May 2, 1985

Mr. Ron Bienko
7011 Clermont Drive
Ashtabula, OH 44004

Re: Middle Road - PVC Resin Plant
Ashtabula, OH

Dear Ron:

Pursuant to our recent phone conversation, I enclose copies of our Deed and other contracts that will assist you in performing a survey of subject location.

The proposed buyer's name will probably be Vygen Inc. I cannot give you the name of a lender, if any. Prior to certifying the survey, please remind me to get you that information so that we miss nothing.

You should also review the contracts and other documents of record secured by Mr. Pasqualone in his title search. Your desire to use scaled aerial photography to place the building on the premises is acceptable to me. Since Mr. Pasqualone should not only be able to give you the title company's viewpoint but also lender institution's, you should double check with him to see if he has any objections to the aerial photography.

As we discussed a completion date of May 24 is acceptable.

Sincerely,

J. M. Bauer
Manager

/n

Encls.

cc: P. Pasqualone
B. D. Stormer
H. S. Wheeler
A. Wilkie

GENC 24511

LEGAL

B. D. STORMER

CORPORATE REAL ESTATE

MAY 1, 1985

ASHTABULA, OHIO

A rather quick review of the Agreement prompts the following comments:

1. On page 1, "Diversitech General" should probably be re-inserted into the contract as "a GenCorp company" since the assets were dropped down in November, 1984.

2. Paragraph C on page 2 should probably include the word "obligation" as shown.

3. Page 3, new paragraph 4 may be too broad to protect GenCorp.

4. The consideration portion of the contract on page 4 should be reinforced with specific statements about the mortgage, date of trust, and promissory note.

5. Page 5, Article 4, paragraph A should be revised to show reasonable. It also appears that the length of time the hold harmless clause exists should be limited.

6. Page 8, paragraph B should not be accepted as is until the Fixed Asset Disposal Request and other internal documents have been completed and signed. In lieu of that, paragraph B should commence to say, "Seller shall take . . ."

7. The continuation of paragraph C on page 9 should be changed to reflect the written demand and not the discretionary request.

8. Paragraph G on page 10 should probably be expanded to include a phrase that Buyer agrees to cooperate in securing the obligations. Cooperation can take place in many forms, including face-to-face meetings as well as written or verbal communication.

9. On page 11, paragraph B has no time limitation. New paragraph C on page 11 and 12 should be modified to reflect 10 days and 60 days, respectively.

10. Article XVI: Settlement, should be looked at closely. May 31, 1985 is probably difficult, at best. Perhaps June 15-June 30 would be a better time frame.

It would also be a good idea to show Ted a copy of your draft if you haven't already done so.

J. M. Bauer

GENC 24512

/n

--- new material

< > deleted material

DRAFT

4/17/85

AGREEMENT

a GenCorp Company

THIS AGREEMENT, made as of the day of April, 1985 by and between <Diversitech General> Gencorp, Inc., an Ohio corporation, hereinafter referred to as "Seller", and Vygen, Inc. hereinafter referred to as "Buyer".

WITNESSETH:

WHEREAS, Seller desires to sell the assets and property, real and personal, of its operations known generally as the Ashtabula, Ohio Polymers Division of Diversitech General, a Gencorp Company; and,

WHEREAS, Buyer desires to buy such assets and property;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

ARTICLE I: ASSETS AND PROPERTY TO BE SOLD

Subject to the terms and conditions herein contained, Seller agrees to sell, and Buyer agrees to buy, as of the time of Settlement (as defined in Article XVI hereof), the following described assets (hereinafter sometimes called the "property") used in the polyvinyl chloride business of Seller at Ashtabula, Ohio (the "Business"):

A. The land and buildings owned by Seller as described in <Part A of> Exhibit A-1 hereto, together with any leasehold improvements thereto, and Seller's leasehold interests and option rights in and to the land and buildings described in <Part B of> Exhibit A-2 hereto.

B. The reactors, dryers, storage tanks, machinery, furniture and office equipment (as set forth <on> in Exhibit B-1 hereto) which are owned by Seller and located at Ashtabula, Ohio together with the laboratory equipment in Akron, Ohio regularly used in connection with the Astabula operations for applications technical services (as set forth in Exhibit B-2 hereto) which shall be moved to the Ashtabula facility prior to Settlement by Seller.

