree Medical Benefits. Buyer shall have sole responsibility for "continuation coverage" benefits provided after the Closing Date under Buyer's group health plans to all Transferred Employees, and "qualified beneficiaries" of Transferred Employees, for whom a "qualifying event" occurs on or after the Closing Date. Sellers shall have the sole responsibility for "continuation coverage" benefits provided under Sellers' group health plans to all employees of Sellers, and "qualified beneficiaries" of employees of Sellers, for whom a "qualifying event" has occurred prior to the Closing Date, or for any such individual who is not a Transferred Employee or "qualified beneficiary" with respect to a Transferred Employee, regardless of when such "qualifying event" occurs, and the obligations of Sellers under this sentence shall be Retained Liabilities. The terms "continuation coverage," "qualified beneficiaries" and "qualifying event" shall have the meaning ascribed to them under Section 4980B of the Code and Sections 601-608 of ERISA.

11.4 WARN Act. Buyer shall not engage in a "mass layoff" or "plant closing" as defined in the United States Worker Adjustment and Retraining Notification Act (the "WARN Act") affecting the Transferred Employees without complying with the WARN Act. Buyer shall defend, indemnify and hold harmless Sellers and their Related Persons from any claims, charges, suits, demands, damage, or liability arising out of or relating to any such noncompliance with the WARN Act from and after the Closing Date.

11.5 Non-Active Employees. Except as expressly provided below, Buyer shall make offers of employment to, and shall employ to the extent such offers are accepted, the individuals employed in the EMG Business who are on non-active status on the Closing Date due to lay-off, leave of absence or disability (the "Non-Active Employees"). Notwithstanding the foregoing, Sellers shall retain as their employees any Non-Active Employees listed on Schedule 11.5 who are on long-term disability leave on the Closing Date and any other Non-Active Employees who are on long-term disability leave on the Closing Date, up to a maximum of sixteen (16) such employees. In consideration of Seller's agreement to retain such employees, Buyer shall pay to Sellers, on the Closing Date and subject to the contemporaneous consummation of the transactions contemplated by this Agreement, the sum of Five Hundred Thousand Dollars ($500,000) by wire transfer of immediately available funds to an account designated by Dana.

ARTICLE XII

TERMINATION

12.1 Termination. Notwithstanding any other provision of this Agreement, this Agreement may be terminated at any time prior to the Closing Date:

(a) by mutual written consent of Buyer and Dana;

(b) by Buyer, if a Seller has committed a material breach of any representation, warranty or covenant of Sellers in this Agreement and such breach is either not capable of being cured or if such Seller has failed to cure such breach within 30 days after written notice thereof from Buyer;

(c) by Dana, if Buyer has committed a material breach of any representation, warranty or covenant of Buyer in this Agreement and such breach is either not capable of being cured or if Buyer has failed to cure such breach within 30 days after written notice thereof from Dana;

(d) by Buyer or Dana, upon written notice to the other, if the transactions contemplated by this Agreement have not been consummated on or prior to the Outside Termination Date, because the conditions precedent to the terminating party's obligations to consummate the transactions hereunder set forth in Article IX have not been met by such date, unless such failure of consummation is due to the failure of the Party seeking such termination to perform or observe in all material respects the covenants and agreements hereof to be performed or observed by such Party;

(e) by Dana, upon written notice to Buyer, if the transactions contemplated by this Agreement have not been consummated on or prior to the Outside Termination Date as a result of the failure of Buyer to satisfy the condition in Section 9.3(d) (unless such failure results from Sellers' breach of Section 7.24); or

(f) by Buyer or Dana, upon written notice to the other Party, if a Governmental Authority of competent jurisdiction has issued an Order enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement, and such Order has become final and non-appealable; provided, however, that the Party seeking to terminate this Agreement pursuant to this clause (f) has used its commercially reasonable efforts to remove such Order.

12.2 Effect of Termination.

(a) The termination of this Agreement is to be effected by delivery of written notice of such termination by the Party terminating the Agreement to the other Party. In the event of termination of this Agreement pursuant to Section 12.1, no Party will have any Liability or any further obligation to any other Party (except for any Liability of any Party then in breach and as provided in Section 12.2(b) or Section 12.2(c)).

(b) Buyer shall pay to Dana the sum of $6,000,000 in the event that:

(i) Dana terminates this Agreement pursuant to Section 12.1(c); or

(ii) Buyer wrongfully refuses or fails to consummate the transactions contemplated by this Agreement; or

(iii) Buyer terminates this Agreement pursuant to Section 12.1(d) as a result of the failure to satisfy the condition in Section 9.3(d) (unless such failure to results from Sellers' breach of Section 7.24); or

(iv) Dana terminates this Agreement pursuant to Section 12.1(e).

(c) Dana shall pay to Buyer the sum of $6,000,000 in the event that:

(i) Buyer terminates this Agreement pursuant to Section 12.1(b); or

(ii) Any Seller wrongfully refuses or fails to consummate the transactions contemplated by this Agreement.

(d) The payment from Buyer or Dana pursuant to subsection (b) or subsection (c) above, as the case may be, shall be due and payable within five (5) Business Days after the effective date of termination of this Agreement. Such payment by Buyer or Dana shall be regarded as liquidated damages and not as a penalty and, except as provided in Section 12.2(e), the Party making such payment shall have no further liability to the other Party or Parties as a result of the termination of this Agreement. Without intending to limit any other provision of this Agreement, In no event shall either party be obligated to make the payment described in this subsection if the transactions contemplated by this Agreement are not consummated because the applicable waiting periods under the HSR Act shall not have expired or been terminated or because any Governmental Authority shall have commenced an Action or obtained an Order to prevent the consummation of such transactions on the basis of applicable antitrust or similar Laws.

(e) The obligations of the Parties under Sections 5.24, 6.11, 7.3 and 13.1 and under the Reimbursement Agreement shall survive any termination of this Agreement.

ARTICLE XIII

MISCELLANEOUS

13.1 Expenses. Whether or not the transactions contemplated by this Agreement are consummated, all costs and expenses (including all legal, accounting, broker, finder or investment banker fees) incurred in connection with this Agreement and the Ancillary Agreements and the transactions contemplated hereby are to be paid by the Party incurring such expenses, except as expressly provided herein, in the Ancillary Agreements or in the Reimbursement Agreement and except that Buyer and Sellers will each pay one-half of (a) the costs of the filing fee and other out-of-pocket costs (including any out-of-pocket payments to third party economists and accountants but excluding any legal fees and expenses) incurred in connection with the HSR Act filing and the efforts to cause the applicable waiting period to expire or be terminated (b) the costs and expenses incurred by Buyer to obtain the Surveys, and (c) the fees and expenses of PricewaterhouseCoopers incurred in the preparation of the monthly and quarterly financial statements delivered pursuant to Section 7.17 and the audited annual financial statements delivered pursuant to Section 7.24.

13.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, and no Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Party; provided, however, that Buyer may (i) assign any or all of its rights and interests hereunder to one or more of its Subsidiaries and (ii) designate one or more of its Subsidiaries to perform its obligations hereunder (in any or all of which cases Buyer nonetheless shall remain responsible for the performance of all of its obligations hereunder).

13.3 Third Party Beneficiaries. Each Party hereto intends that neither this Agreement nor any of the Ancillary Agreements benefits or creates any legal or equitable right, remedy or claim in or on behalf of any Person other than the Parties. This Agreement, the Ancillary Agreements and all of their respective provisions and conditions are for the sole and exclusive benefit of the Parties to this Agreement and the Ancillary Agreements, and their successors and permitted assigns.

13.4 Notices. Any notice or other communication provided for herein or given hereunder to a Party hereto will be sufficient if in writing, and sent by facsimile transmission (electronically confirmed), delivered in person, mailed

by first class registered or certified mail, postage prepaid, or sent by Federal Express or other overnight courier of national reputation, addressed as follows:

If to Buyer:

Standard Motor Products, Inc.
37-18 Northern Boulevard
Long Island City, New York 11101
Attn: Chief Financial Officer
Fax: (718) 472-0122

with a copy to:

Kelley Drye & Warren, LLP
101 Park Avenue
New York, New York 10178
Attn: Ronald B. Risdon, Esq.
Fax: (212) 808-7897

If to Sellers:

Dana Corporation
4500 Dorr Street
Toledo, Ohio 43697
Attn: General Counsel
Fax: (419) 535-4790

with a copy to:

Jones, Day, Reavis & Pogue
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Attn: John P. Dunn, Esq.
Fax: (216) 579-0212

or to such other address with respect to a Party as such Party notifies the other in writing as above provided.

13.5 Complete Agreement. This Agreement (along with the Disclosure Schedules and the exhibits and appendices hereto) and the Ancillary Agreements, together with the Reimbursement Agreement and the Confidentiality Agreement, contain the complete and exclusive statement of the terms of the agreements between the Parties with respect to the transactions contemplated hereby and thereby and supersede all prior agreements and understandings between the Parties with respect thereto.

13.6 Captions; References. The name of this Agreement and the captions contained herein are for convenience of reference only and do not affect the interpretation or construction hereof. When a reference is made in this Agreement to a clause, a Section or an Article, such reference will be to a clause, a Section or Article of this Agreement unless otherwise indicated.

13.7 Amendment. This Agreement may be amended or modified only by a written agreement referencing this Agreement and duly executed by the Parties.

13.8 Waiver. At any time prior to the Closing Date, the Parties may (a) extend the time for the performance of any of the obligations or other acts of the Parties, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto or (c) waive compliance with any of the agreements or conditions contained herein, to the

extent permitted by applicable Law. Any agreement on the part of a Party hereto to any such extension or waiver will be valid only if set forth in a writing signed on behalf of such Party. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any such prior or subsequent occurrence.

13.9 Governing Law. This Agreement is to be governed by, and construed and enforced in accordance with, the laws of the State of Ohio, without giving effect to any choice or conflict of law provision or rule (whether of the State of Ohio or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Ohio.

13.10 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision is to be interpreted to be only so broad as is enforceable.

13.11 Updated Disclosure Schedules. Until five (5) days prior to Closing, Sellers may deliver to Buyer amended versions of the Schedules required or permitted by this Agreement to the extent required to reflect developments in or effecting the EMG Business and its assets or liabilities which occur from and after the date of this Agreement (such developments, together with any information of which Sellers notify Buyer pursuant to the last sentence of Section 7.2,

being collectively referred to as "New Facts"). If any amendment made pursuant to this Section 13.11 discloses New Facts which result from the conduct of the EMG Business as permitted by Sections 7.1 or 7.2 of this Agreement, or which is an event that is deemed not to have a Material Adverse Effect pursuant to the proviso to the definition of such term, then without any further action by Buyer the Schedules, as so amended, will be deemed to have amended for all purposes of this Agreement, including Section 9.3(a) and Section 10.2(a). If any amendment delivered by Sellers pursuant to this Section 13.11 discloses New Facts other than those described in the preceding sentence, then the Schedules will be deemed to have been amended for the purposes of this Agreement only if and to the extent Buyer approves such amendment in writing.

13.12 Submission to Jurisdiction. Each of the Parties submits to the non-exclusive jurisdiction of any state or federal court sitting in the County of New York, New York and the County of Lucas, Ohio in any Action arising out of or relating to this Agreement and agrees that all claims in respect of such Action may be heard and determined in any such court. Each of the Parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought. Any Party may make service on the other Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner provided for the giving of notices in Section 13.4 above. Nothing in this Section 13.12, however, shall affect the right of any Party to bring any action or proceeding arising out of or relating to this Agreement in any other court or to serve legal process in any other manner permitted by law or in equity. Each Party agrees that a final judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or in equity.

13.13 Construction. This Agreement is the result of the joint efforts of

Buyer and Sellers, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of the Parties and there is to be no construction against either Party based on any presumption of that Party's involvement in the drafting thereof. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation. Whenever the context so requires or permits, all references to the masculine herein shall include the feminine and neuter, all references to the neuter herein shall include the masculine and feminine, all references to the plural shall include the singular and all references to the singular shall include the plural. Nothing in the Disclosure Schedules shall be deemed adequate to disclose an exception to a representation or warranty made herein unless the applicable Disclosure Schedule or a document attached thereto fairly discloses the exception. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be deemed adequate to disclose an exception to a representation or warranty made herein (unless the representation or warranty has to do with the existence of the document or other item itself). The Parties intend that each representation, warranty, and covenant contained herein shall have independent significance. If any Party has breached any representation, warranty, or covenant contained herein in any respect, the fact there exists another representation, warranty, or covenant relating to the same subject matter (regardless of the relative levels of specificity) that the Party has not breached will not detract from or mitigate the fact that the Party is in breach of the first representation, warranty, or covenant.

13.14 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

(Signatures are on the following page.)

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

BUYER:

STANDARD MOTOR PRODUCTS, INC.

By: /s/ James Burke

Name: James Burke
Title: Vice President Finance, Chief Financial Officer

SELLERS:

DANA CORPORATION

By: /s/ Terry R. McCormack

BWD AUTOMOTIVE CORPORATION

By: /s/ Terry R. McCormack

Name: Terry R. McCormack
Title:

Name: Terry R. McCormack
Title:

AUTOMOTIVE CONTROLS CORP.

RISTANCE CORPORATION

By: /s/ Terry R. McCormack

Name: Terry R. McCormack
Title:

By: /s/ Terry R. McCormack

Name: Terry R. McCormack
Title:

PACER INDUSTRIES, INC.

ENGINE CONTROLS DISTRIBUTION SERVICES, INC.

By: /s/ Terry R. McCormack

Name: Terry R. McCormack
Title:

By: /s/ Terry R. McCormack

Name: Terry R. McCormack
Title:

APPENDIX A

DEFINITIONS

"Accounts Receivable" has the meaning set forth in Section 1.1(e).

"Acquired Assets" has the meaning set forth in Section 1.1.

"Acquired Contracts" has the meaning set forth in Section 1.1(g).

"Acquired Intellectual Property" has the meaning set forth in Section 1.1(i).

"Action" means any action, suit or legal, administrative or arbitral proceeding or investigation before any Governmental Authority.

"Affiliate" means with respect to any Person, any Person that directly or indirectly controls, is controlled by or is under common control with such Person.

"Agreement" has the meaning set forth in the preamble to this Agreement.

"Ancillary Agreements" means the Share Ownership Agreement, the Nashville Sub-Lease, the Nashville Sub-Sub-Lease, the Seller Leases, the Supply Agreements, the Transition Services Agreements, and the other agreements and documents contemplated hereby.

"Apportionable Expenses" has the meaning set forth in Section 7.11(a).

"Assumed Liabilities" has the meaning set forth in Section 2.1.

"Bill of Sale" means the bill of sale and instrument of assignment and assumption substantially in the form of Exhibit F hereto.

"Branford Access Agreement" means the access agreement between Buyer and a Seller, granting to such Seller access to the fuel pump testing areas at the Branford facility, substantially in the form of Exhibit Z hereto, with such changes thereto as shall be mutually acceptable to Buyer and the applicable Seller.

"Branford Rental Properties" means the real property and all personal property located thereon located adjacent to the real property located in Branford, Connecticut and more particularly described on Schedule A-1 attached hereto.

"Business Day" means any day other than a Saturday, Sunday or a day on which banks in Ohio or New York are authorized or obligated by Law to close.

"Buyer" has the meaning set forth in the preamble to this Agreement.

"Buyer Deductible" has the meaning set forth in Section 10.3(a)(ii).

"Buyer Minimum Claim Amount" has the meaning set forth in Section 10.3(a)(i).

"Buyer Plans" has the meaning set forth in Section 11.2(c).

"Buyer Reports" has the meaning set forth in Section 6.5.

"Buyer Welfare Plans" has the meaning set forth in Section 11.2(d).

"Buyer's Accountants" has the meaning set forth in Section 3.3(d).

"Buyer's Knowledge" means the actual knowledge of James Burke, Larry Sills, John Gethin, Bob Martin, John Holowko and Eric Sills.

"Buyer's Lender" means General Electric Capital Corporation, as agent for the lenders under the Financing Agreements.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and the rules and regulations promulgated thereunder.

"Closing" has the meaning set forth in Section 4.1.

"Closing Date" has the meaning set forth in Section 4.1.

"Closing Net Book Value" has the meaning set forth in Section 3.3(a).

"Closing Net Book Value Statement" has the meaning set forth in Section 3.3(c).

"Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"Common Shares" has the meaning set forth in Section 3.2(a)(ii).

"Confidentiality Agreement" has the meaning set forth in Section 7.3(c).

"Consent" means any consent, approval, authorization, qualification, waiver or notification of a Governmental Authority or any other Person.

"Contracts" means any written or oral contract, agreement, license, commitment, undertaking or arrangement, whether express or implied.

"CSFB" has the meaning set forth in Section 5.24.

"CUMSA" means Candados Universales de Mexico, S.A. de C.V.

"Damages" has the meaning set forth in Section 10.2(a).

"Dana" means Dana Corporation, a Virginia corporation.

"DEP" has the meaning set forth in Section 8.2(c).

"Designated Accounting Arbitrator" has the meaning set forth in Section 3.3(e).

"Disclosure Schedules" means the Schedules attached hereto pursuant to Articles V and VI.

"Dispute Notice" has the meaning set forth in Section 3.3(e).

"DOJ" has the meaning set forth in Section 7.4(b).

"Echlin-Mexicana" means Echlin Industrias de Mexico, S.A. de C.V.

"EMG Business" means the manufacture and distribution in the United States for the passenger car and light vehicle markets of aftermarket parts for bulk ignition wire, ignition wire sets, battery cable assemblies, mechanical fuel injection, electric fuel injection, disk fuel injection, distributor caps, rotors, distributor cap relays, ignition coils, oxygen sensors, camshaft sensors, crankshaft sensors, electronic ignition, solenoids, voltage regulators, computer control modules, carburetor kits, mass air flow sensors, glow plug controllers, condensers, contact sets, pick-up coils, ballast resistors, PCV valves, automotive relays, emission gas regulators, and fuel pressure regulators and all other product groups sold by the Sellers in the last 12 months that were reflected in the EMG Financial Statements. The term "EMG Business" shall not, however, include manufacture or distribution anywhere in the world of any products of the Retained Business Lines.

"EMG Contracts" has the meaning set forth in Section 5.9(a).

"EMG Financial Statements" has the meaning set forth in Section 5.4(a).

"Employee Retention Incentive Agreements" means the Employee Retention Incentive Agreements by and between Dana and certain management members of the EMG Business set forth on Exhibit G hereto.

"Environment" shall include, but is not limited to, air, land, surface water or groundwater, and any building structure (such as floors, walls, subsurface material, etc.), but shall not include any equipment.

"Environmental Claim" shall mean any investigation, notice, violation, directive, demand, allegation, action, suit, injunction, judgment, order, consent decree, penalty, fine, lien, proceeding, or claim (whether administrative, judicial, quasi-judicial or private in nature) arising (i) pursuant to or in connection with any violation of any Environmental, Health, and Safety Requirement, (ii) in connection with any abatement, removal, remedial, corrective, or other response action involving Hazardous Substances, or (iii) arising from damage to natural resources.

"Environmental Condition" shall mean any condition (including, without limitation, any Hazardous Substances Contamination) with respect to the Environment, as a result of which any Person (i) has incurred, or which results in any damage, loss, cost, expense, claim, or liability to any Person or property (including, without limitation, any Government Authority), or (ii) has become subject to any order or demand to remediate such condition, including, without limitation, any condition resulting from the operation of the EMG Business.

"Environmental Costs" shall mean all charges, damages, dues, penalties, fines, costs, amounts paid in settlement, liabilities, obligations, taxes, liens, losses, expenses and fees, including all consultants' fees, arising under or related in any way to Environmental, Health, and Safety Requirements or relating to a requirement of an applicable state voluntary cleanup program to achieve an industrial property standard or criteria for remediation.

"Environmental, Health, and Safety Requirements" shall mean any and all present and subsequently enacted laws, statutes, codes, rules, or regulations, ordinances, treaties, , and permits, applicable to, affecting or relating to the protection, preservation or remediation of the Environment enacted or promulgated, published, decided or required by any federal, state, provincial, county or municipal legislative, executive, judicial or regulatory authority, as the case may be, including: (1) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 USCA 9601 et seq., (2) Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 USCA 6901 et seq., (3) Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, as amended, 33 USCA 1251 et seq., (4) Toxic Substances Control Act of 1976, as amended, 15 USCA 2601 et seq., (5) Emergency Planning and Community Right-To-Know Act of 1986, 42 USCA 11001 et seq., (6) Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 USCA 7401 et seq., (7) National Environmental Policy Act of 1970, as amended, 42 USCA 4321 et seq., (8) Rivers and Harbors Act of 1899, as amended, 33 USCA 401 et seq., (9) Endangered Species Act of 1973, as amended, 16 USCA 1531 et seq., (10) Occupational Safety and Health Act of 1970, as amended, 29 USCA 651 et seq., to the extent such act applies to the protection of the Environment, (11) Safe Drinking Water Act of 1974, as amended, 42 USCA 300 (f) et seq., (12) Pollution Prevention Act of 1990, 42 USCA 13101 et seq., (13) Oil Pollution Act of 1990, 33 USCA 2701 et seq., (14) the Atomic Energy Act of 1954 (42 USCA. 2011, et. seq.), and any rules, regulations, ordinances, permits, policy statements, guidance documents and judicial decisions enacted, issued, or promulgated, published, decided or required by or under the laws referred to in items (1)-(14) above, as well as any similar state, county or municipal statutes, codes, rules or regulations ordinances, permits, policy statements, guidance documents, and judicial decisions as the case may be.

"Environmental Permits" shall mean any and all permits, licenses, approvals, authorizations, consents or registrations required by any Environmental, Health, and Safety Requirements in connection with the ownership, construction, equipping, use or operation of the EMG Business or the Real Properties, for the storage, treatment, generation, transportation, processing, handling, production, release, storage, transportation and/or disposal of Hazardous Substances in connection with the EMG Business or the sale, transfer or conveyance of the Real Properties.

"Environmental Reports" means the Phase I and other environmental reports identified on Exhibit H.

"Equity Offering" means a public offering of shares of the Common Shares, which offering yields net proceeds to Buyer of at least $59,000,000.

"ERISA" means the Employee Retirement Income Security Act of 1974, as

amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means "affiliate," as such term is defined under ERISA.

"Estimated Closing Net Book Value" has the meaning set forth in Section 3.3(b).

"Estimated Closing Net Book Value Statement" has the meaning set forth in Section 3.3(b).

"Estimated NBV Excess" has the meaning set forth in Section 3.3 (b).

"Estimated Purchase Price" has the meaning set forth in Section 3.3(b).

"Evaluation Material" has the meaning set forth in Section 7.3(c).

"Final Net Book Value Statement" has the meaning set forth in Section 3.3(g).

"Financing Agreements" has the meaning set forth in Section 6.10.

"Financing Conditions" means the conditions precedent set forth in the Financing Agreements to which the lenders obligation to make loans thereunder is subject, including, without limitation, the successful completion of the Equity Offering.

"Fixed Assets" has the meaning set forth in Section 1.1(b).

"Former EMG Facilities" means the facilities formerly operated by Sellers or their Affiliates in connection with the EMG Business at (i) 9101 Ely Road, Pensacola, Florida; (ii) KM. 8.5 Carr. Lauro Villar H, Matamoros Tamps, Mexico; (iii) 29387 Lorie Lane, Wixom, Michigan; (iv) 21 Roadway, Carlisle, Pennsylvania; (v) 101 El Tuque Industrial Park, Ponce, Puerto Rico; (vi) 2345 Central Avenue, Brownsville, Texas; (vii) 127 Branford Connecticut; (viii) 1111 McKinley Street, Ottawa, Illinois; (ix) 2155 State Street, Hamden Connecticut; (x) 9669 Prosperity Road, West Jordan, Utah; and (xi) the Branford Rental Properties. If any facilities are closed by Sellers in accordance with Section 7.2, such facilities will be deemed to be Former EMG Facilities.

"Franklin Park Lockbox" has the meaning set forth in Section 1.1(d).

"FTC" has the meaning set forth in Section 7.4(b).

"GAAP" means United States generally accepted accounting principles.

"Goldman" has the meaning set forth in Section 6.11.

"Governmental Authority" means any government or political subdivision, whether federal, state, local or foreign, or any agency or instrumentality of any such government or political subdivision, or any federal, state, local or foreign court or arbitrator.

"Hazardous Substance" shall mean, without limitation, friable or airborne asbestos, polychlorinated biphenyls, petroleum, petroleum constituents, petroleum products, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials, pollutants, and toxic pollutants, as defined in or which is otherwise the subject of any requirement pursuant to any Environmental, Health, and Safety Requirement.

"Hazardous Substances Contamination" shall mean, with respect to any premises, building or facilities, or the Environment, contamination by a Release

or the presence of Hazardous Substances.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"Indebtedness" means for any Person (without duplication): (i) all indebtedness for borrowed money, whether current, short-term, or long-term, secured or unsecured (excluding trade accounts payable); (ii) all indebtedness for the deferred purchase price for purchases of property outside the ordinary course that is not evidenced by trade accounts payables; (iii) any payment of obligations in respect of letters of credit (other than stand-by letters of credit in support of ordinary course trade payables); (iv) any liability with respect to interest rate swaps, collars, caps and similar hedging obligations; (v) any lease obligations under leases that are required to be accounted for as capital leases under GAAP; (vi) any indebtedness referred to in clauses (i) through (v) above that is directly or indirectly guaranteed by such Person.

"Indemnifying Party" and "Indemnified Party" have the meanings set forth in Section 10.1(d).

"Intellectual Property" means (i) patents and patent applications; (ii) trademarks, service marks, trade names, brand names, trade dress, slogans, logos and internet domain names, and registrations and applications for registration thereof; (iii) copyrights (registered or unregistered), writings and other copyrightable works and works in progress, and registrations and applications for registration thereof; (iv) inventions, discoveries, ideas, processes, formulae, designs, models, industrial designs, know-how, confidential information, proprietary information and trade secrets, whether or not patented or patentable; and (v) all other intellectual property rights.

"IP Assignments" has the meaning set forth in Section 4.2(g).

"IP Licenses" means (i) the license or licenses, between Buyer, as licensor, and one or more Sellers, as licensee, granting to such Sellers licenses to use those items of Acquired Intellectual Property identified in the Disclosure Schedules as being licensed back to Sellers, and (ii) the license or licenses, between one or more Sellers, as licensor, and Buyer, as licensee, granting to Buyer licenses to use certain items of Intellectual Property retained by Sellers, in each case substantially in the forms attached as Exhibit Y hereto, with such changes thereto as shall be mutually acceptable to Buyer and the applicable Sellers.

"Law" means any law, statute, code, ordinance, rule, regulation or other legally enforceable requirement of any Governmental Authority.

"Leased Real Property" means the real property and improvements leased to Sellers pursuant to the Real Estate Leases.

"Liabilities" means any and all debts, liabilities and obligations, whether or not accrued, contingent, known or unknown, or reflected on a balance sheet, including those arising under any Law, Action or Order of any Governmental Authority or any judgment of any court of any kind or any award of any arbitrator of any kind, and those arising under any Contract.

"Lien" means any mortgage, lien, pledge, adverse claim, interest, charge or other similar encumbrance.

"Material Adverse Effect" means, with respect to the EMG Business or Buyer, as the case may be, a material adverse effect on the business, assets, liabilities or financial condition of such business or such party and its Subsidiaries, if any, taken as a whole, but excluding any state of facts, event,

change or effect caused by events, changes or developments relating to (i) changes or conditions affecting the industries of which the EMG Business or the Buyer's business, as the case may be, is a part generally; (ii) changes in economic, regulatory or political conditions generally; or (iii) any acts of war or terrorism; provided, however, that the following events, to the extent they occur after the public announcement of the execution of this Agreement, shall not be deemed to have a Material Adverse Effect on the EMG Business: (x) the discontinuation of any amount of purchases by any customer of the EMG Business if such customer instead agrees to purchase or purchases comparable amounts from Buyer; (y) the discontinuation of purchases by one or more customers that in the aggregate accounted for revenues of not more than $20,000,000 for the EMG Business during the most recently ended twelve-month period; or (z) the discontinuation of any amount of purchases by any customer more than 75 days after the public announcement of the execution of this Agreement or after April 26, 2003, whichever is first to occur.

"Minimum Remediation Standards" means a remediation of any Environmental Conditions identified in the Buyer's Further Investigations and/or Seller's Further Investigations (collectively, the "Further Investigations") in accordance with applicable state remediation standards and/or criteria relating to industrial properties.

"Nashville Sub-Lease" means the Sub-Lease Agreement substantially in the form of Exhibit I hereto by and between Dana, as sublessor, and Buyer, as sublessee, which provides for the sublease by Dana to Buyer of the real property located at 6050 Dana Way, Nashville, Tennessee.

"Nashville Sub-Sub-Lease" means the Sub-Sub-Lease Agreement substantially in the form of Exhibit J hereto by and between Buyer, as sub-sublessor, and Dana, as sub-sublessee, which provides for the sub-sublease by Buyer to Dana of a portion of the real property located at 6050 Dana Way, Nashville, Tennessee.

"Negotiation Period" has the meaning set forth in Section 7.23.

"Nonassignable Asset" has the meaning set forth in Section 1.3(a).

"Order" means any order, judgment, ruling, injunction, award, decree or writ of any Governmental Authority.

"Ordinary Course of Business" means the ordinary course of business consistent with Sellers' past custom and practice with respect to the EMG Business.

"Outside Termination Date" means:

(a) April 30, 2003, if the applicable waiting periods under the HSR Act have expired or been terminated not more than thirty days after the date of filing under the HSR Act;

(b) if the applicable waiting periods under the HSR Act have not expired or been terminated within the foregoing thirty day period, 45 days after the later of the expiration or termination of the applicable waiting periods under the HSR Act or the date Buyer is informed by the staff of the SEC that it will have no further comments to Buyer's registration statement for the Equity Offering;

(c) if the commitment of the lenders under the Financing Agreements to provide the loans required by Buyer to consummate the transactions contemplated by this Agreement has expired or been terminated, then the earlier of (i) the date Buyer's Lender indicates to Buyer in writing that Buyer's Lender will not consider an extension of such commitment or (ii) thirty (30) days after the date

of such expiration or termination; or

(d) September 30, 2003 in any event;

provided, however, Buyer may extend the Outside Termination Date prescribed under clause (a) or clause (b) above until 75 days after the date that would otherwise apply if, not later than ten (10) days prior to the date that would be the Outside Termination Date without such extension, Buyer delivers to Dana a Certificate of Buyer's chief executive officer or chief financial officer to the effect that Buyer's board of directors has determined on the basis of such advice as it deemed appropriate that the consummation of the Equity Offering by such originally prescribed Outside Termination Date would have a material adverse effect on Buyer, but in no event shall the Outside Termination Date extend beyond September 30, 2003.

"Owned Real Property" has the meaning set forth in Section 1.1(n).

"Parties" has the meaning set forth in the Preamble.

"Pension Plan" has the meaning set forth in Section 11.2(e)(i).

"Permits" has the meaning set forth in Section 1.1(j).

"Permitted Liens" means (i) Liens arising under Laws affecting the use of real property, including zoning Laws, building Laws and similar restrictions that are not violated by the current use or occupancy of such real property or the operation of the EMG Business as currently conducted thereon; (ii) Liens included in the Assumed Liabilities; (iii) Liens for Taxes, assessments or governmental or other similar charges or levies that are not yet due and payable

or that, although due and payable, are being contested in good faith; (iv) mechanics,' workmen's, materialmen's, landlords,' carriers' or other similar Liens arising in the Ordinary Course of Business with respect to Liabilities that are not yet due and payable or that are being contested in good faith; (v) Liens disclosed on Schedule A-2; (vi) matters that would be disclosed by accurate surveys of the applicable real property; and (vii) minor imperfections of title, if any, none of which are substantial in amount or materially detract from the value or impair the use or occupancy of the property subject thereto or the operation of the EMG Business.

"Person" means any individual, sole proprietorship, partnership, corporation, limited liability company, joint venture, unincorporated society or association, trust or other entity or Governmental Authority.

"Price Per Share" has the meaning set forth in Section 3.2(a)(ii).

"Pro Forma Balance Sheet" has the meaning set forth in Section 5.4(b).

"Pumps Accounts Receivable" means Accounts Receivable of the portion of the Retained Business Lines relating to fuel pumps and water pumps.

"Purchase Orders" has the meaning set forth in Section 1.1(h).

"Purchase Price" has the meaning set forth in Section 3.1.

"RAM Division" means the operations conducted by Sellers at 150 Ludlow Avenue, Northvale, N.J.

"Real Estate Conveyance" means the deeds and other instruments of conveyance, in form and substance reasonably acceptable to Buyer and the Title Company, pursuant to which Sellers convey to Buyer all of Sellers' right, title

and interest in and to the Owned Real Property.

"Real Estate Lease Assignment" means the instrument of assignment and assumption of the Real Estate Leases, substantially in the form of Exhibit K hereto.

"Real Estate Leases" has the meaning set forth in Section 1.1(a).

"Real Property" means, collectively, the Owned Real Property and the Leased Real Property.

"Reimbursement Agreement" means the reimbursement letter agreement, dated August 2, 2002, by and between Dana and Buyer.

"Related Persons" means, as to any Person, its officers, directors, employees, shareholders, partners, Affiliates, advisors, agents or representatives.

"Release" shall include any "release" and/or "threat of release" as those terms are defined under any Environmental, Health and Safety Requirements, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 USCA Section 9601, et seq.), and the regulations promulgated thereunder.

"Replacement Leases" means the assignment of the portion each lease of motor vehicles and equipment that relates to the EMG Business that are listed on Exhibit L hereto.

"Retained Assets" has the meaning set forth in Section 1.2.

"Retained Business Lines" means (i) the manufacture or distribution of clutches, fuel pumps and water pumps; (ii) the Echlin-Mexicana, Beck/Arnley, Canadian and CUMSA businesses; and (iii) all other businesses of Sellers and their Affiliates other than the EMG Business.

"Retained Liabilities" has the meaning set forth in Section 2.2.

"Retained Names" has the meaning set forth in Section 7.14.

"Savings Plan" has the meaning set forth in Section 11.2(e)(i).

"SEC" has the meaning set forth in Section 6.5.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Seller" and "Sellers" have the meaning set forth in the preamble to this Agreement.

"Seller Benefit Arrangements" has the meaning set forth in Section 5.18(a).

"Seller Designee" means Dana or one of its Subsidiaries designated by notice to Buyer prior to the Closing.

"Seller ERISA Plans" has the meaning set forth in Section 5.18(a).

"Seller Leases" means the lease agreement or agreements substantially in the form of Exhibit M hereto regarding the real property commonly known as (i) 1

Echlin Road, Branford, Connecticut; (ii) 1300 W. Oak Street, Independence, Kansas; (iii) 800 N. 21st Street, Independence, Kansas; (iv) 10590-17th Street, Argos, Indiana; and (v) 1718 North Home Street, Mishawaka, Indiana.

"Seller Note" has the meaning set forth in Section 3.2(a)(iii).

"Seller Shares" has the meaning set forth in Section 3.2(a)(ii).

"Seller Welfare Plans" has the meaning set forth in Section 11.2(d).

"Sellers' Accountants" has the meaning set forth in Section 3.3(d).

"Sellers' Knowledge" means the actual knowledge of Terry McCormack, John Washbish, Harry Whited, Richard Westerhide, Tom Madden and Patrick Manning and, for the purposes of Section 5.19, Paul Renberg.

"Share Ownership Agreement" means the Share Ownership Agreement by and between Buyer and the Seller Designee, substantially in the form of Exhibit R hereto.

"Site Assessment Environmental Liabilities" has the meaning set forth in Section 8.1.

"Specified Accounting Principles" means the Specified Accounting Principles set forth in Exhibit S hereto as the same may be amended in accordance with Article III.

"Subordination Agreement" means the Subordination Agreement by and among Dana, Buyer and Buyer's Lender, substantially in the form of Exhibit T hereto.

"Subsidiaries" means any Person of which at least a majority of the outstanding shares or other equity interests having ordinary voting power for the election of directors or comparable managers of such Person are at the time owned, directly or indirectly, by such Person, by one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries.

"Supply Agreements" means (i) the Beck-Arnley Supply Agreement, substantially in the form of Exhibit U hereto and (ii) the Canadian Supply and Distribution Agreement, substantially in the form of Exhibit V hereto.

"Surveys" has the meaning set forth in Section 9.3(f).

"Tax" or "Taxes" means any and all domestic or foreign federal, state or local income, franchise, business, occupation, sales/use, manufacturer's excise, payroll, withholding, Federal Insurance Contributions Act and employment and unemployment taxes, personal and real property taxes and all other taxes or charges (including all interest, penalties and additions to tax) measured, assessed, levied, imposed or collected by any Governmental Authority, including any such taxes or other charges the payment of which has been deferred.

"Tax Returns" means all Tax returns (including information returns) and reports that are or were required to be filed by, or with respect to, the EMG Business or its income, properties or operations.

"Title Commitments" means the commitments for title insurance listed on Schedule A-3.

"Title Company" has the meaning set forth in Section 9.3(e).

"Trade Payables" has the meaning set forth in Section 2.1(c).

"Transfer Notice" has the meaning set forth in Section 7.23.

"Transferred Employees" has the meaning set forth in Section 11.1.

"Transition Services Agreements" means the Buyer Transition Services Agreement by and between Dana and Buyer, substantially in the form of Exhibit W hereto, and the Sellers Transition Services Agreement, substantially in the form of Exhibit X hereto.

"WARN Act" has the meaning set forth in Section 11.4.

SHARE OWNERSHIP AGREEMENT

This SHARE OWNERSHIP AGREEMENT (this "Agreement") is entered into as of _____ __, 2003 by and between Standard Motor Products, Inc., a New York corporation ("Company") and Dana Corporation, a Virginia corporation ("Dana").

A. Dana, certain of its Affiliates (including Dana Corporation) and Company are parties to that certain Asset Purchase Agreement, dated as of the date hereof (the "Purchase Agreement"), pursuant to which Dana and the other Sellers (as defined in the Purchase Agreement) have agreed to sell and Company has agreed to purchase substantially all of the assets, properties, rights and

interests relating to the EMG Business (as defined in the Purchase Agreement), as further provided in the Purchase Agreement;

B. As part of the consideration under the Purchase Agreement, Company is issuing to Dana _____ shares of common stock, par value $2.00 per share, of Company (including any such shares received by Dana as a result of a Recapitalization or pursuant to Section 3.3(g) of the Purchase Agreement, the "Common Shares").

C. The obligations of Company and Sellers under the Purchase Agreement are conditioned, among other things, upon the execution and delivery of this Agreement by Dana and Company.

NOW, THEREFORE, in consideration of the mutual premises and covenants contained in this Agreement and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Registration Rights

1.1 Definitions

For purposes of this Agreement the following terms have the meanings set forth below (capitalized terms used but not defined herein shall have the meanings ascribed to them in the Purchase Agreement):

"Change in Control Transaction" means any business combination, merger or tender offer in which any portion of the Common Shares are or are proposed to be purchased or redeemed by any Person (including Company).

"Common Shares" has the meaning set forth in the second recital.

"Company" has the meaning set forth in the preamble.

"Dana" has the meaning set forth in the preamble.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Form S-3" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits inclusion or incorporation of substantial information by reference to other documents filed with the SEC and that is appropriate for the registration of the Registrable Securities for resale.

"Indemnified Person" has the meaning set forth in Section 1.10(a).

"Lock-Up Period" has the meaning set forth in Section 1.2(a).

"Losses" has the meaning set forth in Section 1.10(a).

"Piggyback Registration Period" means the last fifteen (15) months of the Lock-Up Period.

"Purchase Agreement" has the meaning set forth in the first recital.

"Recapitalizations" means share splits, subdivisions, share dividends, combinations, recapitalizations and the like.

"register," "registered," and "registration" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document by the SEC.

"Registrable Securities" shall mean the Common Shares; provided that the Common Shares shall cease to be Registrable Securities (i) when a registration statement with respect to such Common Shares has been declared effective under the Securities Act and such Common Shares have been exchanged or disposed of pursuant to such registration statement, (ii) when such Common Shares are available for resale pursuant to Rule 144 (or any similar provision then in force) under the Securities Act or (iii) when such Common Shares cease to be outstanding.

"Rule 144(k) Negative Determination" has the meaning set forth in Section 1.13.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Transfer" and "Transferred" each has the meaning set forth in Section 1.2(a).

"Violation" has the meaning set forth in Section 1.10(a).

1.2 Limitation on Transfer

(a) During the period commencing on date hereof and ending two years and six months after the date hereof (the "Lock-Up Period"), Dana agrees, with respect to the Common Shares, not to (i) offer, sell, assign, transfer, agree to sell, assign or transfer, sell

any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, assign, pledge, hypothecate or otherwise transfer or dispose of (including the deposit of any such Common Shares into a voting trust or similar arrangement), directly or indirectly, any of such Common Shares or any securities exercisable or exchangeable therefor, or any interest therein or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of owning any of such Common Shares, whether any such transaction described in clause (i) or (ii) of this sentence is to be settled by delivery of such Common Shares or other securities, in cash or otherwise (any transactions described in such clauses (i) and (ii) being referred to herein as a "Transfer"), subject to the provisions and upon the conditions specified in this Agreement; provided, however, that during the Lock-Up Period Dana may participate in a Transfer in connection with a Change in Control Transaction.

(b) Notwithstanding anything herein to the contrary, Dana may Transfer Common Shares to its Affiliates or to Company or its Affiliates.

(c) Company shall not be required to (i) transfer on its books any Common Shares that shall have been transferred in violation of any of the provisions set forth in this Agreement or (ii) treat as owner of such Common Shares, or to accord the right to vote or to pay dividends to, any transferee to whom such Common Shares shall have been so transferred.

Company shall be entitled to provide stop transfer instructions to the transfer agents of the Common Shares that are consistent with the terms of this Agreement. In the event any of the Common Shares are Transferred in compliance with this Agreement in a manner which under the terms of this Agreement does not require such third party to agree in writing to be bound by the provisions of this Agreement, then Company shall issue a new certificate representing such Common Shares without such legend or make the appropriate electronic notation that such legend is removed and remove such stop transfer instructions with respect thereto.

(d) Notwithstanding anything herein to the contrary, Dana hereby agrees that it will not Transfer any of the Common Shares except in compliance with applicable securities laws.

1.3 Restrictive Legend

(a) All certificates representing the Common Shares shall bear the following legend, in addition to any other legends that are necessary to comply with applicable Law:

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES OR BLUE SKY LAWS AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE ASSIGNED EXCEPT (1) PURSUANT TO A REGISTRATION STATEMENT WITH RESPECT TO SUCH

SECURITIES THAT IS EFFECTIVE UNDER THE ACT OR (2) PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE ACT RELATING TO THE DISPOSITION OF SUCH SECURITIES, ACCOMPANIED BY A WRITTEN OPINION DELIVERED TO AND SATISFACTORY TO STANDARD MOTOR PRODUCTS, INC. (THE "COMPANY") IN FORM AND SUBSTANCE FROM COUNSEL SATISFACTORY TO THE COMPANY BY REASON OF EXPERIENCE TO THE EFFECT THAT THE HOLDER MAY TRANSFER SUCH SECURITIES AS DESIRED WITHOUT REGISTRATION UNDER THE SECURITIES ACT AND (3) IN ACCORDANCE WITH APPLICABLE STATE SECURITIES AND BLUE SKY LAWS.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO THE PROVISIONS OF A SHARE OWNERSHIP AGREEMENT DATED AS OF _____ ___, 2003 BY AND BETWEEN DANA CORPORATION AND THE COMPANY, WHICH CONTAINS CERTAIN RESTRICTIONS ON TRANSFERABILITY OF THE SECURITIES REPRESENTED HEREBY.

1.4 Company Registration

(a) During the Piggyback Registration Period, if Company proposes to register (including for this purpose a registration effected by Company for shareholders other than Dana) any of its shares or other securities under the Securities Act in connection with the public offering of such securities (other than a registration relating solely to the sale of securities to participants in a Company stock plan, a registration relating to a corporate reorganization or other transaction under Rule 145 of the Securities Act, a registration on any form that does not include substantially the same information (other than the information required concerning the selling shareholder and plan of distribution) as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Shares being registered are Common Shares issuable upon conversion of debt securities that are also being registered), Company will, at such time, promptly give Dana written notice of such registration. Upon the written request of Dana within twenty (20) days after mailing of such notice by Company, Company will, subject to the provisions of Section 1.4(c), use its commercially reasonable efforts to cause to be registered under the Securities Act all of the Registrable Securities that Dana has requested to be registered, so long as the Registrable Securities to be registered shall result in an anticipated aggregate offering price of at least $1,000,000.

(b) Company will have the right to terminate or withdraw any registration initiated by it under this Section 1.4 prior to the effectiveness of such registration whether or not Dana has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by Company in accordance with Section 1.8 hereof.

(c) In connection with any offering involving an underwriting of shares of Company's capital stock, Company will not be required under this Section 1.4 to include any of Dana's securities in such underwriting unless they accept the terms of the underwriting as agreed upon between Company and the underwriters selected by Company and

enter into an underwriting agreement in customary form (which shall include customary representations, warranties and indemnities) with an underwriter or underwriters selected by Company. If the total amount of securities, including Registrable Securities, requested by shareholders to be included in such offering exceeds the amount of securities to be sold other than by Company that the underwriters determine in their sole discretion is compatible with the success of the offering, then Company will be required to include in the offering only that number of such securities, including Registrable Securities, that the underwriters determine in their sole discretion will not jeopardize the success of the offering (the securities so included to be apportioned first to the Company, then to Dana and thereafter pro rata among the selling shareholders according to the total amount of securities entitled to be included therein owned by each selling shareholder or in such other proportions as mutually agreed to by such selling shareholders).

1.5 Form S-3 Registration

If, at any time within the ninety (90) days following a Rule 144(k) Negative Determination, Company receives from Dana a written request that Company effect a registration on Form S-3 and any related qualification or compliance with respect to all (but not less than all) of the Registrable Securities, Company will use commercially reasonable efforts to effect, as expeditiously as possible, such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all (but not less than all) of the Registrable Securities. However, Company will not be obligated to effect any such registration, qualification or compliance pursuant to this Section 1.5:

(a) if Form S-3 is not legally available for such offering by Dana;

(b) if Company delivers to Dana a certificate signed by the Chief Executive Officer or Chairman of the Board of Company stating that in the good faith judgment of the Board of Directors of Company, it would have a material adverse effect on Company and its stockholders for such Form S-3 registration to be effected at such time, in which event Company will have the right to defer the filing of the Form S-3 for such period as may be required to mitigate the

adverse effect on Company but in no event shall such period of deferral exceed one hundred and twenty (120) days after receipt of the request of Dana under this Section 1.5, provided, however, that Company may not utilize this right more than once and provided, further, that Company may not register any other of its shares for its own account or for the account of others during such one hundred and twenty (120) day period; or

(c) in any particular jurisdiction in which Company would be required to qualify to do business, where not otherwise required, or to execute a general consent to service of process in effecting such registration, qualification or compliance.

1.6 Obligations of Company

Whenever required under Sections 1.4 and 1.5 to effect the registration of any Registrable Securities, Company will, as expeditiously as possible (with respect to registration pursuant to Section 1.5, "registration statement" in this Section 1.6 shall mean "Form S-3"):

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use commercially reasonable efforts to cause such registration statement to become effective as expeditiously as possible, and, upon the request of Dana, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed;

(b) notify Dana of the effectiveness of the registration statement; and prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement;

(c) furnish to Dana such numbers of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as it may reasonably request in order to facilitate the disposition of the Registrable Securities;

(d) use commercially reasonable efforts to (i) register and qualify the securities covered by such registration statement under such other securities or "blue sky" laws of such jurisdictions as may be reasonably requested by Dana, and do all other acts and things that may be necessary or

desirable to enable Dana to consummate its public sale or other disposition of the Registrable Securities in such states; provided, that Company will not be required in connection therewith or as a condition thereto to qualify to do business, where not otherwise required, or to file a general consent to service of process in any such states or jurisdictions, unless Company is already subject to service in such jurisdiction and except as may be required by the Securities Act and (ii) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of Company to enable the disposition of such Registrable Securities;

(e) in the event of any underwritten public offering, enter into and perform its obligations under the underwriting agreement, in usual and customary form, with the managing underwriter of such offering and take all other reasonable action, if any, as Dana and such managing underwriter shall reasonably request (for example, to participate in the due diligence process and roadshow process) in order to facilitate any disposition of the securities;

(f) notify Dana, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of (i) the issuance of any stop order by the SEC suspending the effectiveness of such registration statement or the initiation of any proceedings by any Person to such effect, and promptly use commercially reasonable efforts to obtain the release of such suspension, or (ii) the occurrence of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading and promptly furnish to Dana copies of a supplement or amendment of such prospectus as may be necessary to correct such misstatement or omission. As such a notice would suspend Dana's ability to use the prospectus, Company's obligation to maintain the effectiveness of the registration statement shall be extended by the number of days during which Dana's use of the prospectus is so suspended;

(g) cause all Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by Company are then listed;

(h) provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration and use commercially reasonable efforts to cause the transfer agent to remove restrictive legends on the securities covered by such registration;

and

(i) use commercially reasonable efforts to furnish, at the request of Dana, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to Sections 1.4 and 1.5, if such securities are being sold through underwriters (i) an opinion, dated as of such date, of the counsel representing Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering and reasonably satisfactory to Dana, addressed to the underwriters and to Dana requesting registration of Registrable Securities, and (ii) a "comfort" letter dated as of such date, from the independent certified public accountants of Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering and reasonably satisfactory to Dana, addressed to the underwriters and to Dana.

