

and to Seller's Knowledge the Leases are valid and binding obligations of the other parties thereto.

Section 3.6 Absence of Certain Changes. Except as disclosed in Schedule 3.6 or in connection with asbestos-related matters of the type described on Schedule 3.6, since January 1, 1994, (i) except for the transactions contemplated by this Agreement, the Division has not entered into any material transaction, or conducted its business or operations, other than in the ordinary course of business, (ii) except for the transactions contemplated by this Agreement, the Division has not, through the date hereof, taken any of the actions set forth in Section 5.4 of this Agreement or agreed to take any of such actions, and (iii) to Seller's Knowledge, there has been no event, change, condition or casualty loss that has had or would reasonably be expected to have, either individually or together with all such events, changes, conditions or casualty losses, a Material Adverse Effect, other than events, changes or conditions that relate to the economy in general or either the automotive or friction materials industry in general. Solely for purposes of Section 9.1 (and not for any other purpose including Article XI), the representations and warranties contained in this Section 3.6 shall include environmental matters.

Section 3.7 Litigation; Orders. Except as disclosed on Schedule 3.7, to Seller's Knowledge, there are no lawsuits