C. All of Seller's right, title and interest in and to any and all property leases, whether real or personal, and all purchase, sale or service contracts which are used or usable in the Business and set aside by Seller for the Business, including but not limited to those set forth on Exhibit C hereto.

D. Copies of Seller's customer lists, Purchasing and Sales records and manufacturing records necessary for the continuation of the Business.

E. All of Seller's right, title and interest in and to any formulas, trade marks, trade names, patients and proprietary information needed for the business including specifically the name "Vygen", (all as set forth in Exhibit D attached).

F. All computer software, systems and reports used in the business.

The following are excepted from the Property to be purchased hereunder:

1. All cash, bank accounts and securities;

2. Notes receivable and accounts receivable (including any retroactive price increases applicable to any sales or shipments made prior to Settlement;

3. Tax refund claims and discounts earned inrespect to any period prior to Settlement;

<4. Any patents, trademarks or trade names currently utilized by Seller in the Business.>

Too Broad?

<5.> 4. Any assets or rights of any kind of Seller with respect to Seller as a whole or otherwise not directly relating to the Business.

Buyer shall not assume any liabilities or obligations in connection with the assets and other interests in the property being sold, transferred, assigned and set over under this Agreement or with respect to any aspect of the conduct by Seller of the Business except as expressly set forth in this Agreement.

ARTICLE II: CONSIDERATION FOR SALE AND TRANSFER

In full consideration for the performance by Seller of its undertakings set forth in Article I hereof, Buyer shall pay to Seller as set forth in Article XII of this Agreement the aggregate amount determined as set forth below:

A. The amount of Three Million Five Hundred Thousand Dollars ($3,500,000.00), of which ________________ Dollars ($

) represents the purchase price of land and buildings transferred pursuant to Article I(A), and the balance of _______________ Dollars ($) represents the purchase price of machinery and equipment transferred pursuant to Article I(B).

B. The amount of One Dollar ($1.00) for the intangible assets transferred pursuant to paragraphs C,D and E of Article I hereof.

The consideration shall be paid as follows:

A. Seven Hundred Fifty Thousand Dollars ($750,000.00) by wire transfer at Settlement.

B. By Note of Buyer the amount of Two Million Seven Hundred Fifty Thousand Dollars ($2,750,000.00). This note shall be in form to be reasonable agreed and require simple interest on the principal amount at the prime rate set by the principal banking institution utilized by Seller.

For the first year interest shall be calculated on the first four quarterly anniversaries of the Settlement, but that year's interest shall be paid on the tenth annual anniversary of the Settlement. After the first year interest shall be determined and paid on each quarterly anniversaries of the Settlement. After three years Buyer shall pay Ninty Eight Thousand Two Hundred Fourteen Dollars and Twenty Eight Cents ($98,214.28 of the principal on each quarterly anniversary of the Settlement. Seller agrees to waive any right to offset any amounts due it under this Note against any amounts it shall owe Buyer in the future for materials sold and delivered to seller.

ARTICLE III: ASSUMPTION OF LIABILITY

Buyer shall assume and agree to perform the unperformed obligations of Seller as of the time of Settlement under the leases, contracts, commitments, customer purchase orders and Seller's sales orders transferred to Buyer pursuant to Articles I(A) and I(C), and listed on the attached Exhibits except for any liability of Seller arising from the failure of Seller to perform any obligation which was required to be performed under any such lease, contract, commitment, purchase order, or sales order prior to Settlement. Buyer shall assume no liabilities or obligations with respect to such contracts or commitments except those expressly set forth in this Agreement.

ARTICLE IV: CLAIMS

A. Seller shall indemnify Buyer and hold Buyer harmless from ~~any~~ reasonable cost or expense, including court costs and attorneys' fees, arising from any litigation or administrative proceedings filed after Settlement which allege commercial loss, personal injury or property damage resulting from products manufactured by Seller prior to Settlement or under any sales or supply agreement entered into by Seller prior to the Settlement and not specifically listed to be assumed by Buyer hereunder, provided that Buyer shall promptly notify Seller of receipt of any such claim.

