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November 24, 1997

VIA FEDERAL EXPRESS

2520040183563

Top Hat Plan Exemption
Pension and Welfare Benefits
Administration
Room N-5644
U. S. Department of Labor
200 Constitution Ave., N.W.
Washington, DC 20210

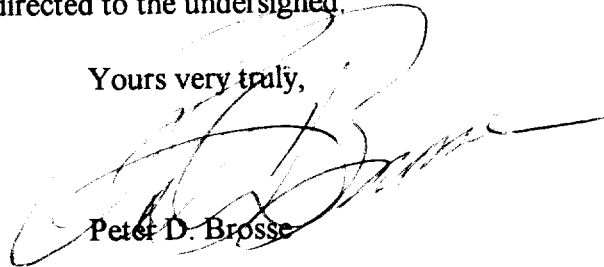
RE: *Nu-Tool Industries, Inc.*

Gentlemen:

Nu-Tool Industries, Inc., an Ohio corporation, located at 10805 Briggs Road, Cleveland, Ohio 44111 (EIN #34-1283846) has entered into an Employment and Deferred Compensation Agreement with a Beatrice E. Thompson. Ms. Thompson is the only employee subject to the deferred compensation plan. For your reference, we have enclosed the Employment and Deferred Compensation Agreement.

All correspondence should be directed to the undersigned.

Yours very truly,



Peter D. Brosse

PDB/mcm

Enclosure

cc: Rick Kuper

99107-1

EMPLOYMENT AND DEFERRED COMPENSATION AGREEMENT

COLLECTOR
PUBL
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This Employment and Deferred Compensation Agreement, made as of the 1st day of September, 1997 by and between NU-TOOL INDUSTRIES, INC., an Ohio corporation (the "Employer"), and BEATRICE E. THOMPSON (the "Employee").

WITNESSETH:

WHEREAS, the Employee has been employed by Employer as a key executive and remains a key employee of the Employer; and

WHEREAS, the Employer and Employee desire to more definitively set forth the terms of Employee's continued employment with the Employer .

NOW, THEREFORE, in consideration of the foregoing recitals, for employment with the Employer and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I. EMPLOYMENT

From the date of this Agreement until the Employee's employment is terminated, pursuant to the terms of this Agreement, Employer agrees to continue to employ Employee and Employee agrees to continue to serve the Employer and to perform the customary and usual duties of her position and such reasonable and appropriate duties for the Employer as the Employer may request from time to time. During the term of this Agreement, the Employee agrees to devote his best efforts to the business and welfare of Employer.

II. TERM AND TERMINATION OF AGREEMENT

A. Employee's employment shall continue until earlier terminated under this Agreement or August 31, 2002.

B. The Employer may immediately terminate the Employee's employment for cause only. "For cause" shall mean, for purposes of this Agreement, intoxication or drug use on Employer's time, fraud, embezzlement, fighting or use of weapons on Employer's time or premises; theft or other dishonest, morale turpitude, willful destruction of property, falsification of Employer's records or information supplied by Employee to Employer, gross or willful neglect of duties.

C. This Agreement shall not terminate as the result of death or disability of Employee.

D. Upon termination of this Agreement for any reason whatsoever, the Employee shall immediately surrender in good condition all records, whether originals or reproductions, kept by her, information with regard to the business of the Employer or the Employee or regarding clients, employee's calendar of scheduled appointments with customers and/or suppliers, any and all lists of past, current and prospective clients and suppliers, all other property belonging to the Employer including, but not limited to, reproductions of records and materials in any form or media whatsoever, records of information concerning the business of the Employer or the Employer itself used by the Employee in rendering services hereunder or otherwise that is in the Employee's possession or control.

III. COMPENSATION

Beginning September 1, 1997 and continuing until August 31, 2000, Employer shall pay Employee \$400.00 per month (less all taxes and contributions required by law). Beginning September 1, 2000 and continuing until August 31, 2002, Employer shall pay Employee \$600.00 per month. The Employee shall be paid on a schedule as determined by the Employer.

