affiliated with Seller and except for the group of which Seller is currently a member none of the Champion Companies has ever been a member of an affiliated group of corporations within the meaning of Internal Revenue Code Section 1504.

(m) Each asset in respect of which any of the Champion Companies claims any depreciation, amortization or similar expense is owned for tax purposes by the applicable Champion Company.

(n) None of the Champion Companies has any excess loss account as defined in Treasury Regulation §1.15012-19.

7.2. <u>Tax Indemnity</u>.

(a) Seller shall be liable for, and shall indemnify, defend and hold harmless the Buyer Indemnified Parties from and against:

(i) Any and all income Taxes (including, without limitation, U.S. federal and state income taxes on capital gains) imposed with respect to the sale of the Champion Common Stock, the shares of the Related Companies, the Nominal Shares of the Champion Subsidiaries and the assets of the Canadian Division under the terms of this Agreement;

(ii) Any and all Taxes relating to the Canadian Division while the same was owned by Cooper Industries (Canada) Inc., or any Predecessor, except to the extent a reserve or accrual in respect of Taxes is included in the Final Closing Statement of Net Assets,

(iii) Any and all Taxes with respect to Champion, the Champion Subsidiaries and the Related Companies for any taxable period ending on or before the Closing Date, except to the extent a reserve or accrual in respect of Taxes is included in the Final Closing Statement of Net Assets;