Length of time to be limited

Seller shall have sole control over the disposition of any such claims in litigation, including the decision to compromise or litigate such claims, although Buyer shall furnish such assistance to Seller at Seller's expense as it may reasonably request in disposing of such claim. Buyer agrees that Seller's obligation with respect to such litigation is contingent upon Buyer's providing full cooperation, including reasonable access to books, records and employees, in the defense or prosecution of such litigation.

B. Buyer shall indemnify Seller and hold Seller harmless from any cost or expense, including court costs and attorneys' fees, arising from any litigation or administrative proceedings filed after Settlement which allege commercial loss, personal injury or property damage resulting from products manufactured by Buyer after Settlement or under any sales or supply agreement entered into by Buyer after the Settlement, or from Buyer's use of any formula, trade mark, trade name, patent or proprietory information furnished by Seller hereunder, provided that Seller shall promptly notify Buyer of receipt of any such claim.

Buyer shall have sole control over the disposition of any such claims in litigation, including the decision to compromise or litigate such claims, although Seller shall furnish such assistance to Buyer at Buyer's expense as it may reasonably request in disposing of such claim. Seller agrees that Buyer's obligation with respect to such litigation is contingent upon Seller's providing full cooperation, including reasonable access to books, records and employees, in the defense or prosecution of such litigation.

ARTICLE V: PRORATION OF CERTAIN PREPAID ITEMS AND LIABILITIES

The parties recognize that as of the time of Settlement there may be prepaid items which relate to a period or periods subsequent to Settlement, and liabilities which relate to a

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period or periods prior to Settlement.

An appropriate adjustment shall be made at Settlement for proration of all items prepaid by Seller, and for certain liabilities which are transferred to and assumed by Buyer at Settlement, including any liability for real and personal property taxes on the Property transferred. Prepaid items and liabilities will be allocated to the period to which they relate, and any portion of such prepaid items and liabilities relating to any period prior to Settlement will be for the account of Seller, and any portion therof relating to any period following Settlement will be for the account buyer.

Any adjustment required under this Article V shall be calculated based upon property valuations, prices or rates in effect at Settlement. If there are any such adjustments which cannot be made at Settlement, such adjustments shall be made as promptly as possible thereafter based upon the valuations, prices or rates specified in the preceding sentence.

ARTICLE VI: SPECIFICATIONS, BOOKS AND RECORDS

Seller shall retain for its permanent records the separate manufacturing and sales records, books of account, and such other records as are normally used in the Business. Buyer shall make copies of those records as it desires (excluding Seller's Balance Sheets, Profit and Loss Statements, and similar financial records) within ninety (90) days from Settlement, after which time Seller shall have a reasonable time to remove such records from the Ashtabula plant as are not necessary to the continued operation of the Business. Buyer agrees that it will give Seller full access to such books and records at such times and for such period during such ninety (90) day period as Seller may reasonably need and, further, that Buyer's employees will cooperate with Seller in obtaining such information as Seller may reasonably need on matters that have occurred prior to Settlement.

Seller shall provide buyer, for one year after Settlement with such access to books and records relating to its Ashtabula operations as Buyer may reasonably request.

Seller shall promptly after closing furnish Buyer with accurate copies of all medical records in its possession or under its control relating to employees at the Ashtabula facility.

ARTICLE VII: REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

A. Seller is a corporation duly organized, existing and in good standing under the laws of the State of Ohio.

B. Seller has taken all necessary corporate and legal action to authorize the execution, delivery and performance of this Agreement and such execution, delivery and performance will not violate any provision of the Articles of Incorporation or Code of Regulations of Seller, result in a breach or constitute a default under the provisions of any agreement to which it is a party or be in contravention of any court or decree to which it is subject.

NO

C. At the date of this Agreement, Seller holds title to the real property described in Part A of Exhibit A hereto. A more exact description of the real property to be transferred under

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this Agreement may be secured from a certified survey procured by Buyer at Buyer's expense.