IV. EMPLOYEE BUSINESS EXPENSES

A. The Employer, except as otherwise set forth herein, will reimburse the Employee for other reasonable and necessary expenses incurred in connection with performing her duties hereunder including, without limitation, meals and travel expenses, provided the Employee receives prior approval from the Employer and pursuant to Employer's policies in effect from time to time. The Employee shall, upon designation of an expense account and/or limitations on expenditures, stay within the terms thereof. The Employee shall retain all receipts in connection with such expenses incurred, and shall submit same to the Employer on the last day of each calendar month with an itemized listing of such approved expenses incurred and such other reports which the Employer may, from time to time, require and in a form satisfactory to the Employer.

B. Employer will pay Employee monthly a travel allowance of \$433.00.

C. Employer will pay Employee \$70.00 per month to maintain a dedicated telephone line for Employee's facsimile machine. Employer will, during the term of Employee's employment, maintain a facsimile machine and telephone line for same.

V. EMPLOYEE BENEFITS

A. The Employee may participate in employee benefits such as disability income insurance, health insurance and any other such benefit as are provided to other employees of the Employer providing similar services, subject to any required waiting period and other eligibility requirements as determined by the Employer. The availability of employee benefits shall be at the discretion of the Employer's Board of Directors. Upon the availability of any benefit, the Employer shall notify the Employee, in writing, of same. Notwithstanding the foregoing, Employer agrees to timely pay all premiums associated with maintaining the Employee's health insurance coverage.

B. The Employer reserves the right to eliminate any employee benefit which may now be in effect or which hereinafter may be adopted at the sole discretion of the Employer's Board of Directors. Notwithstanding the foregoing, Employer may not terminate the benefits Employer is paying as stated above. Except as set forth herein, the Employee may be required to contribute toward the cost of certain benefits.

C. The Employee shall be eligible for a paid vacation pursuant to the Employer's policies in effect from time to time.

D. Employer will pay Employee monthly up to \$200.00 toward premiums for long term care insurance. Employee will apply for such insurance and deliver all premium notices to Employer. Employee will be responsible for all long term care insurance premiums in excess of \$200.00 per month.

E. To the extent that the benefits set forth in Section IV and paragraphs V(A) and V(D) exceed \$1,100.00 per month, then Employee shall pay all amounts in excess of \$1,100.00 per month.

VI. NON-DISCLOSURE AND NON-COMPETITION

A. The Employee acknowledges that during the term of this Agreement she has and will learn and has and will have access to certain confidential and/or proprietary information of the Employer, the Employer's customers, suppliers, affiliates, subsidiaries and related entities. The Employee agrees, warrants and represents that all of such confidential and/or proprietary information shall be held in confidence and she shall not, at any time during this Agreement or at any time after the termination of this Agreement, use, quote, disclose, disseminate or publish, directly or indirectly, in any manner

whatsoever, any confidential and/or proprietary information without the prior written consent of the Employer and the Employer's customers, suppliers or its affiliates, subsidiaries and related entities, as applicable.

B. "Proprietary information" shall, for purposes of this section VI, include, but shall not be limited to, processes and procedures used in connection with the Employer's business, computer programs and modifications and enhancements thereto (including object code, source codes and flow charts), uncopyrighted or copyrighted works, patents, if any, inventions, whether or not patented, ideas, discoveries, customer lists, supplier lists, drawings, analysis and calculations, trade secrets, trademarks or service marks, whether registered or intended to be used and trade names of the Employer, its customers, suppliers or its affiliates, subsidiaries and related entities.

C. "Confidential information" shall, for purposes of this section VI, be defined as information directly or indirectly disclosed to the Employee as a consequence of his relationship with the Employer pursuant to this Agreement, which information is not generally known to the public or competitors of the Employer, its customers, suppliers, or its affiliates, subsidiaries and related entities and which shall include, but shall not be limited to methods of training and instruction, methods of operation, methods and calculations of pricing, routing information, customer lists, supplier lists, lists of prospective customers and suppliers, sales figures, employment information, tax records, personnel history, accounting procedures, financial information, customer contracts, sales representative contacts, business and marketing plans, employee compensation or policies, future plans, and all other information and knowledge in whatever form used in management, marketing, purchasing, finance, operations or otherwise.

D. The Employee agrees during the term of this Agreement for any reason whatsoever, without the Employer's written consent, that she shall not directly or indirectly, in the United States of America, its possessions or territories, or anywhere else in the world where Employer manufactures, markets and/or sells products and services, engage either as an individual for her own account, or as a partner, member or joint venturer, member, employee, agent or independent contractor for any other person or entity, or as an officer, director or shareholder of a corporation, or any other manner whatsoever which directly or indirectly competes with the Employer.

