UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant To Section 13 OR 15(d) Of The Securities Exchange Act Of 1934

Date of report (Date of earliest event reported) **April 10, 2007**

PATRICK INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Indiana	**0-3922**	**35-1057796**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

107 West Franklin, P.O. Box 638, Elkhart, Indiana	**46515**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, including area code **(574) 294-7511**

Formerly Located at 1800 South 14th Street, Elkhart, Indiana

(Former name or former address if changed since last report)

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On April 10, 2007, Patrick Industries, Inc. (the "Company") entered into a Securities Purchase Agreement to acquire Adorn, LLC, an Elkhart, Indiana-based manufacturer and supplier of interior components to the recreational vehicle and manufactured housing industries for $75,000,000 in cash, subject to an adjustment for working capital at the closing. A copy of the Securities Purchase Agreement is attached hereto as Exhibit 10.1 and incorporated herein by reference.

On April 10, 2007, the Company entered into a Commitment Letter with J.P. Morgan Securities Inc. and JP Morgan Chase Bank, N.A. to establish a senior credit facility comprised of a revolving credit facility and a term loan facility to provide financing for the Adorn acquisition and liquidity for the working capital needs of the combined companies. Agreements for the senior credit facility and term loan facility will be entered into prior to the consummation of the Adorn acquisition.

On April 10, 2007, the Company entered into a Securities Purchase Agreement in a private placement with Tontine Capital Partners, L.P. and Tontine Capital Overseas Master Fund, L.P. (the “Buyers”), pursuant to which the Buyers have agreed to purchase 980,000 shares of common stock of the Company at $11.25 per share for a total purchase price of $11,025,000, and to provide in a private placement interim debt financing of up to $16,500,000, but not less than $13,975,000, in the form of senior subordinated notes. The Company will use the proceeds for the Adorn, LLC acquisition. The closing of the transactions contemplated by the Securities Purchase Agreement with Tontine will take place in connection with the consummation of the Adorn acquisition. The Company has agreed to amend the existing Registration Rights Agreement with Tontine Capital Partners, pursuant to which it will undertake to register the shares. A copy of the Securities Purchase Agreement is attached hereto as Exhibit 10.2 and incorporated herein by reference. A copy of the form of Amended and Restated Registration Rights Agreement and the form of senior subordinated note are attached as exhibits to the Securities Purchase Agreement.

On April 11, 2007, the Company issued a press release related to the foregoing matters. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 above with respect to the proposed sale of 980,000 shares of common stock of the Company to the Buyers in a transaction that is not registered under the Securities Act is hereby incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

Exhibit 10.1 Securities Purchase Agreement, dated as of April 10, 2007, between Patrick Industries, Inc. and FNL Management

	Corp., Adorn Holdings, Inc. and the stockholders, warrant holders and option holders of Adorn Holdings, Inc.
Exhibit 10.2	Securities Purchase Agreement, dated April 10, 2007, between Patrick Industries, Inc. and Tontine Capital Partners, L.P. and Tontine Capital Overseas Master Fund, L.P.
Exhibit 99.1	April 11, 2007, Press Release

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PATRICK INDUSTRIES, INC.

(Registrant)

DATE **April 11, 2007** **BY** /s/ Andy L. Nemeth

Andy L. Nemeth
Executive Vice President – Finance
Secretary-Treasurer, and Chief Financial Officer

SECURITIES PURCHASE AGREEMENT

AMONG

PATRICK INDUSTRIES, INC.

("Buyer")

AND

FNL MANAGEMENT CORP.

("Sellers' Representative")

AND

ADORN HOLDINGS, INC.

(the "Company")

AND

THE STOCKHOLDERS,
WARRANT HOLDERS,
AND
OPTION HOLDERS

OF

THE COMPANY

April 10, 2007

TABLE OF CONTENTS

Page

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT ("Agreement") is entered into as of the 10th day of April, 2007, among Patrick Industries, Inc., an Indiana corporation ("Buyer"), each of the Persons identified in Section 4.2.1 of the Disclosure Letter (each, a "Seller," and collectively, "Sellers"), Adorn Holdings, Inc., a Delaware corporation (the "Company"), and on its own behalf, and on behalf of each Seller, FNL Management Corp., an Ohio corporation ("Sellers' Representative").

RECITALS:

A. Sellers, in the aggregate, own: (i) all of the issued and outstanding shares of capital stock (as more particularly defined in Section 4.2.1, the "Shares") of the Company; (ii) all of the issued and outstanding options to purchase shares of capital stock of the Company (as more particularly defined in Section 4.2.1, the "Stock Options"); and (iii) all of the issued and outstanding warrants to purchase shares of capital stock of the Company (as more particularly defined in Section 4.2.1, the "Warrants" and, together with the Shares and the Stock Options, collectively referred to herein as the "Securities").

