

EXHIBIT A

SECOND AMENDMENT AND FORBEARANCE AGREEMENT

This SECOND AMENDMENT AND FORBEARANCE AGREEMENT ("*Agreement*"), is dated as of May 9, 2006, by and among Creative Engineered Polymer Products, LLC, an Ohio limited liability company ("*CEP*"), Thermoplastics Acquisition, LLC, an Ohio limited liability company ("*Thermoplastics*" and, together with CEP, "*Borrowers*"), CEP Holdings, LLC ("*Holdings*"), and Wachovia Capital Finance Corporation (Central), an Illinois Corporation ("*Agent*").

RECITALS:

WHEREAS, Agent and CEP have entered into certain financing arrangements pursuant to the Loan and Security Agreement, dated as of August 16, 2005, by and between Agent and CEP (as amended hereby, and as the same may have heretofore been or may hereafter be further amended, modified, supplemented, extended, renewed, restated or replaced, the "*CEP Loan Agreement*"), and certain Financing Agreements related thereto;

WHEREAS, Agent and Thermoplastics have entered into certain financing arrangements pursuant to the Loan and Security Agreement, dated as of December 21, 2005 by and between Agent and Thermoplastics (as amended hereby, and as the same may have heretofore been or may hereafter be further amended, modified, supplemented, extended, renewed, restated or replaced, the "*Thermoplastics Loan Agreement*" and, together with the CEP Loan Agreement, the "*Loan Agreements*") and certain Financing Agreements related thereto;

WHEREAS, Holdings has executed that certain Guarantee, dated as of August 16, 2005, in favor of Agent, whereby Holdings has, among other things, unconditionally and irrevocably guaranteed the payment and performance of all Obligations under the Loan Agreements when due (as amended, modified or supplemented from time to time, including, but not limited to that certain Amended and Restated Guaranty, dated as of December 21, 2005, the "*Guarantee*");

WHEREAS, CEP has executed that certain Guarantee, dated as of December 21, 2005, in favor of Agent, whereby CEP has, among other things, unconditionally and irrevocably guaranteed the payment and performance of all Obligations under the Thermoplastics Loan agreement when due;

WHEREAS, Thermoplastics has executed that certain Guarantee, dated as of December 21, 2005, in favor of Agent, whereby Thermoplastics has, among other things, unconditionally and irrevocably guaranteed the payment and performance of all Obligations under the CEP Loan Agreement when due;

WHEREAS, as of the date hereof, Borrowers are in default under the Loan Agreements as more particularly described below;

WHEREAS, the circumstances described herein constitute multiple Events of Default under the Loan Agreements and the other Financing Agreements;

WHEREAS, Borrowers and Holdings have requested that Agent forbear from exercising its rights as a result of such Events of Default, which are continuing, and that Agent provide further Revolving Loans and other financial accommodations to Borrowers notwithstanding the Existing Defaults; and

WHEREAS, Agent is willing to agree to forbear from exercising certain of its rights and remedies and provide certain further Revolving Loans and other financial accommodations to Borrowers solely for the period and on the terms and conditions specified herein.

NOW, THEREFORE, in consideration of the foregoing, and the respective agreements, warranties and covenants contained herein, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

1.1. **Interpretation.** All capitalized terms used herein (including the recitals hereto) shall have the respective meanings ascribed thereto in the Loan Agreements unless otherwise defined herein.

1.2. **Additional Definitions.** As used herein, the following terms shall have the respective meanings given to them below, and the Loan Agreements are hereby amended to include, in addition and not in limitation, each of the following definitions:

(a) "Budget" shall mean the sixteen (16) week budget prepared by Borrowers attached hereto as Exhibit A, together with such amendments, modifications and supplements thereto agreed to by Agent and Borrowers in writing.

(b) "Event of Default" shall mean, at Agent's election, any Event of Default under the Financing Agreements (including, without limitation, the Existing Defaults) and any default under, or breach of any term, representation, covenant or warranty contained in, this Agreement by Borrowers or Holdings.

(c) "Existing Defaults" shall mean the Events of Default that are identified on Exhibit B hereto.

(d) "Forbearance Period" shall have the meaning set forth in Section 3.2(a) hereof.