E. The Employee shall disclose to the Employer all discoveries, inventions, improvements, enhancements, modifications and/or ideas relating to the Employer's business, products or its services conceived and/or worked upon solely by the Employee or jointly with others during the term of this Agreement whether on the Employer's time or on the Employee's own time. Discoveries, inventions, know-how, improvements, enhancements or modifications and ideas shall include, but shall not be limited to, machinery, apparatus, products, processes, computer hardware, computer software, formulas, know-how, methods of operation and the like. Such discoveries, inventions, improvements, enhancements or modifications, know-how and/or ideas at the time of conception and/or at the time of being worked upon by the Employee shall become the exclusive property of the Employer and the Employee shall assign to the Employer all his right, title and interest therein and to any patents, copyrights and the like. If it becomes necessary, the Employee shall, upon request by the Employer, promptly execute and deliver to the Employer any and all documents which may be required to accomplish the foregoing. Additionally, all work performed at the direction of the Employer and/or in the scope of the Employee's employment shall be the exclusive property of the Employer.

F. The Employee shall not, directly or indirectly, by any method whatsoever without the prior written consent of the Employer, reproduce, copy or otherwise duplicate any computer software including, but not limited to, source code and object code thereof, or any other materials including, but not limited to, any records, memoranda or other writings, drawings, lists, processes or other confidential and/or proprietary information which the Employee obtains as a result of his position with the Employer.

G. The Employee acknowledges and recognizes that any violation or threatened violation of this section VI cannot reasonably or adequately be remedied by the payment of damages in action at law and irrefutable injury and damage will result to the business of the Employer, its customers, suppliers, subsidiaries, affiliates and related entities. Therefore, Employee agrees in the event of an actual or threatened breach of this section VI, the Employer shall be entitled to injunctive and other equitable relief restraining the Employee and/or other persons from disclosing confidential and proprietary information in violation of this Agreement or from rendering services in violation of this Agreement. Nothing herein shall be construed as prohibiting the Employer from pursuing all other available remedies including, but not limited to, recovery of damages, from the Employee.

H. The Employer and the Employee agree that the restrictions set forth in this Section VI are fair and reasonable in all respects, including length of time and geographic area. All terms and conditions of this section VI shall survive the termination of this Agreement.

VII. DEFERRED COMPENSATION

A. Employer agrees to pay Employee deferred compensation for the five years between September 1, 2002 and August 1, 2007 of \$66,000.00, payable in monthly installments of \$1,100.00, beginning September 1, 2002 and continuing to be paid on the first day of each month thereafter for 60 continuous months, with the last monthly installment of \$1,100.00 being due and payable August 1, 2007.

B. Employer agrees to pay Employee deferred compensation for the five year period between September 1, 2007 and August 1, 2012 of \$102,000.00, payable in monthly installments of \$1,700.00 beginning September 1, 2007 and continuing to be paid on the first day of each month thereafter for 60 continuous months with the last month of deferred compensation being due and payable August 1, 2012.

C. If the Employee's death occurs prior to September 1, 2002 or prior to the expiration of the 120 month period under which the deferred compensation is to be paid, then the Employer is to pay the deferred compensation to Employee's designated beneficiary for the balance of the 120 month period.

D. Upon execution of this Agreement, the Employee will designate in a writing satisfactory to the Employer and file with the secretary of the Employer the person, persons or entity to whom payment of the deferred compensation is to be made if Employer's death should occur prior to September 1, 2002 or August 1, 2012. The Employee will thereafter be free to amend, alter or change his designation provided, however, that such amendment, alteration or change will be made by a writing in a form satisfactory to the Board of Directors of the Employer and is filed with the Secretary of the Employer.

E. Any payments made by Employer on behalf of Employee under Section VIII of this Agreement are to be credited directly against the deferred compensation set forth in paragraphs VII(A) and VII(B) above, as applicable.