D. <To Seller's knowledge and belief, t>The assets to be transferred hereunder include all of the assets located at Ashtabula, Ohio and the laboratory facilities from Akron, Ohio which are used by Seller in the conduct of the Business as of April 2, 1985, except those assets expressly excluded hereunder.

E. <To Seller's knowledge and belief> (i) Seller has good and marketable title to all the assets and interests to be transferred hereunder, free from all defects, liens, encumbrances, and rights of third parties except as otherwise stated herein or on the Exhibits attached hereto, or except as may be shown in the interim title report referred to in Article IX(E) hereof, and (ii) the manufacturing operations, real estate and buildings, improvements, machinery, and equipment of Seller employed in the conduct of the Business do not violate any applicable ordinance building regulations or zoning law. or any federal, state or local law, regulation or ordinance.

F. <To Seller's knowledge and belief, n>No manufacturing, fabricating or other industrial process employed by it in the Business infringes any patent owned or held by third persons, and no manufacturing, fabricating or other industrial process employed by it in the Business at the time of Settlement requires the use of any patent license owned or held by third persons. <To the extent that any patent owned by Seller at the time of Settlement is required and is used in the Business, Seller agrees not to assert such patent(s) against Buyer.>

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G. <To Seller's knowledge and belief> Seller is not in default of any of its obligations under any of the leases, contracts and commitments transferred <pursuant to Article I(C),> hereunder and <Seller will use its best efforts to have> all such agreements shall be assigned to Buyer and Seller will secure any required consents of the other party or parties thereto.

H. All taxes or other governmental charges which may create a lien on any property sold hereunder have been paid or if not yet due will be paid when due and all necessary returns shall be filed by Seller.

I. Seller has or will prior to Settlement terminated all employees at the Ashtabula facility and contracts with all unions representing any employee there.

ARTICLE VIII: REPRESENTATIONS AND WARRANTIES OF BUYER

A. Buyer is a corporation duly organized, existing and in good standing under the laws of the State of New Jersey.

B. Buyer has taken all necessary corporate and legal action to authorize the execution, delivery and performance of this Agreement, and the execution, delivery and performance of this Agreement by Buyer will not violate any provision of the Articles of Incorporation or By-Laws of Buyer, result in a breach or constitute a default under the provisions of any agreement to which Buyer is a party or be incontravention of any court order or decree to which Buyer is subject.

ARTICLE IX: AGREEMENTS OF SELLER

Seller agrees with Buyer as follows:

A. Seller shall and hereby does indemnify Buyer and hold it harmless from any liability of Seller relating to the Business except those liabilities which Buyer agrees to assume in this Agreement.

B. From time to time at Buyer's request (whether at Settlement or thereafter) and without further consideration, Seller, at its expense, will execute and deliver such further instruments of conveyance and transfer an assignment as may be reasonably required to more effectively convey and transfer to Buyer any of the property to be sold hereunder, and Seller will use its best efforts to obtain such consents as may be necessary from others, which consents may be delivered to Buyer at or subsequent to Settlement, and will reasonably assist Buyer by the execution of documents necessary to collect or obtain possession of any such property.

<C. Any State of Ohio sales, use, transfer or documentary tax liability, if any, arising out of or as a result of the sale of any real estate or inventories or equipment used directly in the manufacturing process shall be the responsibility of Buyer, and Buyer agrees it shall pay same and indemnify and hold Seller harmless from any liability for same.>

<D> C. Seller agrees to furnish good and marketable title to the real property owned by Seller as of the date of this Agreement and to furnish to Buyer at Buyer's expense, an interim title report covering said real property. Buyer shall have a reasonable time in which to examine such interim title report, and if Buyer finds any defects to title, Seller shall be furnished with a written statement thereof and be given a

but in no event less than 60 days

reasonable time in which to correct same. If Seller shall fail to correct or satisfy such defects within a reasonable time, then Buyer shall have the choice of accepting said property with such defects or declining to do so, such choice to be exercised by written notice to Seller.

E. Seller shall furnish <a schedule of employees, employment dates, wage rates, last rate changes, and accrued benefits, a schedule of outstanding grievances, if any, and a copy of the then existing collective bargaining agreement. Seller shall make no increases in any employee wage rates during the period between execution of this Agreement and Settlement except as may be required under the terms of the collective bargaining agreement presently in effect.> copies of documents terminating all Ashtabula employees and all agreements with all unions relating to the business.