1.7 Information from Dana

It is a condition precedent to the obligations of Company to take any action pursuant to Section 1.4 and 1.5 with respect to the Registrable Securities that Dana furnish to Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as may reasonably be requested by Company or the managing underwriter in order to satisfy the requirements applicable to such registration of Dana's Registrable Securities.

1.8 Expenses of Registration

All expenses (other than underwriting discounts, commissions relating to Registrable Securities, and expenses of counsel for Dana) incurred in connection with registrations, filings or qualifications pursuant to Sections 1.4 and 1.5, including, without limitation, all registration, filing and qualification fees (including "blue sky" fees), printers' and accounting fees (excluding fees related to any special audits), fees and disbursements of counsel for Company will be borne by Company. Notwithstanding the foregoing, Company will not be required to pay for any expenses of any registration pursuant to Sections 1.4 and 1.5 if the registration request is subsequently withdrawn at the request of Dana, in which case such expenses shall be borne by Dana.

1.9 Delay of Registration

Dana has no right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.10 Indemnification

In the event any Registrable Securities are included in a registration statement under Sections 1.4 and 1.5:

(a) To the fullest extent permitted by law, Company covenants and agrees to indemnify and hold harmless Dana, its officers and directors and each Person, if any, who controls Dana, within the meaning of the Securities Act or the Exchange Act (the "Indemnified Persons"), from and against any and all losses, claims, actions, damages, liabilities and expenses (joint or several) (including, without limitation, attorneys' fees and disbursements and all other expenses incurred in investigating, preparing, compromising or defending against any such litigation, commenced or threatened, or any claim whatsoever and all amounts paid in settlement of any such claim or litigation) to which any of such Indemnified Persons may become subject under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, or at common law or otherwise (collectively "Losses") as incurred, insofar as such Losses arise out of or are based upon any of the following (collectively a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by Company of the Securities Act, the Exchange Act, any state securities laws or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities laws and Company will reimburse any Person intended to be indemnified pursuant to this Section 1.10(a), for any legal or other expenses reasonably incurred by such Person in connection with investigating or defending any such Loss; provided, however, that the indemnity agreement contained in this Section 1.10(a) will not apply to amounts paid in settlement of any such Loss if such settlement is effected without the consent of Company (which consent will not be unreasonably withheld), nor will Company be liable in any such case for any such Loss to the extent that it arises out of or is based upon a Violation that solely occurs in reliance upon and in conformity with information provided by and relating to an Indemnified Person, that is furnished expressly for use in connection with such registration by such Indemnified Person; provided further, however, that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of Dana or any underwriter, or any Person controlling Dana or such underwriter, from whom the Person asserting any such Losses purchased shares in the offering, if a copy of the prospectus (as then amended or supplemented if Company shall have timely furnished the indemnified Person with any amendments or supplements thereto) was not sent or given by or on behalf of Dana or such underwriter to such Person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the shares to such Person, and if the prospectus (as so amended or supplemented) would have cured the defect giving rise to such Loss.

(b) To the fullest extent permitted by law, Dana covenants and agrees to indemnify and hold harmless Company, each of its directors, each of its officers who has signed the registration statement, each Person, if any, who controls Company within the meaning of the Securities Act, any underwriter, any other shareholder selling securities in such registration statement and any controlling Person of any such underwriter or other shareholder,

against any Losses to which any of the foregoing Persons may become subject, under the Securities Act, the Exchange Act or any other federal or state statutory law or regulation or at common law or otherwise, insofar as such Losses arise out of or are based upon any Violation (but excluding clause (iii) of the definition thereof), in each case to the extent (and only to the extent) that such Violation solely occurs in reliance upon and in conformity with information provided by and relating to Dana that is furnished by Dana expressly for use in connection with such registration statement; and Dana will reimburse any Person intended to be indemnified pursuant to this Section 1.10(b), for any legal or other expenses reasonably incurred by such Person in connection with investigating or defending any such Loss; provided further that in no event will any indemnity under this Section 1.10(b) apply to amounts paid in settlement of any such Loss if such settlement is effected without the written consent of Dana, which consent shall not be unreasonably withheld; provided further that in no event will any indemnity under this Section 1.10(b) exceed the gross proceeds from the sale of Registrable Securities received by Dana.

(c) Promptly after receipt by an indemnified party under this Section 1.10 of any claim or the commencement of any action (including any governmental action) as to which indemnity may be sought, such indemnified party will deliver to the indemnifying party a written notice of the commencement thereof (but the failure to so notify an indemnifying party will not relieve it from any liability or obligation which it may have under this Section 1.10 or otherwise unless the failure to notify results in the forfeiture by the indemnifying party of substantial rights and defenses and will not in any event relieve the indemnifying party from any obligations other than the indemnification provided for herein). The indemnifying party will have the right to participate in, and, to the extent the indemnifying party so desires, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. However, the indemnified party will have the right to retain separate counsel and to participate in the defense thereof, with the fees and expenses of such counsel to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be, in the indemnified party's view, inappropriate due to actual or potential differing interests between such indemnified party and any other party

represented by such counsel in such proceeding. In no event will the indemnifying party be required to pay the expenses of more than one counsel per jurisdiction as counsel for the indemnified party. The indemnifying party will be responsible for the expenses of such defense even if the indemnifying party does not elect to assume such defense. No indemnifying party may, except with the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which does not include as a term thereof the unconditional release of the indemnified party of all liability in respect of such claim or litigation.

(d) If the indemnification provided for in this Section 1.10 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any Loss referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, will contribute to the amount paid or payable by such indemnified party as a result of such Loss in such proportion as is appropriate to reflect the relative fault of and the relative benefits received by the indemnifying party on the one hand and of the indemnified party on the other in connection with the Violations that resulted in such Loss as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party will be determined by reference to, among other things, whether the Violation

relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such Violation. The relative benefits received by the indemnifying party and the indemnified party will be determined by reference to the net proceeds received by each such party.

(e) In no event will any contribution by Dana under this Section 1.10 exceed the gross proceeds from the sale of Registrable Securities received by Dana.

(f) Notwithstanding the foregoing, no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to indemnification or contribution from any Person not so guilty.

(g) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement will control.

(h) The obligations of Company and Dana under this Section 1.10 will survive the completion of any offering of Registrable Securities in a registration statement under Section 1.4 and 1.5 and otherwise.

(i) The foregoing indemnification provisions are in addition to, and not in derogation of, any statutory, equitable or common-law remedy any party may otherwise have.

1.11 Reports Under the Exchange Act

With a view to making available to Dana the benefits of Rule 144 promulgated under the Securities Act, Company agrees:

(a) to file with the SEC in a timely manner all reports and other documents required of Company under the Securities Act and the Exchange Act; and

(b) to furnish to Dana, forthwith upon request (i) a written statement by Company as to its compliance with the reporting requirements of Rule 144 under the Securities Act and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of Company filed by Company under the Exchange Act and (iii) such other information as Dana may reasonably request in order to avail itself of any similar rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to such form.

1.12 Termination of Registration Rights

Subject to Sections 1.5 and 1.13 hereof, Dana will not be entitled to exercise any right provided for in this Section 1 after the expiration of the Lock-Up Period unless a registration statement involving the Registrable Securities is pending on the date of such

expiration, in which case Dana will be entitled to exercise any right and Company will be required to perform all of its obligations provided for in this Section 1 in connection with such registration statement until such statement becomes effective or is withdrawn under circumstances where withdrawal is permitted hereunder.

1.13 Determination of Availability of Rule 144(k) of the Securities Act

At any time on or after the ninetieth (90th) day (or the next business day) prior to the end of the Lock-Up Period, upon the written request of Dana, Company shall promptly furnish Dana with a written statement by Company as to Company's compliance with the reporting requirements of Rule 144 of the Securities Act, and promptly thereafter Company and Dana shall make a mutual determination as to whether Dana may be able to sell all of the Common Shares it desires to sell at the end of the Lock-Up Period without restrictions under Rule 144(k) of the Securities Act. Company and Dana shall base its determination with respect to Dana solely upon the factual information Dana provides to Company in Dana's written request to Company, which factual information shall be certified by an executive officer of Dana. If Company and Dana mutually determine in good faith that Dana is not able to sell the Common Shares at the end of the Lock-Up Period without restrictions under Rule 144(k) of the Securities Act, such determination shall be referred to as a "Rule 144(k) Negative Determination", and Section 1.5 hereof shall then apply.

2. Miscellaneous

2.1 No Implied Restrictions

Except and to the extent provided herein, Dana shall be entitled to exercise all rights in its capacity as a record and beneficial owner of Common Shares under any applicable law and Company's Certificate of Incorporation and Bylaws, including the right to receive dividends and vote in connection with any matter upon which shareholders of the Company may vote.

2.2 Purchase Price Adjustment

The Parties acknowledge that under certain circumstances described in Article 3 of the Purchase Agreement, Dana may transfer some portion of the Common Shares to Company in accordance with the terms thereof.

2.3 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

2.4 Third Party Beneficiaries

Each party hereto intends that this Agreement does not benefit or create any legal or equitable right, remedy or claim in or on behalf of any Person other than the parties hereto. This Agreement is for the sole and exclusive benefit of the parties hereto and their successors and permitted assigns.

2.5 Counterparts

This Agreement may be executed in counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

2.6 Captions; References

The captions contained in this Agreement are for convenience of reference only and do not form a part of this Agreement. When a reference is made in this Agreement to a clause or a Section, such reference will be to a clause or a Section of this Agreement unless otherwise indicated.

2.7 Notices

Any notice or other communication provided for herein or given hereunder to a party hereto will be sufficient if in writing, and sent by facsimile transmission (electronically confirmed), delivered in person, mailed by first class registered or certified mail, postage prepaid, or sent by Federal Express or other overnight courier of national reputation, addressed as follows:

If to Company:

Standard Motor Products, Inc.
37-18 Northern Boulevard
Long Island City, New York 11101
Attn: Chief Financial Officer
Fax: (718) 472-0122

with a copy to:

Kelley Drye & Warren LLP
101 Park Avenue
New York, New York 10178
Attn: Ronald B. Risdon, Esq.
Fax: (212) 808-7897

If to Dana:

Dana Corporation
4500 Dorr Street
Toledo, Ohio 43697
Attn: General Counsel
Fax: (419) 535-4790

with a copy to:

Jones, Day, Reavis & Pogue
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Attn: John P. Dunn, Esq.
Fax: (216) 579-0212

or to such other address with respect to a party as such party notifies the other in writing as above provided.

2.8 Amendments and Waivers

This Agreement may be amended or modified only by a written agreement referencing this Agreement and duly executed by the parties hereto. No waiver by any party hereto of any term of this Agreement, whether intentional or not, shall be deemed to extend to any prior or subsequent any term of this Agreement or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

2.9 Severability

Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision is to be interpreted to be only so broad as is enforceable.

2.10 Governing Law

This Agreement is to be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

2.11 Submission to Jurisdiction

Each of the parties hereto submits to the jurisdiction of any state or federal court sitting in the County of New York, New York in any action or proceeding arising out of or relating to this Agreement and agrees that all claims in respect of the action or proceeding may be heard and determined in any such court. Each party hereto also agrees not to bring any action or proceeding

arising out of or relating to this Agreement in any other court. Each of the parties hereto waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other party with respect thereto. Any party hereto may make service on the other party by sending or delivering a copy of the process to the party to be served at the address and in the manner provided for the giving of notices in Section 2.7 above. Nothing in this Section 2.11, however,

shall affect the right of any party hereto to bring any action or proceeding arising out of or relating to this Agreement in any other court or to serve legal process in any other manner permitted by law or in equity. Each party hereto agrees that a final judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or in equity.

2.12 Further Assurances

Dana and Company will from time to time and at all times hereafter make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required to effect the transactions contemplated by this Agreement.

2.13 Complete Agreement

This Agreement contains the complete and exclusive statement of the terms of the agreements between the parties hereto with respect to the transactions contemplated hereby and supersedes all prior agreements and understandings between the parties hereto with respect thereto.

2.14 Construction

This Agreement is the result of the joint efforts of Dana and Company, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of the parties and there is to be no construction against either party based on any presumption of that party's involvement in the drafting thereof.

2.15 Expenses

All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby are to be paid by the party incurring such

expenses, except as expressly provided herein.

(Signatures are on the following page.)

IN WITNESS WHEREOF, the parties hereto have executed this Share Ownership Agreement as of the date first above written.

COMPANY:

STANDARD MOTOR PRODUCTS, INC.

By: _____

Name: _____

Title: _____

DANA:

DANA CORPORATION

By: _____

Name: _____

Title: _____

SHARE OWNERSHIP AGREEMENT

Dated as of _____ __, 2003

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AMENDED AND RESTATED
CREDIT AGREEMENT

Dated as of February 7, 2003

Among

STANDARD MOTOR PRODUCTS, INC.,
MARDEVCO CREDIT CORP., and
STANRIC, INC.,

as Borrowers,

THE OTHER CREDIT PARTIES SIGNATORY HERETO,
as Credit Parties,
THE LENDERS SIGNATORY HERETO
FROM TIME TO TIME,
as Lenders,
GENERAL ELECTRIC CAPITAL CORPORATION,
as Agent and Lender,
BANK OF AMERICA, N.A.,
as Lender and Syndication Agent,
and
GMAC COMMERICAL FINANCE LLC (as successor by
merger to GMAC Commercial Credit LLC),
as Lender and as Documentation Agent

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This AMENDED AND RESTATED CREDIT AGREEMENT (this "Agreement"), dated as of February 7, 2003 among STANDARD MOTOR PRODUCTS, INC. a New York corporation ("SMP"), STANRIC, INC., a Delaware corporation ("SI") and MARDEVCO CREDIT CORP., a New York corporation ("MCC") (SMP, SI and MCC are sometimes collectively referred to herein as the "Borrowers" and individually as a "Borrower"); the other Credit Parties signatory hereto; GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation (in its individual capacity, "GE Capital"), for itself, as Lender, and as Agent for Lenders, BANK OF AMERICA, N.A., for itself, as Lender, and as Syndication Agent, GMAC COMMERCIAL FINANCE LLC (as successor by merger to GMAC Commercial Credit LLC), for itself as Lender, and as Documentation Agent, and the other Lenders signatory hereto from time to time.

RECITALS

WHEREAS, Credit Parties and Original Lenders were parties to the Original Credit Agreement pursuant to which Original Lenders extended revolving credit facilities to Borrowers of up to Two Hundred and Twenty Five Million Dollars ($225,000,000) in the aggregate; and

WHEREAS, Borrowers have requested that Lenders extend revolving credit facilities to Borrowers of up to Three Hundred and Five Million Dollars ($305,000,000) in the aggregate for the purpose of funding a portion of the Acquisition and to provide (a) working capital financing for Borrowers, (b) funds for other general corporate purposes of Borrowers and (c) funds for other purposes permitted hereunder; and for these purposes, Lenders are willing to make certain loans and other extensions of credit to Borrowers of up to such amount upon the terms and conditions set forth herein; and

WHEREAS, Credit Parties have agreed to secure all of their obligations under the Loan Documents by granting to Agent, for the benefit of Agent and

Lenders, a security interest in and lien upon substantially all of their existing and after-acquired personal and real property; and

WHEREAS, capitalized terms used in this Agreement shall have the meanings ascribed to them in Annex A and, for purposes of this Agreement and the other Loan Documents, the rules of construction set forth in Annex A shall govern. All Annexes, Disclosure Schedules, Exhibits and other attachments (collectively, "Appendices") hereto, or expressly identified to this Agreement, are incorporated herein by reference, and taken together with this Agreement, shall constitute but a single agreement. These Recitals shall be construed as part of the Agreement.

AMENDED AND RESTATED

As of the date of this Agreement, the terms, conditions, covenants, agreements, representations and warranties contained in the Original Credit Agreement shall be deemed amended and restated in their entirety as follows and the Original Credit Agreement shall be consolidated with and into and superceded by this Agreement without breaking continuity; provided, however, that nothing contained in this Agreement shall impair, limit or affect the

security interests heretofore granted, pledged and or assigned to Agent as security for the Obligations under the Original Credit Agreement and this Agreement does not constitute a novation of the Original Credit Agreement or the security interests granted in connection therewith. Outstanding Revolving Credit Advances under the Original Credit Agreement shall constitute Tranche A Revolving Credit Advances under this Agreement. Outstanding Letter of Credit Obligations under the Original Credit Agreement shall constitute Letter of Credit Obligations under this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, the parties hereto agree as follows:

1. AMOUNT AND TERMS OF CREDIT

1.1. Credit Facilities.

(a) Revolving Credit Facility.

(i) (A) Subject to the terms and conditions hereof, prior to the Acquisition Closing Date, each Tranche A Revolving Lender agrees to make available to Borrowers from time to time until the Commitment Termination Date its Pro Rata Share of advances (each, a "Tranche A Revolving Credit Advance"). The Pro Rata Share of the Revolving Loan of any Tranche A Revolving Lender shall not at any time exceed its separate Tranche A Revolving Loan Commitment. The obligations of each Tranche A Revolving Lender hereunder shall be several and not joint. Until the earlier of the Acquisition Closing Date or the Commitment Termination Date, Borrowers may borrow, repay and reborrow under this Section 1.1(a)(i)(A); provided that the amount of any Tranche A Revolving Credit Advance to be made at any time shall not exceed Borrowing Availability at such time. Borrowing Availability may be reduced by Reserves imposed by Agent in its reasonable credit judgment. Moreover, the Tranche A Revolving Loan outstanding to any Borrower shall not exceed at any time that Borrower's separate Borrowing Base. Each Tranche A Revolving Credit Advance shall be made on notice by Borrower Representative on behalf of the applicable Borrower to one of the representatives of Agent identified in Schedule 1.1 at the address specified therein. Any such notice must be given no later than (1) noon (New York time) on the Business Day of the proposed Tranche A Revolving Credit Advance, in the case of an Index Rate Loan, or (2) noon (New York time) on the date which is three (3) Business Days prior to the proposed Tranche A Revolving Credit Advance, in the case of a LIBOR Loan. Each such notice (a "Notice of Tranche A Revolving Credit Advance") must be given in writing (by telecopy or overnight courier) substantially in the form of Exhibit 1.1(a)(i)(A), and shall include the information required in such Exhibit and such other information as may be

reasonably required by Agent. If any Borrower desires to have the Tranche A Revolving Credit Advances bear interest by reference to a LIBOR Rate, Borrower Representative must comply with Section 1.5(e).

(B) Subject to the terms and conditions hereof, each Tranche B Revolving Lender agrees to make advances (each, a "Tranche B Revolving Credit Advance") on the Acquisition Closing Date to SMP in the original principal amount of its Tranche B Revolving Loan Commitment. The obligations of each Tranche B Revolving Lender hereunder shall be

several and not joint. The Tranche B Revolving Credit Advances shall all be made on the Acquisition Closing Date as part of the Revolving Credit Advances under Section 1.1(a)(i)(C) and, therefore, SMP may not repay and reborrow under this Section 1.1(a)(i)(B). If SMP desires to have the Tranche B Revolving Credit Advances bear interest by reference to a LIBOR Rate, it must comply with Section 1.5(e). Prior to the Acquisition Closing Date, Borrowers shall have the right to notify the Agent that it does not require the funding of Tranche B Revolving Credit Advances and, effective upon receipt of such by Agent, the Tranche B Revolving Loan Commitments of each Tranche B Revolving Lender shall be reduced to $0.

(C) Following the closing of the Acquisition on the Acquisition Closing Date, but subject to the terms and conditions hereof, Tranche A Revolving Credit Advances shall be combined with Tranche B Revolving Credit Advances and each Revolving Lender agrees to make available to Borrowers from time to time until the Commitment Termination Date its Pro Rata Share of advances (each, a "Revolving Credit Advance"). The Pro Rata Share of the Revolving Loans of any Revolving Lender shall not at any time exceed its separate Revolving Loan Commitment. The obligations of each Revolving Lender hereunder shall be several and not joint. On and after the Acquisition Closing Date, Borrowers may borrow, repay and reborrow under this Section 1.1(a)(i)(C); provided that the amount of any Revolving Credit Advance to be made at any time shall not exceed Borrowing Availability at such time. Borrowing Availability may be reduced by Reserves imposed by Agent in its reasonable credit judgment. Moreover, the Revolving Loan outstanding to any Borrower shall not exceed at any time that Borrower's separate Borrowing Base. Each Revolving Credit Advance shall be made on notice by Borrower Representative on behalf of the applicable Borrower to one of the representatives of Agent identified in Schedule 1.1 at the address specified therein. Any such notice must be given no later than (1) noon (New York time) on the Business Day of the proposed Revolving Credit Advance, in the case of an Index Rate Loan, or (2) noon (New York time) on the date which is three (3) Business Days prior to the proposed Revolving Credit Advance, in the case of a LIBOR Loan. Each such notice (a "Notice of Revolving Credit Advance") must be given in writing (by telecopy or overnight courier) substantially in the form of Exhibit 1.1(a)(i)(C), and shall include the information required in such Exhibit and such other information as may be reasonably required by Agent. If any Borrower desires to have the Revolving Credit Advances bear interest by reference to a LIBOR Rate, Borrower Representative must comply with Section 1.5(e).

(ii) Except as provided in Section 1.12, each Borrower shall execute and deliver to each Revolving Lender a note to evidence the Revolving Loan Commitment of that Revolving Lender. Each note shall be in the principal amount of the Revolving Loan Commitment of the applicable Revolving Lender, dated the Closing Date and substantially in the form of Exhibit 1.1(a)(ii) (each a "Revolving Note" and, collectively, the "Revolving Notes"). Each Revolving Note shall represent the obligation of the applicable Borrower to pay the amount of the applicable Revolving Lender's Revolving Loan Commitment or, if less, such Revolving Lender's Pro Rata Share of the aggregate unpaid principal amount of all Revolving Credit Advances to such Borrower together with interest thereon as prescribed in Section 1.5. The entire unpaid balance of the aggregate Revolving Loan and all other non-contingent Obligations shall be immediately due and

payable in full in immediately available funds on the Commitment Termination Date. Notwithstanding the foregoing, prior to the Acquisition Closing Date, the Revolving Notes held by the Tranche B Revolving Lenders shall reflect only its Tranche B

Revolving Loan Commitment, not the Revolving Loan Commitment of such Tranche B Revolving Lender. On or after the Acquisition Closing Date, the Revolving Notes held by the Tranche B Revolving Lenders shall represent the Revolving Loan Commitments of the Tranche B Revolving Lenders.

(iii) (A) Anything in this Agreement to the contrary notwithstanding, at the request of Borrower Representative, in its discretion Agent may (but shall have absolutely no obligation to), prior to the Acquisition Closing Date, make Tranche A Revolving Credit Advances to Borrowers on behalf of Tranche A Revolving Lenders in amounts that cause the outstanding balance of the aggregate Tranche A Revolving Loan to exceed the Aggregate Borrowing Base or which cause the outstanding balance of the Tranche A Revolving Loan owing by any Borrower to exceed that Borrower's separate Borrowing Base (any such excess Tranche A Revolving Credit Advances are herein referred to collectively as "Tranche A Overadvances") which the Agent, in its reasonable business judgment, deems necessary or desirable (a) to preserve or protect the Collateral, or any portion thereof, (b) to enhance the likelihood of, or maximize the amount of, repayment of the Tranche A Revolving Loans and other Obligations, or (c) to pay any other amount chargeable to the Borrowers pursuant to the terms of this Agreement; provided that (A) no such event or occurrence shall cause or constitute a waiver of Agent's or Tranche A Revolving Lenders' right to refuse to make any further Tranche A Overadvances or Tranche A Revolving Credit Advances, or incur any Letter of Credit Obligations, as the case may be, at any time that a Tranche A Overadvance exists, and (B) no Tranche A Overadvance shall result in a Default or Event of Default based on Borrowers' failure to comply with Section 1.3(b)(i) for so long as Agent permits such Tranche A Overadvance to be outstanding, but solely with respect to the amount of such Tranche A Overadvance. In addition, Tranche A Overadvances may be made even if the conditions to lending set forth in Section 2 have not been met. All Tranche A Overadvances shall constitute Index Rate Loans, shall bear interest at the Default Rate and shall be payable on the earlier of demand or the Commitment Termination Date. Except as otherwise provided in Section 1.11(b), the authority of Agent to make Tranche A Overadvances is limited to an aggregate amount not to exceed $10,000,000 at any time, shall not cause the aggregate Tranche A Revolving Loan to exceed the Maximum Amount, and may be revoked prospectively by a written notice to Agent signed by Requisite Lenders.

(B) Anything in this Agreement to the contrary notwithstanding, at the request of Borrower Representative, in its discretion Agent may (but shall have absolutely no obligation to), on and after the Acquisition Closing Date, make Revolving Credit Advances to Borrowers on behalf of Revolving Lenders in amounts that cause the outstanding balance of the aggregate Revolving Loan to exceed the Aggregate Borrowing Base or which cause the outstanding balance of the Revolving Loan owing by any Borrower to exceed that Borrower's separate Borrowing Base (any such excess Revolving Credit Advances are herein referred to collectively as "Overadvances") which the Agent, in its reasonable business judgment, deems necessary or desirable (a) to preserve or protect the Collateral, or any portion thereof, (b) to enhance the likelihood of, or maximize the amount of, repayment of the Revolving Loans and other Obligations, or (c) to pay any other amount chargeable to the Borrowers pursuant to the terms of this Agreement; provided that (A) no such event or occurrence shall cause or constitute a waiver of Agent's or Revolving Lenders' right to refuse to make any further Overadvances or Revolving Credit Advances, or incur any Letter of Credit Obligations, as the

case may be, at any time that an Overadvance exists, and (B) no Overadvance shall result in a Default or Event of Default based on Borrowers' failure to comply with Section 1.3(b)(i) for so long as Agent permits such Overadvances to be outstanding, but solely with respect to the amount of such Overadvance. In addition, Overadvances may be made even if the conditions to lending set forth in Section 2 have not been met. All Overadvances shall constitute Index Rate Loans, shall bear interest at the Default Rate and shall be payable on the earlier of demand or the Commitment Termination Date. Except as otherwise provided in Section 1.11(b), the authority of Agent to make Overadvances is limited to an aggregate amount not to exceed $15,000,000 at any time, shall not cause the aggregate Revolving Loan to exceed the Maximum Amount, and may be revoked prospectively by a written notice to Agent signed by Requisite Lenders.

(iv) In no event, at any time, shall (x) the Aggregate Amortizing Availability included in determining the Aggregate Borrowing Base exceed $35,000,000, and (y) the amount included in Aggregate Amortizing Availability based upon the Fair Market Value of Eligible Real Estate exceed 50% of such Aggregate Amortizing Availability.

(b) INTENTIONALLY OMITTED.

(c) INTENTIONALLY OMITTED.

(d) Reliance on Notices; Appointment of Borrower Representative. Agent shall be entitled to rely upon, and shall be fully protected in relying upon, any Notice of Tranche A Revolving Credit Advance prior to the Acquisition Closing Date, any Notice of Tranche B Revolving Credit Advance on the Acquisition Closing Date, any Notice of Revolving Credit Advance on and after the Acquisition Closing Date, any Notice of Conversion/Continuation or any similar notice believed by Agent to be genuine. Agent may assume that each Person executing and delivering any notice in accordance herewith was duly authorized, unless the responsible individual acting thereon for Agent has actual knowledge to the contrary. Each Borrower hereby designates SMP as its representative and agent on its behalf for the purposes of issuing Notices of Tranche A Revolving Credit Advances, Notices of Tranche B Revolving Credit Advances, Notices of Revolving Credit Advances and Notices of Conversion/Continuation, giving instructions with respect to the disbursement of the proceeds of the Loans, selecting interest rate options, requesting Letters of Credit, giving and receiving all other notices and consents hereunder or under any of the other Loan Documents and taking all other actions (including in respect of compliance with covenants) on behalf of any Borrower or Borrowers under the Loan Documents. Borrower Representative hereby accepts such appointment. Agent and each Lender may regard any notice or other communication pursuant to any Loan Document from Borrower Representative as a notice or communication from all Borrowers, and may give any notice or communication required or permitted to be given to any Borrower or Borrowers hereunder to Borrower Representative on behalf of such Borrower or Borrowers. Each Borrower agrees that each notice, election, representation and warranty, covenant, agreement and undertaking made on its behalf by Borrower Representative shall be deemed for all purposes to have been made by such Borrower and shall be binding upon and enforceable against such Borrower to the same extent as if the same had been made directly by such Borrower.

1.2. Letters of Credit. Subject to and in accordance with the terms and conditions contained herein and in Annex B, Borrower Representative, on behalf

of the applicable Borrower, shall have the right to request, and (x) prior to the Acquisition Closing Date, Tranche A Revolving Lenders, and (y) on and after the Acquisition Closing Date, Revolving Lenders, agree to incur, or purchase participations in, Letter of Credit Obligations in respect of each Borrower. On and after the Acquisition Closing Date, each Tranche B Revolving Lender shall purchase a participation in the Letter of Credit Obligations of each Tranche A Revolving Lender so that, after giving effect to such purchase, each Revolving Lender shall have its Pro Rata Share of the Letter of Credit Obligations in respect of each Borrower.

1.3. Prepayments.

(a) Voluntary Prepayments. Borrowers may at any time on at least ten (10) days' prior written notice by Borrower Representative to Agent terminate the Revolving Loan Commitment; provided that upon such termination, all Loans and other Obligations shall be immediately due and payable in full and all Letter of Credit Obligations shall be cash collateralized or otherwise satisfied in accordance with Annex B. Any such termination of the Revolving Loan Commitment must be accompanied by the payment of the Fee required by Section 1.9(c), if any, plus the payment of any LIBOR funding breakage costs in accordance with Section 1.13(b). Upon any termination of the Revolving Loan Commitment, each Borrower's right to request Revolving Credit Advances, or request that Letter of Credit Obligations be incurred on its behalf shall simultaneously be terminated.

(b) Mandatory Prepayments.

(i) If at any time the aggregate outstanding balances of the Revolving Loan exceed the lesser of (A) the Maximum Amount and (B) the Aggregate Borrowing Base, Borrowers shall immediately repay the aggregate outstanding Revolving Credit Advances to the extent required to eliminate such excess. If any such excess remains after repayment in full of the aggregate outstanding Revolving Credit Advances, Borrowers shall provide cash collateral for the Letter of Credit Obligations in the manner set forth in Annex B to the extent required to eliminate such excess. Furthermore, if, at any time, the outstanding balance of the Revolving Loan of any Borrower exceeds that Borrower's separate Borrowing Base, the applicable Borrower shall immediately repay its Revolving Credit Advances in the amount of such excess (and, if necessary, shall provide cash collateral for its Letter of Credit Obligations as described above). Notwithstanding the foregoing, any Overadvance made pursuant to Section 1.1(a)(iii) shall be repaid in accordance with Section 1.1(a)(iii).

(ii) Within three (3) Business Days after receipt by any Credit Party of cash proceeds of any asset disposition (excluding proceeds of asset dispositions permitted by Section 6.8 (a)) or any sale of Stock of any Subsidiary of any Credit Party (other than a sale to any Credit Party), Borrowers shall prepay the Loans in an amount equal to all such proceeds, net of (A) commissions and other reasonable and customary transaction costs, fees and expenses properly attributable to such transaction and payable by Borrowers in connection therewith (in each case, paid to non-Affiliates), (B) transfer taxes, (C) amounts payable to holders of senior Liens on such assets (to the extent such Liens constitute Permitted Encumbrances hereunder), if

any, and (D) an appropriate reserve for income taxes in accordance with GAAP in connection therewith. Any such prepayment shall be applied in accordance with Section 1.3(c).

(iii) If any Borrower issues Stock, no later than the Business Day following the date of receipt of the proceeds thereof, the issuing Borrower shall prepay the Loans (and cash collateralize Letter of Credit Obligations) in an amount equal to all such proceeds, net of underwriting discounts and commissions and other reasonable costs paid to non-Affiliates in connection

therewith. Any such prepayment shall be applied in accordance with Section 1.3(c) provided that proceeds of the issuance of Stock in connection with the Additional Capitalization Requirement shall be applied solely to the outstanding balance of Revolving Credit Advances until the same have been paid in full.

(c) Application of Certain Mandatory Prepayments. Any prepayments made by any Borrower pursuant to Sections 1.3(b)(ii) or (b)(iii) above shall be applied as follows: first, to Fees and reimbursable expenses of Agent then due and payable pursuant to any of the Loan Documents; second, to interest then due and payable on Revolving Credit Advances made to that Borrower; third, to the principal balance of Revolving Credit Advances outstanding to that Borrower until the same has been paid in full; fourth, to any Letter of Credit Obligations of such Borrower to provide cash collateral therefor in the manner set forth in Annex B, until all such Letter of Credit Obligations have been fully cash collateralized in the manner set forth in Annex B; fifth, to interest then due and payable on the Revolving Credit Advances outstanding to each other Borrower, pro rata; sixth, to the principal balance of the Revolving Credit Advances made to each other Borrower, pro rata, until the same has been paid in full; seventh, to any Letter of Credit Obligations of each other Borrower, pro rata, to provide cash collateral therefore in the manner set forth in Annex B, until all such Letter of Credit Obligations have been fully cash collateralized; eighth, to any Rate Protection Obligations which may be due and payable by such Borrower until the same has been paid in full; and ninth, to any Rate Protection Obligations which may be due and payable by each other Borrower, pro rata, until the same has been paid in full. The Revolving Loan Commitment shall not be permanently reduced by the amount of any such prepayments.

(d) Application of Prepayments from Insurance and Condemnation Proceeds. Prepayments from insurance or condemnation proceeds in accordance with Section 5.4(c) and the Mortgage(s), respectively, shall be applied, to the Revolving Credit Advances of the Borrower that incurred such casualties or losses. The Revolving Loan Commitment shall not be permanently reduced by the amount of any such prepayments. If insurance or condemnation proceeds received by a particular Borrower exceed the outstanding principal balances of the Loans to that Borrower, or if the precise amount of insurance or condemnation proceeds allocable to Inventory as compared to Equipment, Fixtures and Real Estate are not otherwise determined, the allocation and application of those proceeds shall be determined by Agent, subject to the approval of Requisite Lenders.

(e) No Implied Consent. Nothing in this Section 1.3 shall be construed to constitute Agent's or any Lender's consent to any transaction that is not permitted by other provisions of this Agreement or the other Loan Documents.

1.4. Use of Proceeds. Borrowers shall utilize the proceeds of the Loans solely for the Acquisition (and to pay any related transaction expenses), and for the financing of Borrowers' ordinary working capital and general corporate needs. Disclosure Schedule (1.4) contains a description of Borrowers' sources and uses of funds as of the Closing Date, including Loans and Letter of Credit Obligations to be made or incurred on that date, and a funds flow memorandum directing the Agent how funds from each source are to be transferred to particular uses.

1.5. Interest and Applicable Margins.

(a) (i) Prior to the Acquisition Closing Date, Borrowers shall pay interest to Agent, for the ratable benefit of Lenders in accordance with the various Loans being made by each Lender, in arrears on each applicable Interest Payment Date, at the following rates: the Index Rate plus the Applicable Revolver Index Margin per annum or, at the election of Borrower Representative, the applicable LIBOR Rate plus the Applicable Revolver LIBOR Margin per annum, based on the aggregate Revolving Credit Advances outstanding from time to time.

As of the Closing Date, the Applicable Margins are set at Level II of the Applicable Margin grid set forth below.

Prior to the Acquisition Closing Date, the Applicable Margins shall be adjusted (up or down) prospectively on a quarterly basis as determined by Borrowers' consolidated financial performance, commencing with the first day of the first calendar month that occurs more than five (5) days after delivery of Borrowers' quarterly Financial Statements to Lenders for the Fiscal Quarter ending December 31, 2002, and continuing thereafter as hereinafter provided. Adjustments in Applicable Margins shall be determined by reference to the following grids (which are in effect prior to the Acquisition Closing Date):

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IF EXCESS FORMULA AVAILABILITY:	OR	LEVEL OF APPLICABLE MARGINS:
<S>	<C>	<C>
>$75,000,000	As of any date of determination, (a) Borrowers and their Subsidiaries on a consolidated basis, with respect to the 12-month period then ended, have EBITDA of not less than $63,000,000 and (b) Excess Formula Availability is greater than $50,000,000	Level I
>$50,000,000, but <=$75,000,000	As of any date of determination, (a) Borrowers and their Subsidiaries on a consolidated basis, with respect to the 12-month period then ended, have a minimum EBITDA of not less than $63,000,000 and (b)	Level II

</TABLE>

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IF EXCESS FORMULA AVAILABILITY:	OR	LEVEL OF APPLICABLE MARGINS:
<S>	<C>	<C>
	Excess Formula Availability is greater than $25,000,000	
>$25,000,000, but <=$50,000,000	N/A	Level III
>$10,000,000, but <=$25,000,000	N/A	Level IV
< $10,000,000	N/A	Level V

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	APPLICABLE MARGINS				
	LEVEL I	LEVEL II	LEVEL III	LEVEL IV	LEVEL V

Applicable Revolver Index Margin	0.0%	0.25%	0.50%	0.75%	1.00%
Applicable Revolver LIBOR Margin	1.75%	2.00%	2.25%	2.50%	2.75%
Applicable Unused Line Fee Margin	0.25%	0.25%	0.375%	0.50%	0.50%

(ii) On and after the Acquisition Closing Date, Borrowers shall pay interest to Agent, for the ratable benefit of Lenders in accordance with the various Loans being made by each Lender, in arrears on each applicable Interest Payment Date, at the following rates: the Index Rate plus the Applicable Revolver Index Margin per annum or, at the election of Borrower Representative, the applicable LIBOR Rate plus the Applicable Revolver LIBOR Margin per annum, based on the aggregate Revolving Credit Advances outstanding from time to time.

As of the Acquisition Closing Date, the Applicable Margins are set at Level III of the Applicable Margin grid set forth below.

After the first anniversary of the Acquisition Closing Date, the Applicable Margins, would be subject to adjustment (up or down) prospectively based on Borrower's consolidated financial performance for the trailing four quarters most recently ended in accordance with the following grids which will be in effect on and after the Acquisition Closing Date:

IF EXCESS FORMULA AVAILABILITY:	OR	LEVEL OF APPLICABLE MARGINS:
>$75,000,000	As of any date of determination, (a) Borrowers and their subsidiaries on a consolidated basis, with respect to the 12-month period then ended, have EBITDA greater than $75,000,000 and	Level I

IF EXCESS FORMULA AVAILABILITY:	OR	LEVEL OF APPLICABLE MARGINS:
	(b) Excess Formula Availability is greater than $60,000,000	
>$60,000,000, but <=$75,000,000	As of any date of determination, (a) Borrowers and their subsidiaries on a consolidated basis, with respect to the 12-month period then ended, have a minimum EBITDA greater than $75,000,000 and (b) Excess Formula Availability is greater than $35,000,000	Level II

>$35,000,000, but <=$60,000,000	N/A	Level III
>$20,000,000, but <=$35,000,000	N/A	Level IV
<=$20,000,000	N/A	Level V

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	APPLICABLE MARGINS				
	LEVEL I	LEVEL II	LEVEL III	LEVEL IV	LEVEL V
<S>	<C>	<C>	<C>	<C>	<C>
Applicable Revolver Index Margin	0.25%	0.50%	0.75%	1.00%	1.25%
Applicable Revolver LIBOR Margin	2.00%	2.25%	2.50%	2.75%	3.00%
Applicable Unused Line Fee Margin	0.25%	0.25%	0.375%	0.50%	0.50%

</TABLE>

(iii) All adjustments in the Applicable Margins shall be implemented quarterly on a prospective basis, for each calendar month commencing at least five (5) days after the date of delivery to Lenders of the quarterly unaudited or annual audited (as applicable) Financial Statements evidencing the need for an adjustment. Concurrently with the delivery of those Financial Statements, Borrower Representative shall deliver to Agent and Lenders a certificate, signed by its chief financial officer or treasurer, setting forth in reasonable detail the basis for the continuance of, or any change in, the Applicable Margins. Failure to timely deliver such Financial Statements shall, in addition to any other remedy provided for in this Agreement, result in an increase in the Applicable Margins to the highest level set forth in the foregoing grid, until the first day of the first calendar month following the delivery of those Financial Statements demonstrating that such an increase is not required. If a Default or Event of Default has occurred and is continuing at the time any reduction in the Applicable Margins is to be implemented, that reduction shall be deferred until the first day of the first calendar month following the date on which such Default or Event of Default is waived or cured.

(b) If any payment on any Loan becomes due and payable on a day other than a Business Day, the maturity thereof will be extended to the next succeeding Business Day (except as set forth in the definition of LIBOR Period) and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

(c) All computations of Fees calculated on a per annum basis and interest shall be made by Agent on the basis of a 360-day year, in each case for the actual number of days occurring in the period for which such interest and Fees are payable. The Index Rate is a floating rate determined for each day. Each determination by Agent of an interest rate and Fees hereunder shall be final, binding and conclusive on Borrowers, absent manifest error.

(d) So long as an Event of Default has occurred and is continuing under Section 8.1(a), (h) or (i) or so long as any other Event of Default has occurred and is continuing and at the election of Agent (or upon the written request of Requisite Lenders) confirmed by written notice from Agent to Borrower Representative, the interest rates applicable to the Loans and the Letter of Credit Fees shall be increased by two percentage points (2%) per annum above the rates of interest or the rate of such Letter of Credit Fees otherwise applicable

hereunder unless Agent (not having received any prior written request of Requisite Lenders and, in any event, subject to the consent of Requisite Lenders) elects to impose a smaller increase ("Default Rate"), and all outstanding Obligations shall bear interest at the Default Rate applicable to such Obligations. Interest and Letter of Credit Fees at the Default Rate shall accrue from the initial date of such Event of Default until that Event of Default is cured or waived and shall be payable upon demand.

(e) Subject to the conditions precedent set forth in Section 2.2, Borrower Representative shall have the option to (i) request that any Revolving Credit Advance be made as a LIBOR Loan, (ii) convert at any time all or any part of outstanding Loans from Index Rate Loans to LIBOR Loans, (iii) convert any LIBOR Loan to an Index Rate Loan, subject to payment of LIBOR breakage costs in accordance with Section 1.13(b) if such conversion is made prior to the expiration of the LIBOR Period applicable thereto, or (iv) continue all or any portion of any Loan as a LIBOR Loan upon the expiration of the applicable LIBOR Period and the succeeding LIBOR Period of that continued Loan shall commence on the first day after the last day of the LIBOR Period of the Loan to be continued. Any Loan or group of Loans having the same proposed LIBOR Period to be made or continued as, or converted into, a LIBOR Loan must be in a minimum amount of $1,000,000 and integral multiples of $500,000 in excess of such amount. Any such election must be made by noon (New York time) on the third Business Day prior to (1) the date of any proposed Advance which is to bear interest at the LIBOR Rate, (2) the end of each LIBOR Period with respect to any LIBOR Loans to be continued as such, or (3) the date on which Borrower Representative wishes to convert any Index Rate Loan to a LIBOR Loan for a LIBOR Period designated by Borrower Representative in such election. If no election is received with respect to a LIBOR Loan by noon (New York time) on the third Business Day prior to the end of the LIBOR Period with respect thereto (or if a Default or an Event of Default has occurred and is continuing or if the additional conditions precedent set forth in Section 2.2 shall not have been satisfied), that LIBOR Loan shall be converted to an Index Rate Loan at the end of its LIBOR Period. Borrower Representative must make such election by notice to Agent in writing, by telecopy or overnight courier. In the case of any conversion or

continuation, such election must be made pursuant to a written notice (a "Notice of Conversion/Continuation") in the form of Exhibit 1.5(e).

(f) Notwithstanding anything to the contrary set forth in this Section 1.5, if a court of competent jurisdiction determines in a final order that the rate of interest payable hereunder exceeds the highest rate of interest permissible under law (the "Maximum Lawful Rate"), then so long as the Maximum Lawful Rate would be so exceeded, the rate of interest payable hereunder shall be equal to the Maximum Lawful Rate; provided, however, that if at any time thereafter the rate of interest payable hereunder is less than the Maximum Lawful Rate, Borrowers shall continue to pay interest hereunder at the Maximum Lawful Rate until such time as the total interest received by Agent, on behalf of Lenders, is equal to the total interest that would have been received had the interest rate payable hereunder been (but for the operation of this paragraph) the interest rate payable since the Closing Date as otherwise provided in this Agreement. Thereafter, interest hereunder shall be paid at the rate(s) of interest and in the manner provided in Sections 1.5(a) through (e), unless and until the rate of interest again exceeds the Maximum Lawful Rate, and at that time this paragraph shall again apply. In no event shall the total interest received by any Lender pursuant to the terms hereof exceed the amount that such Lender could lawfully have received had the interest due hereunder been calculated for the full term hereof at the Maximum Lawful Rate. If the Maximum Lawful Rate is calculated pursuant to this paragraph, such interest shall be calculated at a daily rate equal to the Maximum Lawful Rate divided by the number of days in the year in which such calculation is made. If, notwithstanding the provisions of this Section 1.5(f), a court of competent

jurisdiction shall finally determine that a Lender has received interest hereunder in excess of the Maximum Lawful Rate, Agent shall, to the extent permitted by law, promptly apply such excess in the order specified in Section 1.11 and thereafter shall refund any excess to Borrowers or as a court of competent jurisdiction may otherwise order.

1.6. Eligible Accounts. All of the Accounts owned by each Borrower (with Accounts owned by SMP Canada being deemed, for purposes of this Section, to be Accounts owned by SMP) and reflected in the most recent Borrowing Base Certificate delivered by each Borrower to Agent shall be "Eligible Accounts" for purposes of this Agreement, except (i) to the extent Accounts which are permitted to be paid after 90 days following their original invoice date but within 210 days following their original invoice date exceed $115,000,000 in the aggregate at any time or from time to time such Accounts shall not constitute Eligible Accounts to the extent of such excess, or (ii) any Account to which any of the exclusionary criteria set forth below applies. Agent shall have the right to establish, modify or eliminate Reserves against Eligible Accounts from time to time in its reasonable credit judgment. In addition, Agent reserves the right, at any time and from time to time after the Closing Date, to adjust any of the criteria set forth below, to establish new criteria and to adjust advance rates with respect to Eligible Accounts, in its reasonable credit judgment, subject to the approval of Supermajority Revolving Lenders in the case of adjustments or new criteria or changes in advance rates (subject to Section 11.2(c)(vii)) or the elimination of Reserves (except no such approval shall be required with respect to (a) the reduction or elimination of Reserves which may be established and maintained from time to time by Agent with respect to Rate Protection Obligations under Rate Protection Agreements or (b) the Asbestos Reserve (so long as such Reserves are calculated in the same manner as was utilized on the Closing Date)) which have the effect of making more credit available. Eligible Accounts shall not include any Account of any Borrower:

(a) that does not arise from the sale of goods or the performance of services by such Borrower in the ordinary course of its business;

(b) (i) upon which such Borrower's right to receive payment is not absolute or is contingent upon the fulfillment of any condition whatsoever or (ii) as to which such Borrower is not able to bring suit or otherwise enforce its remedies against the Account Debtor through judicial process or (iii) if the Account represents a progress billing consisting of an invoice for goods sold or used or services rendered pursuant to a contract under which the Account Debtor's obligation to pay that invoice is subject to such Borrower's completion of further performance under such contract or is subject to the equitable lien of a surety bond issuer;

(c) to the extent that any defense, counterclaim, setoff or dispute is asserted as to such Account or to the extent that any credits which have been issued have not been applied to an Account Debtor's statement or account, but only to the extent of such defense, counterclaim, setoff, dispute, or credit;

(d) that is not a true and correct statement of bona fide indebtedness incurred in the amount of the Account for merchandise sold to or services rendered and accepted by the applicable Account Debtor, including pre-billed items;

(e) with respect to which an invoice, reasonably acceptable to Agent in form and substance, has not been sent to the applicable Account Debtor;

(f) that (i) is not owned by such Borrower or (ii) is subject to any Lien of any other Person, other than Liens in favor of Agent, on behalf of itself and Lenders;

(g) that arises from a sale to any director, officer, other employee

or Affiliate of any Credit Party, or to any entity that has any common officer or director with any Credit Party;

(h) that is the obligation of an Account Debtor that is the United States government or a political subdivision thereof, or any state, county or municipality or department, agency or instrumentality thereof unless Agent, in its sole discretion, has agreed to the contrary in writing and such Borrower, if necessary or desirable, has complied with respect to such obligation with the Federal Assignment of Claims Act of 1940, or any applicable state, county or municipal law restricting assignment thereof.