SECTION 2. ACKNOWLEDGMENTS

2.1. **Acknowledgment of Obligations.** Borrowers and Holdings hereby acknowledge, confirm and agree that as of the close of business on May 8, 2006: (a) CEP is indebted to Agent in respect of the Revolving Loans under the CEP Loan Agreement in the principal amount of \$29,894,707.82 and (b) Thermoplastics is indebted to Agent in respect of the Revolving Loans under the Thermoplastics Loan Agreement in the principal amount of \$4,439,616.80. All such Loans, together with interest accrued and accruing thereon, and all fees, costs, expenses and other charges now or hereafter payable by Borrowers to Agent, are unconditionally owing by Borrowers and Holdings to Agent, without offset, defense or counterclaim of any kind, nature or description whatsoever.

2.2. **Acknowledgment of Security Interests.** Borrowers and Holdings hereby acknowledge, confirm and agree that Agent has and shall continue to have valid, enforceable and perfected first-priority liens upon and security interests in the Collateral heretofore granted to Agent pursuant to the Financing Agreements or otherwise granted to or held by Agent, subject only to Permitted Liens.

2.3. **Binding Effect of Documents.** Borrowers and Holdings hereby acknowledge, confirm and agree that: (a) each of the Financing Agreements to which any of them is a party has been duly executed and delivered to Agent by Borrowers and Holdings (as applicable), and each is in full force and effect as of the date hereof, and shall remain in full force and effect from and after the execution of this Agreement, and the performance of any of the terms of this Agreement by any party, until all Obligations are fully and finally paid to Agent; (b) the agreements and obligations of Borrowers and Holdings contained in such documents and in this Agreement constitute the legal, valid and binding Obligations of Borrowers and Holdings, enforceable against it in accordance with their respective terms, and Borrowers and Holdings have no valid defense to the enforcement of such Obligations, and (c) Agent is and shall be entitled to the rights, remedies and benefits provided for under the Financing Agreements and applicable law.

SECTION 3. FORBEARANCE IN RESPECT OF EXISTING DEFAULTS

3.1. **Acknowledgment of Default.** Borrowers and Holdings hereby acknowledge and agree that the Existing Defaults have occurred and are continuing, each of which constitutes an Event of Default and entitles Agent to exercise its rights and remedies under the Financing Agreements, applicable law or otherwise. Borrowers and Holdings further represent and warrant that as of the date hereof no other Events of Default under the Financing Agreements exist. Agent has not waived, does not intend to waive such Existing Defaults, and nothing contained herein or the transactions contemplated hereby shall be deemed to constitute any such waiver. Borrowers and Holdings hereby

acknowledge and agree that Agent has the exercisable right to declare the Obligations to be immediately due and payable under the terms of the Financing Agreements.

3.2. Forbearance.

(a) In reliance upon the representations, warranties and covenants of Borrowers and Holdings contained in this Agreement, and subject to the terms and conditions of this Agreement and any documents or instruments executed in connection herewith, Agent agrees to forbear from exercising its rights and remedies under the Financing Agreements or applicable law in respect of or arising out of the Existing Defaults, for the period (the "**Forbearance Period**") commencing on the date hereof and ending on the date which is the earlier of: (i) the date that is one hundred twenty (120) days after the date hereof, or (ii) the occurrence or existence of any Event of Default, other than the Existing Defaults.

(b) Upon the termination of the Forbearance Period, the agreement of Agent to forbear shall automatically and without further action terminate and be of no force and effect, it being expressly agreed that the effect of such termination will be to permit Agent to exercise immediately all rights and remedies under the Financing Agreement and applicable law, including, but not limited to, (i) ceasing to make any further Loans and (ii) accelerating all of the Obligations; in each case without any further notice, passage of time or forbearance of any kind.

3.3. No Other Waivers; Reservation of Rights.

(a) Agent has not waived, is not by this Agreement waiving, and has no intention of waiving, any Events of Default which may be continuing on the date hereof or any Events of Default which may occur after the date hereof (whether the same or similar to the Existing Defaults or otherwise), and Agent has not agreed to forbear with respect to any of its rights or remedies concerning any Events of Default (other than, during the Forbearance Period, the Existing Defaults to the extent expressly set forth herein), occurring at any time.

