STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Application

of

INDUSTRIAL TECTONICS AMERICAN BEARING DIVISION, INC.

for Release of Lien on certain Assets

formerly owned by

AMERICAN BALL BEARING CORPORATION

STATE OF NEW YORK)
: SS.:
COUNTY OF ALBANY)

WHEREAS, on November 16, 1964 Industrial Tectonics American Bearing Division, Inc. a New York corporation (herein called "American Bearing Division") entered into a contract with American Ball Bearing Corporation, a New York corporation, for the purchase of the operating assets of said corporation for the sum of $550,000 payable in cash and promissory notes in the amount of $592,286 and certain other consideration; and

WHEREAS, the assets to be purchased under said contract were subject to certain liens for unpaid taxes, interest and penalties held by the State Tax Commission and certain prior liens for unpaid taxes, interest and penalties held by the Internal Revenue Service; and

WHEREAS, in consideration of the payment of $50,000 in cash to the State Tax Commission on December 10, 1964, the date on which such assets were purchased and an

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Application

of

INDUSTRIAL TECTONICS AMERICAN BEARING DIVISION, INC.

For Release of Lien on certain Assets

Formerly owned by

AMERICAN BALL BEARING CORPORATION

STATE OF NEW YORK)
) ss.:
COUNTY OF ALBANY)

WHEREAS, on November 16, 1964 Industrial Tectonics American Bearing Division, Inc., a New York corporation (herein called "American Bearing Division") entered into a contract with American Ball Bearing Corporation, a New York corporation, for the purchase of the operating assets of said corporation for the sum of $350,000 payable in cash and [illegible] as set forth in the above contract and certain other considerations; and

WHEREAS, the assets to be purchased under said contract were subject to certain liens for unpaid taxes, interest and penalties held by the State Tax Commission and certain prior liens for unpaid taxes, interest and penalties held by the Internal Revenue Service; and

WHEREAS, in consideration of the payment of $10,000 in cash to the State Tax Commission on December 16, 1964, the date on which such assets were purchased and agreement to pay the principal of and interest on said notes to the State Tax Commission for application to the indebtedness of American Ball Bearing Corporation and Leo L. Lowy after the claims of the Internal Revenue Service had been paid by the application of $500,000 of the cash portion of said purchase price and payment of principal and interest on said notes the State Tax Commission released its lien against inventories and receivables of American Ball Bearing Corporation; and

WHEREAS, after application of a tax loss carryback for the year 1963 but before application of any tax loss carryback for the year 1964, the indebtedness of American Ball Bearing Corporation and Leo L. Lowy to the State Tax Commission for taxes, interest and penalties accrued prior to December 10, 1964 is respectively $52,095.92 and $166,695.90; and

WHEREAS, the unpaid principal amount of the notes is the sum of $229,288.37 and the amount owed to the Internal Revenue Service secured by said notes is the sum of $20,040.95; and

WHEREAS, it appeared that American Bearing Division could only pay such unpaid principal due on the notes in the event it secured a loan from Walter E. Heller & Company, Inc. secured by a first and prior lien on the machinery and equipment which had been purchased from American Ball Bearing Corporation and on which the State retained a lien; and

WHEREAS, it appeared that upon payment of such notes by American Bearing Division the State Tax Commission would receive an amount in excess of $209,000; and agreement to pay the principal of and interest on said notes to the State Tax Commission for application to the indebtedness of American Ball Bearing Corporation and Leo L. Levy after the claims of the Internal Revenue Service has been paid by the application of $700,000 of the cash portion of said purchase price and payments of principal and interest on such notes the State Tax Commission released its lien against inventories and receivables of American Ball Bearing Corporation; and

WHEREAS, after application of a tax loss carryback for the year 1953 but before application of any tax loss carryback for the year 1954, the indebtedness of American Ball Bearing Corporation and Leo L. Levy to the State Tax Commission for taxes, interest and penalties accrued prior to December 10, 1954 is respectively $32,095.92 and $166,695.90; and

WHEREAS, the unpaid principal amount of the notes is the sum of $329,578.37 and the amount owed to the Internal Revenue Service secured by said notes is the sum of $72,040.95; and

WHEREAS, it appeared that American Bearing Division could only pay such unpaid principal due on the notes in the event it secured a loan from Walter E. Heller & Company, Inc. secured by a first and prior lien on the machinery and equipment which had been purchased from American Ball Bearing Corporation and on which the State retained a lien; and

WHEREAS, it appeared that upon payment of said notes by American Bearing Division the State Tax Commission would receive an amount in excess of $207,000; and

WHEREAS, in consideration of an agreement by the State to release the aforementioned lien concurrently with the execution of these presents American Bearing Division is paying the State Tax the sum of $209,247.42 plus accrued interest on such notes from February 28, 1967.

ACCORDINGLY, pursuant to the provisions of Section 171 of the Tax Law, the State Tax Commission does hereby grant, release and discharge from the lien of a warrant filed by the State Tax Commission in the Clerk's office of Kings County on November 27, 1964 against American Ball Bearing Corporation and from any lien for franchise taxes of American Ball Bearing Corporation for the year 1964 and prior years arising by operation of law pursuant to Article 9-A of the Tax Law and any right, title and interest it may have under said liens all properties owned by Industrial Tectonics American Bearing Division, Inc., a New York corporation, in consideration of the payment to it of $209,247.42 plus interest on the outstanding principal amount of said notes at 6% per annum from February 28, 1967.

Dated: March 13, 1967

Commissioner

Commissioner

Commissioner