ARTICLE X: AGREEMENTS OF BUYER

Buyer agrees with Seller as follows:

A. Buyer shall discharge the obligations of Seller under the leases, contracts and commitments assigned and transferred pursuant to Article I(A) and I(C) hereof as the same shall come due and shall indemnify and hold Seller harmless from any liabilities arising thereunder after Settlement.

B. Buyer shall, prior to Settlement, furnish Seller with an Ohio Manufacturing Exemption Certificate and an Ohio Resale Exemption Certificate.

<C. Any state sales tax assessed against either Buyer or Seller as the result of the sale of any supplies, inventories,

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machinery or equipm nt not used directly in the manufacturing process, as such terms are interpreted and defined in the Ohio tax laws and regulations, shall be the responsibility of Buyer and Buyer agrees that it shall pay the same, together with any interest or penalties thereon, if assessed against Buyer, and Buyer agrees that it shall indemnify and hold Seller harmless for any liability for such taxes, interest or penalties, and shall reimburse Seller for such amounts if assessed against Seller.>

ARTICLE XI: DELIVERY OF ITEMS BY SELLER AT SETTLEMENT

A. Upon satisfaction of Buyer's obligation under Article II hereof, and subject to the terms and condition of this Agreement, Seller shall deliver to Buyer, at Settlement:

1. A general warranty deed to the real property described in <Part A of> Exhibit A-1 to this Agreement.

2. A Commitment for Title Insurance issued in Buyer's name, at Buyer's expense, by a Title Insurance Company acceptable to Buyer in the amount of ________________($) covering the real property to be transferred pursuant to Article I(A);

3. A good and sufficient bill of sale to the other assets to be transferred hereunder;

4. An assignment or assignments of the contracts and commitments transferred <pursuant to Article I(C);> hereunder all of which deeds, leases, options, bills of sale and assignments shall be free and clear of all defects, liens, encumbrances and rights of third parties except as may be otherwise noted in this Agreement or in the Exhibits hereto, in the interim title report to be furnished pursuant to Article IX(D) hereof, or in the

Commitment for Title Insurance referred to above, and which shall be in a form to which Buyer's counsel has no reasonable objection.

B. Seller shall also deliver the following to Buyer at Settlement:

1. Certification by Seller, signed by its President or any Vice President, and its Secretary or any Assistant Secretary, and dated as of Settlement, that all of the representations and warranties of Seller as set forth herein are true and correct as of the time of Settlement.

2. The opinion of T.E. Pittenger, Vice President or J.J. Dalton, Vice President of Gencorp Inc., dated as of the date of Settlement and addressed to Buyer, to the effect that:

a. The execution, delivery and performance of this Agreement by Seller has been duly authorized by all necessary corporate action and will not violate any provision of the Articles of Incorporation or Code of Regulations of Gencorp Inc. nor result in a breach or constitute a default under the provisions of any agreement or court order or decree to which it is a party.

b. This Agreement has been duly executed and delivered by Seller and is its valid and binding obligation, enforceable in accordance with its terms;

c. There are not of record or otherwise known to said counsel any defects, liens, encumbrances or rights of third parties with respect to any of the properties or assets to be transferred by Seller to Buyer pursuant to this Agreement except as may be disclosed in the Agreement, in the Exhibits thereto, or in the interim title report furnished to Buyer pursuant to Article IX(D) of the Agreement.

3. Copies of all written contracts and commitments assigned and transferred pursuant to Article I(A) and I(C) of this Agreement.

ARTICLE XII: DELIVERY OF ITEMS BY BUYER AT SETTLEMENT

A. At the time of Settlement, Buyer shall wire transfer to the account of Seller's choice, the sum of:

1. Seven Hundred and Fifty Thousand Dollars ($750,000.00);

2. The amount determined to be due to Seller upon completion of the adjustments for Prorations under Article V; and

3. The amount of One Dollar ($1.00) for the intangible assets transferred pursuant to Article II(B) hereof.

B. Subject to the terms and conditions of this Agreement, Buyer shall deliver the following to Seller at Settlement.

1. Promissory Note.

2. A certification by Buyer, signed by its President or any Vice President, and its Secretary or any Assistant Secretary, that all of the representations and warranties of Buyer set forth herein shall be true and correct as of the time of Settlement.