(b) Subject to Section 3.2 above (solely with respect to the Existing Defaults), Agent reserves the right, in its discretion, to exercise any or all of its rights and remedies under the Loan Agreements and the other Financing Agreements as a result of any Events of Default occurring at any time, or as a result of any other event or occurrence that does not constitute an Existing Default (including, without limitation, the exercise of Agent's discretion under the Loan Agreements in respect of Reserves or the determination of Eligible Inventory and Eligible Accounts). Agent has not waived any of such rights or remedies, and nothing in this Agreement, and no delay on its part in exercising any such rights or remedies, should be construed as a waiver of any such rights or remedies.

3.4. Additional Events of Default. The parties hereto acknowledge, confirm and agree that any misrepresentation by Borrowers or Holdings, or any failure of Borrowers to comply with the representations, warranties, covenants, conditions and agreements contained in this Agreement, any other Financing Agreement or in any other agreement, document or instrument at any time executed and/or delivered by Borrowers or Holdings with, to or in favor of Agent shall constitute an Event of Default under this Agreement, the applicable Loan Agreement and the other Financing Agreements. In the event any Person, other than Agent, shall at any time exercise for any reason (including, without limitation, by reason of any Existing Defaults, any other present or future Event of Default, or otherwise) any rights or remedies against Borrowers or Holdings, or any other obligor providing credit support for Borrowers' obligations to Agent, or against Borrowers', Holdings' or such other obligor's properties or assets, such event shall constitute an Event of Default hereunder and an Event of Default under the Loan Agreements.

3.5. Forbearance Fee. In consideration of the agreements set forth herein, Borrowers and Holdings shall pay to Agent a forbearance fee in the amount of \$20,000, which fee shall be fully earned as of the date hereof and payable on the date hereof (the "**Forbearance Fee**"). Such fee is in addition to all other fees, interest, costs and expenses payable in connection with the Loan Agreements and may be charged by Agent to any account of Borrowers maintained by Agent. The Forbearance Fee shall be fully earned by Agent notwithstanding any failure by Borrowers and Holdings to comply with any other term of this Agreement.

SECTION 4. AMENDMENTS

4.1. **Additional Definitions.** During the Forbearance Period, the following definitions are deemed added to Section 1 of the CEP Loan Agreement and the Thermoplastics Loan Agreement in the appropriate alphabetical order:

(a) "Access and Security Agreement" shall mean that certain Access and Security Agreement entered into on the date hereof by and among Borrower, Holdings and Customers, with respect to which Agent has delivered a certain acknowledgment.

(b) "Accommodation Agreement" shall mean that certain Accommodation Agreement entered into on the date hereof by and among Borrower, Holdings, Agent and Customers.

(c) "Customers" shall mean General Motors Corporation, Delphi Automotive Systems, LLC and Visteon Corporation, and such other customers of Borrowers that are party to both the Accommodation Agreements and Access and Security Agreement from time to time on terms reasonably satisfactory to Agent.

4.2. **Amendments to CEP Loan Agreement Definitions.** The following definitions in Section 1 of the CEP Loan Agreement are deemed amended and restated in their entirety as follows:

(a) "Maximum Credit" shall mean the amount of \$37,000,000.

(b) "Revolving Loan Limit" shall mean \$37,000,000.

4.3. **Amendments to Thermoplastics Loan Agreement Definitions.** The following definitions in Section 1 of the Thermoplastics Loan Agreement are deemed amended and restated in their entirety as follows:

(a) "Maximum Credit" shall mean the amount of \$6,000,000.

(b) "Revolving Loan Limit" shall mean \$6,000,000.

4.4. **CEP Events of Default.** Section 10.1(q) is hereby added to the CEP Loan Agreement as follows:

(q) there shall be any default under, or breach of any term, representation, covenant or warranty contained in any of the other Financing Agreements, including, but not limited to the Accommodation Agreement or the Access and Security Agreement.

