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JDANKER FIRST STATE BANK 300 E. MAIN ST. MANCHESTER, IA 52057 (319) 927-3814

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") dated September 30 JT S.H., 1997 by and between HurtCo, Inc., (Buyer) and LandCo of Manchester, L.C. (Land Buyer), collectively referred to as "Buyers," and Hawkeye Castings, Inc. (Seller).

WHEREAS, Hawkeye Castings, Inc. has for many years heretofore conducted a metal casting business in Manchester, Iowa under the name and style of "Hawkeye Castings, Inc." and has recently changed its name to Tyrrell Investments, Inc., effective October 1, 1997 at 8:00 o'clock A.M., for the purpose of permitting the Buyer hereunder to be incorporated and conduct its business under the name and style of "Hawkeye Castings, Inc." thereafter even though it be, in fact, a new and separate entity; and

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WHEREAS, HurtCo, Inc., the Buyer hereunder, desires to purchase certain assets of Hawkeye Castings, Inc., the Seller hereunder, under the terms and conditions hereof and Hawkeye Castings, Inc. desires to sell its described assets under the terms and conditions hereof. Now therefore

WITNESSETH:

In consideration of the promises and covenants herein contained, the parties hereto mutually agree as follows:

1. The Seller shall sell and the indicated Buyers shall buy the following assets of the Seller free and clear of all liens, charges and encumbrances whatsoever:

a. Land Buyer: Land and buildings, together with all improvements and appurtenances pertaining thereto, the terms and conditions of such sale and purchase to be set forth in a separate land contract;

b. Buyer: All machinery, equipment and tools used in the operation of the Seller's casting business ~~including but not limited to those items set forth on Exhibit A, attached hereto,~~ together with all equipment, furniture and furnishings; JT S

c. Buyer: All of Seller's intangibles pertaining to its casting business including but not limited to purchase and sales orders, trademarks, trade names, trade secrets, licenses, permits, customer lists, copyrights, business records, corporate name, telephone numbers, patents, work orders, and good will;

2. The following assets are specifically excluded from this sale and constitute none of the consideration herefor:

a. Cash on hand and in bank accounts as of closing;

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b. Marketable securities;

c. Accounts receivable; and

d. Seller's corporate records including minute book, stock records, financial accounting and tax records;

e. All work in progress and finished casting in inventory;

f. Prepaid expenses.

3. The Buyers shall assume no liabilities of the Seller of whatever kind or nature.

4. The Buyers shall pay the Seller for the all of the assets purchased hereunder, including the land and building [Item 1(a), above], the sum of $500,000.00. $200,000.00 of such purchase price shall be paid in the time and manner set forth in the land contract referred to in said Item 1(a) and the balance of the purchase price, $300,000.00, shall be payable in the following fashion:

a. $60,000.00 on the execution hereof, receipt of which is hereby acknowledged, and which sum has been paid in the fashion, viz: $50, 000.00 "earnest money" paid on or about April 2, 1997 and $10,000.00 paid ~~herewith~~. 10-1-97. JT S.M.

b. 35% of Buyer's net profit for the calendar year 1997 which shall be paid in cash forthwith upon the determination thereof, determined in accordance with generally accepted accounting principles.

c. The present unpaid balance of the purchase price, $240,000.00, prior to the payment set forth in subparagraph (b), above, in 180 monthly amortized payments with 9 percent interest from October 1, 1997, commencing November 1, 1997. At such time as the amount to the payment set forth in subparagraph (b), above, is determined and made, the remaining monthly amortized payments shall be recalculated based upon the principal amount then unpaid and the number of months of the 180 months remaining and such recalculated monthly amount shall be paid thereafter.

d. The Buyer may prepay the contract balance or any portion thereof at any time or times.

e. The unpaid balance of the unpaid purchase price as of the execution hereof, $240,000.00, may be evidenced by a promissory note of the Buyer at the request of the Seller.

5. The total purchase price shall be allocated as follows:

a . Land and Buildings: $200,00.00;

b. Machinery, Equipment and Tools $175,850.00; and

c. Good will and intangibles: $124,150.00.