3. The opinion of Harry J. Pinto, Jr., Esquire, counsel for Buyer, dated as of the date of Settlement and addressed to Seller, to the effect that:

a. The execution, delivery and performance of this Agreement by Buyer has been duly authorized by all necessary corporate action and will not violate any provision of the Articles of Incorporation or By-Laws of Buyer, or result in a breach of any agreement or court order or decree to which Buyer is a party;

b. This Agreement has been duly executed and delivered by Buyer and is its valid and binding obligation, enforceable in accordance with its terms.

ARTICLE XIII: CONDITIONS OF BUYER'S OBLIGATION

The obligation of Buyer at Settlement shall be subject in its discretion to the following conditions:

A. All representations and warranties and other statements of Seller herein are, on the date hereof and as of the time of Settlement, substantially true and correct as to all mate_ial matters.

B. Seller has performed all of the obligations herein agreed to be performed by it on or before the date of Settlement.

C. No litigation, suits or governmental proceedings are to Seller's knowledge pending or threatened as of the date of Settlement against Seller which might materially affect the Business or which might interfere with the sale contemplated by this Agreement.

D. Buyer funding

ARTICLE XIV: CONDITIONS OF SELLER'S OBLIGATION

The obligation of Seller at the date of Settlement shall be subject in its discretion to the following conditions:

A. All representations and warranties and other statements of Buyer herein are, on the date hereof and as of the date of Settlement, substantially true and correct as to all material matters.

B. Buyer has performed all of the obligations herein agreed to be performed by it on or before the date of Settlement.

C. No litigation, suits or governmental proceedings are to Buyer's knowledge pending or threatened as of the date of Settlement against Buyer which might interfere with the sale contemplated by this Agreement.

D. Buyer shall have obtained the funding referred to in Article XIII(D) hereof and shall have the same available at Settlement and, prior to Settlement, Buyer shall have submitted to Seller for Seller's approval, copies of all agreements or other documents relating to such credit arrangements and indebtedness (together with any other agreements or documents related to any other material indebtedness which may exist at Settlement or thereafter) and Seller shall have approved the same. Such approval shall not be unreasonably withheld.

ARTICLE XV: MISCELLANEOUS

A. This Agreement contains [he entire Agreement between the parties with respect to the purchase and sale of the Property and supersedes all prior negotiations, commitments and writings.

B. The validity, interpretation and performance of this Agreement shall be determined in accordance with the laws of the State of Ohio.

C. This Agr ement is not assignable, and amendments must be in writing over the signatures of the parties.

D. All representations, warranties and agreements made in this Agreement, any Exhibit hereto, and in any certificate or instrument delivered at Settlement shall be deemed to be material and to have been relied upon by Seller or Buyer, as the case may be. All such representations, warranties and agreements shall survive the Settlement.

E. Seller and Buyer each warrant that it knows of no corporation, firm or person entitled to receive from it any brokerage fee or commission in connection with this transaction.

F. This Agreement shall be binding on and inure to the benefit of Seller and Buyer and their respective successors and assigns.

G. Seller will provide Buyer with the services of Harlin Jewett for 90 days after Settlement at Seller's expense and if he shall thereafter enter into the employ of Buyer, Seller will place him upon such status as shall allow him the option until he shall reach the age of 55 to return to Seller's employment in an equivalent position to that now held by him.

H. Seller and Buyer agree to enter into a contract for Buyer to furnish Seller with certain materials on terms to be mutually agreed.

ARTICLE XVI: SETTLEMENT

Settlement shall occur at a time and place to be agreed upon by the parties but not later than May 31, 1985.

[illegible] 15

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IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be signed by their respective, duly authorized officers and their respective corporate seals to be affixed hereto, all as of the day and year first above written.

VYGEN, INC.	GENCORP INC.
By:__________________	By:__________________
Title:________________	Title:________________

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