4.5. **Thermoplastics Events of Default.** Section 10.1(q) of the Thermoplastics Loan Agreement is hereby amended and restated in its entirety as follows:

(q) there shall be any default under, or breach of any term, representation, covenant or warranty contained in any of the other Financing Agreements, including, but not limited to the Accommodation Agreement or the Access and Security Agreement.

SECTION 5. COVENANTS

5.1. Budget Compliance.

(a) On a consolidated basis, Borrowers shall: (i) as of Friday, May 12, 2006, and as of Friday, May 19, 2006, generate collections in an amount equal to at least 80% of the amount set forth in the Budget for the cumulative period commencing on the date hereof and ending on each such testing date and (ii) as of Friday, May 26,

2006, or any Friday thereafter, general collections in an amount equal to at least 90% of the amount set forth in the Budget for the cumulative period commencing on the date hereof and ending on each such testing date.

(b) On a consolidated basis, Borrowers shall: (i) as of Friday, May 12, 2006, and as of Friday, May 19, 2006, generate new, invoiced sales in an amount equal to at least 80% of the amount set forth in the Budget for the cumulative period commencing on the date hereof and ending on each such testing date and (ii) as of Friday, May 26, 2006, or any Friday thereafter, generate new, invoiced sales in an amount equal to at least 90% of the amount set forth in the Budget for the cumulative period commencing on the date hereof and ending on each such testing date.

(c) On a consolidated basis, Borrowers shall, as of Friday, May 12, 2006, or any Friday thereafter, maintain aggregate expenditures no greater than 10% more than the aggregate amount projected by the Budget to be expended during the cumulative period commencing on the date hereof and ending on each such testing date.

(d) On May 15, 2006, and each following Monday of the Forbearance Period, Borrowers shall provide to Agent a certified reconciliation of their actual performance to the Budget, in form and substance satisfactory to Agent in compliance with subsections (a) through (c) above.

5.2. **Release of Reserves.** On the date (the "*Progress Review Date*") that is the earlier of: (a) the delivery by Borrowers of a "Turnaround Plan" (as defined below) in form and substance acceptable to Agent; and (b) the date that is sixty (60) days after the date hereof, Agent shall release \$500,000 of the Reserves established under the Loan Agreements as of the date hereof during the period occurring from the Progress Review Date through and including the last day of the Forbearance Period, provided that no Event of Default (other than the Existing Defaults) has occurred on or prior to the Progress Review Date, provided, further, that in no event shall Agent release any of such Reserves prior to the date that is forty-five (45) days after the date hereof. Notwithstanding the foregoing, Agent shall neither be obligated to release any other Reserves existing as of the date hereof, nor shall Agent be prohibited from establishing Reserves at any time during the Forbearance Period on account of events or occurrences transpiring after the date hereof, subject to and in accordance with the terms of the Loan Agreements (including, without limitation, any new Reserves on account of direct payments by Customers constituting "Allowed Setoffs" under the Accommodation Agreement).

5.3. **Turnaround Plan Covenants.** On or before the date that is sixty (60) days after the date hereof, Borrowers shall deliver to Agent a written turnaround plan, in form and substance acceptable to Agent, that sets forth in detail Borrowers' projected financial and operational performance for the period from the Progress Review Date through December 31, 2006 and describes, among other things, the amount, timing, anticipated sources and nature of funding Borrowers shall require to perform in accordance with such projections and plan (the "*Turnaround Plan*"). If Agent accepts the Turnaround Plan submitted by Borrowers, and so long as Borrowers remain in compliance with the Turnaround Plan, the Sale Covenants (as defined below) shall be deemed suspended.

5.4. **Investment Banker.** On or before the date that is thirty (30) days after the date hereof, Borrowers shall interview and select (but shall not be obligated to immediately retain) an investment banker acceptable to Agent to market and sell all or substantially all of the ownership interests and/or assets of Borrowers, and to pursue alternative sources of funding for Borrowers' operations (the "*Investment Banker*"). Notwithstanding anything set forth herein, Borrowers may request that the Investment Banker, concurrently with seeking one or more purchasers for their assets and/or businesses, seek capital or debt to repay the Obligations.