(i) that is the obligation of an Account Debtor located in a foreign country other than Canada unless payment thereof is assured by a letter of credit assigned and delivered to Agent, reasonably satisfactory to Agent as to form, amount and issuer.

(j) to the extent such Borrower or any Subsidiary thereof is liable for goods sold or services rendered by the applicable Account Debtor to such Borrower or any Subsidiary thereof but only to the extent of the potential offset;

(k) that arises with respect to goods that are delivered on a bill-and-hold, cash-on-delivery basis or placed on consignment, guaranteed sale or other terms by reason of which the payment by the Account Debtor is or may be conditional;

(l) that is in default; provided, that, without limiting the generality of the foregoing, an Account shall be deemed in default upon the occurrence of any of the following:

(i) the Account is not paid within the earlier of: sixty (60) days following its due date or two hundred ten (210) days following its original invoice date, provided, that, so long as such scheduled payments are being made on a timely basis, Car Quest Long Term Accounts shall not be considered ineligible under this criterion except to the extent of any amount thereof in excess of the next seven (7) monthly installments which are scheduled to be paid;

(ii) the Account Debtor obligated upon such Account suspends business, makes a general assignment for the benefit of creditors or fails to pay its debts generally as they come due; or

(iii) a petition is filed by or against any Account Debtor obligated upon such Account under any bankruptcy law or any other federal, state or foreign (including any provincial) receivership, insolvency relief or other law or laws for the relief of debtors;

(m) that is the obligation of an Account Debtor if fifty percent (50%) or more of the Dollar amount of all Accounts owing by that Account Debtor are ineligible under the other criteria set forth in this Section 1.6 other than with respect to Car Quest Long Term Accounts;

(n) as to which Agent's Lien thereon, on behalf of itself and Lenders, is not a first priority perfected Lien;

(o) as to which any of the representations or warranties in the Loan Documents are untrue;

(p) to the extent such Account is evidenced by a judgment, Instrument or Chattel Paper;

(q) to the extent such Account exceeds any credit limit established by

Agent, in its reasonable credit judgment;

(r) to the extent that such Account, together with all other Accounts owing by such Account Debtor and its Affiliates as of any date of determination exceed twenty-five (25%) of all Eligible Accounts;

(s) that is payable in any currency other than Dollars; or

(t) that is otherwise unacceptable to Agent in its reasonable credit judgment.

For purposes of this Section 1.6, the SunTrust Drafts received by SMP from AutoZone in connection with the AutoZone/SunTrust Program shall be treated as if they constituted "Accounts" so long as Agent or its designee has possession of such SunTrust Drafts.

1.7. Eligible Inventory. All of the Inventory owned by the Borrowers (with Inventory owned by SMP Canada being deemed, for purposes of this Section, to be Inventory owned by SMP) and reflected in the most recent Borrowing Base Certificate delivered by each Borrower to Agent shall be "Eligible Inventory" for purposes of this Agreement, except any Inventory to which any of the exclusionary criteria set forth below applies. Agent shall have the right to establish or modify or eliminate Reserves against Eligible Inventory from time to time in its reasonable credit judgment. In addition, Agent reserves the right, at any time and from time to time after the Closing Date, to adjust any of the criteria set forth below, to establish new criteria and to adjust advance rates with respect to Eligible Inventory, in its reasonable credit judgment, subject to the approval of Supermajority Revolving Lenders in the case of adjustments or new criteria or changes in advance rates (subject to Section 11.2(c)(vii)) or the elimination of Reserves (except no such approval shall be required with respect to (a) the reduction or elimination of Reserves which may be established and maintained from time to time by Agent with respect to Rate Protection Obligations under Rate Protection Agreements or (b) the Asbestos Reserve (so long as such Reserves are calculated in the same manner as was utilized on the Closing Date)) which have the effect of making more credit available. Eligible Inventory shall not include any Inventory of any Borrower that:

(a) is not owned by such Borrower free and clear of all Liens and rights of any other Person (including the rights of a purchaser that has made progress payments and the rights of a surety that has issued a bond to assure such Borrower's performance with respect to that Inventory), except the Liens in favor of Agent, on behalf of itself and Lenders, and Permitted Encumbrances in favor of landlords and bailees to the extent permitted in Section 5.9 hereof (subject to Reserves established by Agent in accordance with Section 5.9 hereof);

(b) (i) is not located on premises owned, leased or rented by such Borrower and set forth in Disclosure Schedule (3.2) or identified pursuant to Section 6.15, or (ii) is stored at a leased location, unless Agent has given its prior consent thereto and unless either (x) a reasonably satisfactory landlord waiver has been delivered to Agent, or (y) Reserves reasonably satisfactory to Agent have been established with respect thereto or (iii) is stored with a bailee or warehouseman unless a reasonably satisfactory, acknowledged bailee letter has been received by Agent or Reserves reasonably satisfactory to Agent have been established with respect thereto, or (iv) is located at an owned location subject to a mortgage in favor of a lender other than Agent unless a reasonably satisfactory mortgagee waiver has been delivered to Agent or Reserves reasonably satisfactory to Agent have been established with respect thereto, or (v) other than with respect to 3 locations which Borrowers may designate in writing to Agent from time to time, is located at any site if the aggregate book value of Inventory at any such location is less than $100,000; or (vi) is

located outside of the United States of America, its territories or Canada;

(c) is placed on consignment or is in transit, except for Inventory in transit between domestic locations of Credit Parties as to which Agent's Liens have been perfected at origin and destination.

(d) is covered by a negotiable document of title, unless such document has been delivered to Agent with all necessary endorsements, free and clear of all Liens except those in favor of Agent and Lenders;

(e) is excess, obsolete, unsalable, shopworn, seconds (excluding cores), damaged or unfit for sale;

(f) consists of display items or packing or shipping materials, manufacturing supplies, work-in-process Inventory or replacement parts;

(g) consists of goods which have been returned by the buyer unless such returned goods consist of (i) cores or (ii) goods which have been restored to Inventory as first quality, saleable merchandise;

(h) is not of a type held for sale in the ordinary course of such Borrower's business;

(i) is not subject to a first priority lien in favor of Agent on behalf of itself and Lenders;

(j) breaches any of the representations or warranties pertaining to Inventory set forth in the Loan Documents;

(k) consists of any costs associated with "freight-in" charges or favorable purchase price variances;

(l) consists of Hazardous Materials or goods that can be transported or sold only with licenses that are not readily available;

(m) is not covered by casualty insurance reasonably acceptable to Agent; or

(n) is subject to any patent or trademark license requiring the payment of royalties or fees or requiring the consent of the licensor for a sale thereof by Agent (where such consent has not been obtained); or

(o) is otherwise unacceptable to Agent in its reasonable credit judgment.

1.8. Cash Management Systems. On or prior to the Closing Date, Borrowers will establish and will maintain until the Termination Date, the cash management systems described in Annex C (the "Cash Management Systems").

1.9. Fees.

(a) Borrowers shall pay to GE Capital, individually, the Fees specified in that certain fee letter dated as of October 1, 2002 between Borrower Representative and GE Capital (as amended, the "GE Capital Fee Letter"), at the times specified for payment therein.

(b) (i) As additional compensation for the Tranche A Revolving Lenders, Borrowers shall pay to Agent, for the ratable benefit of such Lenders, in arrears, on the first Business Day of each month prior to the earliest of (1) the Acquisition Closing Date, (2) the date Borrower Representative notifies Agent that Borrowers do not require the Acquisition Loan Facility and (3) the Commitment Termination Date, a Fee for Borrowers' non-use of available funds in an amount equal to the Applicable Unused Line Fee Margin per annum (calculated on the basis of a 360 day year for actual days elapsed) multiplied by the difference between (x) $225,000,000 and (y) the average for the period of the daily closing balances of the aggregate Tranche A Revolving Credit Advances outstanding during the period for which such Fee is due.

(ii) As additional compensation for the Tranche B Revolving Lenders, Borrowers shall pay to Agent, for the ratable benefit of Tranche B Revolving Lenders, in arrears, on the first Business Day of each month prior to the earliest of (x) the Acquisition Closing Date, (y) the date Borrower Representative notifies Agent that Borrowers do not require the Acquisition Loan Facility and (2) the Commitment Termination Date, a Fee in an amount equal to three-eighths of one percent (.375%) per annum (calculated on the basis of a 360 day year for actual days elapsed) multiplied by the Tranche B Revolving Loan Commitments.

(iii) On and after the earlier of (x) the Acquisition Closing Date, and (y) the date Borrower Representative notifies Agent that Borrowers do not require the Acquisition Loan Facility, as additional compensation for the Revolving Lenders, Borrowers shall pay to Agent, for the ratable benefit of such Lenders, in arrears, on the first Business Day of each month prior to the Commitment Termination Date and on the Commitment Termination Date, a Fee for Borrower's non-use of available funds in an amount equal to the Applicable Unused Line Fee Margin per annum (calculated on the basis of a 360-day year for actual days elapsed) multiplied by the difference between (x) the Maximum Amount, and (y) the average for the period of the daily closing balances of the aggregate Revolver Loan outstanding during the period for which such Fee is due.

(c) If Borrowers pay after acceleration or prepay the Revolving Loan and terminate the Revolving Loan Commitment, whether voluntarily or involuntarily and whether before or after acceleration of the Obligations, or if any of the Commitments are otherwise terminated, Borrowers shall pay to Agent, for the benefit of Lenders as liquidated damages and compensation for the costs of being prepared to make funds available hereunder an amount equal to the Applicable Percentage (as defined below) multiplied by the amount of the Revolving Loan Commitment. As used herein, the term "Applicable Percentage" shall mean, with respect to Revolving Credit Advances (i) one percent (1.00%), in the case of a prepayment on or prior to the first anniversary of the Closing Date and (ii) one-half of one percent (0.50%), in the case of a prepayment after the first anniversary of the Closing Date but on or prior to the second anniversary thereof. The Credit Parties agree that the Applicable Percentages are a reasonable calculation of Lenders' lost profits in view of the difficulties and impracticality of determining actual damages resulting from an early termination of the Commitments. Notwithstanding the foregoing, no prepayment fee shall be payable by Borrowers if prepayment occurs within 6 months following (a) Agent's reduction of the Eligible Accounts or Eligible Inventory advance rates by greater than five percentage points from the advance rates which were in effect 6 months prior to the date of such reduction or (b) Agent's increase of Reserves by greater than ten percentage points of the amount of Reserves outstanding 6 months prior to the time of such

increase, or (c) any combination of reductions of the Eligible Accounts advance

rate and increases in the amount of Reserves due to any increase in dilution of Accounts during any 6 month period by greater than ten percentage points in the aggregate, or (d) the Asbestos Reserve exceeding $20,000,000.

(d) Borrowers shall pay to Agent, for the ratable benefit of Revolving Lenders, the Letter of Credit Fee as provided in Annex B.

1.10. Receipt of Payments. Borrowers shall make each payment under this Agreement not later than 2:00 p.m. (New York time) on the day when due in immediately available funds in Dollars to the Collection Account. For purposes of computing interest and Fees and determining Borrowing Availability as of any date, all payments shall be deemed received on the Business Day on which immediately available funds therefor are received in the Collection Account prior to 2:00 p.m. New York time. Payments received after 2:00 p.m. New York time on any Business Day or on a day that is not a Business Day shall be deemed to have been received on the following Business Day.

1.11. Application and Allocation of Payments.

(a) So long as no Default or Event of Default has occurred and is continuing, (i) payments consisting of proceeds of Accounts received in the ordinary course of business shall be applied to, the Revolving Loan; (ii) voluntary prepayments shall be applied in accordance with the provisions of Section 1.3(a); and (iii) mandatory prepayments shall be applied as set forth in Sections 1.3(c) and 1.3(d). All payments and prepayments applied to a particular Loan shall be applied ratably to the portion thereof held by each Lender as determined by its Pro Rata Share. As to any other payment, and as to all payments made when a Default or Event of Default has occurred and is continuing or following the Commitment Termination Date, each Borrower hereby irrevocably waives the right to direct the application of any and all payments received from or on behalf of such Borrower, and each Borrower hereby irrevocably agrees that Agent shall have the continuing exclusive right to apply any and all such payments against the Obligations of Borrowers as Agent may deem advisable notwithstanding any previous entry by Agent in the Loan Account or any other books and records. In the absence of a specific determination by Agent with respect thereto, payments shall be applied to amounts then due and payable in the following order: (1) to Fees and Agent's expenses reimbursable hereunder; (2) to interest on the Revolving Loans, (3) to principal payments on the Revolving Loans and to provide cash collateral for Letter of Credit Obligations in the manner described in Annex B, ratably to the aggregate, combined principal balance of the Revolving Loans and outstanding Letter of Credit Obligations; and (4) to all other Obligations, including expenses of Lenders to the extent reimbursable under Section 11.3.

(b) Agent is authorized to, and at its sole election may, charge to the Revolving Loan balance on behalf of each Borrower and cause to be paid all Fees, expenses, Charges, costs (including insurance premiums in accordance with Section 5.4(a)) and interest and principal, other than principal of the Revolving Loan, owing by Borrowers under this Agreement or any of the other Loan Documents if and to the extent Borrowers fail to pay promptly any such amounts as and when due, even if the amount of such charges would exceed Borrowing Availability at such time or would cause the balance of the Revolving Loan to any

Borrower to exceed such Borrower's separate Borrowing Base after giving effect to such charges. At Agent's option and to the extent permitted by law, any charges so made shall constitute part of the Revolving Loan hereunder.

1.12. Loan Account and Accounting. Agent shall maintain a loan account (the "Loan Account") on its books to record: all Advances, all payments made by Borrowers, and all other debits and credits as provided in this Agreement with respect to the Loans or any other Obligations. All entries in the Loan Account

shall be made in accordance with Agent's customary accounting practices as in effect from time to time. The balance in the Loan Account, as recorded on Agent's most recent printout or other written statement, shall, absent manifest error, be presumptive evidence of the amounts due and owing to Agent and Lenders by each Borrower; provided that any failure to so record or any error in so recording shall not limit or otherwise affect any Borrower's duty to pay the Obligations. Agent shall render to Borrower Representative a monthly accounting of transactions with respect to the Loans setting forth the balance of the Loan Account as to each Borrower for the immediately preceding month. Unless Borrower Representative notifies Agent in writing of any objection to any such accounting (specifically describing the basis for such objection), within sixty (60) days after the date thereof, each and every such accounting shall (absent manifest error) be deemed final, binding and conclusive on Borrowers in all respects as to all matters reflected therein. Only those items expressly objected to in such notice shall be deemed to be disputed by Borrowers. Notwithstanding any provision herein contained to the contrary, any Lender may elect (which election may be revoked) to dispense with the issuance of Notes to that Lender and may rely on the Loan Account as evidence of the amount of Obligations from time to time owing to it.

1.13. Indemnity.

(a) Each Credit Party that is a signatory hereto shall jointly and severally indemnify and hold harmless each of Agent, Lenders and their respective Affiliates, and each such Person's respective officers, directors, employees, attorneys, agents and representatives (each, an "Indemnified Person"), from and against any and all suits, actions, proceedings, claims, damages, losses, liabilities and expenses (including reasonable attorneys' fees and disbursements and other costs of investigation or defense, including those incurred upon any appeal) that may be instituted or asserted against or incurred by any such Indemnified Person as the result of credit having been extended, suspended or terminated under this Agreement and the other Loan Documents and the administration of such credit, and in connection with or arising out of the transactions contemplated hereunder and thereunder and any actions or failures to act in connection therewith, including any and all Environmental Liabilities and legal costs and expenses arising out of or incurred in connection with disputes between or among any parties to any of the Loan Documents (collectively, "Indemnified Liabilities"); provided, that no such Credit Party shall be liable for any indemnification to an Indemnified Person to the extent that any such suit, action, proceeding, claim, damage, loss, liability or expense results from that Indemnified Person's gross negligence or willful misconduct. NO INDEMNIFIED PERSON SHALL BE RESPONSIBLE OR LIABLE TO ANY OTHER PARTY TO ANY LOAN DOCUMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OF SUCH PERSON OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHICH MAY BE ALLEGED AS A RESULT OF CREDIT

HAVING BEEN EXTENDED, SUSPENDED OR TERMINATED UNDER ANY LOAN DOCUMENT OR AS A RESULT OF ANY OTHER TRANSACTION CONTEMPLATED HEREUNDER OR THEREUNDER.

(b) To induce Lenders to provide the LIBOR Rate option on the terms provided herein, if (i) any LIBOR Loans are repaid in whole or in part prior to the last day of any applicable LIBOR Period (whether that repayment is made pursuant to any provision of this Agreement or any other Loan Document or occurs as a result of acceleration, by operation of law or otherwise); (ii) any Borrower shall default in payment when due of the principal amount of or interest on any LIBOR Loan; (iii) any Borrower shall refuse to accept any borrowing of, or shall request a termination of, any borrowing of, conversion into or continuation of, LIBOR Loans after Borrower Representative has given notice requesting the same in accordance herewith; or (iv) any Borrower shall fail to make any prepayment of a LIBOR Loan after Borrower Representative has given a notice thereof in accordance herewith, then Borrowers shall jointly and

severally indemnify and hold harmless each Lender from and against all losses, costs and expenses resulting from or arising from any of the foregoing. Such indemnification shall include any loss (including loss of margin) or expense arising from the reemployment of funds obtained by it or from fees payable to terminate deposits from which such funds were obtained. For the purpose of calculating amounts payable to a Lender under this subsection, each Lender shall be deemed to have actually funded its relevant LIBOR Loan through the purchase of a deposit bearing interest at the LIBOR Rate in an amount equal to the amount of that LIBOR Loan and having a maturity comparable to the relevant LIBOR Period; provided, that each Lender may fund each of its LIBOR Loans in any manner it sees fit, and the foregoing assumption shall be utilized only for the calculation of amounts payable under this subsection. This covenant shall survive the termination of this Agreement and the payment of the Notes and all other amounts payable hereunder. As promptly as practicable under the circumstances, each Lender shall provide Borrower Representative with its written calculation of all amounts payable pursuant to this Section 1.13(b), and (absent manifest error) such calculation shall be binding on the parties hereto unless Borrower Representative shall object in writing within ten (10) Business Days of receipt thereof, specifying the basis for such objection in detail.

1.14. Access. Each Credit Party that is a party hereto shall, during normal business hours, from time to time upon at least two (2) Business Days' prior notice as frequently as Agent reasonably determines to be appropriate: (a) provide Agent and any of its officers, employees and agents access to its properties, facilities, advisors and employees (including officers) of each Credit Party and to the Collateral, (b) permit Agent, and any of its officers, employees and agents, to inspect, audit and make extracts from any Credit Party's books and records, and (c) permit Agent, and its officers, employees and agents, to inspect, review, evaluate and make test verifications and counts of the Accounts, Inventory and other Collateral of any Credit Party; provided, however, that unless a Default or Event of Default has occurred and is continuing, Borrowers' obligation to pay for such audits shall be limited to three per calendar year. If a Default or Event of Default has occurred and is continuing or if access is necessary to preserve or protect the Collateral as determined by Agent, each such Credit Party shall provide such access to Agent and to each Lender at all times and without advance notice. Furthermore, so long as any Event of Default has occurred and is continuing, Borrowers shall provide Agent and each Lender with access to their suppliers and customers. Each Credit Party shall make available to Agent and its counsel, as quickly as is possible under the circumstances, originals or copies of

all books and records that Agent may reasonably request. Each Credit Party shall deliver any document or instrument necessary for Agent, as it may from time to time reasonably request, to obtain records from any service bureau or other Person that maintains records for such Credit Party, and shall maintain duplicate records or supporting documentation on media, including computer tapes and discs owned by such Credit Party. Agent will give Lenders at least five (5) days' prior written notice of regularly scheduled audits. Representatives of other Lenders may accompany Agent's representatives on regularly scheduled audits at no charge to Borrowers.

1.15. Taxes.

(a) Any and all payments by each Borrower hereunder (including any payments made pursuant to Section 12) or under the Notes shall be made, in accordance with this Section 1.15, free and clear of and without deduction for any and all present or future Taxes. If any Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder (including any sum payable pursuant to Section 12) or under the Notes, (i) the sum payable shall be increased as much as shall be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 1.15) Agent or Lenders, as applicable, receive an amount

equal to the sum they would have received had no such deductions been made, (ii) such Borrower shall make such deductions, and (iii) such Borrower shall pay the full amount deducted to the relevant taxing or other authority in accordance with applicable law. Within thirty (30) days after the date of any payment of Taxes, Borrower Representative shall furnish to Agent the original or a certified copy of a receipt evidencing payment thereof. Agent and Lenders shall not be obligated to return or refund any amounts received pursuant to this Section.

(b) Each Credit Party that is a signatory hereto shall jointly and severally indemnify and, within ten (10) days of demand therefor, pay Agent and each Lender for the full amount of Taxes (including any Taxes imposed by any jurisdiction on amounts payable under this Section 1.15) paid by Agent or such Lender, as appropriate, and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally asserted.

(c) Each Lender organized under the laws of a jurisdiction outside the United States (a "Foreign Lender") as to which payments to be made under this Agreement or under the Notes are exempt from United States withholding tax under an applicable statute or tax treaty shall provide to Borrower Representative and Agent a properly completed and executed IRS Form W-8ECI or Form W-8BEN or other applicable form, certificate or document prescribed by the IRS or the United States certifying as to such Foreign Lender's entitlement to such exemption (a "Certificate of Exemption"). Any foreign Person that seeks to become a Lender under this Agreement shall provide a Certificate of Exemption to Borrower Representative and Agent prior to becoming a Lender hereunder. No foreign Person may become a Lender hereunder if such Person fails to deliver a Certificate of Exemption in advance of becoming a Lender.

1.16. Capital Adequacy; Increased Costs; Illegality.

(a) If any Lender shall have determined that any law, treaty, governmental (or quasi-governmental) rule, regulation, guideline or order regarding capital adequacy, reserve requirements or similar requirements or compliance by any Lender with any request or directive regarding capital adequacy, reserve requirements or similar requirements (whether or not having the force of law), in each case, adopted after the Closing Date, from any central bank or other Governmental Authority increases or would have the effect of increasing the amount of capital, reserves or other funds required to be maintained by such Lender and thereby reducing the rate of return on such Lender's capital as a consequence of its obligations hereunder, then Borrowers shall from time to time upon demand by such Lender (with a copy of such demand to Agent) pay to Agent, for the account of such Lender, additional amounts sufficient to compensate such Lender for such reduction. A certificate as to the amount of that reduction and showing the basis of the computation thereof submitted by such Lender to Borrower Representative and to Agent shall, absent manifest error, be final, conclusive and binding for all purposes.

(b) If, due to either (i) the introduction of or any change in any law or regulation (or any change in the interpretation thereof) or (ii) the compliance with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law), in each case adopted after the Closing Date, there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining any Loan, then Borrowers shall from time to time, upon demand by such Lender (with a copy of such demand to Agent), pay to Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost. A certificate as to the amount of such increased cost, submitted to Borrower Representative and to Agent by such Lender, shall be conclusive and binding on Borrowers for all purposes, absent manifest error. Each Lender agrees that, as promptly as practicable after it becomes aware of any circumstances referred to

above which would result in any such increased cost, the affected Lender shall, to the extent not inconsistent with such Lender's internal policies of general application, use reasonable commercial efforts to minimize costs and expenses incurred by it and payable to it by Borrowers pursuant to this Section 1.16(b).

(c) Notwithstanding anything to the contrary contained herein, if the introduction of or any change in any law or regulation (or any change in the interpretation thereof) shall make it unlawful, or any central bank or other Governmental Authority shall assert that it is unlawful, for any Lender to agree to make or to make or to continue to fund or maintain any LIBOR Loan, then, unless that Lender is able to make or to continue to fund or to maintain such LIBOR Loan at another branch or office of that Lender without, in that Lender's opinion, adversely affecting it or its Loans or the income obtained therefrom, on notice thereof and demand therefor by such Lender to Borrower Representative through Agent, (i) the obligation of such Lender to agree to make or to make or to continue to fund or maintain LIBOR Loans shall terminate and (ii) each Borrower shall forthwith prepay in full all outstanding LIBOR Loans owing by such Borrower to such Lender, together with interest accrued thereon, unless Borrower Representative on behalf of such Borrower, within five (5) Business Days after the delivery of such notice and demand, converts all LIBOR Loans into Index Rate Loans.

(d) Within fifteen (15) days after receipt by Borrower Representative of written notice and demand from any Lender (an "Affected Lender") for payment of additional amounts or increased costs as provided in Sections 1.15(a), 1.16(a) or 1.16(b), Borrower Representative may, at its option, notify Agent and such Affected Lender of its intention to

replace the Affected Lender. So long as no Default or Event of Default has occurred and is continuing, Borrower Representative, with the consent of Agent, may obtain, at Borrowers' expense, a replacement Lender ("Replacement Lender") for the Affected Lender, which Replacement Lender must be reasonably satisfactory to Agent. If Borrowers obtain a Replacement Lender within ninety (90) days following notice of their intention to do so, the Affected Lender must sell and assign its Loans and Commitments to such Replacement Lender for an amount equal to the principal balance of all Loans held by the Affected Lender and all accrued interest and Fees with respect thereto through the date of such sale and such assignment shall not require the payment of an assignment fee to Agent; provided, that Borrowers shall have reimbursed such Affected Lender for the additional amounts or increased costs that it is entitled to receive under this Agreement through the date of such sale and assignment. Notwithstanding the foregoing, Borrowers shall not have the right to obtain a Replacement Lender if the Affected Lender rescinds its demand for increased costs or additional amounts (effective retroactively to the date of such demand) within fifteen (15) days following its receipt of Borrowers' notice of intention to replace such Affected Lender. Furthermore, if Borrowers give a notice of intention to replace and do not so replace such Affected Lender within ninety (90) days thereafter, Borrowers' rights under this Section 1.16(d) shall terminate with respect to such Affected Lender and Borrowers shall promptly pay all increased costs or additional amounts demanded by such Affected Lender pursuant to Sections 1.15(a), 1.16(a) and 1.16(b).

1.17. Single Loan. All Loans to each Borrower and all of the other Obligations of each Borrower arising under this Agreement and the other Loan Documents shall constitute one general obligation of that Borrower secured, until the Termination Date, by all of the Collateral.

2. CONDITIONS PRECEDENT

2.1. Conditions to the Initial Loans. No Lender shall be obligated to make any Loan or incur any Letter of Credit Obligations on the Closing Date, or to take, fulfill, or perform any other action hereunder, until the following

conditions have been satisfied or provided for in a manner satisfactory to Agent, or waived in writing by Agent and Lenders:

(a) Credit Agreement; Loan Documents. This Agreement or counterparts hereof shall have been duly executed by Borrowers and each other Credit Party, and delivered to Agent and Lenders; and Agent shall have received such documents, instruments, agreements and legal opinions as Agent shall reasonably request in connection with the transactions contemplated by this Agreement and the other Loan Documents, including all those listed in the Closing Checklist attached hereto as Annex D-1, each in form and substance reasonably satisfactory to Agent.

(b) Intentionally Omitted.

(c) Approvals. Agent shall have received (i) satisfactory evidence that the Credit Parties have obtained all required consents and approvals of all Persons including all requisite Governmental Authorities, to the execution, delivery and performance of this Agreement and the other Loan Documents and the consummation of the Related Transactions (other than consents and approvals from all requisite Governmental Authorities with respect to the Acquisition and the issuance of additional equity in connection with the Additional

Capitalization Requirement), or (ii) an officer's certificate in form and substance reasonably satisfactory to Agent affirming that no such consents or approvals are required.

(d) Payment of Fees. Borrowers shall have paid the Fees required to be paid on the Closing Date in the respective amounts specified in Section 1.9 (including the Fees specified in the GE Capital Fee Letter), and shall have reimbursed Agent for all fees, costs and expenses of closing presented as of the Closing Date.

(e) Capital Structure: Other Indebtedness. The capital structure of each Credit Party and the terms and conditions of all Indebtedness of each Credit Party not being repaid shall be acceptable to Agent in its reasonable discretion.

(f) Due Diligence. Agent shall have completed its business and legal due diligence, including a roll forward of its previous Collateral audit, with results reasonably satisfactory to Agent.

(g) Subordinated Debt. No less than $90,000,000 shall be outstanding under the Subordinated Debt Documents after giving effect to the Related Transactions.

(h) Material Adverse Events. As of the Closing Date, there will have been (i) since December 31, 2001, no material adverse change, individually or in the aggregate, in the business, financial or other condition of Borrowers taken as a whole, the industry in which Borrowers operate, or the Collateral which will be subject to the security interest granted to Agent or in the prospects or projections of Borrowers taken as a whole, (ii) no litigation commenced which, if successful, would have a material adverse impact on Borrowers taken as a whole, their businesses, or their ability to repay the loans, or which would challenge the transactions under consideration, and (iii) since December 31, 2001, no material increase in the liabilities, liquidated or contingent, of Borrowers taken as a whole, or a material decrease in the assets of Borrowers taken as a whole.

2.2. Further Conditions to Each Loan. Except as otherwise expressly provided herein, no Lender shall be obligated to fund any Advance, convert or continue any Loan as a LIBOR Loan or incur any Letter of Credit Obligation, if, as of the date thereof:

(a) any representation or warranty by any Credit Party contained herein or in any other Loan Document is untrue or incorrect as of such date, except to the extent that such representation or warranty expressly relates to an earlier date and except for changes therein expressly permitted or expressly contemplated by this Agreement and Agent or Requisite Lenders have determined not to make such Advance, convert or continue any Loan as LIBOR Loan or incur such Letter of Credit Obligation as a result of the fact that such warranty or representation is untrue or incorrect;

(b) any event or circumstance having a Material Adverse Effect has occurred since the date hereof as determined by the Requisite Lenders and Agent or Requisite Lenders have determined not to make such Advance, convert or continue any Loan as a LIBOR Loan or incur such Letter of Credit Obligation as a result of the fact that such event or circumstance has occurred;

(c) any Default or Event of Default has occurred and is continuing or would result after giving effect to any Advance (or the incurrence of any Letter of Credit Obligation), and Agent or Requisite Lenders shall have determined not to make any Advance, convert or continue any Loan as a LIBOR Loan or incur any Letter of Credit Obligation as a result of that Default or Event of Default; or

(d) after giving effect to any Advance (or the incurrence of any Letter of Credit Obligations), (i) the outstanding principal amount of the aggregate Revolving Loan would exceed the lesser of the Aggregate Borrowing Base and the Maximum Amount or (ii) the outstanding principal amount of the Revolving Loan of the applicable Borrower would exceed such Borrower's separate Borrowing Base.

The request and acceptance by any Borrower of the proceeds of any Advance, the incurrence of any Letter of Credit Obligations or the conversion or continuation of any Loan into, or as, a LIBOR Loan shall be deemed to constitute, as of the date thereof, (i) a representation and warranty by Borrowers that the conditions in this Section 2.2 have been satisfied and (ii) a reaffirmation by Borrowers of the cross-guaranty provisions set forth in Section 12 and of the granting and continuance of Agent's Liens, on behalf of itself and Lenders, pursuant to the Collateral Documents.

2.3. Conditions to Acquisition Loan Facility. No Lender shall be obligated to fund any Tranche B Revolving Credit Advance until the following conditions have been satisfied or provided for in a manner satisfactory to Agent, or waived in writing by Agent and Lenders:

(a) the conditions of Section 2.2 are satisfied after giving effect to the Acquisition; and

(b) the Acquisition Conditions are satisfied.

3. REPRESENTATIONS AND WARRANTIES

To induce Lenders to make the Loans and to incur Letter of Credit Obligations, the Credit Parties executing this Agreement, jointly and severally, make the following representations and warranties to Agent and each Lender with respect to all Credit Parties, each and all of which shall survive the execution and delivery of this Agreement.

3.1. Corporate Existence; Compliance with Law. Each Credit Party (a) is a corporation, limited liability company or limited partnership duly organized, validly existing and in good standing under the laws of its respective jurisdiction of incorporation or organization set forth in Disclosure Schedule (3.1); (b) is duly qualified to conduct business and is in good standing in each other jurisdiction where its ownership or lease of property or the conduct of

its business requires such qualification, except where the failure to be so qualified would not result in exposure to losses, damages or liabilities in excess of $100,000; (c) has the requisite power and authority and the legal right to own, pledge, mortgage or otherwise encumber and operate its properties, to lease the property it operates under lease and to conduct its business as now, heretofore and proposed to be conducted; (d) subject to specific representations regarding Environmental Laws and any scheduled exceptions thereto, has all material licenses, permits,

consents or approvals from or by, and has made all material filings with, and has given all material notices to, all Governmental Authorities having jurisdiction, to the extent required for such ownership, operation and conduct; (e) is in compliance with its charter and bylaws or partnership or operating agreement, as applicable; and (f) subject to specific representations and any scheduled exceptions thereto set forth herein regarding ERISA, Environmental Laws, tax and other laws, is in compliance with all applicable provisions of law, except where the failure to comply, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

3.2. Executive Offices, Collateral Locations, FEIN. As of the Closing Date, the current location of each Credit Party's chief executive office and the warehouses and premises at which any Collateral is located are set forth in Disclosure Schedule (3.2), and, except as set forth in Disclosure Schedule (3.2), none of such locations has changed within the twelve (12) months preceding the Closing Date. In addition, Disclosure Schedule (3.2) lists the federal employer identification number of each Credit Party.

3.3. Corporate Power, Authorization, Enforceable Obligations. The execution, delivery and performance by each Credit Party of the Loan Documents to which it is a party and the creation of all Liens provided for therein: (a) are within such Person's power; (b) have been duly authorized by all necessary corporate, limited liability company or limited partnership action; (c) do not contravene any provision of such Person's charter, bylaws or partnership or operating agreement as applicable; (d) do not violate any law or regulation, or any order or decree of any court or Governmental Authority; (e) do not conflict with or result in the breach or termination of, constitute a default under or accelerate or permit the acceleration of any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which such Person is a party or by which such Person or any of its property is bound; (f) do not result in the creation or imposition of any Lien upon any of the property of such Person other than those in favor of Agent, on behalf of itself and Lenders, pursuant to the Loan Documents; and (g) do not require the consent or approval of any Governmental Authority or any other Person, except those referred to in Section 2.1(c), all of which will have been duly obtained, made or complied with prior to the Closing Date. Each of the Loan Documents shall be duly executed and delivered by each Credit Party that is a party thereto and each such Loan Document shall constitute a legal, valid and binding obligation of such Credit Party enforceable against it in accordance with its terms.

3.4. Financial Statements and Projections. Except for the Projections, all Financial Statements concerning Borrowers and their respective Subsidiaries that are referred to below have been prepared in accordance with GAAP consistently applied throughout the periods covered (except as disclosed therein and except, with respect to unaudited Financial Statements, for the absence of footnotes and normal year-end audit adjustments) and present fairly in all material respects the financial position of the Persons covered thereby as at the dates thereof and the results of their operations and cash flows for the periods then ended.

(a) Financial Statements. The following Financial Statements attached hereto as Disclosure Schedule (3.4(a)) have been delivered on the date hereof:

(i) The audited consolidated and consolidating balance sheets at December 31, 2001 and the related statements of income and cash flows of Borrowers and their Subsidiaries for the Fiscal Years then ended, certified by KPMG LLP.

(ii) The unaudited balance sheet(s) at November 30, 2002 and the related statement(s) of income and cash flows of Borrowers and their Subsidiaries for the eleven months then ended.

(b) Pro Forma. The Pro Forma delivered on the date hereof and attached hereto as Disclosure Schedule (3.4(b)) was prepared by Borrowers giving pro forma effect to the Related Transactions, was based on the projected consolidated and consolidating balance sheets of Borrowers and their Subsidiaries delivered January 28, 2003, and was prepared in accordance with GAAP, with only such adjustments thereto as would be required in accordance with GAAP.

(c) Projections. The Projections delivered on the date hereof and attached hereto as Disclosure Schedule (3.4(c)) have been prepared by Borrowers in light of the past operations of their businesses and reflect projections for the five year period beginning on January 1, 2003 on a quarterly basis for the first year and on a year-by-year basis thereafter. The Projections are based upon the same accounting principles as those used in the preparation of the financial statements described above and the estimates and assumptions stated therein, all of which Borrowers believe to be reasonable and fair in light of current conditions and current facts known to Borrowers and, as of the Closing Date, reflect Borrowers' good faith and reasonable estimates of the future financial performance of Borrowers.

3.5. Material Adverse Effect. Between December 31, 2001 and the Closing Date: (a) no Credit Party has incurred any obligations, contingent or noncontingent liabilities, liabilities for Charges, long-term leases or unusual forward or long-term commitments that are not reflected in the Pro Forma and that, alone or in the aggregate, could reasonably be expected to have a Material Adverse Effect, (b) no contract, lease or other agreement or instrument has been entered into by any Credit Party or has become binding upon any Credit Party's assets and no law or regulation applicable to any Credit Party has been adopted that in either case has had or could reasonably be expected to have a Material Adverse Effect, and (c) no Credit Party is in default and to the best of Borrowers' knowledge no third party is in default under any material contract, lease or other agreement or instrument, which defaults alone or in the aggregate could reasonably be expected to have a Material Adverse Effect. Between December 31, 2001 and the Closing Date no event has occurred, that alone or together with other events, could reasonably be expected to have a Material Adverse Effect.

3.6. Ownership of Property; Liens. As of the Closing Date, the real estate ("Real Estate") listed in Disclosure Schedule (3.6) constitutes all of the real property owned, leased, subleased, or used by any Credit Party. Each Credit Party owns good and marketable fee simple title to all of its owned Real Estate, and valid leasehold interests in all of its leased Real Estate, all as described on Disclosure Schedule (3.6), and copies of all such leases or a summary of terms thereof reasonably satisfactory to Agent have been delivered to Agent. Disclosure Schedule (3.6) further describes any Real Estate with respect to which any Credit Party is a lessor, sublessor or assignor as of the Closing Date. Each Credit Party also has good and marketable title to, or valid leasehold interests in, all of its personal property and assets. As of

the Closing Date, none of the properties and assets of any Credit Party are subject to any Liens other than Permitted Encumbrances, and except as disclosed on Disclosure Schedule 3.17, there are no facts, circumstances or conditions known to any Credit Party that may result in any Liens (including Liens arising under Environmental Laws) other than Permitted Encumbrances. Each Credit Party has received all deeds, assignments, waivers, consents, nondisturbance and attornment or similar agreements, bills of sale and other documents, and has duly effected all recordings, filings and other actions necessary to establish, protect and perfect such Credit Party's right, title and interest in and to all such Real Estate and other properties and assets. Disclosure Schedule (3.6) also describes any purchase options, rights of first refusal or other similar contractual rights pertaining to any Real Estate. As of the Closing Date, no portion of any Credit Party's Real Estate has suffered any material damage by fire or other casualty loss that has not heretofore been repaired and restored in all material respects to its original condition or otherwise remedied. As of the Closing Date, all material permits required to have been issued or appropriate to enable the Real Estate to be lawfully occupied and used for all of the purposes for which it is currently occupied and used have been lawfully issued and are in full force and effect.

3.7. Labor Matters. As of the Closing Date (a) no strikes or other material labor disputes against any Credit Party are pending or, to any Credit Party's knowledge, threatened; (b) hours worked by and payment made to employees of each Credit Party comply with the Fair Labor Standards Act and each other federal, state, local or foreign law applicable to such matters; (c) all payments due from any Credit Party for employee health and welfare insurance have been paid or accrued as a liability on the books of such Credit Party; (d) except as set forth in Disclosure Schedule (3.7), no Credit Party is a party to or bound by any collective bargaining agreement, management agreement, consulting agreement, employment agreement, bonus, restricted stock, stock option, or stock appreciation plan or agreement or any similar plan, agreement or arrangement (and true and complete copies of any agreements described on Disclosure Schedule (3.7) have been delivered to Agent); (e) there is no organizing activity involving any Credit Party pending or, to any Credit Party's knowledge, threatened by any labor union or group of employees; (f) there are no representation proceedings pending or, to any Credit Party's knowledge, threatened with the National Labor Relations Board, and no labor organization or group of employees of any Credit Party has made a pending demand for recognition; and (g) except as set forth in Disclosure Schedule (3.7), there are no material complaints or charges against any Credit Party pending or, to the knowledge of any Credit Party, threatened to be filed with any Governmental Authority or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment by any Credit Party of any individual.

3.8. Ventures, Subsidiaries and Affiliates; Outstanding Stock and Indebtedness. Except as set forth in Disclosure Schedule (3.8), as of the Closing Date, no Credit Party has any Subsidiaries, is engaged in any joint venture or partnership with any other Person, or is an Affiliate of any other Person. All of the issued and outstanding Stock of each Credit Party is owned by each of the Stockholders and in the amounts set forth in Disclosure Schedule (3.8). Except as set forth in Disclosure Schedule (3.8), there are no outstanding rights to purchase, options, warrants or similar rights or agreements pursuant to which any Credit Party may be required to issue, sell, repurchase or redeem any of its Stock or other equity securities or any Stock or other equity securities of its Subsidiaries. All outstanding Indebtedness and Guaranteed

Indebtedness of each Credit Party as of the Closing Date (except for the Obligations) is described in Section 6.3 (including Disclosure Schedule (6.3)). None of the Credit Parties or their Subsidiaries identified on Disclosure Schedule (3.8) as "inactive" has any material assets (except Stock of their Subsidiaries) or any Indebtedness or Guaranteed Indebtedness or conducts any trade or business.

3.9. Government Regulation. No Credit Party is an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940. No Credit Party is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, or any other federal or state statute that restricts or limits its ability to incur Indebtedness or to perform its obligations hereunder. The making of the Loans by Lenders to Borrowers, the incurrence of the Letter of Credit Obligations on behalf of Borrowers, the application of the proceeds thereof and repayment thereof and the consummation of the Related Transactions will not violate any provision of any such statute or any rule, regulation or order issued by the Securities and Exchange Commission.

3.10. Margin Regulations. No Credit Party is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" as such terms are defined in Regulation U of the Federal Reserve Board as now and from time to time hereafter in effect (such securities being referred to herein as "Margin Stock"). No Credit Party owns any Margin Stock, and none of the proceeds of the Loans or other extensions of credit under this Agreement will be used, directly or indirectly, for the purpose of purchasing or carrying any Margin Stock, for the purpose of reducing or retiring any Indebtedness that was originally incurred to purchase or carry any Margin Stock or for any other purpose that might cause any of the Loans or other extensions of credit under this Agreement to be considered a "purpose credit" within the meaning of Regulations T, U or X of the Federal Reserve Board. No Credit Party will take or permit to be taken any action that might cause any Loan Document to violate any regulation of the Federal Reserve Board.

3.11. Taxes. All tax returns, reports and statements, including information returns, required by any Governmental Authority to be filed by any Credit Party have been filed with the appropriate Governmental Authority and all Charges have been paid prior to the date on which any fine, penalty, interest or late charge may be added thereto for nonpayment thereof (or any such fine, penalty, interest, late charge or loss has been paid), excluding (a) Charges or other amounts being contested in accordance with Section 5.2(b) and (b) filings relating to local qualifications to do business where the exposure to losses, damages or liabilities is less than $25,000 in the aggregate for all jurisdictions. Proper and accurate amounts have been withheld by each Credit Party from its respective employees for all periods in full and complete compliance with all applicable federal, state, local and foreign laws and such withholdings have been timely paid to the respective Governmental Authorities. Disclosure Schedule (3.11) sets forth as of the Closing Date those taxable years for which any Credit Party's tax returns are currently being audited by the IRS or any other applicable Governmental Authority, and any assessments or threatened assessments in connection with such audit, or otherwise currently outstanding. Except as described in Disclosure Schedule (3.11), no Credit Party has executed or filed with the IRS or any other Governmental Authority any agreement or other document

extending, or having the effect of extending, the period for assessment or collection of any Charges. None of the Credit Parties and their respective predecessors are liable for any Charges: (a) under any agreement (including any tax sharing agreements) or (b) to each Credit Party's knowledge, as a

transferee. As of the Closing Date, no Credit Party has agreed or been requested to make any adjustment under IRC Section 481(a), by reason of a change in accounting method or otherwise, which would reasonably be expected to have a Material Adverse Effect.

3.12. ERISA.

(a) Disclosure Schedule (3.12) lists (i) all ERISA Affiliates and (ii) all Plans and separately identifies all Pension Plans, including Title IV Plans, Multiemployer Plans, ESOPs and Welfare Plans, including all Retiree Welfare Plans. Copies of all such listed Plans, together with a copy of the latest form IRS/DOL 5500-series, as applicable, for each such Plan, have been made available to Agent. Except with respect to Multiemployer Plans, each Qualified Plan has been determined by the IRS to qualify under Section 401 of the IRC, the trusts created thereunder have been determined to be exempt from tax under the provisions of Section 501 of the IRC, and nothing has occurred that would cause the loss of such qualification or tax-exempt status. Each Plan is in compliance with the applicable provisions of ERISA, the IRC and its terms, including the timely filing of all reports required under the IRC or ERISA, including the statement required by 29 CFR Section 2520.104-23. Neither any Credit Party nor ERISA Affiliate has failed to make any contribution or pay any amount due as required by either Section 412 of the IRC or Section 302 of ERISA or the terms of any such Plan. No "prohibited transaction," as defined in Section 406 of ERISA and Section 4975 of the IRC, has occurred with respect to any Plan, that would subject any Credit Party to a material tax on prohibited transactions imposed by Section 502(i) of ERISA or Section 4975 of the IRC.

(b) Except as set forth in Disclosure Schedule (3.12): (i) no Title IV Plan has any Unfunded Pension Liability; (ii) no ERISA Event has occurred or is reasonably expected to occur; (iii) there are no pending, or to the knowledge of any Credit Party, threatened claims (other than claims for benefits in the normal course), sanctions, actions or lawsuits, asserted or instituted against any Plan or any Person as fiduciary or sponsor of any Plan; (iv) no Credit Party or ERISA Affiliate has incurred or reasonably expects to incur any liability as a result of a complete or partial withdrawal from a Multiemployer Plan; (v) within the last five years no Title IV Plan of any Credit Party or ERISA Affiliate has been terminated, whether or not in a "standard termination" as that term is used in Section 4041(b)(1) of ERISA, nor has any Title IV Plan of any Credit Party or any ERISA Affiliate (determined at any time within the last five years) with Unfunded Pension Liabilities been transferred outside of the "controlled group" (within the meaning of Section 4001(a)(14) of ERISA) of any Credit Party or ERISA Affiliate (determined at such time); (vi) except in the case of any ESOP, Stock of all Credit Parties and their ERISA Affiliates makes up, in the aggregate, no more than 10% of fair market value of the assets of any Plan measured on the basis of fair market value as of the latest valuation date of any Plan; and (vii) no liability under any Title IV Plan has been satisfied with the purchase of a contract from an insurance company that is not rated AAA by the Standard & Poor's Corporation or an equivalent rating by another nationally recognized rating agency.

3.13. No Litigation. No action, claim, lawsuit, demand, investigation or proceeding is now pending or, to the knowledge of any Credit Party, threatened against any Credit Party,

before any Governmental Authority or before any arbitrator or panel of arbitrators (collectively, "Litigation"), (a) that challenges any Credit Party's right or power to enter into or perform any of its obligations under the Loan Documents to which it is a party, or the validity or enforceability of any Loan Document or any action taken thereunder, or (b) that, excluding Asbestos Claims in an aggregate amount equal to the Asbestos Reserve, has a reasonable risk of being determined adversely to any Credit Party and that, if so determined, could be reasonably be expected to have a Material Adverse Effect. Except as set forth

on Disclosure Schedule (3.13), as of the Closing Date there is no Litigation pending or, to any Credit Party's knowledge, threatened, that seeks damages in excess of $100,000 or injunctive relief against, or alleges criminal misconduct of, any Credit Party.