6. In addition to the above, Buyer shall purchase ~~the~~ JT S.H. inventory of Seller's metal and foundry supplies and office supplies at their cost or value, whichever is less, as of the close of business, October 31, 1997, (such items to be inventoried and valued and affixed hereto as an addendum) and shall pay therefor in the following manner and fashion:

a. Buyer shall report to Seller on the first business day of each month hereafter commencing with November 3rd, 1997, the items and amount of such items used by the Buyer during the preceding month and shall pay the Seller therefor on or before the 10th day of such month, together with interest at the rate of one (1) percent of the amount of such inventory unpaid at the beginning of such month, until all of such inventory has been used, including replacements thereof as provided in subparagraph (b), below, and paid for.

b. Seller and its successors shall, during the term of this Agreement, at the request and direction of the Buyer, replenish the metal inventory from time to time, at its expense. Buyer may, at its discretion, to facilitate its business and to insure an adequate and continuous metal inventory, order such metal inventory as it reasonably anticipates will be needed from suppliers in the name of the Seller to be invoiced to the Seller.

7. Notwithstanding any provisions of the law or provisions herein, Seller will continue to be responsible to correct and comply with any environmental laws or regulations and the requirements of the Environmental Protection Agency, Department of Natural Resources, or other environmental agency, concerning the real estate being purchased for the Seller and the operation of the Seller's business caused, incurred or attributable in whole or in part to the operation of the Seller's business prior to October 1, 1997. Seller shall pay or reimburse Buyers for any fines, assessments, costs, remedial and corrective and other expenses, including but not limited to attorney fees and court costs, that may be levied or assessed on account thereof. Seller and John E. Tyrrell shall indemnify and hold Buyers safe and harmless from such costs and expenses. If not so paid, Buyers may pay the same and deduct any such amounts from the payments due Seller hereunder and under said land contract.

8. During the term of this Agreement, neither the Seller nor its president, John E. Tyrrell, shall compete, directly or indirectly, or have any interest of any kind or nature in any business or company that competes with the casting business of the Buyer any place within 100 miles of Manchester, Iowa.

9. The Seller represents and warrants that it has full and proper corporate authority to enter into this Agreement; that all corporate action necessary for the execution and performance of this Agreement has been duly taken; that it has good and marketable title to all of its assets to be sold hereunder; that there are no claims, liens or security interests against or in any of such assets; and that all financing statements, tax returns, and other information furnished and given to the Buyers concerning the Seller and its business are true, complete and correct.

10. Seller shall immediately and forthwith take all necessary corporate action to change its corporate name so that Buyer may use the same as its corporate name. Until such time as Seller's name has been formally changed, Buyer may continue to conduct business under Seller's name. After Seller has formally changed its name, Buyer may then use Seller's name, Hawkeye Castings, Inc. or any variation thereof, as its corporate name or the name under which it does business.

11. The execution of this Agreement by John E. Tyrrell is for the purpose of evidencing and enforcing compliance with the personal provisions and obligations of Paragraphs 7 and 8 of this Agreement.

12. The closing time and date shall be at 2 o'clock P.M., September 30, 1997, at Seller's place of business in Manchester, Iowa, or as otherwise agreed to by the parties.

In Witness Whereof, this Agreement has been signed and dated as first set forth above.

SELLER: Hawkeye Castings, Inc.

by John E. Tyrrell
John E. Tyrrell, individually and as
President of Hawkeye Castings, Inc.

BUYERS: HurtCo, Inc.

by
Samuel R. Hurt, President

LandCo of Manchester, L.C.

by
Samuel R. Hurt, Manager

STATE OF IOWA, COUNTY OF DELAWARE, ss.

This instrument was acknowledged before me on the 30 day of September, 1997, by John E. Tyrrell, individually and as President of Hawkeye Castings, Inc. and by Samuel R. Hurt as President of HurtCo, Inc.and as Manager of LandCo of Manchester, L.C.

David R Dudley, Notary Public.

My Commission Expires 12-10-98