5.5. **Sale Covenants.** If Borrowers fail to deliver an acceptable Turnaround Plan to Agent by the Progress Review Date, or Borrowers subsequently fail to remain in compliance with the Turnaround Plan if acceptable to Agent, Borrowers shall immediately retain the Investment Banker. In addition, (a) within twenty-one (21) days of the retention of the Investment Banker, Borrowers shall circulate an offering memorandum, in form and substance acceptable to Agent, to potential purchasers of Borrowers' and Subsidiaries' assets and/or businesses; (b) within twenty-eight (28) days of circulation of such memorandum, Borrowers shall obtain one or more letters of intent, in form and substance acceptable to Agent, to purchase substantially all of Borrowers' and Subsidiaries' assets and/or businesses; (c) within fourteen (14) days of such deadline for receiving letters of intent, Borrowers shall enter into purchase and sale agreements, in form and substance acceptable to Agent, to sell all or substantially of Borrowers' and Subsidiaries' assets and/or businesses on the highest and best terms (which shall include a cash payment sufficient to repay all Obligations to

Agent in full); (f) within three (3) days after entering into each such asset purchase agreement, Borrowers shall consummate such sale and repay in cash all Obligations (including, principal, interest, fees, costs and other charges) outstanding under the Financing Agreements, fully, finally and indefeasibly (all of the agreements of Borrowers in this Section 5.5 being collectively referred to as the "*Sale Covenants*").

5.6. **Borrowers' Consultant.** Borrowers have retained Glass & Associates, Inc. (together with any subsequent consultant acceptable to Agent, "*Consultant*") to, *inter alia*, advise them with respect to their current financial situation and this Agreement. During the Forbearance Period, Borrowers shall continue to retain Consultant. Borrowers shall also cause Consultant to provide to Agent such information and reports, and to make itself available for discussions with Agent during normal business hours, regarding Borrowers and their respective financial condition, business, assets, liabilities and prospects, all as Agent may request from time to time. All fees and expenses of Consultant shall be solely the responsibility of Borrowers, and in no event shall Agent have any liability or responsibility for the payment of Consultant's fees or expenses, and Agent shall not have any obligation or liability to Borrowers, Consultant or any other Person by reason of any acts or omissions of Consultant.

5.7. **Certification Regarding Certain Collateral.** On or before May 12, 2006, Borrowers shall deliver to Agent certified statements, in form and substance acceptable to Agent, identifying (a) the locations of all Collateral, (b) all of Borrowers' deposit and securities accounts, and (c) any remaining amounts that are or will come due to Borrowers pursuant to or in connection with that certain Asset Purchase Agreement between CEP and Carlisle Engineered Products, Inc., dated August 17, 2005, or that certain Asset Purchase Agreement between Thermoplastics and Parker-Hannfin Corporation, dated December 21, 2005. On or before May 19, 2006, Borrowers and Holdings shall execute and deliver such agreements or other documents requested by Agent with respect to Agent's rights and interests in any of the foregoing Collateral (including, without limitation, any collateral access agreements or account control agreements not previously delivered to Agent with respect thereto).

5.8. **Guarantees of Subsidiaries.** By or before June 1, 2006, Borrowers and Holdings shall cause each of their subsidiaries (collectively, "*Subsidiaries*") to become jointly and severally liable for all Obligations, pursuant to such agreements and other documentation in form and substance acceptable to Agent in its sole discretion (the "*Subsidiary Guarantees*").

5.9. **Security Interest in Subsidiaries' Assets.** By or before June 1, 2006, Borrowers and Holdings shall cause each Subsidiary to execute such security agreements and other documentation acceptable to Agent in its sole discretion to grant Agent a first priority, properly perfected security interest in and upon substantially all of the Subsidiaries' assets.

SECTION 6. REPRESENTATIONS AND WARRANTIES

Borrowers hereby represent, warrant and covenant as follows:

6.1. **Representations in Financing Agreements.** Each of the representations and warranties made by or on behalf of Borrowers or Holdings to Agent in this Agreement and each of the other Financing Agreements was true and correct when made, and is, except for the Existing Defaults, true and correct on and as of the date of this Agreement with the same full force and effect as if each of such representations and warranties had been made by Borrowers and Holdings on the date hereof and in this Agreement.