3.14. Brokers. No broker or finder brought about the obtaining, making or closing of the Loans or the Related Transactions (other than Goldman Sachs in connection with the Acquisition and the issuance of additional equity in connection with the Additional Capitalization Requirement), and no Credit Party or Affiliate thereof has any obligation to any Person in respect of any finder's or brokerage fees in connection therewith (other than Goldman Sachs).

3.15. Intellectual Property. As of the Closing Date, each Credit Party owns or has rights to use all Intellectual Property necessary to continue to conduct its business as now or heretofore conducted by it or proposed to be conducted by it, and each Patent, Trademark, Copyright and License is listed, together with application or registration numbers, as applicable, in Disclosure Schedule (3.15). Each Credit Party uses reasonable commercial efforts to conduct its business and affairs so as to avoid infringement of or interference with any Intellectual Property of any other Person in any material respect. Except as set forth in Disclosure Schedule (3.15), no Credit Party is aware of any infringement claim by any other Person with respect to any Intellectual Property.

3.16. Full Disclosure. No information contained in this Agreement, any of the other Loan Documents, any Projections, Financial Statements or Collateral Reports or other written reports from time to time prepared by any Credit Party and delivered hereunder or any written statement prepared by any Credit Party and furnished by or on behalf of any Credit Party to Agent or any Lender pursuant to the terms of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. The Liens granted to Agent, on behalf of itself and Lenders, pursuant to the Collateral Documents will at all times be fully perfected first priority Liens in and to the Collateral described therein, subject, as to priority, only to Permitted Encumbrances.

3.17. Environmental Matters.

(a) Except as set forth in Disclosure Schedule (3.17), as of the Closing Date: (i) the Real Estate is free of contamination from any Hazardous Material except for such contamination that would not adversely impact the value or marketability of such Real Estate and that would not result in Environmental Liabilities that could reasonably be expected to exceed $200,000; (ii) no Credit Party has caused or suffered to occur any Release of Hazardous Materials on, at, in, under, above, to, from or about any of its Real Estate in violation of

Environmental Laws and Environmental Permits; (iii) the Credit Parties are and have been in compliance with all Environmental Laws, except for such noncompliance that would not result in Environmental Liabilities which could reasonably be expected to exceed $200,000; (iv) the Credit Parties have obtained, and are in compliance with, all Environmental Permits required by Environmental Laws for the operations of their respective businesses as presently conducted or as proposed to be conducted, except where the failure to so obtain or comply with such Environmental Permits would not result in Environmental Liabilities that could reasonably be expected to exceed $200,000, and all such Environmental Permits are valid, uncontested and in good standing; (v) no Credit Party is involved in operations or knows of any facts, circumstances or conditions, including any Releases of Hazardous Materials, that are likely to result in any Environmental Liabilities of such Credit Party which could reasonably be expected to exceed $200,000, and no Credit Party has

consented to any current or former tenant or occupant of the Real Estate engaging in any such operations; (vi) there is no Litigation arising under or related to any Environmental Laws, Environmental Permits or Hazardous Material that seeks damages, penalties, fines, costs or expenses in excess of $200,000 or injunctive relief against, or that alleges criminal misconduct by, any Credit Party; (vii) no notice has been received by any Credit Party identifying it as a "potentially responsible party" or requesting information under CERCLA or analogous state statutes, and to the knowledge of the Credit Parties, there are no facts, circumstances or conditions that may result in any Credit Party being identified as a "potentially responsible party" under CERCLA or analogous state statutes; and (viii) the Credit Parties have provided to Agent copies of all existing environmental reports, reviews and audits and all written information pertaining to actual or potential Environmental Liabilities, in each case relating to any Credit Party.

(b) Each Credit Party hereby acknowledges and agrees that Agent (i) is not now, and has not ever been, in control of any of the Real Estate or any Credit Party's affairs, and (ii) does not have the capacity through the provisions of the Loan Documents or otherwise to influence any Credit Party's conduct with respect to the ownership, operation or management of any of its Real Estate or compliance with Environmental Laws or Environmental Permits.

3.18. Insurance. Disclosure Schedule (3.18) lists all insurance policies of any nature maintained, as of the Closing Date, for current occurrences by each Credit Party, as well as a summary of the terms of each such policy.

3.19. Deposit and Disbursement Accounts. Disclosure Schedule (3.19) lists all banks and other financial institutions at which any Credit Party maintains deposit or other accounts as of the Closing Date, including any Disbursement Accounts, and such Schedule correctly identifies the name, address and telephone number of each depository, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

3.20. Government Contracts. Except as set forth in Disclosure Schedule (3.20), as of the Closing Date, no Credit Party is a party to any contract or agreement with any Governmental Authority and no Credit Party's Accounts are subject to the Federal Assignment of Claims Act (31 U.S.C. Section 3727) or any similar state or local law.

3.21. Customer and Trade Relations. As of the Closing Date, there exists no actual or, to the knowledge of any Credit Party, threatened termination or cancellation of, or any material adverse modification or change in: the business relationship of any Credit Party with any customer or group of customers whose purchases during the preceding 12 months caused them to be ranked among the ten largest customers of such Credit Party; or the business relationship of any Credit Party with any supplier material to its operations.

3.22. Agreements and Other Documents. Disclosure Schedule (3.22) accurately lists each of the following agreements or documents to which any Credit Party is subject as of the Closing Date: supply agreements and purchase agreements not terminable by such Credit Party within 60 days following written notice issued by such Credit Party and involving transactions in excess of $3,000,000 with respect to vendor supply agreements and $6,000,000 with respect to customer purchase agreements, in each case per annum; leases of Equipment having a remaining term of one year or longer and requiring aggregate rental and other payments in excess of $500,000 per annum; any surety bond agreement or bonding requirement with respect to products or services sold by it or any trademark or patent license agreement with respect to products sold by it; any other licenses and permits held by the Credit Parties, the absence of which could be reasonably likely to have a Material Adverse Effect; instruments and documents evidencing any Indebtedness or Guaranteed Indebtedness of such Credit Party and any Lien granted by such Credit Party with respect thereto; and instruments and

agreements evidencing the issuance of any equity securities, warrants, rights or options to purchase equity securities of such Credit Party.

3.23. Solvency. Both before and after giving effect to (a) the Loans and Letter of Credit Obligations to be made or incurred on the Closing Date or such other date as Loans and Letter of Credit Obligations requested hereunder are made or incurred, (b) the disbursement of the proceeds of such Loans pursuant to the instructions of Borrower Representative; (c) the consummation of the other Related Transactions; and (d) the payment and accrual of all transaction costs in connection with the foregoing, each Credit Party is and will be Solvent.

3.24. Subordinated Debt. As of the Closing Date, Borrowers have delivered to Agent a complete and correct copy of the Subordinated Debt Documents then in effect (including all schedules, exhibits, amendments, supplements, modifications, assignments and all other documents delivered pursuant thereto or in connection therewith). SMP has the corporate power and authority to incur the Indebtedness evidenced by such Subordinated Debt Documents. The subordination provisions of such Subordinated Debt Documents are enforceable against the holders of such Subordinated Debt Documents by Agent and Lenders. All Obligations, including the Letter of Credit Obligations, constitute senior Indebtedness entitled to the benefits of the subordination provisions contained in such Subordinated Debt Documents. Borrowers acknowledge that Agent and each Lender are entering into this Agreement and are extending the Commitments in reliance upon the subordination provisions of such Subordinated Debt Documents and this Section 3.24.

Notwithstanding the foregoing references in this Section 3 to "the Closing Date", such representations and warranties shall be deemed amended to refer to "the Acquisition Closing

Date" when and if the Acquisition is consummated and as amended shall be subject to Sections 2.2 and 2.3 of this Agreement.

4. FINANCIAL STATEMENTS AND INFORMATION

4.1. Reports and Notices.

(a) Each Credit Party executing this Agreement hereby agrees that from and after the Closing Date and until the Termination Date, it shall deliver to Agent or to Agent and Lenders, as required, the Financial Statements, notices, Projections and other information at the times, to the Persons and in the manner set forth in Annex E.

(b) Each Credit Party executing this Agreement hereby agrees that, from and after the Closing Date and until the Termination Date, it shall deliver to Agent or to Agent and Lenders, as required, the various Collateral Reports (including Borrowing Base Certificates in the form of Exhibit 4.1(b)) at the times, to the Persons and in the manner set forth in Annex F.

4.2. Communication with Accountants. Each Credit Party executing this Agreement authorizes (a) Agent and (b) so long as an Event of Default has occurred and is continuing, each Lender, to communicate directly with its independent certified public accountants, including KPMG LLP, and authorizes and, at Agent's request, shall instruct those accountants and advisors to disclose and make available to Agent and each Lender any and all Financial Statements and other supporting financial documents, schedules and information relating to any Credit Party (including copies of any issued management letters) with respect to the business, financial condition and other affairs of any Credit Party. Unless an Event of Default has occurred which is then continuing, Agent shall (i) notify SMP at least two (2) Business Days prior to any such communication with its accountants, and (ii) permit Borrowers to participate in any such discussions or meetings.

5. AFFIRMATIVE COVENANTS

Each Credit Party executing this Credit Agreement jointly and severally agrees as to all Credit Parties that from and after the date hereof and until the Termination Date:

5.1. Maintenance of Existence and Conduct of Business. Each Credit Party shall: do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and its rights and franchises; continue to conduct its business substantially as now conducted or as otherwise permitted hereunder; at all times maintain, preserve and protect all of its assets and properties used or useful in the conduct of its business, and keep the same in good repair, working order and condition in all material respects (taking into consideration ordinary wear and tear) and from time to time make, or cause to be made, all necessary or appropriate repairs, replacements and improvements thereto consistent with industry practices; and transact business only in such corporate and trade names as are set forth in Disclosure Schedule (5.1) or reported in accordance with Section 6.15.

5.2. Payment of Charges.

(a) Subject to Section 5.2(b), each Credit Party shall pay and discharge or cause to be paid and discharged promptly all Charges payable by it, including (i) Charges imposed upon it, its income and profits, or any of its property (real, personal or mixed) and all Charges with respect to tax, social security and unemployment withholding with respect to its employees, (ii) lawful claims for labor, materials, supplies and services or otherwise, and (iii) all storage or rental charges payable to warehousemen or bailees, in each case, before any thereof shall become past due.

(b) Each Credit Party may in good faith contest, by appropriate proceedings, the validity or amount of any Charges, Taxes or claims described in Section 5.2(a); provided, that (i) adequate reserves with respect to such contest are maintained on the books of such Credit Party, in accordance with GAAP; (ii) no Lien shall be imposed to secure payment of such Charges (other than payments to warehousemen and/or bailees) that is superior to any of the Liens securing the Obligations and such contest is maintained and prosecuted continuously and with diligence and operates to suspend collection or enforcement of such Charges; (iii) none of the Collateral becomes subject to forfeiture or loss as a result of such contest; and (iv) such Credit Party shall promptly pay or discharge such contested Charges, Taxes or claims and all additional charges, interest, penalties and expenses, if any, and shall deliver to Agent evidence reasonably acceptable to Agent of such compliance, payment or discharge, if such contest is terminated or discontinued adversely to such Credit Party or the conditions set forth in this Section 5.2(b) are no longer met.

5.3. Books and Records. Each Credit Party shall keep adequate books and records with respect to its business activities in which proper entries, reflecting all financial transactions, are made in accordance with GAAP and on a basis consistent with the Financial Statements attached as Disclosure Schedule (3.4(a)).

5.4. Insurance; Damage to or Destruction of Collateral.

(a) The Credit Parties shall, at their sole cost and expense, maintain the policies of insurance described on Disclosure Schedule (3.18) as in effect on the date hereof or otherwise in form and amounts and with insurers reasonably acceptable to Agent. Such policies of insurance (or the loss payable and additional insured endorsements delivered to Agent) shall contain provisions pursuant to which the insurer agrees to provide thirty (30) days prior written

notice (or 10 days in the case of non-payment of premiums) to Agent in the event of any non-renewal, cancellation or amendment of any such insurance policy. If any Credit Party at any time or times hereafter shall fail to obtain or maintain any of the policies of insurance required above, or to pay all premiums relating thereto, Agent may at any time or times thereafter obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto that Agent deems advisable. Agent shall have no obligation to obtain insurance for any Credit Party or pay any premiums therefor. By doing so, Agent shall not be deemed to have waived any Default or Event of Default arising from any Credit Party's failure to maintain such insurance or pay any premiums therefor. All sums so disbursed, including reasonable attorneys' fees, court costs and other charges related thereto, shall be payable on demand by Borrowers to Agent and shall be additional Obligations hereunder secured by the Collateral.

(b) Agent reserves the right at any time upon any change in any Credit Party's risk profile (including any change in the product mix maintained by any Credit Party or any laws affecting the potential liability of such Credit Party) to require additional forms and limits of insurance to, in Agent's opinion, adequately protect both Agent's and Lenders' interests in all or any portion of the Collateral and to ensure that each Credit Party is protected by insurance in amounts and with coverage customary for its industry. If reasonably requested by Agent, each Credit Party shall deliver to Agent from time to time a report of a reputable insurance broker, reasonably satisfactory to Agent, with respect to its insurance policies.

(c) Each Credit Party shall deliver to Agent, in form and substance reasonably satisfactory to Agent, endorsements to (i) all "All Risk" and business interruption insurance naming Agent, on behalf of itself and Lenders, as loss payee, and (ii) all general liability and other liability policies naming Agent, on behalf of itself and Lenders, as additional insured. Each Credit Party irrevocably makes, constitutes and appoints Agent (and all officers, employees or agents designated by Agent), so long as any Event of Default has occurred and is continuing or the anticipated insurance proceeds exceed $500,000, as such Credit Party's true and lawful agent and attorney-in-fact for the purpose of making, settling and adjusting claims under such "All Risk" policies of insurance, endorsing the name of such Credit Party on any check or other item of payment for the proceeds of such "All Risk" policies of insurance and for making all determinations and decisions with respect to such "All Risk" policies of insurance. Agent shall have no duty to exercise any rights or powers granted to it pursuant to the foregoing power-of-attorney. Borrower Representative shall promptly notify Agent of any loss, damage, or destruction to the Collateral in the amount of $250,000 or more, whether or not covered by insurance. After deducting from such proceeds (i) the expenses, if any, incurred by Agent in the collection or handling thereof, and (ii) the amounts required to be paid to creditors (other than Lenders) having Permitted Encumbrances, Agent may, at its option, apply such proceeds to the reduction of the Obligations in accordance with Section 1.3(d) (provided that in the case of insurance proceeds pertaining to any Credit Party that is not a Borrower, such insurance proceeds shall be applied ratably to all of the Loans owing by each Borrower), or permit or require the applicable Credit Party to use such money, or any part thereof, to replace, repair, restore or rebuild the Collateral in a diligent and expeditious manner with materials and workmanship of substantially the same quality as existed before the loss, damage or destruction. Notwithstanding the foregoing, if the casualty giving rise to such insurance proceeds could not reasonably be expected to have a Material Adverse Effect and such insurance proceeds do not exceed $500,000 in the aggregate, Agent shall permit the applicable Credit Party to replace, restore, repair or rebuild the property; provided that if such Credit Party shall not have completed or entered into binding agreements to complete such replacement, restoration, repair or rebuilding within 180 days of such casualty, Agent may apply such insurance proceeds to the Obligations in accordance with

Section 1.3(d); provided, further, that in the case of insurance proceeds pertaining to any Credit Party that is not a Borrower, such insurance proceeds shall be applied ratably to all of the Loans owing by each Borrower. All insurance proceeds that are to be made available to any Borrower to replace, repair, restore or rebuild the Collateral shall be applied by Agent to reduce the outstanding principal balance of the Revolving Loan of such Borrower (which application shall not result in a permanent reduction of the Revolving Loan Commitment) and upon such application, Agent shall establish a Reserve against the separate Borrowing Base of the affected Borrower in an amount equal to the amount of such proceeds so applied. All insurance proceeds made available to any Credit Party that is not a Borrower to replace, repair,

restore or rebuild Collateral shall be deposited in a cash collateral account. Thereafter, such funds shall be made available to that Borrower or Credit Party to provide funds to replace, repair, restore or rebuild the Collateral as follows: (i) Borrower Representative shall request a Revolving Credit Advance or a release from the cash collateral account be made to such Borrower or Credit Party in the amount requested to be released; (ii) so long as the conditions set forth in Section 2.2 have been met, Revolving Lenders shall make such Revolving Credit Advance or Agent shall release funds from the cash collateral account; and (iii) in the case of insurance proceeds applied against the Revolving Loan, the Reserve established with respect to such insurance proceeds shall be reduced by the amount of such Revolving Credit Advance. To the extent not used to replace, repair, restore or rebuild the Collateral, such insurance proceeds shall be applied in accordance with Section 1.3(d); provided that in the case of insurance proceeds pertaining to any Credit Party that is not a Borrower, such insurance proceeds shall be applied ratably to all of the Loans owing by each Borrower.

5.5. Compliance with Laws. Each Credit Party shall comply with all federal, state, local and foreign laws and regulations applicable to it, including those relating to ERISA, labor laws and Environmental Laws and Environmental Permits, except to the extent that the failure to comply, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.6. Supplemental Disclosure. From time to time as may be reasonably requested by Agent (which request will not be made more frequently than once each year absent the occurrence and continuance of a Default or an Event of Default) or at Credit Parties' election, the Credit Parties shall supplement each Disclosure Schedule hereto, or any representation herein or in any other Loan Document, with respect to any matter hereafter arising that, if existing or occurring at the date of this Agreement, would have been required to be set forth or described in such Disclosure Schedule or as an exception to such representation or that is necessary to correct any information in such Disclosure Schedule or representation which has been rendered inaccurate thereby (and, in the case of any supplements to any Disclosure Schedule, such Disclosure Schedule shall be appropriately marked to show the changes made therein); provided that (a) except as provided below, no such supplement to any such Disclosure Schedule or representation shall amend, supplement or otherwise modify any Disclosure Schedule or representation, or be or be deemed a waiver of any Default or Event of Default resulting from the matters disclosed therein, except as consented to by Agent and Requisite Lenders in writing, and (b) no supplement shall be required or permitted as to representations and warranties that relate solely to the Closing Date. Borrowers shall be permitted to amend the Disclosure Schedules to this Agreement in contemplation of the Acquisition to become effective on the Acquisition Closing Date if the information contained in any such Disclosure Schedule is no longer true and correct (x) solely due to Borrowers giving effect to the Acquisition, or (y) as a result of the new effective date of the representation to which the Disclosure Schedule relates becoming the Acquisition Closing Date as provided for pursuant to the last paragraph of Section 3, but only if the new information disclosed would not have otherwise given rise to a Default or Event of Default.

5.7. Intellectual Property. Each Credit Party will conduct its business and affairs without infringement of or interference with any Intellectual Property of any other Person in any material respect and shall comply in all material respects with the terms of its Licenses.

5.8. Environmental Matters. Each Credit Party shall and shall cause each Person within its control to: (a) conduct its operations and keep and maintain its Real Estate in compliance with all Environmental Laws and Environmental Permits other than noncompliance that could not reasonably be expected to have a Material Adverse Effect; (b) implement any and all investigation, remediation, removal and response actions that are appropriate or necessary to comply with Environmental Laws and Environmental Permits pertaining to the presence, generation, treatment, storage, use, disposal, transportation or Release of any Hazardous Material on, at, in, under, above, to, from or about any of its Real Estate; (c) notify Agent promptly after such Credit Party becomes aware of any violation of Environmental Laws or Environmental Permits or any Release on, at, in, under, above, to, from or about any Real Estate that is reasonably likely to result in Environmental Liabilities in excess of $25,000; and (d) promptly forward to Agent a copy of any order, notice, request for information or any written communication or report received by such Credit Party in connection with any such violation or Release or any other matter relating to any Environmental Laws or Environmental Permits that could reasonably be expected to result in Environmental Liabilities in excess of $25,000, in each case whether or not the Environmental Protection Agency or any Governmental Authority has taken or threatened any action in connection with any such violation, Release or other matter. If Agent at any time has a reasonable basis to believe that there may be a violation of any Environmental Laws or Environmental Permits by any Credit Party or any Environmental Liability arising thereunder, or a Release of Hazardous Materials on, at, in, under, above, to, from or about any of its Real Estate, that, in each case, could reasonably be expected to have a Material Adverse Effect, then each Credit Party shall, upon Agent's written request, and subject to the requirements and restrictions imposed by any Person from which such Credit Party leases the applicable Real Estate, (i) cause the performance of such environmental audits including subsurface sampling of soil and groundwater, and preparation of such environmental reports, at Borrowers' expense, as Agent may from time to time reasonably request, which shall be conducted by reputable environmental consulting firms reasonably acceptable to Agent and shall be in form and substance reasonably acceptable to Agent, and (ii) permit Agent or its representatives to have reasonable access to all Real Estate for the purpose of conducting such environmental audits and testing as Agent deems appropriate, including subsurface sampling of soil and groundwater. Borrowers shall reimburse Agent for the costs of such audits and tests and the same will constitute a part of the Obligations secured hereunder.

5.9. Landlords' Agreements, Mortgagee Agreements, Bailee Letters and Real Estate Purchases. Each Credit Party shall obtain a landlord's agreement, mortgagee agreement or bailee letter, as applicable, from the lessor of each leased property, mortgagee of owned property or bailee with respect to any warehouse, processor or converter facility or other location where Collateral is stored or located, which agreement or letter shall contain a waiver or subordination of all Liens or claims that the landlord, mortgagee or bailee may assert against the Collateral at that location, and shall otherwise be reasonably satisfactory in form and substance to Agent. With respect to such locations or warehouse space leased or owned as of the Closing Date and thereafter, if Agent has not received a landlord or mortgagee agreement or bailee letter as of the Closing Date (or, if later, as of the date such location is acquired or leased), any Borrower's Eligible Inventory at that location shall, in Agent's discretion, be excluded from the Borrowing Base or be subject to such Reserves as may be established by Agent in its reasonable credit judgment. After the Closing Date, no real property or warehouse space shall be leased by any Credit Party and no Inventory shall be shipped to a processor or converter under

arrangements established after the Closing Date without the prior written consent of Agent (which consent, in Agent's discretion, may be conditioned upon the exclusion from the Borrowing Base of Eligible Inventory at that location or the establishment of Reserves acceptable to Agent) or, unless and until a reasonably satisfactory landlord agreement or bailee letter, as appropriate, shall first have been obtained with respect to such location. Each Credit Party shall timely and fully pay and perform its obligations under all leases and other agreements with respect to each leased location or public warehouse where any Collateral is or may be located. To the extent otherwise permitted hereunder, if any Credit Party proposes to acquire a fee ownership interest in Real Estate after the Closing Date, it shall first provide to Agent a mortgage or deed of trust granting Agent a first priority Lien on such Real Estate, together with environmental audits, mortgage title insurance commitment, real property survey, local counsel opinion(s), and, if required by Agent, supplemental casualty insurance and flood insurance, and such other documents, instruments or agreements reasonably requested by Agent, in each case, in form and substance reasonably satisfactory to Agent. With respect to the Real Estate located in Long Island City, New York, the applicable Credit Party shall provide to Agent on or before August 31, 2003 a mortgage granting Agent a first priority Lien on such Real Estate to secure Indebtedness in an amount equal to the Fair Market Value of such Real Estate at such time; provided, however, Agent shall not require any Lien on such Real Estate if a Lien on such Real Estate has been granted prior to such date in accordance with the provisions of Section 6.7(c)(iv).

5.10. Further Assurances. Each Credit Party executing this Agreement agrees that it shall and shall cause each other Credit Party to, at such Credit Party's expense and upon request of Agent, duly execute and deliver, or cause to be duly executed and delivered, to Agent such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of Agent to carry out more effectively the provisions and purposes of this Agreement and each Loan Document.

6. NEGATIVE COVENANTS

Each Credit Party executing this Agreement jointly and severally agrees as to all Credit Parties that from and after the date hereof until the Termination Date:

6.1. Mergers, Subsidiaries, Etc. No Credit Party shall directly or indirectly, by operation of law or otherwise, (a) except as otherwise permitted in connection with a Permitted Acquisition, form any Subsidiary, or (b) merge with, consolidate with, acquire all or substantially all of the assets or Stock of, or otherwise combine with or acquire, any Person, except that subject to satisfaction with the Acquisition Conditions, SMP may consummate the Acquisition and any Borrower may merge with another Borrower and any other Credit Party may merge into any Borrower, provided that Borrower Representative shall be the survivor of any such merger to which it is a party. Notwithstanding the foregoing clause (b) and subject to the second to last paragraph in this Section 6.1, commencing two years following the closing of the Acquisition, any Borrower, may acquire or, subject to the next paragraph of this Section 6.1, form a Subsidiary to acquire, all or substantially all of the assets or Stock of any Person (the "Target") (in each case, a "Permitted Acquisition") subject to the satisfaction of each of the following conditions.

(i) Agent shall receive at least fifteen (15) Business Days' prior written notice of such proposed Permitted Acquisition, which notice shall include a reasonably detailed description of such proposed Permitted Acquisition;

(ii) such Permitted Acquisition shall only involve assets comprising a business, or those assets of a business, of the types engaged in by Borrowers as of the Closing Date, and which business would not subject Agent or any Lender to regulatory or third party approvals in connection with the exercise of its rights and remedies under this Agreement or any other Loan Documents other than approvals applicable to the exercise of such rights and remedies with respect to Borrowers prior to such Permitted Acquisition;

(iii) such Permitted Acquisition shall be consensual and shall have been approved by the Target's board of directors;

(iv) the purchase price consideration (inclusive of any assumption of liabilities) shall not exceed $5,000,000 with respect to any Permitted Acquisition and $25,000,000 for all such Permitted Acquisitions;

(v) Concurrently with delivery of the notice referred to in clause (i) above, with respect to any Permitted Acquisition, Borrowers shall have delivered to Agent, in form and substance reasonably satisfactory to Agent:

(A) a pro forma consolidated balance sheet, income statement and cash flow statement of Borrowers and their respective Subsidiaries (the "Acquisition Pro Forma"), based on recent financial statements, which shall be complete and shall fairly present in all material respects the assets, liabilities, financial condition and results of operations of Borrowers and their respective Subsidiaries in accordance with GAAP consistently applied, but taking into account such Permitted Acquisition and the funding of all Loans in connection therewith, and such Acquisition Pro Forma shall reflect that (x) average daily Borrowing Availability of all Borrowers for the 30-day period preceding the consummation of such Permitted Acquisition would have exceeded the greater of (i) 7.5% of the Maximum Amount, and (ii) $22,875,000 on a pro forma basis (after giving effect to such Permitted Acquisition and all Loans funded in connection therewith as if made on the first day of such period) and (y) on a pro forma basis, no Event of Default has occurred and is continuing or would result after giving effect to such Permitted Acquisition;

(B) updated versions of the most recently delivered Projections covering the 1-year period commencing on the date of such Permitted Acquisition and otherwise prepared in accordance with the Projections (the "Acquisition Projections") and based upon historical financial data of a recent date reasonably satisfactory to Agent, taking into account such Permitted Acquisition; and

(C) a certificate of the chief financial officer or treasurer of each Borrower to the effect that: (w) each Borrower (after taking into consideration all rights of contribution and indemnity such Borrower has against

each other Subsidiary of each Borrower) will be Solvent upon the consummation of the Permitted Acquisition; (x) the Acquisition Pro Forma fairly presents the financial condition of Borrowers (on a consolidated basis) as of the date thereof after giving effect to the

Permitted Acquisition; (y) the Acquisition Projections are reasonable estimates of the future financial performance of Borrowers subsequent to the date thereof based upon the historical performance of Borrowers and the Target and show that Borrowers shall continue to be in compliance with the financial covenants set forth in Annex G for the 3-year period thereafter; and (z) Borrowers have completed their due diligence investigation with respect to the Target and such Permitted Acquisition, which investigation was conducted in a manner similar to that which would have been conducted by a prudent purchaser of a comparable business and the results of which investigation were delivered to Agent and Lenders;

(vi) on or prior to the date of such Permitted Acquisition, Agent shall have received copies of the acquisition agreement and related agreements and instruments, and all opinions, certificates, lien search results and other documents relating thereto; and

(vii) at the time of such Permitted Acquisition and after giving effect thereto, (x) Borrowing Availability of all Borrowers exceeds the greater of (i) 7.5% of the Maximum Amount, and (ii) $22,875,000 and (y) no Default or Event of Default has occurred and is continuing.

Notwithstanding the foregoing, (a) the Accounts, Inventory, Equipment and Real Estate of the Target shall not be included in Eligible Accounts, Eligible Inventory, Eligible Equipment and Eligible Real Estate until (x) Agent determines, on the basis of any field examinations and appraisals conducted by it in connection with such Permitted Acquisition, the appropriate advance rates and Reserves applicable thereto and (y) such assets become subject to the first priority perfected security interests of Agent and otherwise meet the eligibility criteria which apply to such assets and (b) whether or not the assets thereof become part of the Borrowing Base, if a new Subsidiary is formed in connection with any Permitted Acquisition, or, if the Permitted Acquisition is of Stock of a Person which, upon consummation thereof, would become a Subsidiary, such Subsidiary shall (i) if a domestic Subsidiary, (x) become a Credit Party hereunder, (y) enter into a guaranty and a security agreement, each in form and substance identical to the Subsidiary Guaranty and the Security Agreement, and (z) take such other action as may be reasonably requested by Agent to have the assets of such Subsidiary become subject to the first priority perfected security interests of Agent, and (ii) if a foreign Subsidiary, take such action as may be reasonably requested by Agent to have 51% of the Stock of such foreign Subsidiary to be pledged to Agent and subject to the first priority perfected security interest of Agent; provided that if such foreign Subsidiary is a "check the box" subsidiary, 100% of the stock shall be pledged to Agent and subject to the first priority perfected security interest of Agent.

In addition, notwithstanding the foregoing two year period restriction, Borrowers shall be permitted to acquire the Canadian or Mexican operations of Dana Corporation's Aftermarket Engine Management Division prior to the second anniversary of the Acquisition Closing Date provided that (i) the purchase price consideration (inclusive of any assumption of

liabilities and any deferred purchase price) from either or both acquisitions does not reduce the amount available to be borrowed by Borrowers under the Revolving Loan facility by more than $3,500,000 from the amounts available to be borrowed without giving effect to the Closing of either or both acquisitions, (ii) no Default or Event of Default has occurred and is continuing or would occur as a result of such proposed acquisition, and (iii) each such acquisition otherwise complies with the provisions of this Section 6.1.

After the earlier of (x) June 30, 2003 or (y) the day upon which the Borrower Representative notifies Agent that the Acquisition Agreement has been terminated, in the event the Acquisition has not occurred, then the provisions

of Section 6.1 of the Original Credit Agreement (as set forth on Schedule 6.1) shall be the operative provisions for purposes of this Agreement.

6.2. Investments; Loans and Advances. Except as otherwise expressly permitted by this Section 6, no Credit Party shall make or permit to exist any investment in, or make, accrue or permit to exist loans or advances of money to, any Person, through the direct or indirect lending of money, holding of securities or otherwise, except that: (a) Borrowers may hold investments comprised of notes payable, or stock or other securities issued by Account Debtors to any Borrower pursuant to negotiated agreements with respect to settlement of such Account Debtor's Accounts in the ordinary course of business, so long as the aggregate amount of such Accounts so settled by Borrowers does not exceed, without the prior written approval of Agent, $1,500,000, plus those in existence on the Closing Date which are set forth on Disclosure Schedule (6.2); (b) each Credit Party may maintain its existing investments in its Subsidiaries, and joint ventures identified on Disclosure Schedule (6.2), as of the Closing Date plus up to the sum of $5,000,000 during each Fiscal Year (with respect to such joint ventures), so long as after giving effect thereto (x) Borrowing Availability of all Borrowers exceeds $16,000,000 and (y) no Default or Event of Default has occurred and is continuing; (c) SI and SMP HK may maintain deposits of cash and investments in cash equivalents in an amount not to exceed $10,000,000 at anytime in the case of SI and $5,000,000 in the case of SMP HK; (d) MCC may maintain deposits of cash and investments in cash equivalents in an amount not to exceed at any time the sum of $3,000,000; (e) Borrowers may make overnight investments of credit balances with respect to Index Rate Loans in Permitted Overnight Investments; (f) Borrowers may make loans to its Subsidiaries, so long as after giving effect thereto (x) Borrowing Availability of all Borrowers exceeds $16,000,000 and (y) no Default or Event of Default has occurred and is continuing, up to the sum of $20,000,000 at any time outstanding in the aggregate, less the amount of loans converted to equity pursuant to clause (h) hereinbelow; (g) Borrowers may increase their investments in Subsidiaries, and/or purchase a minority stock interest in other entities, not earlier than fifteen (15) Business Days after delivering to Agent a notice similar to that required under Section 6.1(a)(i) together with financial statements substantially similar to an Acquisition Pro Forma described in Section 6.1(a)(iv)(A) indicating that (x) average daily Borrowing Availability of all Borrowers for the 30-day period preceding the consummation of such investment would have exceeded $16,000,000 on a pro forma basis (after giving effect to such investment and all Loans funded in connection therewith as if made on the first day of such period) and (y) on a pro forma basis, no Event of Default has occurred and is continuing or would result after giving effect to such investment, and (h) Borrowers may convert to equity up to an aggregate amount of $5,000,000 of loans due from Subsidiaries. In the event the Borrower Representative notifies Agent that the Acquisition Agreement has been terminated and the

Revolving Loan Commitments of the Tranche B Revolving Loan Lenders have been reduced to $0, then all references to "$16,000,000" in this Section 6.2 shall be amended to read "$11,500,000".

6.3. Indebtedness.

(a) No Credit Party shall create, incur, assume or permit to exist any Indebtedness, except (without duplication) (i) Indebtedness secured by purchase money security interests and Capital Leases permitted in Section 6.7(c) or as otherwise permitted in Section 6.7(c), (ii) the Loans and the other Obligations, (iii) unfunded pension fund and other employee benefit plan obligations and liabilities to the extent they are permitted to remain unfunded under applicable law, (iv) existing Indebtedness described in Disclosure Schedule (6.3) and refinancings thereof or amendments or modifications thereto that do not have the effect of increasing the principal amount thereof or changing the amortization thereof (other than to extend the same) and that are otherwise on terms and

conditions no less favorable to any Credit Party, Agent or any Lender, as determined by Agent, than the terms of the Indebtedness being refinanced, amended or modified, (v) Indebtedness consisting of intercompany loans and advances made by SMP Canada or any Borrower to any other Borrower or to SMP Canada as the case may be; provided, that: (A) each Borrower and SMP Canada shall have executed and delivered to each other Borrower or SMP Canada as the case may be, on the Closing Date, a demand note (collectively, the "Intercompany Notes") to evidence any such intercompany Indebtedness owing at any time by such Borrower or SMP Canada to such other Borrowers or SMP Canada, as the case may be, which Intercompany Notes shall be in form and substance reasonably satisfactory to Agent and shall be pledged and delivered to Agent pursuant to the applicable Pledge Agreement or Security Agreement as additional collateral security for the Obligations; (B) each Borrower and SMP Canada shall record all intercompany transactions on its books and records in a manner reasonably satisfactory to Agent; (C) the obligations of each Borrower and SMP Canada under any such Intercompany Notes shall be subordinated to the Obligations of such Borrower or SMP Canada hereunder in a manner reasonably satisfactory to Agent; (D) at the time any such intercompany loan or advance is made by any Borrower to any other Borrower or SMP Canada and after giving effect thereto, each such Borrower shall be Solvent; (E) no Default or Event of Default would occur and be continuing after giving effect to any such proposed intercompany loan; and (F) in the case of any intercompany Indebtedness, the Borrower advancing such funds shall have Borrowing Availability under its separate Borrowing Base of not less than (x) $1,850,000 in the case of SMP, (y) $350,000 in the case of SI and (z) $50,000 in the case of MCC, each after giving effect to such intercompany loan, (vi) Indebtedness consisting of intercompany loans and advances made by a Subsidiary of any Credit Party which is not itself a Credit Party to any other Credit Party, (vii) Subordinated Debt to Dana Corporation on and after the Acquisition, and (viii) after the Acquisition Closing Date, Capital Leases to the extent they are permitted in Section 6.7(a).

(b) No Credit Party shall, directly or indirectly, voluntarily purchase, redeem, defease or prepay any principal of, premium, if any, interest or other amount payable in respect of any Indebtedness prior to its scheduled maturity, other than (i) the Obligations; (ii) Indebtedness secured by a Permitted Encumbrance if the asset securing such Indebtedness has been sold or otherwise disposed of in accordance with Sections 6.8(b) or (c); (iii) Indebtedness

permitted by Section 6.3(a)(iv) upon any refinancing thereof in accordance with Section 6.3(a)(iv); and (iv) as otherwise permitted in Section 6.14.

6.4. Employee Loans and Affiliate Transactions.

(a) Except as otherwise expressly permitted in this Section 6 with respect to Affiliates, no Credit Party shall enter into or be a party to any transaction with any other Credit Party or any Affiliate thereof except in the ordinary course of and pursuant to the reasonable requirements of such Credit Party's business and upon fair and reasonable terms that are no less favorable to such Credit Party than would be obtained in a comparable arm's length transaction with a Person not an Affiliate of such Credit Party. In addition, if any such transaction or series of related transactions not otherwise permitted under Article 6 involves payments in excess of $50,000 for any single transaction or $250,000 in the aggregate for all Credit Parties, the terms of these transactions must be disclosed in advance to Agent and Lenders. All such transactions existing as of the date hereof are described in Disclosure Schedule (6.4(a)).

(b) No Credit Party shall enter into any lending or borrowing transaction with any employees of any Credit Party, except (i) loans to its respective employees in the ordinary course of business consistent with past practices for travel and entertainment expenses, (ii) loans to its respective

employees in an amount not to exceed for each employee 25% of the employee's compensation to finance such employee's purchase of SMP Stock, (iii) loans to executive officers to finance their purchase of SMP Stock in which under Credit Parties' policies such officers are to have invested at any time an amount equal to 50% of their current compensation, and (iv) loans to employees who have been relocated at a Credit Party's request to assist them in financing the purchase of a new residence and related moving expenses pending the sale of their former residence, not to exceed, in the aggregate with respect to all such employee or executive officer loans described in clauses (i), (ii), (iii) and (iv) of this subsection (b), a maximum of $500,000 to any employee or executive officer and up to a maximum of $2,000,000 in the aggregate at any one time outstanding for all employees and executive officers.

6.5. Capital Structure and Business. No Credit Party shall (a) make any changes in any of its business objectives, purposes or operations that could reasonably be expected to have or result in a Material Adverse Effect, (b) make any change in its capital structure as described in Disclosure Schedule (3.8), including the issuance or sale of any shares of Stock, warrants or other securities convertible into Stock or any revision of the terms of its outstanding Stock; provided that (i) any Credit Party may issue or sell shares of its stock to any other Credit Party, (ii) SMP may buy or sell shares of its Stock for cash so long as (x) the proceeds thereof are applied in prepayment of the Obligations as required by Section 1.3(b)(iii), and (y) no Change of Control occurs after giving effect thereto, and (iii) SMP may issue shares of its Stock to Seller (or its designee) as part of the purchase price in connection with the Acquisition, or (c) amend its charter or bylaws in a manner that would adversely affect Agent or Lenders or such Credit Party's duty or ability to repay the Obligations. No Credit Party shall engage in any business other than the businesses currently engaged in by it or businesses reasonably related thereto.

6.6. Guaranteed Indebtedness. No Credit Party shall create, incur, assume or permit to exist any Guaranteed Indebtedness except (a) by endorsement of instruments or items of payment for deposit to the general account of any Credit Party, and (b) for Guaranteed

Indebtedness incurred for the benefit of any other Credit Party if the primary obligation is expressly permitted by this Agreement other than Indebtedness, if any, of a Target (including the operations of the business which is the subject of the Acquisition) existing at the time such Target is acquired.

6.7. Liens. No Credit Party shall create, incur, assume or permit to exist any Lien on or with respect to its Accounts or any of its other properties or assets (whether now owned or hereafter acquired) except for (a) Permitted Encumbrances; (b) Liens in existence on the date hereof and summarized on Disclosure Schedule (6.7) securing the Indebtedness described on Disclosure Schedule (6.3) and permitted refinancings, extensions and renewals thereof, including extensions or renewals of any such Liens; provided that the principal amount of the Indebtedness so secured is not increased and the Lien does not attach to any other property; and (c) Liens created after the date hereof (i) by conditional sale or other title retention agreements (including Capital Leases), (ii) in connection with purchase money Indebtedness with respect to Equipment, Fixtures and Real Estate acquired by any Credit Party in the ordinary course of business, involving the incurrence of an aggregate amount of purchase money Indebtedness and Capital Lease Obligations of not more than $10,000,000 outstanding at any one time for all such Liens, (iii) solely to secure purchase money Indebtedness of not more than $5,500,000 incurred in connection with the acquisition of Real Estate, Equipment and other assets from SAGEM, Inc., a South Carolina corporation, upon the Real Estate acquired from SAGEM, Inc. (provided that all such Liens described in this subsection 6.7(c)(ii) and (iii) attach only to the assets subject to such purchase money debt and such Indebtedness is incurred within 20 days following such purchase and does not exceed 100% of the purchase price of the subject assets) or (iv) Liens upon the Real Estate of SMP

located in Long Island City, New York (provided that such Liens are granted in connection with the incurrence of mortgage financing (A) in amounts not less than 50% of the appraised value of thereof (as indicated in an appraisal in form and substance satisfactory to Agent by an appraiser reasonably satisfactory to Agent), (B) upon terms and conditions reasonably satisfactory to Agent and (C) where the mortgagee has entered into a mortgagee waiver and consent with Agent in form and substance satisfactory to Agent, and Agent shall subordinate any Liens it may have upon such Real Estate in Long Island City to the Liens on such Real Estate of the mortgagee.

6.8. Sale of Stock and Assets. No Credit Party shall sell, transfer, convey, assign or otherwise dispose of any of its properties or other assets, including the Stock of any of its Subsidiaries (whether in a public or a private offering or otherwise) or any of its Accounts, other than (a) the sale of Inventory in the ordinary course of business, and (b) the sale, transfer, conveyance or other disposition by a Credit Party of Equipment, Fixtures or Real Estate that are obsolete or no longer used or useful in such Credit Party's business and having a net book value, not exceeding $2,000,000 in the aggregate in any Fiscal Year; (c) other Equipment and Fixtures having a net book value not exceeding $5,000,000 in the aggregate in any Fiscal Year (d) the sale of approximately 8 acres of vacant land located in Coppell, Texas; (e) licenses of Intellectual Property for uses not pursued by Credit Parties or in geographic markets not served by Credit Parties or in order to enable a supplier to manufacture Inventory for a Credit Party as long as the proceeds from such licenses are remitted to Agent for application to the Loans; (f) the sale of any SunTrust Drafts pursuant to the AutoZone/SunTrust Program; and (g) the sale to Seller (or its designee) of Accounts generated by the Aftermarket Engine Management Division purchased from Seller as a one time adjustment to the Purchase Price (as defined in Annex D-2) pursuant to

Section 3.3(h)(ii) of the Acquisition Agreement as in effect on the Closing Date. With respect to any disposition of assets or other properties permitted pursuant to clauses (b), (c) and (d) above, subject to Section 1.3(b), Agent agrees on reasonable prior written notice to release its Lien on such assets or other properties in order to permit the applicable Credit Party to effect such disposition and shall execute, if necessary, and deliver to Borrowers, at Borrowers' expense, appropriate UCC-3 termination statements and other releases as reasonably requested by Borrowers.

6.9. ERISA. No Credit Party shall, or shall cause or permit any ERISA Affiliate to, cause or permit to occur (i) an event that could result in the imposition of a Lien under Section 412 of the IRC or Section 302 or 4068 of ERISA or (ii) cause or permit to occur an ERISA Event to the extent such ERISA Event could reasonably be expected to have a Material Adverse Effect.

6.10. Financial Covenants. Borrowers shall not breach or fail to comply with any of the Financial Covenants.

6.11. Hazardous Materials. No Credit Party shall cause or permit a Release of any Hazardous Material on, at, in, under, above, to, from or about any of the Real Estate where such Release would (a) violate in any respect, or form the basis for any Environmental Liabilities under, any Environmental Laws or Environmental Permits or (b) otherwise adversely impact the value or marketability of any of the owned Real Estate or any of the Collateral, other than such violations or Environmental Liabilities that could not reasonably be expected to have a Material Adverse Effect.

6.12. Sale-Leasebacks. No Credit Party shall engage in any sale-leaseback, synthetic lease or similar transaction involving any of its assets.

6.13. Cancellation of Indebtedness. No Credit Party shall cancel any claim or debt owing to it, except for reasonable consideration negotiated on an arm's

length basis and in the ordinary course of its business consistent with past practices.

6.14. Restricted Payments. No Credit Party shall make any Restricted Payment, except (a) intercompany loans and advances between Borrowers to the extent permitted by Section 6.3, (b) dividends and distributions by Subsidiaries of any Borrower paid to such Borrower, (c) employee loans permitted under Section 6.4(b), (d) payments of principal and interest of Intercompany Notes issued in accordance with Section 6.3 and, to the extent not prohibited by any applicable subordination provisions, payments of interest on Subordinated Debt; (e) prior to the Acquisition Closing Date, subject to the proviso which follows, SMP may (i) pay cash dividends, (ii) make payments on account of the purchase or redemption of its common stock, and (iii) at any date following three (3) months from the Closing Date make payments to repurchase subordinated debentures pursuant to the terms of the Indenture in an amount not to exceed $20,000,000 in the aggregate during the term of this Agreement; provided, that (i) no Default or Event of Default has occurred and is continuing or would result after giving effect to any Restricted Payment pursuant to clause (e) above, (ii) Borrowers collectively shall have Borrowing Availability of at least $11,500,000 after giving effect to any Restricted Payment pursuant to clause (e) above; and (iii) the timing of the Restricted Payments referred to in clause (e) above shall be set at dates that permit the delivery of Financial Statements necessary to

determine current compliance with the Financial Covenants prior to each such payment; and (f) on and after the Acquisition Closing Date, subject to the provisos which follow in each of subsections (i) and (ii) below, SMP may (i) pay cash dividends up to $9,000,000 in any twelve (12) month period provided that (x) Borrowers shall have Excess Formula Availability on a pro forma basis of not less than the greater of (1) five percent (5%) of the Maximum Amount or (2) $15,250,000 and (y) no Default or Event of Default shall have occurred and be continuing or would occur as a result of the payment of such cash dividend, and (ii) beginning on July 1, 2004, make payments on account of the purchase or redemption of its common stock, or repurchase subordinated debentures pursuant to the terms of the Indenture, or repurchase unsecured subordinated indebtedness owing to Seller in connection with the Acquisition, provided that (x) the aggregate cash utilized to effectuate such purchases or redemptions shall not exceed $20,000,000 during the term of this Agreement (such dollar amount to be reduced by repurchases under Section 6.14(e)), (y) Borrowers shall have Excess Formula Availability on a pro forma basis of not less than the greater of (1) ten percent (10%) of the Maximum Amount or (2) $30,500,000, and (z) no Default or Event of Default shall have occurred and be continuing or would occur as a result of such purchases or redemptions.

6.15. Change of Corporate Name, State of Incorporation or Location; Change of Fiscal Year. No Credit Party shall (a) change its corporate name or trade name or (b) change its chief executive office, principal place of business, corporate offices or warehouses or locations at which Collateral is held or stored, or the location of its records concerning the Collateral, in each case without at least thirty (30) days prior written notice to Agent and after Agent's written acknowledgment that any reasonable action requested by Agent in connection therewith, including to continue the perfection of any Liens in favor of Agent, on behalf of Lenders, in any Collateral, has been completed or taken, and provided that any such new location shall be in the continental United States or, with respect to SMP Canada, Canada. No Credit Party shall change its Fiscal Year.

6.16. No Impairment of Intercompany Transfers. No Credit Party shall directly or indirectly enter into or become bound by any agreement, instrument, indenture or other obligation (other than this Agreement and the other Loan Documents) that could directly or indirectly restrict, prohibit or require the consent of any Person with respect to the payment of dividends or distributions or the making or repayment of intercompany loans by a Subsidiary of any Borrower

to any Borrower or between Borrowers.