VIII. CONTINUATION OF EMPLOYEE BENEFITS

A. After termination of this Agreement, and provided that the Employer's health insurance plan will not be invalidated or adversely effect the Corporation or any of its employees, Employer will maintain Employee on its health insurance plan for a period of ten (10) years beginning September 1, 2002 and will pay the costs and expenses associated therewith. However, if at any time prior to September 1, 2002 or any time during the ten (10) year period thereafter (i) the Employer determines that by maintaining Employee on its health insurance coverage which it is paying for the benefit of the Employee after the termination of Employee's employment with Employer, that such coverage or plan will be invalidated or otherwise may be adversely affected, or (ii) Employee determines that maintaining such health insurance or other employee benefits adversely affects her ability to obtain Medicare coverage, Medicare supplement or the like, then, after notice to each of the respective parties, the Employer will pay to Employee an amount equal to the cost which Employer would have otherwise paid for Employee's coverage under the health insurance, disability insurance or other benefit plan which it is paying on behalf of Employee as of the date Employee terminates employment with Employer. Payment of such premiums will cease upon the death of the Employee. The health insurance premiums paid by Employer pursuant to this Section VIII are to be credited against the deferred compensation payments made pursuant to Section VII hereof.

B. To the extent that Employee directs, after August 31, 2002, Employer may agree to pay the travel allowance, facsimile telephone line charge and long term care insurance premium. To the extent such benefits are paid by Employer, each will be credited against the deferred compensation to be paid pursuant to Section VII hereof. Employer will not be required to pay more than the deferred compensation set forth in Section VII hereof.

IX. CONTINUATION OF SALARY UPON DEATH OF THE EMPLOYEE

A. The Employer and the Employee agree that the Employer's obligation to pay the compensation as set forth under this Agreement will not terminate if the Employee should die or become permanently disabled so as not to be able to carry out its duties under this Agreement prior to August 31, 2002. The Employer agrees that should the Employee die prior

to August 31, 2002, the Employer will pay the compensation as described in Section III and VII above to the Employee's designated beneficiary for the balance of the term of this Agreement.

B. Upon execution of this Agreement, the Employee shall designate in writing in a form satisfactory to the Employer and file with the Secretary of the Employer, the person, persons or entity to whom payment of the compensation as set forth in Section III of this Agreement shall be made and if the Employee's death should occur prior to August 31, 2002. The Employee will thereafter be free to amend, alter or change this designation provided, however, that any such amendment, alteration or change is made by a writing in a form satisfactory to the Board of Directors of the Employee and is filed with the Secretary of the Employer.

X. GOVERNING LAW

This Agreement shall be construed and governed in accordance with the internal laws of the State of Ohio, without any recognition to conflicts of law.

XI. ASSIGNMENT

This Agreement shall not be assigned by the Employee. Any assignment or attempt to assign this Agreement by the Employee is void.

XII. BENEFIT

This Agreement is made solely for the benefit of the parties hereto, their respective successors, heirs, personal and legal representatives and permitted assigns. No other person shall acquire or have any right by virtue of this Agreement.

XIII. SEVERABILITY

Should any part or portion of this Agreement be held invalid, illegal or void, then this Agreement shall continue in full force and effect so as to give effect to the extent lawful in accordance with the express intent of this Agreement.

XIV. INTEGRATION

This Agreement supersedes all previous agreements, letters of intent, understandings or other communications concerning the subject matter of this Agreement made between the parties hereto.

XV. WAIVER

Waiver by a party of any breach of any provision of this Agreement shall not be considered as a waiver of any other or subsequent breach.

XVI. MODIFICATION

This Agreement may not be modified in any manner except by written agreement of both parties.

XVII. NOTICES

Notices relating to this Agreement shall be hand delivered or given by United States certified mail, return receipt requested. The date of mailing of such notice shall be the effective date of the notice. The addresses of the parties to this Agreement are shown hereinbelow and either party may, from time to time, by notifying the other party in writing, change the address to which notice is to be directed:

To: Nu-Tool Industries, Inc.
10805 Briggs Rd.
Cleveland, Ohio 44111

To: Beatrice E. Thompson
6963 Pyma Drive
Jamestown, Pennsylvania 16134

XVIII. GENDER

All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement, or any other section or clause herein, may require, the same as if such words had been fully and properly written in the required number and gender.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement, intending to be legally bound thereby, on the date first written above.

"Employer"

NU-TOOL INDUSTRIES, INC.

By:

Name: Richard Kusnir
Richard Kusnir, President

"Employee"

Beatrice E. Thompson
Beatrice E. Thomson

SSN: _____