6.2. **Binding Effect of Documents.** This Agreement has been duly authorized, executed and delivered to Agent by Borrowers and Holdings, is enforceable in accordance with its terms and is in full force and effect.

6.3. **No Conflict.** The execution, delivery and performance of this Agreement by Borrowers and Holdings will not violate any requirement of law or contractual obligation of Borrowers and will not result in, or require, the creation or imposition of any Lien on any of its properties or revenues.

SECTION 7. CONDITIONS TO EFFECTIVENESS OF CERTAIN PROVISIONS OF THIS AGREEMENT

The effectiveness of the terms and provisions of Section 3.2 of this Agreement shall be subject to the receipt by Agent of each of the following, in form and substance satisfactory to Agent:

- (a) an original of this Agreement, duly authorized, executed and delivered by Borrowers and Holdings, together with all exhibits;
- (b) payment of the Forbearance Fee pursuant to Section 3.5;
- (c) the Accommodation Agreement, in the form attached hereto as Exhibit C, duly authorized, executed and delivered by all parties thereto; and
- (d) the Access and Security Agreement, in the form attached hereto as Exhibit D, duly authorized, executed and delivered by all parties thereto.

SECTION 8. MISCELLANEOUS

8.1. **Effect of Agreement.** Except as modified pursuant hereto, no other changes or modifications to the Financing Agreements are intended or implied and in all other respects the Financing Agreements hereby are ratified, restated and confirmed by all parties hereto as of the effective date hereof. To the extent of conflict between the terms of this Agreement and the other Financing Agreements, the terms of this Agreement shall govern and control. The Loan Agreements and this Agreement shall be read and construed as one agreement.

8.2. **Costs and Expenses.** Without limiting Borrowers' and Holdings' obligations under the other Financing Agreements, Borrowers and Holdings absolutely and unconditionally agree to pay to Agent, on demand by Agent at any time, whether or not all or any of the transactions contemplated by this Agreement are consummated: all fees and disbursements of any counsel to Agent or any participant of Agent or any of their respective directors, officers, employees or agents in connection with the preparation, negotiation, execution, delivery or enforcement of this Agreement and any agreements contemplated hereby and expenses which shall at any time be incurred or sustained by Agent or any participant of Agent or any of their respective directors, officers, employees or agents as a consequence of or in any way in connection with the preparation, negotiation, execution, or delivery of this Agreement and any agreements contemplated hereby.

8.3. **Further Assurances.** At Borrowers' and Holdings' expense, the parties hereto shall execute and deliver such additional documents and take such further action as may be necessary or desirable to effectuate the provisions and purposes of this Agreement, including, but not limited to, the modification of any applicable mortgage or other document in connection with Agent's security interest in the Collateral.

8.4. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

8.5. **Survival of Representations and Warranties.** All representations and warranties made in this Agreement or any other document furnished in connection with this Agreement shall survive the execution and delivery of this Agreement and the other documents, and no investigation by Agent or any closing shall affect the representations and warranties or the right of Agent to rely upon them.

8.6. **Release.**

(a) In consideration of the agreements of Agent contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrowers and Holdings, on behalf of themselves and their respective and successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably release, remise and forever discharge Agent, and its successors and assigns, and its present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys,

employees, agents and other representatives (Agent and all such other Persons being hereinafter referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a "Claim" and collectively, "Claims") of every kind and nature, known or unknown, suspected or unsuspected, at law or in equity, which Borrowers, Holdings, or any of their respective successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the date of this Agreement, including, without limitation, for or on account of, or in relation to, or in any way in connection with this Agreement, the Loan Agreements, or any of the other Financing Agreements or transactions hereunder or thereunder.

(b) Borrowers and Holdings understand, acknowledge and agree that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) Borrowers and Holdings agree that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above.

8.7. **Covenant Not to Sue.** Borrowers and Holdings, on behalf of themselves and their respective successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenant and agree with and in favor of each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by any of them pursuant to Section 8.6 above. If any of Borrowers, Holdings, or any of their successors, assigns or other legal representations violates the foregoing covenant, Borrowers and Holdings, for themselves and their respective successors, assigns and legal representatives, agree to pay, in addition to such other damages any Releasee may sustain as a result of such violation, all attorneys' fees and costs incurred by any Releasee as a result of such violation.