6.17. No Speculative Transactions. No Credit Party shall engage in any transaction involving commodity options, futures contracts or similar transactions, except solely to hedge against fluctuations in the prices of commodities owned or purchased by it and the values of foreign currencies receivable or payable by it and interest swaps, caps or collars, so long as such proposed hedging transaction is upon prior notice of same to Agent and the agreements effectuating such proposed hedging transaction are satisfactory to Agent in form and substance.

6.18. Leases. No Credit Party shall enter into any operating lease for Equipment or Real Estate, if the aggregate of all such operating lease payments payable in any Fiscal Year for all Credit Parties on a consolidated basis would exceed One Hundred and Twenty percent (120%) of the aggregate of all such payments in the prior Fiscal Year.

6.19. Changes Relating to Subordinated Debt; Material Contracts.

(a) No Credit Party shall change or amend the terms of any Subordinated Debt (or any indenture or agreement in connection therewith) if the effect of such amendment is to: (a) increase the interest rate on such Subordinated Debt; (b) change the dates upon which payments of principal or interest are due on such Subordinated Debt other than to extend such dates; (c) change any default or event of default other than to delete or make less restrictive any default provision therein, or add any covenant with respect to such Subordinated Debt; (d) change the redemption or prepayment provisions of such Subordinated Debt other than to extend the dates therefor or to reduce the premiums payable in connection therewith; (e) grant any security or collateral to secure payment of such Subordinated Debt; or (f) change or amend any other term if such change or amendment would materially increase the obligations of the Credit Party thereunder or confer additional material rights on the holder of such Subordinated Debt in a manner adverse to any Credit Party, Agent or any Lender.

(b) No Credit Party shall change or amend the terms of any of purchase or sale agreement involving the acquisition or disposition of any business of such Credit Party relating to indemnity provisions or deferred purchase payments.

6.20. Inactive Subsidiaries. None of the Credit Parties or their Subsidiaries identified on Disclosure Schedule (3.8) as "inactive" shall engage in any trade or business, or own any assets (other than Stock of their Subsidiaries) or incur any Indebtedness or Guaranteed Indebtedness (other than the Obligations).

7. TERM

7.1. Termination. The financing arrangements contemplated hereby shall be in effect until the Commitment Termination Date, and the Loans and all other Obligations shall be automatically due and payable in full on such date.

7.2. Survival of Obligations Upon Termination of Financing Arrangements. Except as otherwise expressly provided for in the Loan Documents, no termination or cancellation (regardless of cause or procedure) of any financing arrangement under this Agreement shall in any way affect or impair the obligations, duties and liabilities of the Credit Parties or the rights of Agent and Lenders relating to any unpaid portion of the Loans or any other Obligations, due or not due, liquidated, contingent or unliquidated, or any transaction or event occurring prior to such termination, or any transaction or event, the performance of which is required after the Commitment Termination Date. Except as otherwise expressly provided herein or in any other Loan Document, all

undertakings, agreements, covenants, warranties and representations of or binding upon the Credit Parties, and all rights of Agent and each Lender, all as contained in the Loan Documents, shall not terminate or expire, but rather shall survive any such termination or cancellation and shall continue in full force and effect until the Termination Date; provided, that the provisions of Section 11, the payment obligations under Sections 1.15 and 1.16, and the indemnities contained in the Loan Documents shall survive the Termination Date.

8. EVENTS OF DEFAULT; RIGHTS AND REMEDIES

8.1. Events of Default. The occurrence of any one or more of the following events (regardless of the reason therefor) shall constitute an "Event of Default" hereunder:

(a) Any Borrower (i) fails to make any payment of principal of, or interest on, or Fees owing in respect of, the Loans or any of the other Obligations when due and payable, or (ii) fails to pay or reimburse Agent or Lenders for any expense reimbursable hereunder or under any other Loan Document within ten (10) days following Agent's demand for such reimbursement or payment of expenses.

(b) Any Credit Party fails or neglects to perform, keep or observe any of the provisions of Sections 1.4, 1.8, 5.4(a) or 6, or any of the provisions set forth in Annexes C or G, respectively.

(c) Any Borrower fails or neglects to perform, keep or observe any of the provisions of Section 4 or any provisions set forth in Annexes E or F, respectively, and the same shall remain unremedied for three (3) days or more.

(d) Any Credit Party fails or neglects to perform, keep or observe any other provision of this Agreement or of any of the other Loan Documents (other than any provision embodied in or covered by any other clause of this Section 8.1) and the same shall remain unremedied for thirty (30) days or more.

(e) A default or breach occurs under any other agreement, document or instrument to which any Credit Party is a party that is not cured or waived within any applicable grace period therefor, and such default or breach (i) involves the failure to make any payment when due in respect of any Indebtedness or Guaranteed Indebtedness (other than the Obligations) of any Credit Party in excess of $500,000 in the aggregate (including (x) undrawn committed or available amounts and (y) amounts owing to all creditors under any combined or syndicated credit arrangements), or (ii) causes, or permits any holder of such Indebtedness or Guaranteed Indebtedness or a trustee to cause, Indebtedness or Guaranteed Indebtedness or a portion thereof in excess of $500,000 in the aggregate to become due prior to its stated maturity or prior to its regularly scheduled dates of payment, or cash collateral in respect thereof to be demanded, in each case, regardless of whether such default is waived beyond any applicable cure period, or such right is exercised, by such holder or trustee.

(f) Any information contained in any Borrowing Base Certificate is untrue or incorrect in any respect (other than inadvertent, immaterial errors not exceeding $50,000 in the aggregate in any Borrowing Base Certificate), or any representation or warranty herein or in any Loan Document or in any written statement, report, financial statement or certificate (other than a Borrowing Base Certificate) made or delivered to Agent or any Lender by any Credit Party is untrue or incorrect in any material respect as of the date when made or deemed made.

(g) Assets of any Credit Party with a fair market value of $100,000 or more are attached, seized, levied upon or subjected to a writ or distress warrant, or come within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors of any Credit Party and such condition

continues for thirty (30) days or more.

(h) A case or proceeding is commenced against any Credit Party seeking a decree or order in respect of such Credit Party (i) under the Bankruptcy Code, or any other applicable federal, state or foreign bankruptcy or other similar law, (ii) appointing a custodian, receiver, liquidator, assignee, trustee or sequestrator (or similar official) for such Credit Party or for any substantial part of any such Credit Party's assets, or (iii) ordering the winding-up or liquidation of the affairs of such Credit Party, and such case or proceeding shall remain undismissed or unstayed for sixty (60) days or more or a decree or order granting the relief sought in such case or proceeding is granted by a court of competent jurisdiction.

(i) Any Credit Party (i) files a petition seeking relief under the Bankruptcy Code, or any other applicable federal, state or foreign bankruptcy or other similar law, (ii) consents to or fails to contest in a timely and appropriate manner the institution of proceedings thereunder or the filing of any such petition or the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee or sequestrator (or similar official) for such Credit Party or for any substantial part of any such Credit Party's assets, (iii) makes an assignment for the benefit of creditors, (iv) takes any action in furtherance of any of the foregoing; or (v) admits in writing its inability to, or is generally unable to, pay its debts as such debts become due.

(j) A final judgment or judgments for the payment of money in excess of $500,000 in the aggregate at any time are outstanding against one or more of the Credit Parties and the same are not, within thirty (30) days after the entry thereof, discharged or execution thereof stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay.

(k) Any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or any Credit Party shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms), or any Lien created under any Loan Document (other than due to the gross negligence or willful misconduct of Agent or any Lender following timely compliance by each Credit Party with all of the requirements of each relevant Loan Document) ceases to be a valid and perfected first priority Lien (except as otherwise permitted herein or therein) in any of the Collateral purported to be covered thereby.

(l) Any Change of Control occurs.

(m) Any event occurs, whether or not insured or insurable, as a result of which revenue-producing activities cease or are substantially curtailed at facilities of Borrowers generating more than 10% of Borrowers' consolidated revenues for the Fiscal Year preceding such event and 10% of Borrowers' EBITDA for the preceding twelve Fiscal Months and such cessation or curtailment continues for more than ninety (90) days.

8.2. Remedies.

(a) If any Event of Default has occurred and is continuing, Agent may (and at the written request of the Requisite Lenders shall), without notice, suspend the Revolving Loan facility with respect to additional Advances and/or the incurrence of additional Letter of Credit Obligations, whereupon any additional Advances and additional Letter of Credit Obligations shall be made or incurred in Agent's sole discretion (or in the sole discretion of the Requisite Lenders, if such suspension occurred at their direction) so long as such Default or Event of Default is continuing. If any Event of Default has occurred and is continuing, Agent may (and at the written request of Requisite Lenders shall), without notice except as otherwise expressly provided herein, increase the rate of interest applicable to the Loans and the Letter of Credit Fees to the Default Rate.

(b) If any Event of Default has occurred and is continuing, Agent may (and at the written request of the Requisite Lenders shall), upon written notice: (i) terminate the Revolving Loan facility with respect to further Advances or the incurrence of further Letter of Credit Obligations; (ii) reduce the Revolving Loan Commitment from time to time; (iii) declare all or any portion of the Obligations, including all or any portion of any Loan to be forthwith due and payable, and require that the Letter of Credit Obligations be cash collateralized in the manner set forth in Annex B, all without presentment, demand, protest or further notice of any kind, all of which are expressly waived by Borrowers and each other Credit Party; or (iv) exercise any rights and remedies provided to Agent under the Loan Documents or at law or equity, including all remedies provided under the Code; provided, that upon the occurrence of an Event of Default specified in Sections 8.1(h) or (i), the Revolving Loan facility shall be immediately terminated and all of the Obligations, including the aggregate Revolving Loan, shall become immediately due and payable without declaration, notice or demand by any Person.

8.3. Waivers by Credit Parties. Except as otherwise provided for in this Agreement or by applicable law, each Credit Party waives (including for purposes of Section 12): (a) presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Agent on which any Credit Party may in any way be liable, and hereby ratifies and confirms whatever Agent may do in this regard, (b) all rights to notice and a hearing prior to Agent's taking possession or control of, or to Agent's replevy, attachment or levy upon, the Collateral or any bond or security that might be required by any court prior to allowing Agent to exercise any of its remedies, and (c) the benefit of all valuation, appraisal, marshaling and exemption laws.

9. ASSIGNMENT AND PARTICIPATIONS; APPOINTMENT OF AGENT

9.1. Assignment and Participations.

(a) Subject to the terms of this Section 9.1, any Lender may make an assignment to a Qualified Assignee of, or sell participations in, at any time or times, the Loan Documents, Loans, Letter of Credit Obligations and any Commitment or any portion thereof or interest therein, including any Lender's rights, title, interests, remedies, powers or duties thereunder. Any assignment by a Lender shall: (i) require the consent of Agent (which consent shall not be unreasonably withheld or delayed with respect to a Qualified Assignee) and the

execution of an assignment agreement (an "Assignment Agreement") substantially in the form attached hereto as Exhibit 9.1(a) and otherwise in form and substance reasonably satisfactory to, and acknowledged by, Agent; (ii) be conditioned on such assignee Lender representing to the assigning Lender and Agent that it is purchasing the applicable Loans to be assigned to it for its

own account, for investment purposes and not with a view to the distribution thereof; (iii) after giving effect to any such partial assignment, the assignee Lender shall have Commitments in an amount at least equal to $5,000,000 and the assigning Lender shall have retained Commitments in an amount at least equal to $5,000,000; and (iv) include a payment to Agent of an assignment fee of $3,500, except no assignment fee is payable for assignments to an Affiliate of such assigning Lender. In the case of an assignment by a Lender under this Section 9.1, the assignee shall have, to the extent of such assignment, the same rights, benefits and obligations as all other Lenders hereunder. The assigning Lender shall be relieved of its obligations hereunder with respect to its Commitments or assigned portion thereof from and after the date of such assignment. Each Borrower hereby acknowledges and agrees that any assignment shall give rise to a direct obligation of Borrowers to the assignee and that the assignee shall be considered to be a "Lender". In all instances, each Lender's liability to make Loans hereunder shall be several and not joint and shall be limited to such Lender's Pro Rata Share of the applicable Commitment. In the event Agent or any Lender assigns or otherwise transfers all or any part of the Obligations, Agent or any such Lender shall so notify Borrowers and Borrowers shall, upon the request of Agent or such Lender, execute new Notes in exchange for the Notes, if any, being assigned. Notwithstanding the foregoing provisions of this Section 9.1(a), any Lender may at any time pledge the Obligations held by it and such Lender's rights under this Agreement and the other Loan Documents to a Federal Reserve Bank, and any Lender that is an investment fund may assign the Obligations held by it and such Lender's rights under this Agreement and the other Loan Documents to another investment fund managed by the same investment advisor; provided, that no such pledge to a Federal Reserve Bank shall release such Lender from such Lender's obligations hereunder or under any other Loan Document.

(b) Any participation by a Lender of all or any part of its Commitments shall be made with the understanding that all amounts payable by Borrowers hereunder shall be determined as if that Lender had not sold such participation, and that the holder of any such participation shall not be entitled to require such Lender to take or omit to take any action hereunder except actions directly affecting (i) any reduction in the principal amount of, or interest rate or Fees payable with respect to, any Loan in which such holder participates, (ii) any extension of the scheduled amortization of the principal amount of any Loan in which such holder participates or the final maturity date thereof, and (iii) any release of all or substantially all of the Collateral (other than in accordance with the terms of this Agreement, the Collateral Documents or the other Loan Documents). Solely for purposes of Sections 1.13, 1.15, 1.16 and 9.8, each Borrower acknowledges and agrees that a participation shall give rise to a direct obligation of Borrowers to the participant and the participant shall be considered to be a "Lender"; provided, however, that a participant shall not be entitled to receive any greater payment under Sections 1.13, 1.15 or 1.16 than the Lender from which such participant acquired its participation would be entitled to receive in respect of the amount of the participation. Except as set forth in the preceding sentence no Borrower or Credit Party shall have any obligation or duty to any participant. Neither Agent nor any Lender (other than the Lender selling a participation) shall have any duty to any participant and may continue to deal solely with the Lender selling a participation as if no such sale had occurred.

(c) Except as expressly provided in this Section 9.1, no Lender shall, as between Borrowers and that Lender, or Agent and that Lender, be relieved of any of its obligations hereunder as a result of any sale, assignment, transfer or negotiation of, or granting of participation in, all or any part of the Loans, the Notes or other Obligations owed to such Lender.

(d) Each Credit Party executing this Agreement shall assist any Lender permitted to sell assignments or participations under this Section 9.1 as reasonably required to enable the assigning or selling Lender to effect any such

assignment or participation, including the execution and delivery of any and all agreements, notes and other documents and instruments as shall be requested and, if requested by Agent, the preparation of informational materials for, and the participation of management in meetings with, potential assignees or participants. Each Credit Party executing this Agreement shall certify the correctness, completeness and accuracy of all descriptions of the Credit Parties and their respective affairs contained in any selling materials provided by them and all other information provided by them and included in such materials, except that any Projections delivered by Borrowers shall only be certified by Borrowers as having been prepared by Borrowers in compliance with the representations contained in Section 3.4(c).

(e) Any Lender may furnish any information concerning Credit Parties in the possession of such Lender from time to time to assignees and participants (including prospective assignees and participants); provided that such Lender shall obtain from assignees or participants confidentiality covenants substantially equivalent to those contained in Section 11.8.

(f) So long as no Event of Default has occurred and is continuing, no Lender shall assign or sell participations in any portion of its Loans or Commitments to a potential Lender or participant, if, as of the date of the proposed assignment or sale, the assignee Lender or participant would be subject to capital adequacy or similar requirements under Section 1.16(a), increased costs under Section 1.16(b), an inability to fund LIBOR Loans under Section 1.16(c), or withholding taxes in accordance with Section 1.15(a) to an extent greater than that applicable to the assigning or selling Lender.

(g) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender"), may grant to a special purpose funding vehicle (an "SPC"), identified as such in writing by the Granting Lender to Agent and Borrowers, the option to provide to Borrowers all or any part of any Loans that such Granting Lender would otherwise be obligated to make to Borrowers pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to make any Loan; and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if such Loan were made by such Granting Lender. No SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). Any SPC may (i) with notice to, but without the prior written consent of, Borrowers and Agent and without paying any processing fee therefor assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by Borrowers and Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans and (ii) disclose on a confidential basis any non-public

information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC. This Section 9.1(g) may not be amended without the prior written consent of each Granting Lender, all or any of whose Loans are being funded by an SPC at the time of such amendment. For the avoidance of doubt, the Granting Lender shall for all purposes, including without limitation, the approval of any amendment or waiver of any provision of any Loan Document or the obligation to pay any amount otherwise payable by the Granting Lender under the Loan Documents, continue to be the Lender of record hereunder.

9.2. Appointment of Agent. GE Capital is hereby appointed to act on behalf of all Lenders as Agent under this Agreement and the other Loan Documents. The provisions of this Section 9.2 are solely for the benefit of Agent and Lenders and no Credit Party nor any other Person shall have any rights as a third party

beneficiary of any of the provisions hereof. In performing its functions and duties under this Agreement and the other Loan Documents, Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with or for any Credit Party or any other Person. Agent shall have no duties or responsibilities except for those expressly set forth in this Agreement and the other Loan Documents. The duties of Agent shall be mechanical and administrative in nature and Agent shall not have, or be deemed to have, by reason of this Agreement, any other Loan Document or otherwise a fiduciary relationship in respect of any Lender. Except as expressly set forth in this Agreement and the other Loan Documents, Agent shall not have any duty to disclose, and shall not be liable for failure to disclose, any information relating to any Credit Party or any of their respective Subsidiaries or any Account Debtor that is communicated to or obtained by GE Capital or any of its Affiliates in any capacity. Neither Agent nor any of its Affiliates nor any of their respective officers, directors, employees, agents or representatives shall be liable to any Lender for any action taken or omitted to be taken by it hereunder or under any other Loan Document, or in connection herewith or therewith, except for damages caused by its or their own gross negligence or willful misconduct.

If Agent shall request instructions from Requisite Lenders, Supermajority Revolving Lenders or all affected Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any other Loan Document, then Agent shall be entitled to refrain from such act or taking such action unless and until Agent shall have received instructions from Requisite Lenders, Supermajority Revolving Lenders or all affected Lenders, as the case may be, and Agent shall not incur liability to any Person by reason of so refraining. Agent shall be fully justified in failing or refusing to take any action hereunder or under any other Loan Document (a) if such action would, in the opinion of Agent, be contrary to law or the terms of this Agreement or any other Loan Document, (b) if such action would, in the opinion of Agent, expose Agent to Environmental Liabilities or (c) if Agent shall not first be indemnified to its satisfaction against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Without limiting the foregoing, no Lender shall have any right of action whatsoever against Agent as a result of Agent acting or refraining from acting hereunder or under any other Loan Document in accordance with the instructions of Requisite Lenders, Supermajority Revolving Lenders or all affected Lenders, as applicable.

9.3. Agent's Reliance, Etc. Neither Agent nor any of its Affiliates nor any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted

to be taken by it or them under or in connection with this Agreement or the other Loan Documents, except for damages caused by its or their own gross negligence or willful misconduct. Without limiting the generality of the foregoing, Agent: (a) may treat the payee of any Note as the holder thereof until Agent receives written notice of the assignment or transfer thereof signed by such payee and in form reasonably satisfactory to Agent; (b) may consult with legal counsel, independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts; (c) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made in or in connection with this Agreement or the other Loan Documents; (d) unless specifically directed, in writing, by the Requisite Lenders shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or the other Loan Documents on the part of any Credit Party or to inspect the Collateral (including the books and records) of any Credit Party; (e) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness,

sufficiency or value of this Agreement or the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; and (f) shall incur no liability under or in respect of this Agreement or the other Loan Documents by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopy, telegram, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties.

9.4. GE Capital and Affiliates. With respect to its Commitments hereunder, GE Capital shall have the same rights and powers under this Agreement and the other Loan Documents as any other Lender and may exercise the same as though it were not Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include GE Capital in its individual capacity. GE Capital and its Affiliates may lend money to, invest in, and generally engage in any kind of business with, any Credit Party, any of their Affiliates and any Person who may do business with or own securities of any Credit Party or any such Affiliate, all as if GE Capital were not Agent and without any duty to account therefor to Lenders. GE Capital and its Affiliates may accept fees and other consideration from any Credit Party for services in connection with this Agreement or otherwise without having to account for the same to Lenders. Each Lender acknowledges the potential conflict of interest between GE Capital as a Lender holding disproportionate interests in the Loans and GE Capital as Agent.

9.5. Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon Agent or any other Lender and based on the Financial Statements referred to in Section 3.4(a) and such other documents and information as it has deemed appropriate, made its own credit and financial analysis of the Credit Parties and its own decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement. Each Lender acknowledges the potential conflict of interest of each other Lender as a result of Lenders holding disproportionate interests in the Loans, and expressly consents to, and waives any claim based upon, such conflict of interest.

9.6. Indemnification. Lenders agree to indemnify Agent (to the extent not reimbursed by Credit Parties and without limiting the obligations of Credit Parties hereunder), ratably

according to their respective Pro Rata Shares, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against Agent in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted to be taken by Agent in connection therewith; provided, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from Agent's gross negligence or willful misconduct. Without limiting the foregoing, each Lender agrees to reimburse Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable counsel fees) incurred by Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement and each other Loan Document, to the extent that Agent is not reimbursed for such expenses by Credit Parties.

9.7. Successor Agent. Agent may resign at any time by giving not less than thirty (30) days' prior written notice thereof to Lenders and Borrower Representative. Upon any such resignation, the Requisite Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Requisite Lenders and shall have accepted such appointment within thirty (30) days after the resigning Agent's giving notice of

resignation, then the resigning Agent may, on behalf of Lenders, appoint a successor Agent, which shall be a Lender, if a Lender is willing to accept such appointment, or otherwise shall be a commercial bank or financial institution or a subsidiary of a commercial bank or financial institution if such commercial bank or financial institution is organized under the laws of the United States of America or of any State thereof and has a combined capital and surplus of at least $300,000,000. If no successor Agent has been appointed pursuant to the foregoing, within thirty (30) days after the date such notice of resignation was given by the resigning Agent, such resignation shall become effective and the Requisite Lenders shall thereafter perform all the duties of Agent hereunder until such time, if any, as the Requisite Lenders appoint a successor Agent as provided above. Any successor Agent appointed by Requisite Lenders or the resigning Agent hereunder shall be subject to the approval of Borrower Representative, such approval not to be unreasonably withheld or delayed; provided that such approval shall not be required if a Default or an Event of Default has occurred and is continuing. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the resigning Agent. Upon the earlier of the acceptance of any appointment as Agent hereunder by a successor Agent or the effective date of the resigning Agent's resignation, the resigning Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents, except that any indemnity rights or other rights in favor of such resigning Agent shall continue. After any resigning Agent's resignation hereunder, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was acting as Agent under this Agreement and the other Loan Documents.

9.8. Setoff and Sharing of Payments. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuance of any Event of Default and subject to Section 9.9(f), each Lender is hereby authorized at any time or from time to time, without prior notice to any Credit Party or to any Person other than Agent, any such notice being hereby expressly waived, to offset and to appropriate and to apply any and all balances held by it at any of its offices for the account of any Borrower or Guarantor (regardless of whether such balances are then due to such Borrower or Guarantor) and any other properties or assets at any time held or owing by that Lender or that holder to or for the credit or for the account of any Borrower or Guarantor against and on account of any of the Obligations that are not paid when due, provided that the Lender exercising such offset rights shall give notice thereof to the affected Credit Party promptly after exercising such rights. Any Lender exercising a right of setoff or otherwise receiving any payment on account of the Obligations in excess of its Pro Rata Share thereof shall purchase for cash (and the other Lenders or holders shall sell) such participations in each such other Lender's or holder's Pro Rata Share of the Obligations as would be necessary to cause such Lender to share the amount so offset or otherwise received with each other Lender or holder in accordance with their respective Pro Rata Shares (other than offset rights exercised by any Lender with respect to Sections 1.13, 1.15 or 1.16). Each Credit Party that is a Borrower or Guarantor agrees, to the fullest extent permitted by law, that (a) any Lender may exercise its right to offset with respect to amounts in excess of its Pro Rata Share of the Obligations and may sell participations in such amounts so offset to other Lenders and holders and (b) any Lender so purchasing a participation in the Loans made or other Obligations held by other Lenders or holders may exercise all rights of offset, bankers' lien, counterclaim or similar rights with respect to such participation as fully as if such Lender or holder were a direct holder of the Loans and the other Obligations in the amount of such participation. Notwithstanding the foregoing, if all or any portion of the offset amount or payment otherwise received is thereafter recovered from the Lender that has exercised the right of offset, the purchase of participations by that Lender shall be rescinded and the purchase price restored without interest.

9.9. Advances; Payments; Non-Funding Lenders; Information; Actions in Concert.

(a) Advances; Payments.

(i) Each Revolving Lender shall make the amount of such Lender's Pro Rata Share of such Revolving Credit Advance available to Agent in same day funds by wire transfer to Agent's account as set forth in Annex H not later than 3:00 p.m. (New York time) on the requested funding date, in the case of an Index Rate Loan, and not later than 11:00 a.m. (New York time) on the requested funding date, in the case of a LIBOR Loan. After receipt of such wire transfers (or, in the Agent's sole discretion, before receipt of such wire transfers), subject to the terms hereof, Agent shall make the requested Revolving Credit Advance to the Borrower designated by Borrower Representative in the Notice of Revolving Credit Advance. All payments by each Revolving Lender shall be made without setoff, counterclaim or deduction of any kind.

(ii) On the 2nd Business Day of each calendar week or more frequently at Agent's election (each, a "Settlement Date"), Agent shall advise each Lender by telephone, or telecopy of the amount of such Lender's Pro Rata Share of principal, interest and Fees paid for

the benefit of Lenders with respect to each applicable Loan. Provided that each Lender has funded all payments or Advances required to be made by it and has purchased all participations required to be purchased by it under this Agreement and the other Loan Documents as of such Settlement Date, Agent shall pay to each Lender such Lender's Pro Rata Share of principal, interest and Fees paid by Borrowers since the previous Settlement Date for the benefit of such Lender on the Loans held by it. To the extent that any Lender (a "Non-Funding Lender") has failed to fund all such payments and Advances or failed to fund the purchase of all such participations, Agent shall be entitled to set off the funding short-fall against that Non-Funding Lender's Pro Rata Share of all payments received from Borrowers. Such payments shall be made by wire transfer to such Lender's account (as specified by such Lender in Annex H or the applicable Assignment Agreement) not later than 2:00 p.m. (New York time) on the next Business Day following each Settlement Date.

(b) Availability of Lender's Pro Rata Share. Agent may assume that each Revolving Lender will make its Pro Rata Share of each Revolving Credit Advance available to Agent on each funding date. If such Pro Rata Share is not, in fact, paid to Agent by such Revolving Lender when due, Agent will be entitled to recover such amount on demand from such Revolving Lender without setoff, counterclaim or deduction of any kind. If any Revolving Lender fails to pay the amount of its Pro Rata Share forthwith upon Agent's demand, Agent shall promptly notify Borrower Representative and Borrowers shall immediately repay such amount to Agent. Nothing in this Section 9.9(b) or elsewhere in this Agreement or the other Loan Documents shall be deemed to require Agent to advance funds on behalf of any Revolving Lender or to relieve any Revolving Lender from its obligation to fulfill its Commitments hereunder or to prejudice any rights that Borrowers may have against any Revolving Lender as a result of any default by such Revolving Lender hereunder. To the extent that Agent advances funds to any Borrower on behalf of any Revolving Lender and is not reimbursed therefor on the same Business Day as such Advance is made, Agent shall be entitled to retain for its account all interest accrued on such Advance until reimbursed by the applicable Revolving Lender.

(c) Return of Payments.

(i) If Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by Agent from Borrowers and such related payment is not received by Agent, then

Agent will be entitled to recover such amount from such Lender on demand without setoff, counterclaim or deduction of any kind.

(ii) If Agent determines at any time that any amount received by Agent under this Agreement must be returned to any Borrower or paid to any other Person pursuant to any insolvency law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Loan Document, Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to Agent on demand any portion of such amount that Agent has distributed to such Lender, together with interest at such rate, if any, as Agent is required to pay to any Borrower or such other Person, without setoff, counterclaim or deduction of any kind.

(d) Non-Funding Lenders. The failure of any Non-Funding Lender to make any Revolving Credit Advance or any payment required by it hereunder shall not relieve any other Lender (each such other Revolving Lender, an "Other Lender") of its obligations to make such Advance or purchase such participation on such date, but neither any Other Lender nor Agent shall be responsible for the failure of any Non-Funding Lender to make an Advance, purchase a participation or make any other payment required hereunder. Notwithstanding anything set forth herein to the contrary, a Non-Funding Lender shall not have any voting or consent rights under or with respect to any Loan Document or constitute a "Lender" or a "Revolving Lender" (or be included in the calculation of "Requisite Lenders" or "Supermajority Revolving Lenders" hereunder) for any voting or consent rights under or with respect to any Loan Document. At Borrower Representative's request, Agent or a Person reasonably acceptable to Agent shall have the right with Agent's consent and in Agent's sole discretion (but shall have no obligation) to purchase from any Non-Funding Lender, and each Non-Funding Lender agrees that it shall, at Agent's request, sell and assign to Agent or such Person, all of the Commitments of that Non-Funding Lender for an amount equal to the principal balance of all Loans held by such Non-Funding Lender and all accrued interest and fees with respect thereto through the date of sale, such purchase and sale to be consummated pursuant to an executed Assignment Agreement.

(e) Dissemination of Information. Agent shall use commercially reasonable efforts to provide Lenders with any notice of Default or Event of Default received by Agent from, or delivered by Agent to, any Credit Party, with notice of any Event of Default of which Agent has actually become aware and with notice of any action taken by Agent following any Event of Default; provided, that Agent shall not be liable to any Lender for any failure to do so, except to the extent that such failure is attributable to Agent's gross negligence or willful misconduct. Lenders acknowledge that Borrowers are required to provide Financial Statements and Collateral Reports to Lenders in accordance with Annexes E and F hereto and agree that Agent shall have no duty to provide the same to Lenders.

(f) Actions in Concert. Anything in this Agreement to the contrary notwithstanding, each Lender hereby agrees with each other Lender that no Lender shall take any action to protect or enforce its rights arising out of this Agreement or the Notes (including exercising any rights of setoff) without first obtaining the prior written consent of Agent and Requisite Lenders, it being the intent of Lenders that any such action to protect or enforce rights under this Agreement and the Notes shall be taken in concert and at the direction or with the consent of Agent or Requisite Lenders.

9.10. Syndication and Documentation Agents. The entities identified on the cover page of this Agreement as the "Syndication Agent" and the "Documentation Agent", respectively, shall, in each case, not have any right, power, obligation, liability, responsibility or duty under this Agreement (or any other Loan Document) other than those applicable to all Lenders as such. Without limiting the foregoing, the entities so identified as the "Syndication Agent"

and the "Documentation Agent", respectively, shall not have or be deemed to have any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on the entities so identified as the "Syndication Agent" and the "Documentation Agent", respectively, in deciding to enter into this Agreement and each other Loan Document to which it is a party or in taking or not taking action hereunder or thereunder.

10. SUCCESSORS AND ASSIGNS

10.1. Successors and Assigns. This Agreement and the other Loan Documents shall be binding on and shall inure to the benefit of each Credit Party, Agent, Lenders and their respective successors and assigns (including, in the case of any Credit Party, a debtor-in-possession on behalf of such Credit Party), except as otherwise provided herein or therein. No Credit Party may assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder or under any of the other Loan Documents without the prior express written consent of Agent and Lenders. Any such purported assignment, transfer, hypothecation or other conveyance by any Credit Party without the prior express written consent of Agent and Lenders shall be void. The terms and provisions of this Agreement are for the purpose of defining the relative rights and obligations of each Credit Party, Agent and Lenders with respect to the transactions contemplated hereby and no Person shall be a third party beneficiary of any of the terms and provisions of this Agreement or any of the other Loan Documents.

11. MISCELLANEOUS

11.1. Complete Agreement; Modification of Agreement. The Loan Documents constitute the complete agreement between the parties with respect to the subject matter thereof and may not be modified, altered or amended except as set forth in Section 11.2. Any letter of interest, commitment letter, or fee letter (other than the GE Capital Fee Letter) or confidentiality agreement between any Credit Party and Agent or any Lender or any of their respective Affiliates, predating this Agreement and relating to a financing of substantially similar form, purpose or effect shall be superseded by this Agreement.

11.2. Amendments and Waivers.

(a) Except for actions expressly permitted to be taken by Agent, no amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document, or any consent to any departure by any Credit Party therefrom, shall in any event be effective unless the same shall be in writing and signed by Agent and Borrowers, and by Requisite Lenders, Supermajority Revolving Lenders, Requisite Tranche B Lenders or all affected Lenders, as applicable. Except as set forth in clauses (b) and (c) below, all such amendments, modifications, terminations or waivers requiring the consent of any Lenders shall require the written consent of Requisite Lenders. All amendments, modifications or waivers with respect to Tranche B Revolving Credit Advances prior to the Acquisition Closing Date shall require the written consent of Requisite Tranche B Lenders.

(b) No amendment, modification, termination or waiver of or consent with respect to any provision of this Agreement that makes less restrictive the nondiscretionary criteria for exclusion from Eligible Accounts and Eligible Inventory set forth in Sections 1.6 and 1.7, shall be effective unless the same shall be in writing and signed by Agent, Supermajority Revolving Lenders and Borrowers. No amendment, modification, termination or waiver of or consent with respect to any provision of this Agreement that waives compliance with the conditions precedent set forth in (i) Section 2.2 to the making of any Loan or the incurrence of any Letter of Credit Obligations shall be effective unless the same shall be in writing and signed by Agent, Requisite Lenders and Borrowers and (ii) Section 2.3 to the making of the

Acquisition Loan shall be effective unless the same shall be in writing and signed by Agent, Requisite Tranche A Lenders, Requisite Tranche B Lenders and Borrowers. Notwithstanding anything contained in this Agreement to the contrary, no waiver or consent with respect to any Default or any Event of Default shall be effective for purposes of the conditions precedent to the making of Loans or the incurrence of Letter of Credit Obligations set forth in Section 2.2 unless the same shall be in writing and signed by Agent, Requisite Lenders and Borrowers.

(c) No amendment, modification, termination or waiver shall, unless in writing and signed by Agent and each Lender directly affected thereby: (i) increase the principal amount of any Lender's Commitment (which action shall be deemed to directly affect all Lenders); (ii) reduce the principal of, rate of interest on or Fees payable with respect to any Loan or Letter of Credit Obligations of any affected Lender; (iii) extend any scheduled payment date (other than payment dates of mandatory prepayments under Section 1.3(b)(ii)-(iii)) or final maturity date of the principal amount of any Loan of any affected Lender; (iv) waive, forgive, defer, extend or postpone any payment of interest or Fees as to any affected Lender; (v) release any Guaranty (except in connection with a sale of the Stock of the applicable Guarantor which is not in violation of the terms of this Agreement) or, except as otherwise permitted herein or in the other Loan Documents, release, subordinate the Agent's Lien or permit any Credit Party to sell or otherwise dispose of, any Collateral with a value exceeding $5,000,000 in the aggregate (which action shall be deemed to directly affect all Lenders); (vi) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Loans that shall be required for Lenders or any of them to take any action hereunder; (vii) increase the percentage advance rates set forth in the definition of the SMP Borrowing Base, the SI Borrowing Base, or the MCC Borrowing Base, or the percentage in Section 1.1(a)(iv)(y) beyond the rates in effect on the Closing Date, or the aggregate amount of Overadvances permitted pursuant to Section 1.1(a)(iii); (viii) amend the definition of Additional Capitalization Requirement to reduce the amount of net cash proceeds from the issuance of new equity; and (ix) amend or waive this Section 11.2 or the definitions of the terms "Requisite Lenders" or "Supermajority Revolving Lenders" insofar as such definitions affect the substance of this Section 11.2. Furthermore, no amendment, modification, termination or waiver affecting the rights or duties of Agent or L/C Issuer under this Agreement or any other Loan Document shall be effective unless in writing and signed by Agent or L/C Issuer, as the case may be, in addition to Lenders required hereinabove to take such action. Each amendment, modification, termination or waiver shall be effective only in the specific instance and for the specific purpose for which it was given. No amendment, modification, termination or waiver shall be required for Agent to take additional Collateral pursuant to any Loan Document. No amendment, modification, termination or waiver of any provision of any Note shall be effective without the written concurrence of the holder of that Note. No notice to or demand on any Credit Party in any case shall entitle such Credit Party or any other Credit Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 11.2 shall be binding upon each Lender at such time and each future Lender.

(d) If, in connection with any proposed amendment, modification, waiver or termination (a "Proposed Change"):

(i) requiring the consent of all affected Lenders, the consent of Requisite Lenders is obtained, but the consent of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained as described in this clause (i) and in clauses (ii), (iii) and (iv) below being referred to as a "Non-Consenting Lender"),

(ii) requiring the consent of Supermajority Revolving Lenders, the consent of Requisite Lenders is obtained, but the consent of Supermajority Revolving Lenders is not obtained,

(iii) requiring the consent of Requisite Lenders or Requisite Tranche B Lenders, the consent of Lenders holding 51% or more of the aggregate applicable Commitments is obtained, but the consent of Requisite Lenders or Requisite Tranche B Lenders, as applicable, is not obtained, or

(iv) requiring the consent of Requisite Lenders, the consent of Lenders holding 51% or more of the aggregate Commitments is obtained, but the consent of the Requisite Lenders is not obtained,

then, so long as Agent is not a Non-Consenting Lender, at Borrower Representative's request, Agent or a Person reasonably acceptable to Agent shall have the right with Agent's consent and in Agent's sole discretion (but shall have no obligation) to purchase from such Non-Consenting Lenders, and such Non-Consenting Lenders agree that they shall, upon Agent's request, sell and assign to Agent or such Person, all of the Commitments of such Non-Consenting Lenders for an amount equal to the principal balance of all Loans held by the Non-Consenting Lenders and all accrued interest and Fees with respect thereto through the date of sale, such purchase and sale to be consummated pursuant to an executed Assignment Agreement within 180 days from the time such consent is requested.

(e) Upon payment in full in cash and performance of all of the Obligations (other than indemnification Obligations), termination of the Commitments and a release of all claims against Agent and Lenders (other than claims for gross negligence or willful misconduct), and so long as no suits, actions, proceedings or claims are pending or threatened against any Indemnified Person asserting any damages, losses or liabilities that are Indemnified Liabilities, Agent shall deliver to Borrowers termination statements, mortgage releases and other documents necessary or appropriate to evidence the termination of the Liens securing payment of the Obligations.

11.3. Fees and Expenses. Borrowers shall reimburse (i) Agent for all fees, costs and expenses (including the reasonable fees and expenses of all of its counsel, advisors, consultants and auditors) and (ii) Agent (and, with respect to clauses (c) and (d) below, all Lenders) for all fees, costs and expenses, including the reasonable fees, costs and expenses of counsel or other advisors (including environmental and management consultants and appraisers), incurred in connection with the negotiation and preparation of the Loan Documents and incurred in connection with:

(a) the forwarding to Borrowers or any other Person on behalf of Borrowers by Agent of the proceeds of any Loan (including a wire transfer fee of $10 per wire transfer);

(b) any amendment, modification or waiver of, consent with respect to, or termination of, any of the Loan Documents or Related Transactions Documents or advice in connection with the syndication and administration of the Loans made pursuant hereto or its rights hereunder or thereunder;

(c) any litigation, contest, dispute, suit, proceeding or action (whether instituted by Agent, any Lender, any Borrower or any other Person and whether as a party, witness or otherwise) in any way relating to the Collateral, any of the Loan Documents or any other agreement to be executed or delivered in connection herewith or therewith, including any litigation, contest, dispute, suit, case, proceeding or action, and any appeal or review thereof, in connection with a case commenced by or against any or all of the Borrowers or any other Person that may be obligated to Agent by virtue of the Loan Documents; including any such litigation, contest, dispute, suit, proceeding or action arising in connection with any work-out or restructuring of the Loans during the pendency of one or more Events of Default; provided that in the case of reimbursement of counsel for Lenders other than Agent, such reimbursement shall be limited to one counsel for all such Lenders; provided, further, that no Person shall be entitled to reimbursement under this clause (c) in respect of any litigation, contest, dispute, suit, proceeding or action to the extent any of the foregoing results from such Person's gross negligence or willful misconduct;

(d) any attempt to enforce any remedies of Agent against any or all of the Credit Parties or any other Person that may be obligated to Agent or any Lender by virtue of any of the Loan Documents, including any such attempt to enforce any such remedies in the course of any work-out or restructuring of the Loans during the pendency of one or more Events of Default; provided, that in the case of reimbursement of counsel for Lenders other than Agent, such reimbursement shall be limited to one counsel for all such Lenders;

(e) any workout or restructuring of the Loans during the pendency of one or more Events of Default; and

(f) efforts to (i) monitor the Loans or any of the other Obligations, (ii) evaluate, observe or assess any of the Credit Parties or their respective affairs, and (iii) verify, protect, evaluate, assess, appraise, collect, sell, liquidate or otherwise dispose of any of the Collateral;

including, as to each of clauses (a) through (f) above, all reasonable attorneys' and other professional and service providers' fees arising from such services and other advice, assistance or other representation, including those in connection with any appellate proceedings, and all reasonable expenses, costs, charges and other fees incurred by such counsel and others in connection with or relating to any of the events or actions described in this Section 11.3, all of which shall be payable, on demand, by Borrowers to Agent. Without limiting the generality of the foregoing, such expenses, costs, charges and fees may include: fees, costs and expenses of accountants, environmental advisors, appraisers, investment bankers, management and other consultants and paralegals; court costs and expenses; photocopying and duplication expenses; court reporter fees, costs and expenses; long distance telephone charges; air express charges; telegram or telecopy charges; secretarial overtime charges; and expenses for travel, lodging and

food paid or incurred in connection with the performance of such legal or other advisory services.

11.4. No Waiver. Agent's or any Lender's failure, at any time or times, to require strict performance by the Credit Parties of any provision of this Agreement or any other Loan Document shall not waive, affect or diminish any right of Agent or such Lender thereafter to demand strict compliance and performance herewith or therewith. Any suspension or waiver of an Event of Default shall not suspend, waive or affect any other Event of Default whether the same is prior or subsequent thereto and whether the same or of a different type. Subject to the provisions of Section 11.2, none of the undertakings, agreements, warranties, covenants and representations of any Credit Party

contained in this Agreement or any of the other Loan Documents and no Default or Event of Default by any Credit Party shall be deemed to have been suspended or waived by Agent or any Lender, unless such waiver or suspension is by an instrument in writing signed by an officer of or other authorized employee of Agent and the applicable required Lenders, and directed to Borrowers specifying such suspension or waiver.

11.5. Remedies. Agent's and Lenders' rights and remedies under this Agreement shall be cumulative and nonexclusive of any other rights and remedies that Agent or any Lender may have under any other agreement, including the other Loan Documents, by operation of law or otherwise. Recourse to the Collateral shall not be required.

11.6. Severability. Wherever possible, each provision of this Agreement and the other Loan Documents shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement or any other Loan Document shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement or such other Loan Document.

11.7. Conflict of Terms. Except as otherwise provided in this Agreement or any of the other Loan Documents by specific reference to the applicable provisions of this Agreement, if any provision contained in this Agreement conflicts with any provision in any of the other Loan Documents, the provision contained in this Agreement shall govern and control.

11.8. Confidentiality. Agent and each Lender agree to use commercially reasonable efforts (equivalent to the efforts Agent or such Lender applies to maintaining the confidentiality of its own confidential information) to maintain as confidential all confidential information provided to them by the Credit Parties and designated as confidential for a period of two (2) years following receipt thereof, except that Agent and any Lender may disclose such information (a) to Persons employed or engaged by Agent or such Lender in evaluating, approving, structuring or administering the Loans and the Commitments; (b) to any bona fide assignee or participant or potential assignee or participant that has agreed to comply with the covenant contained in this Section 11.8 (and any such bona fide assignee or participant or potential assignee or participant may disclose such information to Persons employed or engaged by them as described in clause (a) above); (c) as required or requested by any Governmental Authority or reasonably believed by Agent or such Lender to be compelled by any court decree, subpoena or legal or administrative order or process; (d) as, on the advice of Agent's or such Lender's counsel, is required by law; (e) in connection with the exercise of any right or remedy under the

Loan Documents or in connection with any Litigation to which Agent or such Lender is a party; or (f) that ceases to be confidential through no fault of Agent or any Lender.

11.9. GOVERNING LAW. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN ANY OF THE LOAN DOCUMENTS, IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THE LOAN DOCUMENTS AND THE OBLIGATIONS SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA. EACH CREDIT PARTY HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN NEW YORK COUNTY, CITY OF NEW YORK, NEW YORK SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE CREDIT PARTIES, AGENT AND LENDERS PERTAINING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS; PROVIDED, THAT AGENT, LENDERS AND THE CREDIT PARTIES ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF NEW

YORK COUNTY; PROVIDED FURTHER, THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE AGENT FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF AGENT. EACH CREDIT PARTY EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH CREDIT PARTY HEREBY WAIVES ANY OBJECTION THAT SUCH CREDIT PARTY MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS. EACH CREDIT PARTY HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH CREDIT PARTY AT THE ADDRESS SET FORTH IN ANNEX I OF THIS AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF SUCH CREDIT PARTY'S ACTUAL RECEIPT THEREOF OR THREE (3) DAYS AFTER DEPOSIT IN THE UNITED STATES MAILS, PROPER POSTAGE PREPAID.

11.10. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other parties, or whenever any of the parties desires to give or serve upon any other parties any communication with respect to this

Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be deemed to have been validly served, given or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the United States Mail, registered or certified mail, return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by telecopy or other similar facsimile transmission (with such telecopy or facsimile promptly confirmed by delivery of a copy by personal delivery or United States Mail as otherwise provided in this Section 11.10); (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or facsimile number indicated in Annex I or to such other address (or facsimile number) as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to any Person (other than Borrower Representative or Agent) designated in Annex I to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication.

11.11. Section Titles. The Section titles and Table of Contents contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

11.12. Counterparts. This Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement.

11.13. WAIVER OF JURY TRIAL. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG AGENT, LENDERS AND ANY CREDIT PARTY ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE OTHER

LOAN DOCUMENTS OR THE TRANSACTIONS RELATED THERETO.

11.14. Press Releases and Related Matters. Each Credit Party executing this Agreement agrees that neither it nor its Affiliates will in the future issue any press releases or other public disclosure using the name of GE Capital or its affiliates or referring to this Agreement, the other Loan Documents or the Related Transactions Documents without at least two (2) Business Days' prior notice to GE Capital and without the prior written consent of GE Capital unless (and only to the extent that) such Credit Party or Affiliate is required to do so under law and then, in any event, such Credit Party or Affiliate will consult with GE Capital before issuing such press

release or other public disclosure. Each Credit Party consents to the publication by Agent or any Lender of a tombstone or similar advertising material relating to the financing transactions contemplated by this Agreement using Borrowers' name, product photographs, logo or trademark. Agent or such Lender shall provide a draft of any advertising material to each Credit Party for review and comment prior to the publication thereof. Agent reserves the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

11.15. Reinstatement. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Borrower for liquidation or reorganization, should any Borrower become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of any Borrower's assets, and shall continue to be effective or to be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

11.16. Advice of Counsel. Each of the parties represents to each other party hereto that it has discussed this Agreement and, specifically, the provisions of Sections 11.9 and 11.13, with its counsel.

11.17. No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

12. CROSS-GUARANTY

12.1. Cross-Guaranty. Each Borrower hereby agrees that such Borrower is jointly and severally liable for, and hereby absolutely and unconditionally guarantees to Agent and Lenders and their respective successors and assigns, the full and prompt payment (whether at stated maturity, by acceleration or otherwise) and performance of, all Obligations owed or hereafter owing to Agent and Lenders by each other Borrower. Each Borrower agrees that its guaranty obligation hereunder is a continuing guaranty of payment and performance and not of collection, that its obligations under this Section 12 shall not be discharged until payment and performance, in full, of the Obligations has occurred, and that its obligations under this Section 12 shall be absolute and unconditional, irrespective of, and unaffected by,

(a) the genuineness, validity, regularity, enforceability or any

future amendment of, or change in, this Agreement, any other Loan Document or any other agreement, document or instrument to which any Borrower is or may become a party;

(b) the absence of any action to enforce this Agreement (including this Section 12) or any other Loan Document or the waiver or consent by Agent and Lenders with respect to any of the provisions thereof;

(c) the existence, value or condition of, or failure to perfect its Lien against, any security for the Obligations or any action, or the absence of any action, by Agent and Lenders in respect thereof (including the release of any such security);

(d) the insolvency of any Credit Party; or

(e) any other action or circumstances that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor.

Each Borrower shall be regarded, and shall be in the same position, as principal debtor with respect to the Obligations guaranteed hereunder.

12.2. Waivers by Borrowers. Each Borrower expressly waives all rights it may have now or in the future under any statute, or at common law, or at law or in equity, or otherwise, to compel Agent or Lenders to marshal assets or to proceed in respect of the Obligations guaranteed hereunder against any other Credit Party, any other party or against any security for the payment and performance of the Obligations before proceeding against, or as a condition to proceeding against, such Borrower. It is agreed among each Borrower, Agent and Lenders that the foregoing waivers are of the essence of the transaction contemplated by this Agreement and the other Loan Documents and that, but for the provisions of this Section 12 and such waivers, Agent and Lenders would decline to enter into this Agreement.

12.3. Benefit of Guaranty. Each Borrower agrees that the provisions of this Section 12 are for the benefit of Agent and Lenders and their respective successors, transferees, endorsees and assigns, and nothing herein contained shall impair, as between any other Borrower and Agent or Lenders, the obligations of such other Borrower under the Loan Documents.

12.4. Subordination of Subrogation, Etc. Notwithstanding anything to the contrary in this Agreement or in any other Loan Document, and except as set forth in Section 12.7, each Borrower hereby expressly and irrevocably subordinates to payment of the Obligations any and all rights at law or in equity to subrogation, reimbursement, exoneration, contribution, indemnification or set off and any and all defenses available to a surety, guarantor or accommodation co-obligor until the Obligations are indefeasibly paid in full in cash. Each Borrower acknowledges and agrees that this subordination is intended to benefit Agent and Lenders and shall not limit or otherwise affect such Borrower's liability hereunder or the enforceability of this Section 12, and that Agent, Lenders and their respective successors and assigns are intended third party beneficiaries of the waivers and agreements set forth in this Section 12.4.

12.5. Election of Remedies. If Agent or any Lender may, under applicable law, proceed to realize its benefits under any of the Loan Documents giving Agent or such Lender a Lien upon any Collateral, whether owned by any Borrower or by any other Person, either by judicial foreclosure or by non-judicial sale or enforcement, Agent or any Lender may, at its sole option, determine which of its remedies or rights it may pursue without affecting any of its rights

and remedies under this Section 12. If, in the exercise of any of its rights and remedies, Agent or any Lender shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against any Borrower or any other Person, whether because of any applicable laws pertaining to "election of remedies" or the like, each Borrower hereby consents to such action by Agent or such Lender and waives any claim based upon such action, even if such action by Agent or such Lender shall result in a full or partial loss of any rights of subrogation that each Borrower might otherwise have had but for such action by Agent or such Lender. Any election of remedies that results in the denial or impairment of the right of Agent or any Lender to seek a deficiency judgment against any Borrower shall not impair any other Borrower's obligation to pay the full amount of the Obligations. In the event Agent or any Lender shall bid at any foreclosure or trustee's sale or at any private sale permitted by law or the Loan Documents, Agent or such Lender may bid all or less than the amount of the Obligations and the amount of such bid need not be paid by Agent or such Lender but shall be credited against the Obligations. The amount of the successful bid at any such sale, whether Agent, Lender or any other party is the successful bidder, shall be conclusively deemed to be the fair market value of the Collateral and the difference between such bid amount and the remaining balance of the Obligations shall be conclusively deemed to be the amount of the Obligations guaranteed under this Section 12, notwithstanding that any present or future law or court decision or ruling may have the effect of reducing the amount of any deficiency claim to which Agent or any Lender might otherwise be entitled but for such bidding at any such sale.

12.6. Limitation. Notwithstanding any provision herein contained to the contrary, each Borrower's liability under this Section 12 (which liability is in any event in addition to amounts for which such Borrower is primarily liable under Section 1) shall be limited to an amount not to exceed as of any date of determination the greater of:

(a) the net amount of all Loans advanced to any other Borrower under this Agreement and then re-loaned or otherwise transferred to, or for the benefit of, such Borrower; and

(b) the amount that could be claimed by Agent and Lenders from such Borrower under this Section 12 without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law after taking into account, among other things, such Borrower's right of contribution and indemnification from each other Borrower under Section 12.7.

12.7. Contribution with Respect to Guaranty Obligations

(a) To the extent that any Borrower shall make a payment under this Section 12 of all or any of the Obligations (other than Loans made to that Borrower for which it is primarily liable) (a "Guarantor Payment") that, taking into account all other Guarantor Payments then previously or concurrently made by any other Borrower, exceeds the amount that such Borrower would otherwise have paid if each Borrower had paid the aggregate Obligations

satisfied by such Guarantor Payment in the same proportion that such Borrower's "Allocable Amount" (as defined below) (as determined immediately prior to such Guarantor Payment) bore to the aggregate Allocable Amounts of each of the

Borrowers as determined immediately prior to the making of such Guarantor Payment, then, following indefeasible payment in full in cash of the Obligations and termination of the Commitments, such Borrower shall be entitled to receive contribution and indemnification payments from, and be reimbursed by, each other Borrower for the amount of such excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(b) As of any date of determination, the "Allocable Amount" of any Borrower shall be equal to the maximum amount of the claim that could then be recovered from such Borrower under this Section 12 without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law.

(c) This Section 12.7 is intended only to define the relative rights of Borrowers and nothing set forth in this Section 12.7 is intended to or shall impair the obligations of Borrowers, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with the terms of this Agreement, including Section 12.1. Nothing contained in this Section 12.7 shall limit the liability of any Borrower to pay the Loans made directly or indirectly to that Borrower and accrued interest, Fees and expenses with respect thereto for which such Borrower shall be primarily liable.

(d) The parties hereto acknowledge that the rights of contribution and indemnification hereunder shall constitute assets of the Borrower to which such contribution and indemnification is owing.

(e) The rights of the indemnifying Borrowers against other Credit Parties under this Section 12.7 shall be exercisable upon the full and indefeasible payment of the Obligations and the termination of the Commitments.

12.8. Liability Cumulative. The liability of Borrowers under this Section 12 is in addition to and shall be cumulative with all liabilities of each Borrower to Agent and Lenders under this Agreement and the other Loan Documents to which such Borrower is a party or in respect of any Obligations or obligation of the other Borrower, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above.

STANDARD MOTOR PRODUCTS, INC.

By: /s/ ROBERT H. MARTIN

Name: Robert H. Martin

Title: Treasurer

MARDEVCO CREDIT CORP.

By: /s/ ROBERT H. MARTIN

Name: Robert H. Martin

Title: Treasurer

STANRIC, INC.

By: /s/ ROBERT H. MARTIN

Name: Robert H. Martin

Title: Treasurer

GENERAL ELECTRIC CAPITAL
CORPORATION,
as Agent and Lender

By: /s/ HOWARD WEINBERG

Name: Howard Weinberg

Duly Authorized Signatory

GMAC COMMERCIAL FINANCE LLC
(as successor by merger to
GMAC Commercial Credit LLC),
as Documentation Agent and Lender

By: /s/ DAVID M. DUFFY

Name: David M. Duffy

Title: Senior Vice President

BANK OF AMERICA, N.A.,
as Syndication Agent and Lender

By: /s/ WILLIAM J. WILSON

Name: William J. Wilson

Title: Vice President

TRANSAMERICA BUSINESS CAPITAL
CORPORATION,
as Lender

By: /s/ CHRISTOPHER D. NERRITO

Name: Christopher D. Nerrito

Title: VP

CONGRESS FINANCIAL CORPORATION,
as Lender

By: /s/ DIONNE S. RICE

Name: Dionne S. Rice

Title: AVP

JPMORGAN CHASE BANK,
as Lender

By: /s/ DESIREE THOMAS

Name: Desiree Thomas

Title: Vice President

HSBC BANK USA,
as Lender

By: /s/ THOMAS J. DIONIAN

Name: Thomas J. Dionian

Title: Vice President

FOOTHILL CAPITAL CORPORATION,
as Lender

By: /s/ RINA SHINODA

Name: Rina Shinoda

Title: Vice President

MERRILL LYNCH CAPITAL, a Division of
MERRILL LYNCH BUSINESS FINANCIAL
SERVICES INC., as Lender

By: /s/ T. BUROWSKY

Name: T. Burowsky

Title: Director

The following Persons are signatories to this Agreement in their capacity as Credit Parties and not as Borrowers.

SMP MOTOR PRODUCTS LTD.

By: /s/ ROBERT H. MARTIN

Name: Robert H. Martin

Title: Treasurer

RENO STANDARD INCORPORATED

By: /s/ ROBERT H. MARTIN

Name: Robert H. Martin

Title: Treasurer

ANNEX A (Recitals)
to
CREDIT AGREEMENT

DEFINITIONS

Capitalized terms used in the Loan Documents shall have (unless otherwise provided elsewhere in the Loan Documents) the following respective meanings, and all references to Sections, Exhibits, Schedules or Annexes in the following definitions shall refer to Sections, Exhibits, Schedules or Annexes of or to the Agreement:

"Account Debtor" means any Person who may become obligated to any Credit Party under, with respect to, or on account of, an Account, Chattel Paper or General Intangibles (including a payment intangible).

"Accounting Changes" has the meaning ascribed thereto in Annex G.

"Accounts" means all "accounts," as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, including (a) all accounts receivable, other receivables, book debts and other forms of obligations (other than forms of obligations evidenced by Chattel Paper or Instruments) (including any such obligations that may be characterized as an account or contract right under the Code), (b) all of each Credit Party's rights in, to and under all purchase orders or receipts for goods or services, (c) all of each Credit Party's rights to any goods represented by any of the foregoing (including unpaid sellers' rights of rescission, replevin, reclamation and stoppage in

transit and rights to returned, reclaimed or repossessed goods), (d) all rights to payment due to any Credit Party for property sold, leased, licensed, assigned or otherwise disposed of, for a policy of insurance issued or to be issued, for a secondary obligation incurred or to be incurred, for energy provided or to be provided, for the use or hire of a vessel under a charter or other contract, arising out of the use of a credit card or charge card, or for services rendered or to be rendered by such Credit Party or in connection with any other transaction (whether or not yet earned by performance on the part of such Credit Party), (e) all health care insurance receivables and (f) all collateral security of any kind, given by any Account Debtor or any other Person with respect to any of the foregoing.

"Acquisition" means the acquisition of all or substantially all of the assets of Dana Corporation's Aftermarket Engine Management Division.

"Acquisition Agreement" means the Asset Purchase Agreement, dated as of February 7, 2003, by and among Dana Corporation, a Virginia corporation, Automotive Controls Corp., a Connecticut corporation, BWD Automotive Corporation, a Delaware corporation, Pacer Industries, Inc., a Missouri corporation, Ristance Corporation, an Indiana corporation, Engine Controls Distribution Services, Inc., a Delaware corporation, as sellers, and SMP, as buyer.

"Acquisition Closing Date" means the date the Acquisition is effectuated.

"Acquisition Conditions" means the conditions set forth on Annex D-2 to the Agreement.

"Acquisition Loan Facility" means the Tranche B Revolving Credit Advances.

"Additional Capitalization Requirement" means, based upon the $94,000,000 cash portion of the consideration to be paid in connection with the Acquisition (the "Cash Purchase Price") the receipt by SMP of no less than $59,000,000 of net cash proceeds from the issuance of new equity prior to the closing of the Acquisition on accepted terms. If the Cash Purchase Price is less than $94,000,000, then the Additional Capitalization Requirement shall be reduced by one dollar for every two dollar reduction in the Cash Purchase Price.

"Additional MCC Amortizing Availability" means (i) as to any Eligible Real Estate purchased by MCC after the Closing Date fifty percent (50%) of the Fair Market Value of such Eligible Real Estate and as to Eligible Equipment purchased by MCC after the Closing Date 85% of the Net Orderly Liquidation Value of such Eligible Equipment less (ii) one-twenty eighth of the amount determined under clause (i) for each full Fiscal Quarter occurring after the purchase of such Eligible Real Estate or Eligible Equipment, as the case may be.

"Additional SI Amortizing Availability" means as to each item of Eligible Equipment purchased by SI after the Closing Date, (i) 85% of the Net Orderly Liquidation Value of such Eligible Equipment less (ii) one-twenty eighth of the amount determined under clause (i) for each full Fiscal Quarter occurring after the purchase of such Eligible Equipment.

"Additional SMP Amortizing Availability" means (i) as to any Eligible Real Estate purchased by SMP after the Closing Date fifty percent (50%) of the Fair Market Value of such Eligible Real Estate and as to Eligible Equipment purchased by SMP after the Closing Date 85% of the Net Orderly Liquidation Value of such Eligible Equipment less (ii) one-twenty eighth of the amount determined under clause (i) for each full Fiscal Quarter occurring after the purchase of such Eligible Real Estate or Eligible Equipment, as the case may be.

"Advance" means any Revolving Credit Advance.

"Affiliate" means, with respect to any Person, (a) each Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, 5% or more of the Stock having ordinary voting power in the election of directors of such Person, (b) each Person that controls, is controlled by or is under common control with such Person, (c) each of such Person's officers, directors, joint venturers and partners and (d) in the case of Borrowers, the immediate family members, spouses and lineal descendants of individuals who are Affiliates of any Borrower. For the purposes of this definition, "control" of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise; provided, however, that the term "Affiliate" shall specifically exclude Agent and each Lender and, to the extent Seller would be an Affiliate due solely to the closing of the Acquisition, Seller.

"Agent" means GE Capital in its capacity as Agent for Lenders or its successor appointed pursuant to Section 9.7.

"Aggregate Amortizing Availability" means the sum of MCC Amortizing Availability, SI Amortizing Availability and SMP Amortizing Availability, subject to the limitation in Section 1.1(a)(iv).

"Aggregate Borrowing Base" means as of any date of determination, an amount equal to (i) the sum of the MCC Borrowing Base, the SMP Borrowing Base and the SI Borrowing Base; less (ii) any Reserves except to the extent already deducted therefrom.

"Agreement" means the Amended and Restated Credit Agreement by and among Borrowers, the other Credit Parties party thereto, GE Capital, as Agent and Lender and the other Lenders from time to time party thereto, as the same may be amended, supplemented, restated or otherwise modified from time to time.

"Appendices" has the meaning ascribed to it in the recitals to the Agreement.

"Applicable Margins" means collectively the Applicable Unused Line Fee Margin, the Applicable Revolver Index Margin, the Applicable Revolver LIBOR Margin.

"Applicable Revolver Index Margin" means the per annum interest rate margin from time to time in effect and payable in addition to the Index Rate applicable to the Revolving Loan, as determined by reference to Section 1.5(a).

"Applicable Revolver LIBOR Margin" means the per annum interest rate from time to time in effect and payable in addition to the LIBOR Rate applicable to the Revolving Loan, as determined by reference to Section 1.5(a).

"Applicable Unused Line Fee Margin" means the per annum fee, from time to time in effect, payable in respect of Borrowers' non-use of committed funds pursuant to Section 1.9(b), which fee is determined by reference to Section 1.5(a).

"Asbestos Claims" means claims seeking to impose liability on SMP in connection with any alleged exposure to asbestos.

"Asbestos Reserve" means, as of the date of determination by Agent, an amount equal to (1) in the event that Borrowers have obtained an insurance policy from an insurer, and in form and substance, acceptable to Agent, covering Borrowers' asbestos liability claims, the sum of (A) all unpaid premiums with respect thereto and (B) the amount of the deductible for such policy, less, on a

dollar-for-dollar basis, the amount of any payment made by any Borrower after the Closing Date against such deductible, or (2) in the event that Borrowers have not obtained an insurance policy as described in clause (1) above: the greater of (i) $7,000,000, (ii) an amount equal to Borrowers' medium five year expected asbestos liability (based upon the most recent actuarial study received by Agent), or (iii) at Agent's discretion, an amount which reflects the aggregate amount of unsettled claims at any time and from time to time, on and after the Closing Date and continuing until the earlier of: (A) such time that Borrowers elect, if at all, to obtain the insurance policy referred to in clause (1) above (in which case, the Asbestos Reserve shall be as provided in clause (1) above) and (B) the Commitment Termination Date.

"Assignment Agreement" has the meaning ascribed to it in Section 9.1(a).

"AutoZone/SunTrust Program" means the Vendor Program established between AutoZone, Inc. and SunTrust Bank pursuant to which AutoZone, Inc. consolidates multiple invoices from a supplier into a single large payment and issues a negotiable draft to the supplier, which draft is purchased by SunTrust from the supplier at an agreed upon purchase price.

"Bankruptcy Code" means the provisions of Title 11 of the United States Code, 11 U.S.C. 'SS''SS'101 et seq.

"Blocked Accounts" has the meaning ascribed to it in Annex C.

"Borrower Representative" means SMP in its capacity as Borrower Representative pursuant to the provisions of Section 1.1(d).

"Borrowers" and "Borrower" have the respective meanings ascribed thereto in the preamble to the Agreement.

"Borrowing Availability" means as of any date of determination (a) as to all Borrowers, the lesser of (i) the Maximum Amount and (ii) the Aggregate Borrowing Base, in each case, less the aggregate Revolving Credit Advances then outstanding, or (b) as to an individual Borrower, the lesser of (i) the Maximum Amount less the Revolving Loan outstanding to all other Borrowers and (ii) that Borrower's separate Borrowing Base, less the Revolving Credit Advances outstanding to that Borrower; provided that an Overadvance in accordance with Section 1.1(a)(iii) may cause the Revolving Loan to exceed the Aggregate Borrowing Base or a Borrower's separate Borrowing Base by the amount of such permitted Overadvance. Borrowing Availability for purposes of clauses (a) and (b) shall be determined with trade payables being paid consistent with past practices, with expenses and liabilities being paid in the ordinary course of business, without acceleration of sales and without deterioration of working capital.

"Borrowing Base" means as the context may require, the MCC Borrowing Base, the SMP Borrowing Base, and the SI Borrowing Base or any such Borrowing Base. Notwithstanding anything contained herein to the contrary, for purposes of determining any Borrowing Base, (a) the value of Eligible Inventory acquired by any Borrower from any other Borrower shall be the lower of cost (determined on a first-in, first-out basis) or market of either the selling Borrower or the purchasing Borrower, whichever is lower and (b) the Net Orderly Liquidation Value of any Eligible Equipment or Eligible Inventory and the Fair Market Value of any Eligible Real Estate may be adjusted by Agent from time to time to reflect the results of the most recent appraisal thereof.

"Borrowing Base Certificate" means a certificate to be executed and delivered from time to time by each Borrower in the form attached to the Agreement as Exhibit 4.1(b).

"Business Day" means any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State New York and in reference to LIBOR Loans shall mean any such day that is also a LIBOR Business Day.

"Capital Expenditures" means, with respect to any Person, all expenditures (by the expenditure of cash or the incurrence of Indebtedness) by such Person during any measuring period for any fixed assets or improvements or for replacements, substitutions or additions

thereto that have a useful life of more than one year and that are required to be capitalized under GAAP.

"Capital Lease" means, with respect to any Person, any lease of any property (whether real, personal or mixed) by such Person as lessee that, in accordance with GAAP, would be required to be classified and accounted for as a capital lease on a balance sheet of such Person.

"Capital Lease Obligation" means, with respect to any Capital Lease of any Person, the amount of the obligation of the lessee thereunder that, in accordance with GAAP, would appear on a balance sheet of such lessee in respect of such Capital Lease.

"Car Quest Long Term Accounts" means Accounts owed by General Parts Inc. that provide for extended dating for the initial stocking orders that arose from such Account Debtor's acquisition of certain assets of APS, Inc.

"Cash Collateral Account" has the meaning ascribed to it Annex B.

"Cash Equivalents" has the meaning ascribed to it in Annex B.

"Cash Management Systems" has the meaning ascribed to it in Section 1.8.

"Cash Purchase Price" has the meaning ascribed to it in the definition of Additional Capitalization Requirement.

"Change of Control" means any of the following: (a) any person or group of persons (within the meaning of the Securities Exchange Act of 1934,) other than the Existing Stockholder Group shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934,) of 30% or more of the issued and outstanding shares of capital Stock of SMP having the right to vote for the election of directors of SMP under ordinary circumstances; (b) during any period of twelve consecutive calendar months, individuals who at the beginning of such period constituted the board of directors of SMP (together with any new directors whose election by the board of directors of SMP or whose nomination for election by the Stockholders of SMP was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason other than death or disability to constitute a majority of the directors then in office; or (c) SMP ceases to own and control all of the economic and voting rights associated with all of the outstanding capital Stock of any of its Subsidiaries other than as set forth on Disclosure Schedule (3.8).

"Charges" means all federal, state, county, city, municipal, local, foreign or other governmental taxes (including taxes owed to the PBGC at the time due and payable), levies, assessments, charges, liens, claims or encumbrances upon or relating to (a) the Collateral, (b) the Obligations, (c) the employees, payroll, income or gross receipts of any Credit Party, (d) any Credit Party's ownership or use of any properties or other assets, or (e) any

other aspect of any Credit Party's business.

"Chattel Paper" means any "chattel paper," as such term is defined in the Code, including electronic chattel paper, now owned or hereafter acquired by any Credit Party.

"Closing Date" means February 7, 2003.

"Closing Checklist" means the schedule, including all appendices, exhibits or schedules thereto, listing certain documents and information to be delivered in connection with the Agreement, the other Loan Documents and the transactions contemplated thereunder, substantially in the form attached hereto as Annex D.

"Code" means the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in the State of New York; provided, that to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided, further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, Agent's or any Lender's Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

"Collateral" means the property covered by the Security Agreement, the Mortgages and the other Collateral Documents and any other property, real or personal, tangible or intangible, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of Agent, on behalf of itself and Lenders, to secure the Obligations.

"Collateral Documents" means the Security Agreement, the Pledge Agreements, the Guaranties, the Mortgages, the Intellectual Property Security Agreement, and all similar agreements entered into guaranteeing payment of, or granting a Lien upon property as security for payment of, the Obligations.

"Collateral Reports" means the reports with respect to the Collateral referred to in Annex F.

"Collection Account" means that certain account of Agent, account number 502-328-54 in the name of Agent at DeutscheBank Trust Company Americas in New York, New York ABA No. 021 001 033, or such other account as may be specified in writing by Agent as the "Collection Account."

"Commitment Termination Date" means the earliest of (a) February 7, 2008, (b) the date of termination of Lenders' obligations to make Advances and to incur Letter of Credit Obligations or permit existing Loans to remain outstanding pursuant to Section 8.2(b), and (c) the date of indefeasible prepayment in full by Borrowers of the Loans and the cancellation and return (or stand-by guarantee) of all Letters of Credit or the cash collateralization of all Letter of Credit Obligations pursuant to Annex B, and the permanent reduction of all Commitments to zero dollars ($0).

"Commitments" means (a) as to any Lender, the aggregate of such Lender's Tranche A Revolving Loan Commitment and Tranche B Revolving Loan Commitment as set forth on Annex J to the Agreement or in the most recent Assignment Agreement executed by such Lender and (b) as to all Lenders, the aggregate of all Lenders' Tranche A Revolving Loan Commitments and Tranche B Revolving Loan Commitments which aggregate commitment shall be Three Hundred and Five Million Dollars ($305,000,000) on the Closing Date, as to each of clauses (a) and (b), as such Commitments may be reduced, amortized or adjusted from time to time in accordance with the Agreement. On and after the Acquisition Closing Date, references to Tranche A Revolving Loan Commitments and Tranche B Revolving Loan Commitments shall be references to the Revolving Loan Commitments as set forth in Annex J or in the most recent Assignment Agreement executed by such Lender.

"Compliance Certificate" has the meaning ascribed to it in Annex E.

"Concentration Account" has the meaning ascribed to it in Annex C.

"Contracts" means all "contracts," as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, in any event, including all contracts, undertakings, or agreements (other than rights evidenced by Chattel Paper, Documents or Instruments) in or under which any Credit Party may now or hereafter have any right, title or interest, including any agreement relating to the terms of payment or the terms of performance of any Account.

"Control Letter" means a letter agreement between Agent and (i) the issuer of uncertificated securities with respect to uncertificated securities in the name of any Credit Party, (ii) a securities intermediary with respect to securities, whether certificated or uncertificated, securities entitlements and other financial assets held in a securities account in the name of any Credit Party, (iii) a futures commission merchant or clearing house, as applicable, with respect to commodity accounts and commodity contracts held by any Credit Party, whereby, among other things, the issuer, securities intermediary or futures commission merchant disclaims any security interest in the applicable financial assets, acknowledges the Lien of Agent, on behalf of itself and Lenders, on such financial assets, and agrees to follow the instructions or entitlement orders of Agent without further consent by the affected Credit Party.

"Copyright License" means any and all rights now owned or hereafter acquired by any Credit Party under any written agreement granting any right to use any Copyright or Copyright registration.

"Copyright Security Agreements" means the Copyright Security Agreements made in favor of Agent, on behalf of itself and Lenders, by each applicable Credit Party, as amended, modified or supplemented from time to time.

"Copyrights" means all of the following now owned or hereafter adopted or acquired by any Credit Party: (a) all copyrights and General Intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office or in any similar office or agency of the United States, any state or territory

thereof, or any other country or any political subdivision thereof, and (b) all reissues, extensions or renewals thereof.

"Credit Parties" means each Borrower, RSI and SMP Canada.

"Dana Amortizing Availability" means $3,835,000 less $136,965 per Fiscal Quarter commencing with the Fiscal Quarter ending December 31, 2002.

"Default" means any event that, with the passage of time or notice or both, would, unless cured or waived, become an Event of Default.

"Default Rate" has the meaning ascribed to it in Section 1.5(d).

"Deposit Accounts" means all "deposit accounts" as such term is defined in the Code, now or hereafter held in the name of any Credit Party including, without limitation, all checking accounts.

"Disbursement Accounts" has the meaning ascribed to it in Annex C.

"Disclosure Schedules" means the Schedules prepared by Borrowers and denominated as Disclosure Schedules (1.4) through (6.7) in the Index to the Agreement.

"Documents" means all "documents," as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, wherever located.

"Dollars" or "$" means lawful currency of the United States of America and, solely for purposes of Section 1.6, of Canada.

"EBITDA" means, with respect to any Person for any fiscal period, without duplication, an amount equal to (a) consolidated net income of such Person for such period determined in accordance with GAAP, minus (b) the sum of (i) income tax credits (ii) gain from extraordinary items for such period, (iii) any aggregate net gain (but not any aggregate net loss) during such period arising from the sale, exchange or other disposition of capital assets by such Person (including any fixed assets, whether tangible or intangible, all inventory sold in conjunction with the disposition of fixed assets and all securities), and (iv) any other non-operating, non-cash gains that have been added in determining consolidated net income, in each case to the extent included in the calculation of consolidated net income of such Person for such period in accordance with GAAP, but without duplication, plus (c) the sum of (i) any provision for income taxes, (ii) Interest Expense, (iii) loss from extraordinary items for such period, (iv) the amount of non-cash charges (including depreciation and amortization) for such period, (v) amortized debt discount for such period, and (vi) the amount of any deduction to consolidated net income as the result of any grant to any members of the management of such Person of any Stock, in each case to the extent included in the calculation of consolidated net income of such Person for such period in accordance with GAAP, but without duplication. For purposes of this definition, the following items shall be excluded in determining consolidated net income of a Person: (1) the income (or deficit) of any other Person accrued prior to the date it became a Subsidiary of, or was merged or consolidated into, such Person or any of such Person's Subsidiaries; (2) the undistributed earnings of any Subsidiary of such Person to the extent that

the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation or requirement of law applicable to such Subsidiary; (3) any restoration to income of any reserve established for specific non-recurring items, except to the extent that provision for such reserve was made out of income accrued during such period; (4) any write-up of any asset; (5) any net gain from the collection of the proceeds of life insurance policies; (6) any net gain arising from the acquisition of any securities, or the extinguishment, under GAAP, of any Indebtedness, of such Person; (7) in the case of a successor to such Person by consolidation or merger or as a transferee of its assets, any

earnings of such successor prior to such consolidation, merger or transfer of assets; (8) any deferred credit representing the excess of equity in any Subsidiary of such Person at the date of acquisition of such Subsidiary over the cost to such Person of the investment in such Subsidiary; and (9) Restructuring Charges. The amount of Restructuring Charges shall not exceed $3,000,000 for the three month period ending June 30, 2003, $7,000,000 for the six month period ending September 30, 2003, $10,000,000 for the nine month period ending December 31, 2003 and $11,000,000 for the twelve month period ending March 31, 2004.

"Eligible Accounts" has the meaning ascribed to it in Section 1.6.

"Eligible Equipment" means, as to any Borrower, Equipment which is subject to a first priority Lien in favor of Agent, for its benefit and for the ratable benefit of Lenders, and which is appraised by an appraiser satisfactory to Agent.

"Eligible Inventory" has the meaning ascribed to it in Section 1.7.

"Eligible Real Estate" means as to any Borrower, real estate with respect to which Agent shall have received (a) Mortgages covering all of such real estate together with (i) title insurance policies, current as-built surveys, zoning letters and certificates of occupancy, in each case reasonably satisfactory in form and substance to Agent, (ii) evidence that counterparts of the Mortgages have been recorded in all places to the extent necessary or desirable, in the judgment of Agent, to create a valid and enforceable first priority Lien (subject to Permitted Encumbrances) on such real estate in favor of Agent for the benefit of itself and Lenders (or in favor of such other trustee as may be required or desired under local law); and (iii) an opinion of counsel in each state in which any such real estate is located in form and substance and from counsel reasonably satisfactory to Agent, (b) Phase I Environmental Site Assessment Reports, consistent with American Society for Testing and Materials (ASTM) Standard E 1527-00 and applicable state requirements, on all of such real estate, dated no more than 6 months prior to the date of purchase of such real estate, prepared by environmental engineers reasonably satisfactory to Agent, all in form and substance reasonably satisfactory to Agent, in its sole discretion and Agent shall have further received (i) such environmental review and audit reports, including Phase II reports, with respect to such real estate as Agent may request, and Agent shall be satisfied in its sole discretion, with the contents of all such environmental reports, and (ii) letters executed by the environmental firms preparing such environmental reports, in form and substance reasonably satisfactory to Agent, authorizing Agent and Lenders to rely on such reports, and (c) appraisals of such real estate which shall be in form and substance, and prepared by appraisers, reasonably satisfactory to Agent.

"Environmental Laws" means all applicable federal, state, local and foreign laws, statutes, ordinances, codes, rules, standards and regulations, now or hereafter in effect, and any legally binding applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative order, consent decree, order or judgment, imposing liability or standards of conduct for or relating to the regulation and protection of (i) human health or safety from exposure to Hazardous Material or (ii) the environment and natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation). Environmental Laws include the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 'SS''SS'9601 et seq.) ("CERCLA"); the Hazardous Materials Transportation Authorization Act of 1994 (49 U.S.C. 'SS''SS'5101 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 'SS''SS'136 et seq.); the Solid Waste Disposal Act (42 U.S.C. 'SS''SS'6901 et seq.); the Toxic Substance Control Act (15 U.S.C. 'SS''SS'2601 et seq.); the Clean Air Act (42 U.S.C. 'SS''SS'7401 et seq.); the Federal Water Pollution Control Act (33 U.S.C.

'SS''SS'1251 et seq.); the Occupational Safety and Health Act (29 U.S.C. 'SS''SS'651 et seq.); and the Safe Drinking Water Act (42 U.S.C. 'SS''SS'300(f) et seq.), and any and all regulations promulgated thereunder, and all analogous state, local and foreign counterparts or equivalents and any transfer of ownership notification or approval statutes.

"Environmental Liabilities" means, with respect to any Person, all liabilities, obligations, responsibilities, response, remedial and removal costs, investigation and feasibility study costs, capital costs, operation and maintenance costs, losses, damages, punitive damages, property damages, natural resource damages, consequential damages, treble damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts and consultants), fines, penalties, sanctions and interest incurred as a result of or related to any claim, suit, action, investigation, proceeding or demand by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, including any arising under or related to any Environmental Laws, Environmental Permits, or in connection with any Release or threatened Release or presence of a Hazardous Material whether on, at, in, under, from or about or in the vicinity of any real or personal property.

"Environmental Permits" means all permits, licenses, authorizations, certificates, approvals or registrations required by any Governmental Authority under any Environmental Laws.

"Equipment" means all "equipment," as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, wherever located and, in any event, including all such Credit Party's machinery and equipment, including processing equipment, conveyors, machine tools, data processing and computer equipment, including embedded software and peripheral equipment and all engineering, processing and manufacturing equipment, office machinery, furniture, materials handling equipment, tools, attachments, accessories, automotive equipment, trailers, trucks, forklifts, molds, dies, stamps, motor vehicles, rolling stock and other equipment of every kind and nature, trade fixtures and fixtures not forming a part of real property, together with all additions and accessions thereto, replacements therefor, all parts therefor, all substitutes for any of the foregoing, fuel therefor, and all manuals, drawings, instructions, warranties and rights with respect thereto, and all products and proceeds thereof and condemnation awards and insurance proceeds with respect thereto.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any regulations promulgated thereunder.

"ERISA Affiliate" means, with respect to any Credit Party, any trade or business (whether or not incorporated) that, together with such Credit Party, are treated as a single employer within the meaning of Sections 414(b), (c), (m) or (o) of the IRC.

"ERISA Event" means, with respect to any Credit Party or any ERISA Affiliate, (a) with respect to a Title IV Plan, any event described in Section 4043(c) of ERISA for which notice to the PBGC has not been waived; (b) the withdrawal of any Credit Party or ERISA Affiliate from a Title IV Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (c) the complete or partial withdrawal of any Credit Party or any ERISA Affiliate from any Multiemployer Plan; (d) the filing of a notice of intent to terminate a Title IV Plan in a distress termination described in Section 4041(c) of ERISA or the treatment of a plan amendment as a termination under Section 4041 of ERISA; (e) the institution of proceedings to terminate a Title IV Plan or Multiemployer Plan by the PBGC; (f) with respect to a Title IV Plan, the existence of an "accumulated funding deficiency" (as defined in Section 412 of the IRC or Section 302 of ERISA

whether or not waived, or the failure to make by its due date a required installment under Section 412(m) of the IRC or the failure to make any required contribution to a Multiemployer Plan; (g) the filing pursuant to Section 412(d) of the IRC or Section 303(d) of ERISA of an application for the waiver of the minimum funding standard with respect to a Title IV Plan; (h) the making of any amendment to any Title IV Plan which could result in the imposition of a lien or the posting of a bond or other security; (i) with respect to a Title IV Plan or event described in Section 4062(e) of ERISA, (j) any other event or condition that might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Title IV Plan or Multiemployer Plan or for the imposition of liability under Section 4069 or 4212(c) of ERISA; (k) the termination of a Multiemployer Plan under Section 4041A of ERISA or the reorganization or insolvency of a Multiemployer Plan under Section 4241 or 4245 of ERISA; or (l) the loss of a Qualified Plan's qualification or tax exempt status; or (m) the termination of a Plan described in Section 4064 of ERISA.

"ESOP" means a Plan that is intended to satisfy the requirements of Section 4975(e)(7) of the IRC.

"Event of Default" has the meaning ascribed to it in Section 8.1.

"Excess Formula Availability" means the average daily difference for the prior Fiscal Quarter between (a) the Aggregate Borrowing Base and (b) the total outstanding balance of Revolving Loans (with trade payables being paid consistent with past practices, expenses and liabilities being paid in the ordinary course of business, without acceleration of sales and without deterioration of working capital).

"Existing Stockholder Group" means Arthur S. Sills, Lawrence I. Sills, Peter Sills, the Sills Family Foundation, Marilyn F. Cragin, Arthur D. Davis, Susan F. Davis and the various Fife family trusts for which any of the foregoing are trustees.

"Fair Labor Standards Act" means the Fair Labor Standards Act, 29 U.S.C. 'SS''SS'201 et seq.

"Fair Market Value" means the fair market value of the asset being valued based upon an appraisal, in form and substance satisfactory to Agent, by an appraiser satisfactory to Agent.

"Federal Funds Rate" means, for any day, a floating rate equal to the weighted average of the rates on overnight Federal funds transactions among members of the Federal Reserve System, as determined by Agent in its sole discretion, which determination shall be final, binding and conclusive (absent manifest error).

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System.

"Fees" means any and all fees payable to Agent or any Lender pursuant to the Agreement or any of the other Loan Documents.

"Financial Covenants" means the financial covenants set forth in Annex G.

"Financial Statements" means the consolidated and consolidating income statements, statements of cash flows and balance sheets of Borrowers delivered in accordance with Section 3.4 and Annex E.

"Fiscal Month" means any of the monthly accounting periods of Borrowers.

"Fiscal Quarter" means any of the quarterly accounting periods of Borrowers, ending on or about the last day of March, June, September and December of each year.

"Fiscal Year" means any of the annual accounting periods of Borrowers ending on or about December 31 of each year.

"Fixed Charges" means with respect to any Person for any fiscal period (a) the aggregate of all Interest Expense paid or accrued during such period, plus (b) scheduled payments of principal with respect to Indebtedness during such period, plus (c) Capital Expenditures during such period, plus (d) dividends paid during such period, plus (e) cash taxes paid during such period, plus (f) amounts paid in accordance with Section 6.14(f)(ii).

"Fixed Charge Coverage Ratio" means, with respect to any Person for any fiscal period, the ratio of EBITDA to Fixed Charges.

"Fixtures" means all "fixtures" as such term is defined in the Code, now owned or hereafter acquired by any Credit Party.

"Funded Debt" means, with respect to any Person, without duplication, all Indebtedness for borrowed money evidenced by notes, bonds, debentures, or similar evidences of Indebtedness that by its terms matures more than one year from, or is directly or indirectly renewable or extendible at such Person's option under a revolving credit or similar agreement

obligating the lender or lenders to extend credit over a period of more than one year from the date of creation thereof, and specifically including Capital Lease Obligations, current maturities of long-term debt, revolving credit and short-term debt extendible beyond one year at the option of the debtor, and also including, in the case of Borrowers, the Obligations and, without duplication, Guaranteed Indebtedness consisting of guaranties of Funded Debt of other Persons.

"GAAP" means generally accepted accounting principles in the United States of America consistently applied, as such term is further defined in Annex G to the Agreement.

"GE Capital" means General Electric Capital Corporation, a Delaware corporation.

"GE Capital Fee Letter" means that certain letter, dated as of October 1, 2002, as amended by an amendment letter dated January 27, 2003, between GE Capital and Borrowing Representative with respect to certain Fees to be paid from time to time by Borrowers to GE Capital.

"General Intangibles" means all "general intangibles," as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, including all right, title and interest that such Credit Party may now or hereafter have in or under any Contract, all payment intangibles, customer lists, Licenses, Copyrights, Trademarks, Patents, and all applications therefor and reissues, extensions or renewals thereof, rights in Intellectual Property, interests in partnerships, joint ventures and other business associations, licenses, permits, copyrights, trade secrets, proprietary or confidential information, inventions (whether or not patented or patentable), technical information, procedures, designs, knowledge, know-how, software, data bases, data, skill, expertise, experience, processes, models, drawings, materials and records, goodwill (including the goodwill associated with any Trademark or Trademark License), all rights and claims in or under insurance policies (including insurance for fire, damage, loss and casualty, whether covering personal property, real property, tangible rights or intangible rights, all

liability, life, key man and business interruption insurance, and all unearned premiums), choses in action, rights to receive tax refunds and other payments, rights to receive dividends, distributions, cash, Instruments and other property in respect of or in exchange for pledged Stock and Investment Property, rights of indemnification, all books and records, correspondence, credit files, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under the control of such Credit Party or any computer bureau or service company from time to time acting for such Credit Party.

"Goods" means all "goods" as defined in the Code, now owned or hereafter acquired by any Credit Party, wherever located, including embedded software to the extent included in "goods" as defined in the Code, manufactured homes, standing timber that is cut and removed for sale and unborn young of animals.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guaranteed Indebtedness" means as to any Person, any obligation of such Person guaranteeing, providing comfort or otherwise supporting any Indebtedness, lease, dividend, or other obligation ("primary obligation") of any other Person (the "primary obligor") in any manner, including any obligation or arrangement of such Person to (a) purchase or repurchase any such primary obligation, (b) advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet condition of the primary obligor, (c) purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, (d) protect the beneficiary of such arrangement from loss (other than product warranties given in the ordinary course of business) or (e) indemnify the owner of such primary obligation against loss in respect thereof. The amount of any Guaranteed Indebtedness at any time shall be deemed to be an amount equal to the lesser at such time of (x) the stated or determinable amount of the primary obligation in respect of which such Guaranteed Indebtedness is incurred and (y) the maximum amount for which such Person may be liable pursuant to the terms of the instrument embodying such Guaranteed Indebtedness, or, if not stated or determinable, the maximum reasonably anticipated liability (assuming full performance) in respect thereof.

"Guaranties" means, collectively, each Subsidiary Guaranty and any other guaranty executed by any Guarantor in favor of Agent and Lenders in respect of the Obligations.

"Guarantors" means each Subsidiary of each Borrower, and each other Person, if any, that executes a guaranty or other similar agreement in favor of Agent, for itself and the ratable benefit of Lenders, in connection with the transactions contemplated by the Agreement and the other Loan Documents.

"Hazardous Material" means any substance, material or waste that is regulated by, or forms the basis of liability now or hereafter under, any Environmental Laws, including any material or substance that is (a) defined as a "solid waste," "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "pollutant," "contaminant," "hazardous constituent," "special waste," "toxic substance" or other similar term or phrase under any Environmental Laws, or (b) petroleum or any fraction or by-product thereof, asbestos, polychlorinated biphenyls (PCB's), or any radioactive substance.

"Indebtedness" means, with respect to any Person, without duplication, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property payment for which is deferred 6 months or more, but excluding obligations to trade creditors incurred in the ordinary course of business that are unsecured and not overdue by more than 6 months unless being contested in good faith, (b) all reimbursement and other obligations with respect to letters of credit, bankers' acceptances and surety bonds, whether or not matured, (c) all obligations evidenced by notes, bonds, debentures or similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations and the present value (discounted at the Index Rate as in effect on the Closing Date) of future rental payments under all synthetic leases, (f) all obligations of

such Person under commodity purchase or option agreements or other commodity price hedging arrangements, in each case whether contingent or matured, (g) all obligations of such Person under any foreign exchange contract, currency swap agreement, interest rate swap, cap or collar agreement or other similar agreement or arrangement designed to alter the risks of that Person arising from fluctuations in currency values or interest rates, in each case whether contingent or matured, (h) all Indebtedness referred to above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property or other assets (including accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness, and (i) the Obligations.

"Indemnified Liabilities" has the meaning ascribed to it in Section 1.13.

"Indemnified Person" has the meaning ascribed to in Section 1.13.

"Index Rate" means, for any day, a floating rate equal to the higher of (i) the rate publicly quoted from time to time by The Wall Street Journal as the "prime rate" (or, if The Wall Street Journal ceases quoting a prime rate, the highest per annum rate of interest published by the Federal Reserve Board in Federal Reserve statistical release H.15 (519) entitled "Selected Interest Rates" as the Bank prime loan rate or its equivalent), and (ii) the Federal Funds Rate plus 50 basis points per annum. Each change in any interest rate provided for in the Agreement based upon the Index Rate shall take effect at the time of such change in the Index Rate.

"Index Rate Loan" means a Loan or portion thereof bearing interest by reference to the Index Rate.

"Instruments" means all "instruments," as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, wherever located, and, in any event, including all certificates of deposit, and all promissory notes and other evidences of indebtedness, other than instruments that constitute, or are a part of a group of writings that constitute, Chattel Paper.

"Intellectual Property" means any and all Licenses, Patents, Copyrights, Trademarks, and the goodwill associated with such Trademarks.

"Intercompany Notes" has the meaning ascribed to it in Section 6.3.

"Interest Expense" means, with respect to any Person for any fiscal period, interest expense (whether cash or non-cash) of such Person determined in accordance with GAAP for the relevant period ended on such date, including, interest expense with respect to any Funded Debt of such Person and interest

expense for the relevant period that has been capitalized on the balance sheet of such Person.

"Interest Payment Date" means (a) as to any Index Rate Loan, the first Business Day of each month to occur while such Loan is outstanding, and (b) as to any LIBOR Loan, the last day of the applicable LIBOR Period; provided that, in addition to the foregoing, each of (x) the date upon which all of the Commitments have been terminated and the Loans have been paid

in full and (y) the Commitment Termination Date shall be deemed to be an "Interest Payment Date" with respect to any interest that has then accrued under the Agreement.

"Inventory" means all "inventory," as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, wherever located, and in any event including inventory, merchandise, goods and other personal property that are held by or on behalf of any Credit Party for sale or lease or are furnished or are to be furnished under a contract of service, or that constitute raw materials, work in process, finished goods, returned goods, or materials or supplies of any kind, nature or description used or consumed or to be used or consumed in such Credit Party's business or in the processing, production, packaging, promotion, delivery or shipping of the same, including other supplies and embedded software.

"Investment Property" means all "investment property" as such term is defined in the Code now owned or hereafter acquired by any Credit Party, wherever located, including (i) all securities, whether certificated or uncertificated, including stocks, bonds, interests in limited liability companies, partnership interests, treasuries, certificates of deposit, and mutual fund shares; (ii) all securities entitlements of any Credit Party, including the rights of any Credit Party to any securities account and the financial assets held by a securities intermediary in such securities account and any free credit balance or other money owing by any securities intermediary with respect to that account; (iii) all securities accounts of any Credit Party; (iv) all commodity contracts of any Credit Party; and (v) all commodity accounts held by any Credit Party.

"IRC" means the Internal Revenue Code of 1986 and all regulations promulgated thereunder.

"IRS" means the Internal Revenue Service.

"L/C Issuer" has the meaning ascribed to it in Annex B.

"L/C Sublimit" has the meaning ascribed to it in Annex B.

"Lenders" means GE Capital, the other Lenders named on the signature pages of the Agreement, and, if any such Lender shall decide to assign all or any portion of the Obligations, such term shall include any assignee of such Lender.

"Letter of Credit Fee" has the meaning ascribed to it in Annex B.

"Letter of Credit Obligations" means all outstanding obligations incurred by Agent and Lenders at the request of Borrower Representative, whether direct or indirect, contingent or otherwise, due or not due, in connection with the issuance of Letters of Credit by Agent or another L/C Issuer or the purchase of a participation as set forth in Annex B with respect to any Letter of Credit. The amount of such Letter of Credit Obligations shall equal the maximum amount that may be payable at such time or at any time thereafter by Agent or Lenders thereupon or pursuant thereto.

"Letter of Credit Rights" means letter of credit rights as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, including rights to payment or

performance under a letter of credit, whether or not such Credit Party, as beneficiary, has demanded or is entitled to demand payment or performance.

"Letters of Credit" means documentary or standby letters of credit issued for the account of any Borrower by any L/C Issuer.

"LIBOR Business Day" means a Business Day on which banks in the City of London are generally open for interbank or foreign exchange transactions.

"LIBOR Loan" means a Loan or any portion thereof bearing interest by reference to the LIBOR Rate.

"LIBOR Period" means, with respect to any LIBOR Loan, each period commencing on a LIBOR Business Day selected by Borrower Representative pursuant to the Agreement and ending one, two or three months thereafter, as selected by Borrower Representative's irrevocable notice to Agent as set forth in Section 1.5(e); provided, that the foregoing provision relating to LIBOR Periods is subject to the following:

(a) if any LIBOR Period would otherwise end on a day that is not a LIBOR Business Day, such LIBOR Period shall be extended to the next succeeding LIBOR Business Day unless the result of such extension would be to carry such LIBOR Period into another calendar month in which event such LIBOR Period shall end on the immediately preceding LIBOR Business Day;

(b) any LIBOR Period that would otherwise extend beyond the Commitment Termination Date shall end on the immediately preceding LIBOR Business Day;

(c) any LIBOR Period that begins on the last LIBOR Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such LIBOR Period) shall end on the last LIBOR Business Day of a calendar month;

(d) Borrower Representative shall select LIBOR Periods so as not to require a payment or prepayment of any LIBOR Loan during a LIBOR Period for such Loan; and

(e) Borrower Representative shall select LIBOR Periods so that there shall be no more than ten (10) separate LIBOR Loans in existence at any one time.