8.8. **Reviewed by Attorneys.** Borrowers and Holdings represent and warrant to Agent that they (a) understand fully the terms of this Agreement and the consequences of the execution and delivery of this Agreement, (b) have been afforded an opportunity to discuss this Agreement with, and have this Agreement reviewed by, such attorneys and other persons as Borrowers or Holdings may wish, and (c) have entered into this Agreement and executed and delivered all documents in connection herewith of their own free will and accord and without threat, duress or other coercion of any kind by Agent or any other Person. The parties hereto acknowledge and agree that neither this Agreement nor the other documents executed pursuant hereto shall be construed more favorably in favor of one than the other based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation and preparation of this Agreement and the other documents executed pursuant hereto or in connection herewith.

8.9. **Governing Law: Consent to Jurisdiction and Venue.** EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN ANY OF THE FINANCING AGREEMENTS, IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND THE OTHER FINANCING AGREEMENTS AND THE OBLIGATIONS ARISING UNDER THE FINANCING AGREEMENTS SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ILLINOIS APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE, WITHOUT REGARD TO THE PRINCIPLES THEREOF REGARDING CONFLICTS OF LAWS, AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA. BORROWERS AND HOLDINGS HEREBY CONSENT AND AGREE THAT THE STATE OR FEDERAL COURTS LOCATED IN COOK COUNTY, ILLINOIS SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN BORROWERS AND/OR HOLDINGS, ON THE ONE HAND, AND AGENT, ON THE OTHER HAND, PERTAINING TO THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR TO ANY MATTER ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS; AND FURTHER PROVIDED, 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 COLLECT THE OBLIGATIONS, 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. BORROWERS EXPRESSLY SUBMIT AND CONSENT IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND BORROWERS AND HOLDINGS HEREBY WAIVE ANY OBJECTION WHICH THEY MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENT TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. BORROWERS AND HOLDINGS HEREBY WAIVE PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREE THAT SERVICE OF SUCH SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO BORROWERS AND HOLDINGS AT THE ADDRESS SET FORTH IN PARAGRAPH 13.3 OF THE CEP LOAN AGREEMENT, AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF BORROWERS' OR HOLDINGS' ACTUAL RECEIPT THEREOF OR THREE (3) DAYS AFTER DEPOSIT IN THE U.S. MAIL, PROPER POSTAGE PREPAID.

8.10. **Mutual 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 RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE BETWEEN AGENT AND BORROWERS AND/OR HOLDINGS ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED THERETO.

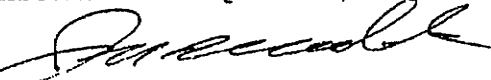
8.11. **Counterparts.** This Agreement may be executed in any number of counterparts, but all of such counterparts shall together constitute but one and the same agreement.

IN WITNESS WHEREOF, this Agreement is executed and delivered as of the day and year first above written.

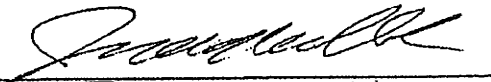
CREATIVE ENGINEERED POLYMER PRODUCTS, LLC

By 
Name Joseph Mallet
Title CEO

THERMOPLASTICS ACQUISITION, LLC

By 
Name Joseph Mallet
Title CEO

CEP HOLDINGS, LLC

By 
Name Joseph Mallet
Title CEO

WACHOVIA CAPITAL FINANCE CORPORATION (CENTRAL)

By _____
Name _____
Title _____

IN WITNESS WHEREOF, this Agreement is executed and delivered as of the day and year first above written.

CREATIVE ENGINEERED POLYMER PRODUCTS, LLC

By _____
Name _____
Title _____

THERMOPLASTICS ACQUISITION, LLC

By _____
Name _____
Title _____

CEP HOLDINGS, LLC

By _____
Name _____
Title _____

WACHOVIA CAPITAL FINANCE CORPORATION (CENTRAL)

By Anthony Vignola
Name Anthony Vignola
Title Director