"LIBOR Rate" means for each LIBOR Period, a rate of interest determined by Agent equal to:

(a) the offered rate for deposits in United States Dollars for the applicable LIBOR Period that appears on Telerate Page 3750 as of 11:00 a.m. (London time), on the second full LIBOR Business Day next preceding the first day of such LIBOR Period; divided by

(b) a number equal to 1.0 minus the aggregate (but without duplication) of the rates (expressed as a decimal fraction) of reserve requirements in effect on the day that is two (2) LIBOR Business Days prior to the beginning of such LIBOR Period (including basic,

supplemental, marginal and emergency reserves under any regulations of the Federal Reserve Board or other Governmental Authority having jurisdiction with respect thereto, as now and from time to time in effect) for Eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Federal Reserve Board that are required to be maintained by a member bank of the Federal Reserve System.

If such interest rates shall cease to be available from Telerate News Service, the LIBOR Rate shall be determined from such financial reporting service or other information as shall be mutually acceptable to Agent and Borrower Representative.

"License" means any Copyright License, Patent License, Trademark License or other license of rights or interests now held or hereafter acquired by any Credit Party.

"Lien" means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the Code or comparable law of any jurisdiction).

"Litigation" has the meaning ascribed to it in Section 3.13.

"Loan Account" has the meaning ascribed to it in Section 1.12.

"Loan Documents" means the Agreement, the Notes, the Collateral Documents, the Master Standby Agreement, the Master Documentary Agreement, the Rate Protection Agreement and all other agreements, instruments, documents and certificates identified in the Closing Checklist executed and delivered to, or in favor of, Agent or any Lenders and including all other pledges, powers of attorney, consents, assignments, contracts, notices, and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Credit Party, or any employee of any Credit Party, and delivered to Agent or any Lender in connection with the Agreement or the transactions contemplated thereby. Any reference in the Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to the Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"Loans" means, prior to the Acquisition Closing Date, the Tranche A Revolving Credit Advances, and on and after the Acquisition Closing Date, the Revolving Loan.

"Lock Boxes" has the meaning ascribed to it in Annex C.

"Margin Stock" has the meaning ascribed to in Section 3.10.

"Master Documentary Agreement" means the Master Agreement for Documentary Letters of Credit dated as of the Closing Date among Borrowers, as Applicant(s), and GE Capital.

"Master Standby Agreement" means the Master Agreement for Standby

Letters of Credit dated as of the Closing Date among Borrowers, as Applicant(s), and GE Capital, as issuer.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations, prospects or financial or other condition of any Credit Party or the Credit Parties considered as a whole, (b) any Borrower's ability to pay any of the Loans or any of the other Obligations in accordance with the terms of the Agreement, (c) the Collateral or Agent's Liens, on behalf of itself and Lenders, on the Collateral or the priority of such Liens, or (d) Agent's or any Lender's rights and remedies under the Agreement and the other Loan Documents. Without limiting the generality of the foregoing, any event or occurrence adverse to one or more Credit Parties which results or could reasonably be expected to result in costs, damages, liabilities, expenditures or net loss of revenues, individually or in the aggregate, to any Credit Party in any 20-day period in excess of (x) $20,000,000 prior to the Acquisition Closing Date and (y) $30,000,000 on and after the Acquisition Closing Date, shall constitute a Material Adverse Effect.

"Maximum Amount" means, as of any date of determination, an amount equal to the Revolving Loan Commitment of all Lenders as of that date.

"MCC" means Mardevco Credit Corp., a New York corporation.

"MCC Amortizing Availability" means (A) $3,536,000 less $160,714 per Fiscal Quarter commencing with the Fiscal Quarter ending December 31, 2002, plus (B) the Additional MCC Amortizing Availability, minus (C) an amount equal to (i) 50% of the Fair Market Value of any Eligible Real Estate as of the Closing Date or the date it is purchased by MCC or 85% of the Net Orderly Liquidation Value of any Eligible Equipment as of the Closing Date or the date it is purchased by MCC, which is the basis of MCC Amortizing Availability, and which is subject to a loss, sale, destruction or other disposition, less (ii) the product of one-twenty eighth of the amount determined under the preceding clause (i) and the number of full Fiscal Quarters that have occurred since the Closing Date or the purchase of such Eligible Real Estate or Eligible Equipment to the date of such loss, sale, destruction or other disposition, as the case may be.

"MCC Borrowing Base" means, as of any date of termination by Agent, from time to time, an amount equal to the sum, at such time of:

(a) up to 85% of the book value of MCC's Eligible Accounts; and

(b) up to the lesser of (i) 60% of the book value of MCC's Eligible Inventory valued at the lower of cost (determined on a first-in, first-out basis) or market or (ii) 85% of the Net Orderly Liquidation Value of MCC's Eligible Inventory as set forth in the most recent appraisal prepared by an independent appraisal firm acceptable to Agent, in each case valued at the lower of cost (determined on a first-in, first-out basis) or market; and

(c) with respect to documentary Letters of Credit opened solely for the purposes of purchasing Eligible Inventory and having an expiry date of 90 days or less from the date of issuance, a percentage equal to inventory advance rate in effect at the time of issuance of any such Letter of Credit multiplied by the cost of the goods constituting Eligible Inventory being purchased under such documentary Letters of Credit (so long as such Eligible Inventory is

(i) fully insured, (ii) is subject to a first priority security interest in and lien upon such goods in favor of Agent and (iii) is evidenced or deliverable pursuant to documents, notices, instruments, statements and bills of lading that have been delivered to Agent or an agent acting on its behalf), and

(d) MCC Amortizing Availability; less

(e) Letter of Credit Obligations incurred on behalf of MCC,

in each case less any Reserves established by Agent at such time in its reasonable credit judgment.

"Mortgaged Properties" has the meaning assigned to it in Annex D.

"Mortgages" means each of the mortgages, deeds of trust, leasehold mortgages, leasehold deeds of trust, collateral assignments of leases or other real estate security documents delivered by any Credit Party to Agent on behalf of itself and Lenders with respect to the Mortgaged Properties, as amended, modified or supplemented from time to time, all in form and substance reasonably satisfactory to Agent.

"Multiemployer Plan" means a "multiemployer plan" as defined in Sections 3(37) or 4001(a)(3) of ERISA, and to which any Credit Party or ERISA Affiliate is making, is obligated to make or has made or been obligated to make, contributions on behalf of participants who are or were employed by any of them.

"Net Orderly Liquidation Value" means the orderly liquidation value of the asset being valued based upon an appraisal, in form and substance satisfactory to Agent, by an appraiser satisfactory to Agent.

"Net Worth" means, with respect to any Person as of any date of determination, the book value of the assets of such Person, minus the sum of (a) reserves applicable thereto, and (b) all of such Person's liabilities on a consolidated basis (including accrued and deferred income taxes), all as determined in accordance with GAAP.

"Non-Funding Lender" has the meaning ascribed to it in Section 9.9(a)(ii).

"Notes" means the Revolving Notes.

"Notice of Conversion/Continuation" has the meaning ascribed to it in Section 1.5(e).

"Notice of Revolving Credit Advance" has the meaning ascribed to it in Section 1.1(a).

"Obligations" means all loans, advances, debts, liabilities and obligations for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or such amounts are liquidated or determinable) owing by any Credit Party to Agent or any Lender, and all covenants and duties regarding such

amounts, of any kind or nature, present or future, whether or not evidenced by any note, agreement or other instrument, arising under the Agreement or any of the other Loan Documents or pursuant to any cash management services provided by any Lender to any Credit Party. This term includes all principal, interest (including all interest that accrues after the commencement of any case or proceeding by or against any Credit Party in bankruptcy, whether or not allowed in such case or proceeding), Fees, Charges, expenses, attorneys' fees and any other sum chargeable to any Credit Party under the Agreement or any of the other Loan Documents.

"Original Closing Date" means April 27, 2001.

"Original Credit Agreement" means the Credit Agreement dated as of April 27, 2001 by and among Borrowers, the other Credit Parties party thereto, GE Capital as Agent and Lender and the other Original Lenders party thereto, as same was amended, supplemented or otherwise modified prior to the Closing Date.

"Original Lenders" means the Lenders who were Lenders under the Original Credit Agreement.

"Overadvance" has the meaning ascribed to it in Section 1.1(a)(iii).

"Patent License" means rights under any written agreement now owned or hereafter acquired by any Credit Party granting any right with respect to any invention on which a Patent is in existence.

"Patent Security Agreements" means the Patent Security Agreements made in favor of Agent, on behalf of itself and Lenders, by each applicable Credit Party, as amended, modified or supplemented from time to time.

"Patents" means all of the following in which any Credit Party now holds or hereafter acquires any interest: (a) all letters patent of the United States or of any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or of any other country, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State, or any other country, and (b) all reissues, continuations, continuations-in-part or extensions thereof.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Plan" means a Plan described in Section 3(2) of ERISA.

"Permitted Acquisition" has the meaning ascribed to it in Section 6.1.

"Permitted Encumbrances" means the following encumbrances: (a) Liens for taxes or assessments or other governmental Charges not yet due and payable or which are being contested in accordance with Section 5.2(b); (b) pledges or deposits of money securing statutory obligations under workmen's compensation, unemployment insurance, social security or public liability laws or similar legislation (excluding Liens under ERISA); (c) pledges or deposits of money securing bids, tenders, contracts (other than contracts for the payment of money) or leases to which any Credit Party is a party as lessee made in the ordinary course of business; (d)

inchoate and unperfected workers', mechanics' or similar liens arising in the ordinary course of business, so long as such Liens attach only to Equipment, Fixtures and/or Real Estate; (e) carriers', warehousemen's, suppliers' or other similar possessory liens arising in the ordinary course of business and securing liabilities in an outstanding aggregate amount not in excess of $100,000 at any time, so long as such Liens attach only to Inventory; (f) deposits securing, or in lieu of, surety, appeal or customs bonds in proceedings to which any Credit Party is a party; (g) any attachment or judgment lien not constituting an Event of Default under Section 8.1(j); (h) zoning restrictions, easements, licenses, or other restrictions on the use of any Real Estate or other minor irregularities in title (including leasehold title) thereto, so long as the same do not materially impair the use, value, or marketability of such Real Estate; (i) presently existing or hereafter created Liens in favor of Agent, on behalf of Lenders; (j) Liens expressly permitted under clauses (b) and (c) of Section 6.7 of the Agreement; (k) liens on SMP's publicly-held stock which is held in trust for SMP's ESOP and (l) following the Acquisition Closing Date, "Permitted Encumbrances" shall include Capital Leases of up to $13,000,000 in the aggregate as described in the projections provided to Agent and Lenders on or about January 28, 2003.

"Permitted Overnight Investments" means investments in a money market fund which invests in (a) marketable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United

States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof; (b) investments in commercial paper maturing within six months from the date of acquisition thereof and having, at such date of acquisition, a rating of at least "P2" or the equivalent thereof from S&P or of at least "A2" or the equivalent thereof from Moody's; (c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than $250,000,000; and (d) repurchase agreements with a term of not more than 90 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above.

"Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, public benefit corporation, other entity or government (whether federal, state, county, city, municipal, local, foreign, or otherwise, including any instrumentality, division, agency, body or department thereof).

"Plan" means, at any time, an "employee benefit plan", as defined in Section 3(3) of ERISA, that any Credit Party or ERISA Affiliate maintains, contributes to or has an obligation to contribute to or has maintained, contributed to or had an obligation to contribute to at any time within the past 7 years on behalf of participants who are or were employed by any Credit Party or ERISA Affiliate.

"Pledge Agreements" means, collectively, the SMP Pledge Agreement and any pledge agreements entered into after the Closing Date by any Credit Party (as required by the

Agreement or any other Loan Document), as amended, modified or supplemented from time to time.

"Pledged Cash" means cash, which may at any time be pledged by SI in favor of Agent, pursuant to documentation satisfactory to Agent, which cash is or shall be on deposit at Banco Popular, or any other bank reasonably acceptable to Agent, in the form of a time deposit.

"Pledged Securities" means marketable securities, which may at any time be pledged by SI in favor of Agent, pursuant to documentation satisfactory to Agent.

"Proceeds" means "proceeds," as such term is defined in the Code, including (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to any Credit Party from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to any Credit Party from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority (or any Person acting under color of governmental authority), (c) any claim of any Credit Party against third parties (i) for past, present or future infringement of any Patent or Patent License, or (ii) for past, present or future infringement or dilution of any Copyright, Copyright License, Trademark or Trademark License, or for injury to the goodwill associated with any Trademark or Trademark License, (d) any recoveries by any Credit Party against third parties with respect to any litigation or dispute concerning any of the Collateral including claims arising out of the loss or nonconformity of, interference with the use of, defects in, or infringement of rights in, or damage to, Collateral, (e) all amounts

collected on, or distributed on account of, other Collateral, including dividends, interest, distributions and Instruments with respect to Investment Property and pledged Stock, and (f) any and all other amounts, rights to payment or other property acquired upon the sale, lease, license, exchange or other disposition of Collateral and all rights arising out of Collateral or otherwise.

"Pro Forma" means the unaudited consolidated and consolidating balance sheet of Borrowers and their Subsidiaries as of December 31, 2002 after giving pro forma effect to the Related Transactions.

"Projections" means Borrowers' forecasted consolidated and consolidating: (a) balance sheets; (b) profit and loss statements; (c) cash flow statements; and (d) capitalization statements, all prepared on a Subsidiary by Subsidiary or division-by-division basis, if applicable, and otherwise consistent with the historical Financial Statements of the Borrowers, together with appropriate supporting details and a statement of underlying assumptions.

"Pro Rata Share" means with respect to all matters relating to any Lender, (a) with respect to the Revolving Loan, the percentage obtained by dividing (i) the Revolving Loan Commitment of that Lender by (ii) the aggregate Revolving Loan Commitments of all Lenders, and (b) with respect to all Revolving Loans on and after the Commitment Termination Date, the percentage obtained by dividing (i) the aggregate outstanding principal balance of the Revolving Loans held by that Lender, by (ii) the outstanding principal balance of the Revolving Loans held by all Lenders. Notwithstanding the foregoing, prior to the Acquisition Closing Date, the Pro Rata Share of Tranche B Revolving Lenders shall be 0% and the Pro Rata share of Tranche A

Revolving Loans shall be based upon the Tranche A Revolving Loan Commitment of such Lender and the aggregate Tranche A Revolving Loan Commitments of all Lenders.

"Qualified Plan" means a Pension Plan that is intended to be tax-qualified under Section 401(a) of the IRC.

"Qualified Assignee" means (a) any Lender, any Affiliate of any Lender or any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by a Lender or an Affiliate of such Lender and, with respect to any Lender that is an investment fund that invests in commercial loans, any other investment fund that invests in commercial loans and that is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor, and (b) any commercial bank, savings and loan association or savings bank or any other entity which is an "accredited investor" (as defined in Regulation D under the Securities Act of 1933) which extends credit or buys loans as one of its businesses, including insurance companies, mutual funds, lease financing companies and commercial finance companies, in each case, which has a rating of BBB or higher from S&P and a rating of Baa2 or higher from Moody's at the date that it becomes a Lender and which, through its applicable lending office, is capable of lending to Borrowers without the imposition of any withholding or similar taxes; provided that no Person proposed to become a Lender after the Closing Date and determined by Agent to be acting in the capacity of a vulture fund or distressed debt purchaser shall be a Qualified Assignee, and no Person or Affiliate of such Person that holds Subordinated Debt or Stock issued by any Credit Party shall be a Qualified Assignee.

"Rate Protection Agreement" means, collectively, any interest rate, swap, cap, collar or similar agreement entered into by any Borrower or any of its Subsidiaries under which the counterparty of such agreement is (or at the time such agreement was entered into, was) a Lender or an Affiliate of a Lender.

"Rate Protection Obligations" means Obligations which arise under any Rate Protection Agreement.

"Real Estate" has the meaning ascribed to it in Section 3.6.

"Related Transactions" means the initial borrowing under the Revolving Loan on the Closing Date, the Acquisition, the issuance of additional equity in connection with the Additional Capitalization Requirement, the payment of all fees, costs and expenses associated with all of the foregoing and the execution and delivery of all of the Related Transactions Documents.

"Related Transactions Documents" means the Loan Documents, the Acquisition Agreement, the Subordinated Debt Documents and all other agreements or instruments executed in connection with the Related Transactions.

"Release" means any release, threatened release, spill, emission, leaking, pumping, pouring, emitting, emptying, escape, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Material in the indoor or outdoor environment,

including the movement of Hazardous Material through or in the air, soil, surface water, ground water or property.

"Requisite Lenders" means Revolving Lenders having (a) 66-2/3% of the Revolving Loan Commitments of all Revolving Lenders, or (b) if the Revolving Loan Commitments have been terminated, 66-2/3% of the aggregate outstanding amount of the Revolving Loan.

"Requisite Tranche A Lenders" means Tranche A Revolving Lenders having 66-2/3% of the Tranche A Revolving Loan Commitments.

"Requisite Tranche B Lenders" means Tranche B Revolving Lenders having 66-2/3% of the Tranche B Revolving Loan Commitments.

"Reserves" means (a) reserves established by Agent from time to time against Eligible Inventory pursuant to Section 5.9, (b) reserves established pursuant to Section 5.4(c), and (c) the Asbestos Reserve established by Agent from time to time, and (d) such other reserves against Eligible Accounts, Eligible Inventory or Borrowing Availability of any Borrower that Agent may, in its reasonable credit judgment, establish from time to time. Without limiting the generality of the foregoing, Reserves established to ensure the payment of accrued Interest Expenses or Indebtedness shall be deemed to be a reasonable exercise of Agent's credit judgment.

"Restricted Payment" means, with respect to any Credit Party (a) the declaration or payment of any dividend or the incurrence of any liability to make any other payment or distribution of cash or other property or assets in respect of Stock; (b) any payment on account of the purchase, redemption, defeasance, sinking fund or other retirement of such Credit Party's Stock or any other payment or distribution made in respect thereof, either directly or indirectly; (c) any payment or prepayment of principal of, premium, if any, or interest, fees or other charges on or with respect to, and any redemption, purchase, retirement, defeasance, sinking fund or similar payment and any claim for rescission with respect to, any Subordinated Debt; (d) any payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire Stock of such Credit Party now or hereafter outstanding; (e) any payment of a claim for the rescission of the purchase or sale of, or for material damages arising from the purchase or sale of, any shares of such Credit Party's Stock or of a claim for reimbursement, indemnification or contribution arising out of or related to any such claim for damages or rescission; (f) any loan, contribution, or other transfer of funds or other property to any Stockholder of such Credit Party who

has filed Form 13-G other (i) than payment of compensation in the ordinary course of business to Stockholders who have filled a Form 13-G and who are employees of or consultants to such Person and (ii) payment of trade payables incurred in the ordinary course of such Credit Party's business; and (g) any payment of management fees (or other fees of a similar nature) by such Credit Party to any Stockholder of such Credit Party or its Affiliates.

"Restructuring Charges" means expenses incurred on the income statements of SMP during Fiscal Year 2003 and the first Fiscal Quarter of Fiscal Year 2004 associated with the

integration of the operations being acquired pursuant to the Acquisition and specifically identified on the projections delivered on January 28, 2003 by SMP.

"Retiree Welfare Plan" means, at any time, a welfare plan (within the meaning of Section 3(1) of ERISA) that provides for continuing coverage or benefits for any participant or any beneficiary of a participant after such participant's termination of employment, other than continuation coverage provided pursuant to Section 4980B of the IRC or other similar state law and at the sole expense of the participant or the beneficiary of the participant.

"Revolving Credit Advance" has the meaning ascribed to it in Section 1.1(a)(i)(C) and, prior to the Acquisition Closing Date, shall have the same meaning as Tranche A Revolving Credit Advance.

"Revolving Lenders" means, as of any date of determination, Lenders having a Revolving Loan Commitment.

"Revolving Loan" means, at any time, the sum of (i) the aggregate amount of Revolving Credit Advances outstanding to Borrowers (which, prior to the Acquisition Closing Date, shall consist solely of Tranche A Revolving Credit Advances) plus (ii) the aggregate Letter of Credit Obligations incurred on behalf of Borrowers. Unless the context otherwise requires, references to the outstanding principal balance of the Revolving Loan shall include the outstanding balance of Letter of Credit Obligations.

"Revolving Loan Commitment" means (i) as to any Revolving Lender, the aggregate commitment of such Lender to make Revolving Credit Advances or incur Letter of Credit Obligations as set forth on Annex J to the Agreement or in the most recent Assignment Agreement executed by such Lender and (ii) as to all Revolving Lenders, the aggregate commitment of all Revolving Lenders to make Revolving Credit Advances or incur Letter of Credit Obligations, which aggregate commitment shall be Three Hundred and Five Million Dollars ($305,000,000) (it being understood and agreed by each Credit Party and Lender that prior to the Acquisition Closing Date the Tranche B Revolving Lenders shall not be obligated to make any Tranche B Revolving Credit Advance) as such amount may be adjusted, if at all, from time to time in accordance with the Agreement.

"Revolving Note" has the meaning ascribed to it in Section 1.1(a)(ii).

"RSI" means Reno Standard Incorporated, a Nevada corporation.

"Security Agreement" means the Security Agreement dated the Original Closing Date herewith entered into by and among Agent, on behalf of itself and Lenders, and each Credit Party that is a signatory thereto, as amended, supplemented or modified from time to time.

"Seller" means Dana Corporation, a Virginia corporation.

"SI" means Stanric, Inc., a Delaware corporation.

"SI Amortizing Availability" means (A) $1,700,000 less $77,250 per

Fiscal Quarter commencing with the Fiscal Quarter ending December 31, 2002, plus (B) the Additional

SI Amortizing Availability, minus (C) an amount equal to (i) 85% of the Net Orderly Liquidation Value of any Eligible Equipment, as of the Closing Date or the date it is purchased by SI, which is the basis of SI Amortizing Availability, and which is subject to a loss, sale, destruction or other disposition, less (ii) the product of one-twenty eighth of the amount determined under the preceding clause (i) and the number of full Fiscal Quarters that have occurred since the Closing Date or the purchase of such Eligible Equipment to the date of such loss, sale, destruction or other disposition, as the case may be.

"SI Borrowing Base" means, as of any date of termination by Agent, from time to time, an amount equal to the sum, at such time of:

(a) up to 85% of the book value of SI's Eligible Accounts; and

(b) up to the lesser of (i) 60% of the book value of SI's Eligible Inventory valued at the lower of cost (determined on a first-in, first-out basis) or market; or (ii) 85% of the Net Orderly Liquidation Value of SI's Eligible Inventory as set forth in the most recent appraisal prepared by an independent appraisal firm acceptable to Agent; and

(c) up to the lesser of (i) $15,000,000 and (ii) the sum of (A) 95% of the Pledged Cash and (B) 50% of the market value of the Pledged Securities; and

(d) with respect to documentary Letters of Credit opened solely for the purposes of purchasing Eligible Inventory and having an expiry date of 90 days or less from the date of issuance, a percentage equal to the inventory advance rate in effect at the time of issuance of any such Letter of Credit multiplied by the cost of the goods constituting Eligible Inventory being purchased under such documentary Letters of Credit (so long as such Eligible Inventory is (i) fully insured, (ii) is subject to a first priority security interest in and lien upon such goods in favor of Agent and (iii) is evidenced or deliverable pursuant to documents, notices, instruments, statements and bills of lading that have been delivered to Agent or an agent acting on its behalf); and

(e) SI Amortizing Availability; less

(f) Letter of Credit Obligations incurred on behalf of SI,

in each case less any Reserves established by Agent at such time in its reasonable credit judgment.

"SMP" means Standard Motor Products, Inc., a New York corporation.

"SMP Amortizing Availability" means (A) $13,808,500 less $618,493 per Fiscal Quarter commencing with the Fiscal Quarter ending December 31, 2002, plus (B) the Additional SMP Amortizing Availability, plus (C) on and after the Acquisition Closing Date, the Dana Amortizing Availability, minus (D) an amount equal to (i) 50% of the Fair Market Value of any Eligible Real Estate as of the Closing Date or the date it is purchased by SMP or 85% of the Net Orderly Liquidation Value of any Eligible Equipment as of the Closing Date or the date it is purchased by SMP, which is the basis of SMP Amortizing Availability, and which is subject to a loss, sale, destruction or other disposition, less (ii) the product of one-twenty eighth of the

amount determined under the preceding clause (i) and the number of full Fiscal Quarters that have occurred since the Closing Date or the purchase of such Eligible Real Estate or Eligible Equipment to the date of such loss, sale, destruction or other disposition, as the case may be.

"SMP Borrowing Base" means, as of any date of determination by Agent, from time to time, an amount equal to the sum at such time of:

(a) up to 85% of the book value of SMP's Eligible Accounts; and

(b) up to the lesser of (i) 60% of the book value of SMP's Eligible Inventory valued at the lower of cost (determined on a first-in, first-out basis) or market; or (ii) 85% of the Net Orderly Liquidation Value of SMP's Eligible Inventory as set forth in the most recent appraisal prepared by an independent appraisal firm acceptable to Agent; and

(c) with respect to documentary Letters of Credit opened solely for the purposes of purchasing Eligible Inventory and having an expiry date of 90 days or less from the date of issuance, a percentage equal to the inventory advance rate in effect at the time of issuance of any such Letter of Credit multiplied by the cost of the goods constituting Eligible Inventory being purchased under such documentary Letters of Credit (so long as such Eligible Inventory is (i) fully insured, (ii) is subject to a first priority security interest in and lien upon such goods in favor of Agent and (iii) is evidenced or deliverable pursuant to documents, notices, instruments, statements and bills of lading that have been delivered to Agent or an agent acting on its behalf); and

(d) SMP Amortizing Availability; less

(e) Letter of Credit Obligations incurred on behalf of SMP,

in each case less any Reserves established by Agent at such time in its reasonable credit judgment.

"SMP Canada" means SMP Motor Products, Ltd., a Canadian corporation.

"SMP HK" means Standard Motor Products (Hong Kong) Limited, a Hong Kong Corporation.

"SMP Pledge Agreement" means the Pledge Agreement dated the Original Closing Date executed by SMP in favor of Agent, on behalf of itself and Lenders, pledging all Stock of its Subsidiaries (except with respect to foreign Subsidiaries other than a "check the box" subsidiary, 51% of the capital stock shall be pledged), if any, and all Intercompany Notes owing to or held by it, as amended, modified or supplemented from time to time.

"Software" means all "software" as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, other than software embedded in any category of goods, including all computer programs and all supporting information provided in connection, with a transaction related to any program.

"Solvent" means, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person; (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such

Person on its debts as they become absolute and matured; (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature; and (d) such Person is not engaged in a business or transaction, and is not about to engage in a business or transaction, for which such Person's property would constitute an unreasonably small capital. The amount of contingent liabilities (such as litigation, guaranties and pension plan liabilities) at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, represents the amount that can be reasonably be expected to become an actual or matured liability.

"Stock" means all shares, options, warrants, general or limited partnership interests, membership interests or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity whether voting or nonvoting, including common stock, preferred stock or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934).

"Stockholder" means, with respect to any Person, each holder of Stock of such Person.

"Subordinated Debt" means the Indebtedness of SMP evidenced by the Subordinated Debt Documents and any other Indebtedness of any Credit Party subordinated to the Obligations in a manner and form satisfactory to Agent and Lenders in their sole discretion, as to right and time of payment and as to any other rights and remedies thereunder.

"Subordinated Debt Documents" means (a) that certain Indenture dated as of July 26, 1999 between SMP and HSBC Bank USA, as trustee and any documents, agreements or instruments executed in connection therewith, and (b) on and after the Acquisition Closing Date, the subordinated note payable to the Seller in connection with the Acquisition.

"Subsidiary" means, with respect to any Person, (a) any corporation of which an aggregate of more than 50% of the outstanding Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, Stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned legally or beneficially by such Person or one or more Subsidiaries of such Person, or with respect to which any such Person has the right to vote or designate the vote of 50% or more of such Stock whether by proxy, agreement, operation of law or otherwise, and (b) any partnership or limited liability company in which such Person and/or one or more Subsidiaries of such Person shall have an interest (whether in the form of voting or participation in profits or capital contribution) of more than 50% or of which any such Person is a general partner or may exercise the powers of a general partner. Unless the context otherwise requires, each reference to a Subsidiary shall be a reference to a Subsidiary of a Borrower.

"Subsidiary Guaranty" means the Subsidiary Guaranty dated the Original Closing Date executed by each domestic Subsidiary of each Borrower and by SMP Canada, each in favor of Agent, on behalf of itself and Lenders, as amended, modified or supplemented from time to time.

"SunTrust Drafts" means the negotiable drafts issued by AutoZone, Inc. in connection with the AutoZone/SunTrust Program.

"Supermajority Revolving Lenders" means Lenders having (a) 80% or more of the Revolving Loan Commitments of all Lenders, or (b) if the Revolving Loan Commitments have been terminated, 80% or more of the aggregate outstanding

amount of the Revolving Loan and Letter of Credit Obligations.

"Supporting Obligations" means all supporting obligations as such term is defined in the Code, including letters of credit and guaranties issued in support of Accounts, Chattel Paper, Documents, General Intangibles, Instruments or Investment Property.

"Tangible Net Worth" means, with respect to any Person at any date, the Net Worth of such Person at such date, excluding, however, from the determination of the total assets at such date, (a) all goodwill, capitalized organizational expenses, capitalized research and development expenses, trademarks, trade names, copyrights, patents, patent applications, licenses and rights in any thereof, and other intangible items, (b) all unamortized debt discount and expense, (c) treasury Stock, and (d) any write-up in the book value of any asset resulting from a revaluation thereof.

"Target" has the meaning ascribed to it in Section 3.6.

"Taxes" means taxes, levies, imposts, deductions, Charges or withholdings, and all liabilities with respect thereto, excluding taxes imposed on or measured by the net income of Agent or a Lender by the jurisdictions under the laws of which Agent and Lenders are organized or conduct business or any political subdivision thereof.

"Termination Date" means the date on which (a) the Loans have been indefeasibly repaid in full, (b) all other Obligations under the Agreement and the other Loan Documents have been completely discharged (c) all Letter of Credit Obligations have been cash collateralized, canceled or backed by standby letters of credit in accordance with Annex B, and (d) none of Borrowers shall have any further right to borrow any monies under the Agreement.

"Title IV Plan" means a Pension Plan (other than a Multiemployer Plan), that is subject to Title IV of ERISA or Section 412 of the IRC, and that any Credit Party or ERISA Affiliate maintains, contributes to or has an obligation to contribute to on behalf of participants who are or were employed by any of them.

"Trademark License" means rights under any written agreement now owned or hereafter acquired by any Credit Party granting any right to use any Trademark.

"Trademark Security Agreements" means the Trademark Security Agreements made in favor of Agent, on behalf of Lenders, by each applicable Credit Party, as amended, modified or supplemented from time to time.

"Trademarks" means all of the following now owned or hereafter existing or adopted or acquired by any Credit Party: (a) all trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof; (b) all reissues, extensions or renewals thereof; and (c) all goodwill associated with or symbolized by any of the foregoing.

"Tranche A Revolving Credit Advance" has the meaning ascribed to it in Section 1.1(a)(i)(A).

"Tranche A Revolving Lenders" means as of any date of determination,

Lenders having a Tranche A Revolving Loan Commitment.

"Tranche A Revolving Loan Commitment" means (a) as to any Tranche A Revolving Lender, the aggregate commitment of such Tranche A Revolving Lender to make Tranche A Revolving Credit Advances or incur Letter of Credit Obligations as set forth on Annex J to the Agreement or in the most recent Assignment Agreement executed by such Tranche A Revolving Lender and (b) as to all Tranche A Revolving Lenders, the aggregate commitment of all Tranche A Revolving Lenders to make Tranche A Revolving Credit Advances or incur Letter of Credit Obligations, which aggregate commitment shall be Two Hundred and Twenty-Five Million Dollars ($225,000,000) on the Closing Date, as such amount may be adjusted, if at all, from time to time in accordance with the Agreement.

"Tranche B Revolving Credit Advance" has the meaning ascribed to it in Section 1.1(a)(i)(B).

"Tranche B Revolving Lenders" means, as of any date of determination, Lenders having a Tranche B Revolving Loan Commitment.

"Tranche B Revolving Loan Commitment" means (a) as to any Tranche B Revolving Lender, the aggregate commitment of such Tranche B Revolving Lender to make Tranche B Revolving Credit Advances as set forth on Annex J to the Agreement or in the most recent Assignment Agreement executed by such Tranche B Revolving Lender and (b) as to all Tranche B Revolving Lenders, the aggregate commitment of all Tranche B Revolving Lenders to make Tranche B Revolving Credit Advances, which aggregate commitment shall be Eighty Million Dollars ($80,000,000) on the Closing Date, as such amount may be adjusted, if at all, from time to time in accordance with the Agreement.

"Tranche A Revolving Note" has the meaning ascribed to it in Section 1.1(a)(ii).

"Tranche B Revolving Note" has the meaning ascribed to it in Section 1.1(c)(ii).

"Unfunded Pension Liability" means, at any time, the aggregate amount, if any, of the sum of (a) the amount by which the present value of all accrued benefits under each Title IV Plan exceeds the fair market value of all assets of such Title IV Plan allocable to such benefits in accordance with Title IV of ERISA, all determined as of the most recent valuation date for each such Title IV Plan using the actuarial assumptions for funding purposes in effect under such Title IV Plan, and (b) for a period of 5 years following a transaction which might reasonably be expected to be covered by Section 4069 of ERISA, the liabilities (whether or not accrued) that could be avoided by any Credit Party or any ERISA Affiliate as a result of such transaction.

"Uniform Commercial Code jurisdiction" means any jurisdiction that had adopted all or substantially all of article 9 as contained in the 2000 Official Text of the Uniform Commercial Code, as recommended by the National Conference of Commissioners on Uniform State Laws and the American Law Institute, together with any subsequent amendments or modification to the Official Text.

"Welfare Plan" means a Plan described in Section 3(i) of ERISA.

Rules of construction with respect to accounting terms used in the Agreement or the other Loan Documents shall be as set forth in Annex G. All other undefined terms contained in any of the Loan Documents shall, unless the context indicates otherwise, have the meanings provided for by the Code as in effect in the State of New York to the extent the same are used or defined therein. Unless otherwise specified, references in the Agreement or any of the Appendices to a Section, subsection or clause refer to such Section, subsection or clause as contained in the Agreement. The words "herein," "hereof" and

"hereunder" and other words of similar import refer to the Agreement as a whole, including all Annexes, Exhibits and Schedules, as the same may from time to time be amended, restated, modified or supplemented, and not to any particular section, subsection or clause contained in the Agreement or any such Annex, Exhibit or Schedule.

Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter genders. The words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; the word "or" is not exclusive; references to Persons include their respective successors and assigns (to the extent and only to the extent permitted by the Loan Documents) or, in the case of governmental Persons, Persons succeeding to the relevant functions of such Persons; and all references to statutes and related regulations shall include any amendments of the same and any successor statutes and regulations. Whenever any provision in any Loan Document refers to the knowledge (or an analogous phrase) of any Credit Party, such words are intended to signify that such Credit Party has actual knowledge or awareness of a particular fact or circumstance or that such Credit Party, if it had exercised reasonable diligence, would have known or been aware of such fact or circumstance.

ANNEX B (Section 1.2)

to

CREDIT AGREEMENT

LETTERS OF CREDIT

(a) Issuance. Subject to the terms and conditions of the Agreement, Agent and Revolving Lenders agree to incur, from time to time prior to the Commitment Termination Date, upon the request of Borrower Representative on behalf of the applicable Borrower and for such Borrower's account, Letter of Credit Obligations by causing Letters of Credit to be issued by GE Capital or a Subsidiary thereof or a bank or other legally authorized Person selected by Agent or by Borrower Representative and acceptable to Agent in its sole discretion (each, an "L/C Issuer") for such Borrower's account and guaranteed by Agent; provided, that if the L/C Issuer is a Revolving Lender, then such Letters of Credit shall not be guaranteed by Agent but rather each Revolving Lender shall, subject to the terms and conditions hereinafter set forth, purchase (or be deemed to have purchased) risk participations in all such Letters of Credit issued with the written consent of Agent, as more fully described in paragraph (b)(ii) below. The aggregate amount of all such Letter of Credit Obligations shall not at any time exceed the least of (i) Fifteen Million Dollars ($15,000,000) prior to the Acquisition Closing Date and Twenty-Five Million Dollars ($25,000,000) on and after the Acquisition Closing Date (the "L/C Sublimit") and (ii) the Maximum Amount less the aggregate outstanding principal balance of the Revolving Credit Advances, and (iii) the Aggregate Borrowing Base (adjusted as if no Letters of Credit are outstanding) less the aggregate outstanding principal balance of the Revolving Credit Advances. Furthermore, the aggregate amount of any Letter of Credit Obligations incurred on behalf of any Borrower shall not at any time exceed such Borrower's separate Borrowing Base less the aggregate principal balance of the Revolving Credit Advances to such Borrower. No such Letter of Credit shall have an expiry date that is more than one year following the date of issuance thereof, unless otherwise determined by the Agent, in its sole discretion (including with respect to customary evergreen provisions), and neither Agent nor Revolving Lenders shall be under any obligation to incur Letter of Credit Obligations in respect of, or purchase risk participations in, any Letter of Credit having an expiry date that is later than the Commitment Termination Date.

(b) (i) Advances Automatic; Participations. In the event that Agent or any Revolving Lender shall make any payment on or pursuant to any Letter of Credit Obligation, such payment shall then be deemed automatically to constitute a Revolving Credit Advance to the applicable Borrower under Section 1.1(a) of the Agreement regardless of whether a Default or Event of Default has occurred and is continuing and notwithstanding any Borrower's failure to satisfy the conditions precedent set forth in Section 2, and each Revolving Lender shall be obligated to pay its Pro Rata Share thereof in accordance with the Agreement. The failure of any Revolving Lender to make available to Agent for Agent's own account its Pro Rata Share of any such Revolving Credit Advance or payment by Agent under or in respect of a Letter of Credit shall not relieve any other Revolving Lender of its obligation hereunder to make available to Agent its Pro Rata Share thereof, but no Revolving Lender shall be responsible for the failure of any other Revolving Lender to make available such other Revolving Lender's Pro Rata Share of any such payment.

(ii) If it shall be illegal or unlawful for any Borrower to incur Revolving Credit Advances as contemplated by paragraph (b)(i) above because of an Event of Default described in Sections 8.1(h) or (i) or otherwise or if it shall be illegal or unlawful for any Revolving Lender to be deemed to have assumed a ratable share of the reimbursement obligations owed to an L/C Issuer, or if the L/C Issuer is a Revolving Lender, then (A) immediately and without further action whatsoever, each Revolving Lender shall be deemed to have irrevocably and unconditionally purchased from Agent (or such L/C Issuer, as the case may be) an undivided interest and participation equal to such Revolving Lender's Pro Rata Share (based on the Revolving Loan Commitments) of the Letter of Credit Obligations in respect of all Letters of Credit then outstanding and (B) thereafter, immediately upon issuance of any Letter of Credit, each Revolving Lender shall be deemed to have irrevocably and unconditionally purchased from Agent (or such L/C Issuer, as the case may be) an undivided interest and participation in such Revolving Lender's Pro Rata Share (based on the Revolving Loan Commitments) of the Letter of Credit Obligations with respect to such Letter of Credit on the date of such issuance. Each Revolving Lender shall fund its participation in all payments or disbursements made under the Letters of Credit in the same manner as provided in the Agreement with respect to Revolving Credit Advances.

(c) Cash Collateral.

(i) If Borrowers are required to provide cash collateral for any Letter of Credit Obligations pursuant to the Agreement, including Section 8.2 of the Agreement, prior to the Commitment Termination Date, each Borrower will pay to Agent for the ratable benefit of itself and Revolving Lenders cash or cash equivalents acceptable to Agent ("Cash Equivalents") in an amount equal to 105% of the maximum amount then available to be drawn under each applicable Letter of Credit outstanding for the benefit of such Borrower. Such funds or Cash Equivalents shall be held by Agent in a cash collateral account (the "Cash Collateral Account") maintained at a bank or financial institution acceptable to Agent. The Cash Collateral Account shall be in the name of the applicable Borrower and shall be pledged to, and subject to the control of, Agent, for the benefit of Agent and Lenders, in a manner satisfactory to Agent. Each Borrower hereby pledges and grants to Agent, on behalf of itself and Lenders, a security interest in all such funds and Cash Equivalents held in the Cash Collateral Account from time to time and all proceeds thereof, as security for the payment of all amounts due in respect of the Letter of Credit Obligations and other Obligations, whether or not then due. The Agreement, including this Annex B, shall constitute a security agreement under applicable law.

(ii) If any Letter of Credit Obligations, whether or not then due and payable, shall for any reason be outstanding on the Commitment Termination Date, Borrowers shall either (A) provide cash collateral therefor in the manner

described above, or (B) cause all such Letters of Credit and guaranties thereof, if any, to be canceled and returned, or (C) deliver a stand-by letter (or letters) of credit in guaranty of such Letter of Credit Obligations, which stand-by letter (or letters) of credit shall be of like tenor and duration (plus thirty (30) additional days) as, and in an amount equal to 105% of, the aggregate maximum amount then available to be drawn under, the Letters of Credit to which such outstanding Letter of Credit Obligations relate and shall be issued by a Person, and shall be subject to such terms and conditions, as are be satisfactory to Agent in its sole discretion.

(iii) From time to time after funds are deposited in the Cash Collateral Account by any Borrower, whether before or after the Commitment Termination Date, Agent may apply such funds or Cash Equivalents then held in the Cash Collateral Account to the payment of any amounts, and in such order as Agent may elect, as shall be or shall become due and payable by such Borrower to Agent and Lenders with respect to such Letter of Credit Obligations of such Borrower and, upon the satisfaction in full of all Letter of Credit Obligations of such Borrower, to any other Obligations of any Borrower then due and payable.

(iv) No Borrower nor any Person claiming on behalf of or through any Borrower shall have any right to withdraw any of the funds or Cash Equivalents held in the Cash Collateral Account, except that upon the termination of all Letter of Credit Obligations and the payment of all amounts payable by Borrowers to Agent and Lenders in respect thereof, any funds remaining in the Cash Collateral Account shall be applied to other Obligations then due and owing and upon payment in full of such Obligations, any remaining amount shall be paid to Borrowers or as otherwise required by law. Interest earned on deposits in the Cash Collateral Account shall be for the account of Agent.

(d) Fees and Expenses. Borrowers agree to pay to Agent for the benefit of Revolving Lenders, as compensation to such Lenders for Letter of Credit Obligations incurred hereunder, (i) all costs and expenses incurred by Agent or any Lender on account of such Letter of Credit Obligations, and (ii) for each month during which any Letter of Credit Obligation shall remain outstanding, a fee (the "Letter of Credit Fee") in an amount equal to one and one-half percent (1.50%) per annum multiplied by the maximum amount available from time to time to be drawn under the applicable Letter of Credit. Such fee shall be paid to Agent for the benefit of the Revolving Lenders in arrears, on the first day of each month and on the Commitment Termination Date. In addition, Borrowers shall pay to any L/C Issuer, on demand, such fees (including all per annum fees), charges and expenses of such L/C Issuer in respect of the issuance, negotiation, acceptance, amendment, transfer and payment of such Letter of Credit or otherwise payable pursuant to the application and related documentation under which such Letter of Credit is issued.

(e) Request for Incurrence of Letter of Credit Obligations. Borrower Representative shall give Agent at least two (2) Business Days' prior written notice requesting the incurrence of any Letter of Credit Obligation. The notice shall be accompanied by the form of the Letter of Credit (which shall be acceptable to the L/C Issuer) and a completed Application for Standby Letter of Credit or Application and Agreement for Documentary Letter of Credit or Application for Documentary Letter of Credit, as applicable, in the form of Exhibit B-1, or B-2 or B-3 attached hereto. Notwithstanding anything contained herein to the contrary, Letter of Credit applications by Borrower Representative and approvals by Agent and the L/C Issuer may be made and transmitted pursuant to electronic codes and security measures mutually agreed upon and established by and among Borrower Representative, Agent and the L/C Issuer.

(f) Obligation Absolute. The obligation of Borrowers to reimburse Agent and Revolving Lenders for payments made with respect to any Letter of Credit Obligation shall be absolute, unconditional and irrevocable, without necessity of presentment, demand, protest or other formalities, and the

obligations of each Revolving Lender to make payments to Agent with respect to Letters of Credit shall be unconditional and irrevocable. Such obligations of

Borrowers and Revolving Lenders shall be paid strictly in accordance with the terms hereof under all circumstances including the following:

(i) any lack of validity or enforceability of any Letter of Credit or the Agreement or the other Loan Documents or any other agreement;

(ii) the existence of any claim, setoff, defense or other right that any Borrower or any of their respective Affiliates or any Lender may at any time have against a beneficiary or any transferee of any Letter of Credit (or any Persons or entities for whom any such transferee may be acting), Agent, any Lender, or any other Person, whether in connection with the Agreement, the Letter of Credit, the transactions contemplated herein or therein or any unrelated transaction (including any underlying transaction between any Borrower or any of their respective Affiliates and the beneficiary for which the Letter of Credit was procured);

(iii) any draft, demand, certificate or any other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) payment by Agent (except as otherwise expressly provided in paragraph (g)(ii)(C) below) or any L/C Issuer under any Letter of Credit or guaranty thereof against presentation of a demand, draft or certificate or other document that does not comply with the terms of such Letter of Credit or such guaranty;

(v) any other circumstance or event whatsoever, that is similar to any of the foregoing; or

(vi) the fact that a Default or an Event of Default has occurred and is continuing.

(g) Indemnification; Nature of Lenders' Duties.

(i) In addition to amounts payable as elsewhere provided in the Agreement, Borrowers hereby agree to pay and to protect, indemnify, and save harmless Agent and each Lender from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including reasonable attorneys' fees and allocated costs of internal counsel) that Agent or any Lender may incur or be subject to as a consequence, direct or indirect, of (A) the issuance of any Letter of Credit or guaranty thereof, or (B) the failure of Agent or any Lender seeking indemnification or of any L/C Issuer to honor a demand for payment under any Letter of Credit or guaranty thereof as a result of any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority, in each case other than to the extent solely as a result of the gross negligence or willful misconduct of Agent or such Lender (as finally determined by a court of competent jurisdiction).

(ii) As between Agent and any Lender and Borrowers, Borrowers assume all risks of the acts and omissions of, or misuse of any Letter of Credit by beneficiaries, of any Letter of Credit. In furtherance and not in limitation of the foregoing, to the fullest extent permitted by law, neither Agent nor any Lender shall be responsible for: (A) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document issued by any party in

connection with the application for and issuance of any Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (B) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, that may prove to be invalid or ineffective for any reason; (C) failure of the beneficiary of any Letter of Credit to comply fully with conditions required in order to demand payment under such Letter of Credit; provided, that in the case of any payment by Agent under any Letter of Credit or guaranty thereof, Agent shall be liable to the extent such payment was made solely as a result of its gross negligence or willful misconduct (as finally determined by a court of competent jurisdiction) in determining that the demand for payment under such Letter of Credit or guaranty thereof complies on its face with any applicable requirements for a demand for payment under such Letter of Credit or guaranty thereof; (D) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they may be in cipher; (E) errors in interpretation of technical terms; (F) any loss or delay in the transmission or otherwise of any document required in order to make a payment under any Letter of Credit or guaranty thereof or of the proceeds thereof; (G) the credit of the proceeds of any drawing under any Letter of Credit or guaranty thereof; and (H) any consequences arising from causes beyond the control of Agent or any Lender. None of the above shall affect, impair, or prevent the vesting of any of Agent's or any Lender's rights or powers hereunder or under the Agreement.

(iii) Nothing contained herein shall be deemed to limit or to expand any waivers, covenants or indemnities made by Borrowers in favor of any L/C Issuer in any letter of credit application, reimbursement agreement or similar document, instrument or agreement between or among Borrowers and such L/C Issuer, including an Application and Agreement For Documentary Letter of Credit, a Master Documentary Agreement and a Master Standby Agreement entered into with Agent.

ANNEX C (Section 1.8)

to

CREDIT AGREEMENT

CASH MANAGEMENT SYSTEM

Each Borrower shall, and shall cause its Subsidiaries to, establish and maintain the Cash Management Systems described below:

(a) On or before the Closing Date and until the Termination Date, each Borrower shall (i) establish lock boxes ("Lock Boxes") or at Agent's discretion, blocked accounts ("Blocked Accounts") at one or more of the banks set forth in Disclosure Schedule (3.19), and shall request in writing and otherwise take such reasonable steps to ensure that all Account Debtors forward payment directly to such Lock Boxes, and (ii) deposit and cause its Subsidiaries to deposit or cause to be deposited promptly, and in any event no later than the first Business Day after the date of receipt thereof, all cash, checks, drafts or other similar items of payment relating to or constituting payments made in respect of any and all Collateral (whether or not otherwise delivered to a Lock Box) into one or more Blocked Accounts in such Borrower's name or any such Subsidiary's name and

at a bank identified in Disclosure Schedule (3.19) (each, a "Relationship Bank"). On or before the Closing Date, Borrower Representative shall have established a concentration account in its name (a "Concentration Account") at the bank that shall be designated as the Concentration Account bank in Disclosure Schedule (3.19) (a "Concentration Account Bank"), which bank shall be reasonably satisfactory to Agent.

(b) Each Borrower may maintain, in its name, one or more accounts (each a "Disbursement Account" and collectively, the "Disbursement Accounts") at a bank reasonably acceptable to Agent into which Agent shall, from time to time, deposit proceeds of Revolving Credit Advances made to such Borrower pursuant to Section 1.1 for use by such Borrower solely in accordance with the provisions of Section 1.4.

(c) On or before the Closing Date (or such later date as Agent shall consent to in writing), Concentration Account Bank, each bank where a Disbursement Account is maintained and all other Relationship Banks, shall have entered into tri-party blocked account agreements with Agent, for the benefit of itself and Lenders, and the applicable Borrower and Subsidiaries thereof, as applicable, in form and substance reasonably acceptable to Agent, which shall become operative on or prior to the Closing Date. Each such blocked account agreement shall provide, among other things, that (i) all items of payment deposited in such account and proceeds thereof deposited in the Concentration Account are held by such bank as agent or bailee-in-possession for Agent, on behalf of itself and Lenders, (ii) the bank executing such agreement has no rights of setoff or recoupment or any other claim against such account, as the case may be, other than for payment of its service fees and other charges directly related to the administration of such account and for returned checks or other items of payment, and (iii) from and after the Closing Date (A) with respect to banks at which a Blocked Account is maintained, such bank agrees to forward immediately all amounts in each Blocked Account to the Concentration Account Bank and to commence the process of daily sweeps from such Blocked

Account into the Concentration Account and (B) with respect to Concentration Account Bank, such bank agrees to immediately forward all amounts received in the Concentration Account to the Collection Account through daily sweeps from such Concentration Account into the Collection Account. No Borrower shall, or shall cause or permit any Subsidiary thereof to, accumulate or maintain cash in Disbursement Accounts or payroll accounts as of any date of determination in excess of checks outstanding against such accounts as of that date and amounts necessary to meet minimum balance requirements.

(d) So long as no Default or Event of Default has occurred and is continuing, Borrowers may amend Disclosure Schedule (3.19) to add or replace a Relationship Bank, Lock Box or Blocked Account or to replace the Concentration Account or any Disbursement Account; provided, that (i) Agent shall have consented in writing in advance to the opening of such account or Lock Box with the relevant bank and (ii) prior to the time of the opening of such account or Lock Box, the applicable Borrower or its Subsidiaries, as applicable, and such bank shall have executed and delivered to Agent a tri-party blocked account agreement, in form and substance reasonably satisfactory to Agent; provided, further, that Borrowers shall (x) amend Disclosure Schedule (3.19) to reflect any bank account which is transferred to SMP in connection with the Acquisition, and (y) obtain the necessary tri-party blocked account agreement(s) required pursuant to clause (ii) above with respect to each such account. Borrowers shall close any of their accounts (and establish replacement accounts in accordance with the foregoing sentence) promptly and in any event within thirty (30) days following notice from Agent that the creditworthiness of any bank holding an account is no longer acceptable in Agent's reasonable judgment, or as promptly as practicable and in any event within sixty (60) days following notice from Agent that the operating performance, funds transfer or availability procedures or performance with respect to accounts or Lock Boxes of the bank holding such

accounts or Agent's liability under any tri-party blocked account agreement with such bank is no longer acceptable in Agent's reasonable judgment.

(e) The Lock Boxes, Blocked Accounts, Disbursement Accounts and the Concentration Account shall be cash collateral accounts, with all cash, checks and other similar items of payment in such accounts securing payment of the Loans and all other Obligations, and in which each Borrower and each Subsidiary thereof shall have granted a Lien to Agent, on behalf of itself and Lenders, pursuant to the Security Agreement.

(f) All amounts deposited in the Collection Account shall be deemed received by Agent in accordance with Section 1.10 and shall be applied (and allocated) by Agent in accordance with Section 1.11. In no event shall any amount be so applied unless and until such amount shall have been credited in immediately available funds to the Collection Account.

(g) Each Borrower shall and shall cause its Affiliates, officers, employees, agents, directors or other Persons acting for or in concert with such Borrower (each a "Related Person") to (i) hold in trust for Agent, for the benefit of itself and Lenders, all checks, cash and other items of payment received by such Borrower or any such Related Person, and (ii) within one (1) Business Day after receipt by such Borrower or any such Related Person of any checks, cash or other items of payment, deposit the same into a Blocked Account of such Borrower. Each Borrower on behalf of itself and each Related Person thereof acknowledges and agrees that all cash, checks or other items of payment constituting proceeds of Collateral are part of the

Collateral. All proceeds of the sale or other disposition of any Collateral, shall be deposited directly into the applicable Blocked Accounts.

ANNEX D-1 (Section 2.1(a))

to

CREDIT AGREEMENT

CLOSING CHECKLIST

In addition to, and not in limitation of, the conditions described in Section 2.1 of the Agreement, pursuant to Section 2.1(a), the following items must be received by Agent in form and substance satisfactory to Agent on or prior to the Closing Date (each capitalized term used but not otherwise defined herein shall have the meaning ascribed thereto in Annex A to the Agreement):

A. Appendices. All Appendices to the Agreement, in form and substance satisfactory to Agent.

B. Notes. Duly executed originals of the Notes for each applicable Lender, dated the Closing Date.

C. Security Agreement / Intellectual Property Security Agreements. Duly executed originals of the amended and restated forms of the Security Agreement, Trademark Security Agreement, Copyright Security Agreement and Patent

Security Agreement, dated the Closing Date.

D. Insurance. Satisfactory evidence that the insurance policies required by Section 5.4 are in full force and effect, together with appropriate evidence showing loss payable and/or additional insured clauses or endorsements, as requested by Agent, in favor of Agent, on behalf of Lenders.

E. Security Interests and Code Filings.

(a) Evidence satisfactory to Agent that Agent (for the benefit of itself and Lenders) has a valid and perfected first priority security interest in the Collateral other than Equipment subject to Capital Leases and set forth on Disclosure Schedule D, including (i) such documents duly executed by each Credit Party (including financing statements under the Code and other applicable documents under the laws of any jurisdiction with respect to the perfection of Liens) as Agent may request in order to perfect its security interests in the Collateral and (ii) copies of Code search reports listing all effective financing statements that name any Credit Party as debtor, together with copies of such financing statements, none of which shall cover the Collateral.

(b) Evidence satisfactory to Agent, including copies, of all UCC-1 and other financing statements filed in favor of any Credit Party with respect to each location, if any, at which Inventory may be consigned.

(c) Control Letters from (i) all issuers of uncertificated securities and financial assets held by each Borrower, (ii) all securities intermediaries with respect to all securities

accounts and securities entitlements of each Borrower, and (iii) all futures commission agents and clearing houses with respect to all commodities contracts and commodities accounts held by any Borrower.

F. Subsidiary Guaranties. Amended and restated Guaranties executed by each direct and indirect domestic Subsidiary of any Borrower that is not a Borrower and a Guaranty by SMP Canada, each in favor of Agent, for the benefit of itself and Lenders.

G. Borrowing Base Certificate. Duly executed originals of Borrowing Base Certificate from each Borrower, dated the Closing Date, reflecting information concerning Eligible Accounts, Eligible Inventory, Eligible Equipment and Eligible Real Estate of such Borrower as of a date not more than 7 days prior to the Closing Date.

H. Notice of Revolving Credit Advance. Duly executed originals of a Notice of Tranche A Revolving Credit Advance, dated the Closing Date, with respect to the Tranche A Revolving Credit Advance to be requested by Borrower Representative on the Closing Date.

I. Letter of Direction. Duly executed originals of a letter of direction from Borrower Representative addressed to Agent, on behalf of itself and Lenders, with respect to the disbursement on the Closing Date of the proceeds of the Revolving Credit Advance to be made on the Closing Date.

J. Charter and Good Standing. For each Credit Party, such Person's (a) charter and all amendments thereto, (b) good standing certificates (including verification of tax status) in its state of incorporation and (c) good standing certificates (including verification of tax status) and certificates of qualification to conduct business in each jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification, each dated a recent date prior to the Closing Date and certified by the applicable Secretary of State or other authorized Governmental Authority.

K. Bylaws and Resolutions. For each Credit Party, (a) such Person's bylaws, together with all amendments thereto and (b) resolutions of such Person's Board of Directors and stockholders, approving and authorizing the execution, delivery and performance of the Loan Documents to which such Person is a party and the transactions to be consummated in connection therewith, each certified as of the Closing Date by such Person's corporate secretary or an assistant secretary as being in full force and effect without any modification or amendment.

L. Incumbency Certificates. For each Credit Party, signature and incumbency certificates of the officers of each such Person executing any of the Loan Documents, certified as of the Closing Date by such Person's corporate secretary or an assistant secretary as being true, accurate, correct and complete.

M. Opinions of Counsel. Duly executed originals of opinions of Kelley Drye & Warren, LLP, counsel for the Credit Parties, together with any local and/or foreign counsel opinions reasonably requested by Agent, each in form and substance reasonably satisfactory to Agent and its counsel, dated the Closing Date.

N. Pledge Agreements. Duly executed originals of the amended and restated Pledge Agreements.

O. Accountants' Letters. A letter from the Credit Parties to their independent auditors authorizing the independent certified public accountants of the Credit Parties to communicate with Agent and Lenders in accordance with Section 4.2.

P. Acquisition Agreement. Duly executed originals of the Acquisition Agreement.

Q. Officer's Certificate. Agent shall have received duly executed originals of a certificate of the chief executive officer and chief financial officer or treasurer of each Borrower, dated the Closing Date, stating that, since December 31, 2001 (a) no event or condition has occurred or is existing which could reasonably be expected to have a Material Adverse Effect; (b) there has been no material adverse change in the industry in which any Borrower operates; (c) no Litigation has been commenced which, if successful, would have a Material Adverse Effect or could challenge any of the transactions contemplated by the Agreement and the other Loan Documents; (d) except as disclosed in the Schedule to such Officer's Certificate, there have been no Restricted Payments made by any Credit Party; (e) before and after giving effect to the transactions contemplated by the Agreement, each Credit Party will be Solvent, and (f) there has been no material increase in liabilities, liquidated or contingent, and no material decrease in assets of any Borrower or any of its Subsidiaries.

R. Waivers. Agent, on behalf of Lenders, shall have received landlord waivers and consents and mortgagee agreements in form and substance reasonably satisfactory to Agent, in each case as required pursuant to Section 5.9.

S. Mortgages. Mortgage Modifications covering all of the Real Estate (the "Mortgaged Properties") together with: (a) evidence that counterparts of the Mortgage Modifications have been recorded in all places to the extent necessary or desirable, in the judgment of Agent, to create a valid and enforceable first priority lien (subject to Permitted Encumbrances) on each Mortgaged Property in favor of Agent for the benefit of itself and Lenders (or in favor of such other trustee as may be required or desired under local law); and (b) an opinion of counsel in each state in which any Mortgaged Property is located in form and substance and from counsel reasonably satisfactory to Agent.

T. Subordination and Intercreditor Agreements. Agent and Lenders shall have received any and all subordination and/or intercreditor agreements, all in form and substance reasonably satisfactory to Agent, in its sole discretion, as Agent shall have deemed necessary or appropriate with respect to any Indebtedness of any Credit Party.

U. Financials. Agent shall have received Acquisition Target's unaudited consolidated and consolidating financial statement for November, 2002, together with a reconciliation of such financial statements to the operating assets of the Acquisition Target which are the subject of the Acquisition.

V. Audited Financials; Financial Condition. Agent shall have received the Financial Statements, Projections and other materials set forth in Section 3.4, certified by

Borrower Representative's chief financial officer or treasurer, in each case in form and substance reasonably satisfactory to Agent, and Agent shall be satisfied, in its sole discretion, with all of the foregoing. Agent shall have further received a certificate of the chief executive officer and the chief financial officer or treasurer of each Borrower, based on such Pro Forma and Projections, to the effect that (a) such Borrower will be Solvent upon the consummation of the transactions contemplated herein; (b) the Pro Forma fairly presents the financial condition of Borrowers and their Consolidated Subsidiaries as of the date thereof after giving effect to the transactions contemplated by the Loan Documents; (c) the Projections are based upon estimates and assumptions stated therein, all of which such Borrower believes to be reasonable and fair in light of current conditions and current facts known to such Borrower and, as of the Closing Date, reflect such Borrower's good faith and reasonable estimates of its future financial performance and of the other information projected therein for the period set forth therein; (d) containing such other statements with respect to the solvency of such Borrower and matters related thereto as Agent shall request.

W. Master Standby Agreement. A Master Agreement for Standby Letters of Credit among Borrowers and GE Capital.

X. Master Documentary Agreement. A Master Agreement for Documentary Letters of Credit among Borrowers and GE Capital.

Y. Other Documents. Such other certificates, documents and agreements respecting any Credit Party as Agent may reasonably request.

ANNEX D-2 (Section 2.3)
to
CREDIT AGREEMENT

ACQUISITION CONDITIONS

In addition to, and not in limitation of, the conditions described in Section 2.2 of the Agreement, pursuant to Section 2.3, the following items must be received by Agent in form and substance satisfactory to Agent on or prior to the Acquisition Closing Date (each capitalized term used but not otherwise defined herein shall have the meaning ascribed thereto in Annex A to the Agreement):

A. Acquisition. The Acquisition shall have occurred on or before June 30, 2003 and shall have been consummated on the terms and conditions set forth in the Acquisition Agreement delivered to Agent and Lenders on the Closing Date, without waiver by SMP of any closing conditions unless such waiver has been approved by Agent.

B. Defaults. No Default or Event of Default shall have occurred which is continuing, or would occur after giving effect to the Acquisition.

C. Acquisition Documents. Agent shall have received copies of the documents and consents required pursuant to the Acquisition Agreement in order to meet the closing conditions as set forth in the Acquisition Agreements as of the Closing Date.

D. Purchase Price. The Purchase Price for Dana Corporation's Aftermarket Engine Management Division (the "Acquisition Target") shall not exceed the Closing Net Book Value (as such term is defined in the Acquisition Agreement as in effect on the date hereof). The Estimated Purchase Price (as such term is defined in the Acquisition Agreement as in effect on the date hereof) for the Acquisition Target to be paid on the Acquisition Closing Date shall not exceed $125,000,000 (the "Purchase Price") and aggregate fees and closing costs (including those payable to Lenders on the Closing Date) not to exceed $11,000,000 plus underwriting fees and expenses incurred in meeting (or exceeding) the Additional Capitalization Requirement. In addition, the Cash Purchase Price to be paid on the Acquisition Closing Date shall not exceed $94,000,000.

E. Additional Capitalization Requirement. Receipt by SMP of the Additional Capitalization Requirement.

F. Seller Paper. Based on the contemplated Purchase Price, receipt by Seller of no more than $31,300,000 (subject to the last sentence of this paragraph F) from unsecured subordinated seller paper and/or equity in SMP concurrent with the closing of the Acquisition on terms acceptable to Agent including, without limitation, (i) no principal payments until at least 66 months following the closing of the Acquisition (subject to earlier prepayment as permitted in Section 6.14(f) of this Agreement), and (ii) standstill provisions. The final amount of seller paper and/or equity in SMP shall be determined based on the final Purchase Price and shall be reduced by $1 for each $4 reduction in the Purchase Price below $125,000,000.

G. Financial Statements of Target. Delivery of (i) audited Financial Statements of Target for calendar years 2000, 2001 and the nine month period ending October 1, 2002 together with any additional fiscal period for which Financial Statements of Target must be provided to any Governmental Authority in connection with obtaining the approval to the Acquisition by such Governmental Authority and (ii) a reconciliation from the audited Financial Statements of Target by Borrower to the projections previously provided to GE Capital, all of which to be in form and substance satisfactory to GE Capital.

H. Indenture. No less than $90,000,000 of subordinated debt shall be outstanding under the terms of the Indenture dated as of July 26, 1999 with HSBC Bank USA as Trustee (the "Indenture") and the terms of such Indenture shall be acceptable to Agent. All loans and liens made pursuant to the Financing documents must be permitted under, and deemed senior indebtedness and senior liens, as appropriate under, such Indenture. So long as no changes have been made to this Indenture since April 27, 2001, the subordination terms of the Indenture are acceptable to GE Capital.

I. Structure. The corporate structure, capital structure, other debt instruments, material contracts, and governing documents of each Borrower and

their affiliates after giving effect to the Acquisition must be acceptable to Agent. Additionally, tax effects resulting from the Acquisition must be acceptable to Agent and Borrowers.

J. Minimum Excess Formula Availability. The Excess Formula Availability for Borrowers in the aggregate at closing of the Acquisition (on a pro forma basis with trade payables being paid consistent with past practices, with expenses and liabilities being paid in the ordinary course of business, without acceleration of sales and without deterioration of working capital) shall be at least (x) $52,000,000 if such closing occurs on or before April 30, 2003, or (y) $47,000,000 if such closing occurs during May or June, 2003. For purposes of calculating Excess Formula Availability, only the portion of the Additional Capitalization Requirement which exceeds $59,000,000 shall be deemed to have been applied to reduce the outstanding balance of Revolving Advances pursuant to Section 1.3(b)(iii).

K. Payables. All payables including intercompany and amounts owing to affiliates must continue to be paid on a basis consistent with past practice.

L. Insurance. Satisfactory evidence that the insurance policies required by Section 5.4 are in full force and effect, together with appropriate evidence showing loss payable and/or additional insured clauses or endorsements, as reasonably requested by Agent, in favor of Agent, on behalf of Lenders.

M. Security Interests and Code Filings.

(a) Evidence satisfactory to Agent that Agent (for the benefit of itself and Lenders) has a valid and perfected first priority security interest in the Collateral (including, without limitation, the Collateral which is acquired pursuant to the Acquisition), including (i) such documents duly executed by each Credit Party (including financing statements under the Code and other applicable documents under the laws of any jurisdiction with respect to the perfection of Liens) as Agent may request in order to perfect its security interests in the

Collateral and (ii) copies of Code search reports listing all effective financing statements that name any Credit Party or Seller as debtor, together with copies of such financing statements, none of which shall cover the Collateral, except for Permitted Encumbrances.

(b) Evidence reasonably satisfactory to Agent, including copies, of all UCC-1 and other financing statements filed in favor of any Credit Party with respect to each location, if any, at which Inventory may be consigned.

(c) Control Letters from (i) all issuers of uncertificated securities and financial assets held by each Borrower, (ii) all securities intermediaries with respect to all securities accounts and securities entitlements of each Borrower, and (iii) all futures commission agents and clearing houses with respect to all commodities contracts and commodities accounts held by any Borrower.

N. Intellectual Property Security Agreements. Duly executed originals of Trademark Security Agreements, Copyright Security Agreements and Patent Security Agreements, each dated the Acquisition Closing Date and signed by each Credit Party which acquires such Trademarks, Copyrights and/or Patents, as applicable, pursuant to the Acquisition, all in form and substance reasonably satisfactory to Agent, together with all instruments, documents and agreements executed pursuant thereto.

O. Borrowing Base Certificate. Duly executed originals of Borrowing Base Certificate from each Borrower, dated the Acquisition Closing Date, reflecting information concerning Eligible Accounts and Eligible Inventory of

such Borrower as of a date not more than seven (7) days prior to the Acquisition Closing Date and giving effect to the Acquisition.

P. Notice of Revolving Credit Advance. Duly executed originals of a Notice of Revolving Credit Advance, dated the Acquisition Closing Date, with respect to the Revolving Credit Advance to be requested by Borrower Representative on the Acquisition Closing Date.

Q. Letter of Direction. Duly executed originals of a letter of direction from Borrower Representative addressed to Agent, on behalf of itself and Lenders, with respect to the disbursement on the Acquisition Closing Date of the proceeds of the initial Revolving Credit Advance.

R. Opinions of Counsel. Duly executed originals of opinions of Kelley Drye LLP, counsel for the Credit Parties, together with any local counsel opinions reasonably requested by Agent, each in form and substance reasonably satisfactory to Agent and its counsel, and which relate to the Acquisition dated the Acquisition Closing Date, and each accompanied by a letter addressed to such counsel from the Credit Parties, authorizing and directing such counsel to address its opinion to Agent, on behalf of Lenders, and to include in such opinion an express statement to the effect that Agent and Lenders are authorized to rely on such opinion.

S. Waivers. Agent, on behalf of Lenders, shall have received landlord waivers and consents, bailee letters and mortgagee agreements in form and substance reasonably satisfactory to Agent, in each case as required pursuant to Section 5.9. after giving effect to the Acquisition.

T. Real Estate. (a) With respect to any real estate collateral, title commitments and title insurance policies in each case, as applicable, in amount, form and from an issuer satisfactory to Agent, such items to be received not later than two weeks prior to the closing of the Acquisition with an endorsement acceptable to Agent to existing title insurance policies held by Agent being received upon such closing, together with title insurance policies acceptable to Agent with respect to any real estate to be acquired in connection with the Acquisition.

(b) (i) Mortgages or deeds of trust on the real estate to be acquired in connection with the Acquisition, and (ii) an opinion of counsel in each state in which any such real estate is located in form and substance and from counsel reasonably satisfactory to Agent.

U. Blocked Accounts. Borrowers shall be in compliance with the requirements of Annex C with respect to any bank accounts obtained in connection with the Acquisition.

V. Subordination and Intercreditor Agreements. Agent and Lenders shall have received any and all subordination and/or intercreditor agreements, all in form and substance reasonably satisfactory to Agent, in its sole discretion, as Agent shall have deemed necessary or appropriate with respect to any Indebtedness of any Credit Party including, without limitation, from Dana Corporation in connection with the Acquisition.

W. Environmental Reports. Not later than two weeks prior to the Acquisition Closing Date, Agent shall have received Phase I Environmental Site Assessment Reports, consistent with American Society for Testing and Materials (ASTM) Standard E 1527-00 (or the current ASTM standard for Phase I environmental site assessment reports), and applicable state requirements, on all of the Real Estate to be acquired in conjunction with the Acquisition, dated no more than 6 months prior to the Closing Date, prepared by environmental engineers reasonably satisfactory to Agent, all in form and substance reasonably satisfactory to Agent, in its sole discretion; and Agent shall have further

received such environmental review and audit reports, including Phase II reports, with respect to the Real Estate of any Credit Party to be acquired in conjunction with the Acquisition as Agent shall have requested, and Agent shall be satisfied, in its sole discretion, with the contents of all such environmental reports. Agent shall have received letters executed by the environmental firms preparing such environmental reports, in form and substance reasonably satisfactory to Agent, authorizing Agent and Lenders to rely on such reports.

X. Financials. Agent shall have received Acquisition Target's unaudited consolidated and consolidating financial statements for each month no later than 45 days from the end of each month or 60 days from the end of each quarter commencing with December, 2002, together with a reconciliation of such financial statements to the operating assets of the Acquisition Target which are the subject of the Acquisition.

Y. Assignment of Representations, Warranties, Covenants, Indemnities and Rights. Agent shall have received a duly executed copy of an Assignment of Representations, Warranties, Covenants, Indemnities and Rights in respect of SMP's rights under the Acquisition

Agreement, which assignment shall be expressly permitted under the Acquisition Agreement or shall have been consented to by the Seller in writing.

Z. Material Adverse Change. Since October 1, 2002, there will have been no material adverse change in the business, financial or other condition of the Acquisition Target's operations relating to the operating assets which are the subject of the Acquisition, the industry in which the Acquisition Target operates, or the Collateral which will be subject to the security interest granted to Agent, or in the prospects or projections of Borrowers taken as a whole after giving effect to the closing of the Acquisition.

AA. Other Documents. Such other certificates, documents and agreements respecting any Credit Party as Agent may reasonably request.

BB. Appraisals. (a) Agent shall have received appraisals as to each parcel of Real Estate owned by each Credit Party of the Mortgaged Properties located in Fort Worth, Texas, Edwardsville, Kansas and Disputanta, Virginia, each of which shall be in form and substance reasonably satisfactory to Agent.

(b) Agent shall have received such appraisals or field examination reports as it may reasonably request with respect to all other assets owned by Borrowers or which are to be acquired in connection with the Acquisition.

ANNEX E (Section 4.1(a))

to

CREDIT AGREEMENT

FINANCIAL STATEMENTS AND PROJECTIONS--REPORTING

Borrowers shall deliver or cause to be delivered to Agent or to Agent and Lenders, as indicated, the following:

(a) Monthly Financials. To Agent and Lenders, within thirty (30) days after the end of each Fiscal Month (other than January), financial information regarding Borrowers and their Subsidiaries, certified by the chief financial officer or treasurer of Borrower Representative, consisting of consolidated and consolidating (i) unaudited balance sheets as of the close of such Fiscal Month and the related statements of income and cash flows for that portion of the Fiscal Year ending as of the close of such Fiscal Month; (ii) unaudited statements of income and cash flows for such Fiscal Month, setting forth in comparative form the figures for the corresponding period in the prior year and the figures contained in the Projections for such Fiscal Year, all prepared (other than the Projections) in accordance with GAAP (subject to normal year-end adjustments); and (iii) a summary of the outstanding balance of all Intercompany Notes as of the last day of that Fiscal Month. Such financial information shall be accompanied by the certification of the chief financial officer or treasurer of Borrower Representative that (i) such financial information presents fairly in accordance with GAAP (subject to normal year-end adjustments) the financial position and results of operations of Borrowers and their Subsidiaries, on a consolidated and consolidating basis, in each case as at the end of such Fiscal Month and for that portion of the Fiscal Year then ended and (ii) any other information presented is true, correct and complete in all material respects and that there was no Default or Event of Default in existence as of such time or, if a Default or Event of Default has occurred and is continuing, describing the nature thereof and all efforts undertaken to cure such Default or Event of Default.

(b) Quarterly Financials. To Agent and Lenders, within forty-five (45) days after the end of each Fiscal Quarter, consolidated and consolidating financial information regarding Borrowers and their Subsidiaries, certified by the chief financial officer or treasurer of Borrower Representative, including (i) unaudited balance sheets as of the close of such Fiscal Quarter and the related statements of income and cash flow for that portion of the Fiscal Year ending as of the close of such Fiscal Quarter and (ii) unaudited statements of income and cash flows for such Fiscal Quarter, in each case setting forth in comparative form the figures for the corresponding period in the prior year and the figures contained in the Projections for such Fiscal Year, all prepared (other than the Projections) in accordance with GAAP (subject to normal year-end adjustments). Such financial information shall be accompanied by (A) a statement in reasonable detail (each, a "Compliance Certificate" showing the calculations used in determining compliance with each of the Financial Covenants that is tested on a quarterly basis and (B) the certification of the chief financial officer or treasurer of Borrower Representative that (i) such financial information presents fairly in accordance with GAAP (subject to normal year-end adjustments) the financial position, results of operations and statements of cash flows of

Borrowers and their Subsidiaries, on both a consolidated and consolidating basis, as at the end of such Fiscal Quarter and for that portion of the Fiscal Year then ended and (ii) any other information presented is true, correct and complete in all material respects and that there was no Default or Event of Default in existence as of such time or, if a Default or Event of Default has occurred and is continuing, describing the nature thereof and all efforts undertaken to cure such Default or Event of Default. In addition, Borrowers shall deliver to Agent and Lenders, within forty-five (45) days after the end of each Fiscal Quarter, a management discussion and to the extent not otherwise set forth on SMP's Form 10Q, analysis that includes a comparison to budget for that Fiscal Quarter and a comparison of performance for that Fiscal Quarter to the corresponding period in the prior year.

(c) Operating Plan. To Agent and Lenders, as soon as available, but

not later than thirty (30) days after the end of each Fiscal Year, an annual operating plan for Borrowers, on a consolidated and consolidating basis, approved by the Board of Directors of Borrowers, for the following Fiscal Year, which (i) includes a statement of all of the material assumptions on which such plan is based, (ii) includes monthly balance sheets, income statements and statements of cash flows for the following year and (iii) integrates sales, gross profits, operating expenses, operating profit, cash flow projections and Borrowing Availability projections, all prepared on the same basis and in similar detail as that on which operating results are reported (and in the case of cash flow projections, representing management's good faith estimates of future financial performance based on historical performance), and including plans for personnel, Capital Expenditures and facilities.

(d) Annual Audited Financials. To Agent and Lenders, within ninety (90) days after the end of each Fiscal Year, audited Financial Statements for Borrowers and their Subsidiaries on a consolidated and (unaudited) consolidating basis, consisting of balance sheets and statements of income and retained earnings and cash flows, setting forth in comparative form in each case the figures for the previous Fiscal Year, which Financial Statements shall be prepared in accordance with GAAP and certified without qualification, by an independent certified public accounting firm of national standing or otherwise acceptable to Agent. Such Financial Statements shall be accompanied by (i) a statement prepared in reasonable detail showing the calculations used in determining compliance with each of the Financial Covenants, (ii) a report from such accounting firm to the effect that, in connection with their audit examination, nothing has come to their attention to cause them to believe that a Default or Event of Default has occurred (or specifying those Defaults and Events of Default that they became aware of), it being understood that such audit examination extended only to accounting matters and that no special investigation was made with respect to the existence of Defaults or Events of Default, (iii) the annual letters to such accountants in connection with their audit examination detailing contingent liabilities and material litigation matters, and (iv) the certification of the chief executive officer or chief financial officer or treasurer of Borrowers that all such Financial Statements present fairly in accordance with GAAP the financial position, results of operations and statements of cash flows of Borrowers and their Subsidiaries on a consolidated and consolidating basis, as at the end of such Fiscal Year and for the period then ended, and that there was no Default or Event of Default in existence as of such time or, if a Default or Event of Default has occurred and is continuing, describing the nature thereof and all efforts undertaken to cure such Default or Event of Default.

(e) Management Letters. To Agent and Lenders, within five (5) Business Days after receipt thereof by any Credit Party, copies of all management letters, exception reports or similar letters or reports received by such Credit Party from its independent certified public accountants.

(f) Default Notices. To Agent and Lenders, as soon as practicable, and in any event within five (5) Business Days after an executive officer of any Borrower has actual knowledge of the existence of any Default, Event of Default or other event that has had a Material Adverse Effect, telephonic or telecopied notice specifying the nature of such Default or Event of Default or other event, including the anticipated effect thereof, which notice, if given telephonically, shall be promptly confirmed in writing on the next Business Day.

(g) SEC Filings and Press Releases. To Agent and Lenders, promptly upon their becoming available, copies of: (i) all Financial Statements, reports, notices and proxy statements made publicly available by any Credit Party to its security holders; (ii) all regular and periodic reports and all registration statements and prospectuses, if any, filed by any Credit Party with any securities exchange or with the Securities and Exchange Commission or any governmental or private regulatory authority; including but not limited to all

Form 8-Ks, quarterly 10-Q's and annual 10-K statements and (iii) all press releases and other statements made available by any Credit Party to the public concerning material changes or developments in the business of any such Person.

(h) Subordinated Debt and Equity Notices. To Agent, as soon as practicable, copies of all material written notices given or received by any Credit Party with respect to any Subordinated Debt or Stock of such Person, and, within two (2) Business Days after any Credit Party obtains knowledge of any matured or unmatured event of default with respect to any Subordinated Debt, notice of such event of default.

(i) Supplemental Schedules. To Agent, supplemental disclosures, if any, required by Section 5.6.

(j) Litigation. To Agent in writing, promptly upon learning thereof, notice of any Litigation commenced or threatened against any Credit Party that (i) seeks damages in excess of $100,000, (ii) seeks injunctive relief, (iii) is asserted or instituted against any Plan, its fiduciaries or its assets or against any Credit Party or ERISA Affiliate in connection with any Plan, (iv) alleges criminal misconduct by any Credit Party, (v) alleges the violation of any law regarding, or seeks remedies in connection with, any Environmental Liabilities or (vi) involves any product recall. To the Agent, at the end of each month, a report of all Asbestos Claims commenced or disposed of during such month.

(k) Insurance Notices. To Agent, disclosure of losses or casualties required by Section 5.4.

(l) Lease Default Notices. To Agent, within 2 Business Days after receipt thereof, copies of (i) any and all default notices received under or with respect to any leased location or public warehouse where Collateral is located, and (ii) such other notices or

documents as Agent may reasonably request with respect to such leased locations or public warehouses.

(m) Lease Amendments. To Agent, within two (2) Business Days after receipt thereof, copies of all material amendments to real estate leases specify leases of particular concern.

(n) Rate Protection Agreements. To Agent, notice of intention to enter into any Rate Protection Agreement, together with form of proposed Rate Protection Agreement.

(o) Other Documents. To Agent and Lenders, such other financial and other information respecting any Credit Party's business or financial condition as Agent or any Lender shall from time to time reasonably request including, without limitation, the annual actuarial study required pursuant to the defined term "Asbestos Reserve" from a firm acceptable to Agent and in a form similar to that provided pursuant to Section 2.1(j), the costs of which studies shall be borne by Borrowers.

ANNEX F (Section 4.1(b))

to

CREDIT AGREEMENT

COLLATERAL REPORTS

Borrowers shall deliver or cause to be delivered the following:

(a) To Agent, upon its request, and in any event no less frequently than ten (10) Business Days after the end of each Fiscal Month (together with a copy of all or any part of the following reports requested by any Lender in writing after the Closing Date), each of the following reports, each of which shall be prepared by the applicable Borrower as of the last day of the immediately preceding Fiscal Month or the date two (2) days prior to the date of any such request:

(i) a Borrowing Base Certificate with respect to each Borrower, in each case accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion;

(ii) with respect to each Borrower, a summary of Inventory by location and type with a supporting perpetual Inventory report, in each case accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion; and

(iii) with respect to each Borrower, a monthly trial balance showing Accounts outstanding aged from invoice date as follows: 1 to 30 days, 31 to 60 days, 61 to 90 days, 91 days to 180 days and 181 days or more, accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion.

(b) To Agent, on a weekly basis or at such more frequent intervals as Agent may request from time to time, including, at Agent's option, on a daily basis if average daily Borrowing Availability for all Borrowers for any 90 day period is less than (x) $11,500,000 prior to the Acquisition Closing Date, or (y) $16,000,000 on and after the Acquisition Closing Date (together with a copy of all or any part of such delivery requested by any Lender in writing after the Closing Date), collateral reports with respect to each Borrower, including all additions and reductions (cash and non-cash) with respect to Accounts of such Borrower, in each case accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion each of which shall be prepared by the applicable Borrower as of the last day of the immediately preceding week or the date two (2) days prior to the date of any such request;

(c) To Agent, at the time of delivery of each of the monthly Financial Statements delivered pursuant to Annex E:

(i) a reconciliation of the Accounts trial balance of each Borrower to such Borrower's most recent Borrowing Base Certificate, general ledger and monthly Financial

Statements delivered pursuant to Annex E, in each case accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion;

(ii) a reconciliation of the perpetual inventory by location of each Borrower to such Borrower's most recent Borrowing Base Certificate, general ledger and monthly Financial Statements delivered pursuant to Annex E, in each case accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion;

(iii) an aging of accounts payable and a reconciliation of that accounts payable aging to each Borrower's general ledger and monthly Financial Statements delivered pursuant to Annex E, in each case accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion;

(iv) a reconciliation of the outstanding Loans as set forth in the monthly Loan Account statement provided by Agent to each Borrower's general ledger and monthly Financial Statements delivered pursuant to Annex E, in each case accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion;

(d) To Agent, at the time of delivery of each of the quarterly or annual Financial Statements delivered pursuant to Annex E, (i) a listing of government contracts of each Borrower subject to the Federal Assignment of Claims Act of 1940; and (ii) a list of any applications for the registration of any Patent, Trademark or Copyright filed by any Credit Party with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in the prior Fiscal Quarter;

(e) Each Borrower, at its own expense, shall deliver to Agent the results of each physical verification, if any, that such Borrower or any of its Subsidiaries may in their discretion have made, or caused any other Person to have made on their behalf, of all or any portion of their Inventory (and, if a Default or an Event of Default has occurred and is continuing, each Borrower shall, upon the request of Agent, conduct, and deliver the results of, such physical verifications as Agent may require);

(f) Each Borrower, at its own expense, shall deliver to Agent such appraisals of its assets as Agent may request, no more frequently than once a year and at any time after the occurrence and during the continuance of a Default or an Event of Default, such appraisals to be conducted by an appraiser, and in form and substance reasonably satisfactory to Agent; and

(g) Such other reports, statements and reconciliations with respect to the Borrowing Base, Collateral or Obligations of any or all Credit Parties as Agent shall from time to time request in its reasonable discretion, including, without limitation, an annual actuarial study performed by an actuary acceptable to Agent.

ANNEX G (Section 6.10)

to

CREDIT AGREEMENT

FINANCIAL COVENANTS

1. Prior to Acquisition Closing Date, Borrowers shall not breach or fail to comply with any of the following financial covenants, each of which shall be calculated in accordance with GAAP consistently applied:

(a) Maximum Capital Expenditures. Borrowers and their Subsidiaries on a consolidated basis shall not make Capital Expenditures during any Fiscal Year that exceeds one hundred twenty percent (120%) of the amount set forth in the Projections for such Fiscal Year; provided, however, that any unused portion of such sum may be carried over and expended in any subsequent Fiscal Year.

(b) Minimum Tangible Net Worth. Borrowers and their Subsidiaries on a consolidated basis shall maintain at the end of each Fiscal Quarter commencing with the Fiscal Quarter ending on or about March 31, 2001 a Tangible Net Worth equal to or greater than $114,660,000 plus (ii) the amount of additional

Tangible Net Worth added as a result of any pooling of interests in connection with any acquisition, provided, however, that if Borrowing Availability at any date of determination exceeds $25,000,000, compliance with this Tangible Net Worth covenant shall not be required.

2. On and after the Acquisition Closing Date, Borrowers shall not breach or fail to comply with any of the following financial covenants, each of which shall be calculated in accordance with GAAP consistently applied:

(a) Minimum EBITDA. Borrowers and their Subsidiaries on a consolidated basis shall have, at the end of each Fiscal Quarter set forth below, EBITDA for the 12-month period then ended (or with respect to the Fiscal Quarters ending on or before December 31, 2003, the period commencing on January 1, 2003 and ending on the last day of such Fiscal Quarter) of not less than the following:

Fiscal Quarter Ending	EBITDA
March 31, 2003	$ 5,000,000
June 30, 2003	$18,000,000
September 30, 2003	$34,000,000
December 31, 2003	$36,000,000
March 31, 2004	$40,000,000
June 30, 2004	$48,500,000

(b) Minimum Fixed Charge Cover Ratio. Borrowers and their Subsidiaries on a consolidated basis shall have, at the end of each Fiscal Quarter set forth below, a Fixed

Charge Coverage Ratio for the 12-month period then ended of not less than the following:

Fiscal Quarter Ending	Fixed Charge Coverage Ratio
September 30, 2004	1.05 to 1.00
December 31, 2004	1.15 to 1.00
March 31, 2005 and each Fiscal Quarter ending thereafter	1.25 to 1.00

(c) Maximum Capital Expenditures. Borrowers and their Subsidiaries on a consolidated basis shall not make Capital Expenditures (excluding Capital Leases entered into in connection with the Acquisition) during any Fiscal Year set forth below in excess of the amount set forth below; provided, however, that twenty-five percent (25%) of the unused portion of such sum may be carried over and expended in any subsequent Fiscal Year.

Fiscal Year	Maximum Capital Expenditure
2003	$17,000,000
2004	$17,000,000
2005	$17,500,000
2006	$18,000,000
2007	$18,500,000

Unless otherwise specifically provided herein, any accounting term used in the Agreement shall have the meaning customarily given such term in accordance with GAAP, and all financial computations hereunder shall be computed in accordance with GAAP consistently applied. That certain items or computations

are explicitly modified by the phrase "in accordance with GAAP" shall in no way be construed to limit the foregoing. If any "Accounting Changes" (as defined below) occur and such changes result in a change in the calculation of the financial covenants, standards or terms used in the Agreement or any other Loan Document, then Borrowers, Agent and Lenders agree to enter into negotiations in order to amend such provisions of the Agreement so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating Borrowers' and their Subsidiaries' financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made; provided, however, that the agreement of Requisite Lenders to any required amendments of such provisions shall be sufficient to bind all Lenders. "Accounting Changes" means (i) changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants (or successor thereto or any agency with similar functions), (ii) changes in accounting principles concurred in by any Borrower's certified public accountants; (iii) purchase accounting adjustments under A.P.B. 16 or 17 and EITF 88-16, and the application of the accounting principles set forth in FASB 109, including the establishment of reserves pursuant thereto and any subsequent reversal (in whole or in part) of such reserves; and (iv) the reversal of any reserves established as a result of purchase accounting adjustments. All such adjustments

resulting from expenditures made subsequent to the Closing Date (including capitalization of costs and expenses or payment of pre-Closing Date liabilities) shall be treated as expenses in the period the expenditures are made and deducted as part of the calculation of EBITDA in such period. If Agent, Borrowers and Requisite Lenders agree upon the required amendments, then after appropriate amendments have been executed and the underlying Accounting Change with respect thereto has been implemented, any reference to GAAP contained in the Agreement or in any other Loan Document shall, only to the extent of such Accounting Change, refer to GAAP, consistently applied after giving effect to the implementation of such Accounting Change. If Agent, Borrowers and Requisite Lenders cannot agree upon the required amendments within thirty (30) days following the date of implementation of any Accounting Change, then all Financial Statements delivered and all calculations of financial covenants and other standards and terms in accordance with the Agreement and the other Loan Documents shall be prepared, delivered and made without regard to the underlying Accounting Change. For purposes of Section 8.1, a breach of a Financial Covenant contained in this Annex G shall be deemed to have occurred as of any date of determination by Agent or as of the last day of any specified measurement period, regardless of when the Financial Statements reflecting such breach are delivered to Agent.

ANNEX H (Section 9.9(a))
to
CREDIT AGREEMENT
WIRE TRANSFER INFORMATION

Name:	General Electric Capital Corporation
Bank:	DeutscheBank Trust Company Americas New York, New York
ABA #:	021001033

Account #: 50232854
Account Name: GECC/CAF Depository
Reference: CFN 4451

ANNEX I (Section 11.10)
to
CREDIT AGREEMENT
NOTICE ADDRESSES

(A) If to Agent or GE Capital, at

General Electric Capital Corporation
800 Connecticut Avenue, Two North
Norwalk, CT 06854
Attention: Standard Motor Products, Inc. - Account Manager
Telecopier No.: (203) 852-3650
Telephone No.: (203) 852-3600

with copies to:

Hahn & Hessen LLP
488 Madison Avenue
New York, New York 10022
Attention: Steven J. Seif, Esq.
Telecopier No.: (212) 478-7400
Telephone No.: (212) 478-7200

and

General Electric Capital Corporation
201 High Ridge Road
Stamford, Connecticut 06927-5100
Attention: Corporate Counsel - Commercial Finance
Telecopier No.: (203) 316-7889
Telephone No.: (203) 316-7552

(B) If to any Borrower, to Borrower Representative, at

Standard Motor Products, Inc.
37-18 Northern Boulevard
Long Island City, New York 11101
Attention: Robert Martin
Telecopier No.: (718)
Telephone No.: (718)

with copies to:

Kelley Drye & Warren LLP
101 Park Avenue
New York, New York 10178
Attention: Ronald B. Risdon, Esq.
Telecopier No.: (212) 808-7897
Telephone No.: (212) 808-7800

ANNEX J (from Annex A - Commitments definition)
to
CREDIT AGREEMENT

<TABLE>

Tranche A Revolver Loan Commitment	Lender(s)
$75,000,000	GE Capital Corporation
$41,000,000	Bank of America, N.A.
$37,500,000	GMAC Commercial Finance LLC (as successor by merger to GMAC Commercial Credit LLC)
$14,500,000	Transamerica Business Capital Corporation
$19,500,000	Congress Financial Corporation
$19,500,000	JPMorgan Chase Bank
$18,000,000	HSBC Bank USA

Tranche B Revolver Loan Commitment	Lender(s)
$25,000,000	Foothill Capital Corporation
$25,000,000	Merrill Lynch Capital, a Division of Merrill Lynch Business Financial Services Inc.
$20,500,000	Congress Financial Corporation
$5,500,000	JPMorgan Chase Bank
$4,000,000	Bank of America, N.A.

Revolving Loan Commitment on and after the Acquisition Closing Date	Lender(s)
$75,000,000	GE Capital Corporation
$45,000,000	Bank of America, N.A.
$37,500,000	GMAC Commercial Finance LLC (as successor by merger to GMAC Commercial Credit LLC)
$14,500,000	Transamerica Business Capital Corporation
$40,000,000	Congress Financial Corporation
$25,000,000	JPMorgan Chase Bank
$18,000,000	HSBC Bank USA
$25,000,000	Foothill Capital Corporation
$25,000,000	Merrill Lynch Capital, a Division of Merrill Lynch Business Financial Services Inc.

</TABLE>

For: Standard Motor Products, Inc.

From: Golin/Harris International
Allan Jordan
212-697-9191

Standard Motor Products, Inc. Contact:
James J. Burke, Chief Financial Officer
718-392-0200

STANDARD MOTOR PRODUCTS, INC. ANNOUNCES

ACQUISITION OF DANA'S ENGINE MANAGEMENT DIVISION

New York, NY, February 10, 2003.....Standard Motor Products, Inc. (NYSE:SMP), an automotive replacement parts manufacturer and distributor, announced today that it has signed a definitive agreement to acquire the assets of Dana Corporation's Engine Management Division for approximately $120 million, subject to post closing adjustment. 2002 sales of Dana's Engine Management Division were slightly below $300 million. The acquisition is expected to close in the second quarter of 2003.

Mr. Lawrence Sills, Standard Motor Products, Chairman and Chief Executive Officer, said, "We view the acquisition as a major step forward for our company. We expect the acquisition to essentially double our Engine Management sales. Dana's Engine Management Division has comparable product lines and channels of distribution to ours. Each of us has excess capacity. Once the transition period is complete, which we anticipate may take up to 18 months, we believe there will be substantial cost savings."

"Dana's division has a long and valued history, with some of the best brand names and most prestigious customers in the industry. We will be maintaining the brand names and look forward to working with the customers in the months and years ahead."

The consideration to Dana will consist of cash, a seller note, and SMP common stock. SMP plans to finance the cash portion of the purchase price, as well as the one time costs associated with the acquisition and integration expenses, with an expansion of its existing credit facility with GE Commercial Finance and from the proceeds of a public equity offering of SMP common stock.

Mr. James Burke, Standard Motor Products, Chief Financial Officer, said, "We have worked with GE Commercial Finance and our other bank group members to increase the size of our credit facility and to extend the term of the facility until February 2008. Moreover, as this transaction represents a large and strategically important step for our company, our Board has decided to issue additional equity to the public. Finally, we are pleased that Dana has indicated its confidence in the transaction and in our Company by making a meaningful equity investment."

Standard Motor Products, Inc. plans to file a registration statement for the issuance of common shares later this week. Standard Motor Products contemplates closing the equity offering and the acquisition during the second quarter of 2003. The acquisition is subject to regulatory approval, as well as other customary closing conditions, including the successful completion of the public equity offering.

Standard Motor Products will hold a conference call at 11:00 AM, Eastern Time, on Monday, February 10, 2003. The dial in number is 800-233-2795. The playback number is 800-753-8878 and the ID# is J405.

The press release does not constitute an offer of securities for sale.

Under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Standard Motor Products cautions investors that any forward-looking statements made by the company, including those that may be made in this press release, are based on management's expectations at the time they are made, but they are subject to risks and uncertainties that may cause actual results, events or performance to differ materially from those contemplated by such forward looking statements. Among the factors that could cause actual results, events or performance to differ materially from those risks and uncertainties

discussed in this press release, and detailed from time-to-time in prior press releases and in the company's filings with the Securities and Exchange Commission, including the company's annual report on Form 10-K and quarterly reports on Form 10-Q. By making these forward looking statements, Standard Motor Products undertakes no obligation or intention to update these statements after the date of this release.

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