B. The Company owns all of the issued and outstanding percentage interests of Adorn, LLC, a Delaware limited liability company (the "Subsidiary" and together with the Company, the "Acquired Companies").

C. Buyer shall purchase from Sellers, and Sellers shall sell to Buyer, the Securities upon and subject to the terms and conditions set forth in this Agreement (the "Securities Purchase").

Now, therefore, in consideration of the mutual representations, warranties, covenants and agreements set forth in this Agreement, Buyer, the Company, Sellers, and Sellers' Representative hereby agree as follows:

ARTICLE 1

Definitions

1.1 Definitions. Certain terms used in this Agreement shall have the meanings set forth in Article 10, or elsewhere herein as indicated in Article 10.

1.2 Accounting Terms. Accounting terms used in this Agreement and not otherwise defined herein shall have the meanings attributed to them under GAAP.

ARTICLE 2

Purchase and Sale

2.1 Purchase and Sale. Subject to the terms and conditions of this Agreement, at the Closing each Seller shall sell, assign, transfer and deliver to Buyer, free and clear of all Liens, and Buyer shall purchase from each Seller, all of such Seller's right, title and interest in and to all of the

Securities owned by such Seller, as more specifically identified in Section 4.2.1 of the Disclosure Letter (as to each Seller, respectively, the "Seller's Respective Securities").

2.2 Purchase Price. The aggregate purchase price for all of the Securities (the "Purchase Price") shall be an amount equal to:

(a) Seventy-Five Million Dollars ($75,000,000);

(b) plus an amount equal to the Closing Cash;

(c) minus an amount equal to the Closing Indebtedness; and

(d) plus the amount, if any, by which the Closing Working Capital exceeds the Working Capital Target, or minus the amount, if any, by which the Working Capital Target exceeds the Closing Working Capital.

2.3 Estimated Purchase Price; Payment of Indebtedness. On the second (2nd) Business Day before the Closing Date, the Company shall estimate in good faith the amount of the Closing Cash, the Closing Indebtedness and the Closing Working Capital, respectively, as of 11:59 p.m. on the Closing Date and deliver to Buyer a certificate setting forth such estimates (the "Closing Certificate"). The Closing Certificate shall be prepared in accordance with Section 2.4.1 with the understanding that such certificate represents good faith estimates of such amounts. As used herein, "Estimated Closing Cash," "Estimated Closing Indebtedness" and "Estimated Closing Working Capital" mean the estimates of the Closing Cash, the Closing Indebtedness and the Closing Working Capital, respectively, set forth in the Closing Certificate and " Estimated Purchase Price" means an amount equal to the Purchase Price calculated as set forth in Section 2.2, assuming for purposes of such calculation that the Closing Cash is equal to the Estimated Closing Cash, that the Closing Indebtedness is equal to the Estimated Closing Indebtedness and that the Closing Working Capital is equal to the Estimated Closing Working Capital. Subject to the terms and conditions of this Agreement, at the Closing, Buyer shall (a) pay and deliver the Estimated Purchase Price (as calculated based upon the Closing Certificate) (the "Closing Date Payment") to Sellers by means of a wire transfer of immediately available cash funds to an account as directed by Sellers' Representative prior to the Closing (the "Sellers' Account ") (and the Sellers' Representative shall be solely responsible for payment therefrom to each Seller for his, her or its Seller's Respective Securities), and (b) pay the Indebtedness of the Acquired Companies identified in Section 2.3 of the Disclosure Letter pursuant to the payoff letters delivered pursuant to Section 6.1(d)(iv) (collectively, the "Repaid Closing Indebtedness"). For the avoidance of doubt, the Closing Date Payment shall be inclusive of any required Tax withholding from amounts payable to Sellers.

2.4 Post-Closing Adjustment.

2.4.1 Adjustment Statement Preparation. Within sixty (60) days after the Closing Date, Buyer shall cause the Acquired Companies to prepare and deliver to Sellers' Representative an adjustment statement setting forth the amount of the Closing Cash, the Closing Indebtedness and the Closing Working Capital of the Acquired Companies, on a consolidated basis, respectively, as of immediately prior to the Closing (the "Preliminary Adjustment Statement") and, based on the Closing Cash, the Closing Indebtedness and the Closing Working Capital as derived

therefrom, Buyer's written calculation of the Purchase Price, and the adjustment necessary to reconcile the Estimated Purchase Price to the Purchase Price (the "Preliminary Post-Closing Adjustment"). The Closing Working Capital component of the Preliminary Adjustment Statement and the Final Adjustment Statement shall be prepared in accordance with GAAP (using the methods, policies, practices and procedures used in the preparation of the Audited Financial Statements for the year ending December 31, 2006), except that the Preliminary Adjustment Statement and the Final Adjustment Statement shall only reflect those items necessary to calculate the Closing Working Capital and, for the avoidance of doubt, the calculation of Closing Working Capital shall include outstanding checks as a component of accounts payable as reflected in Exhibit A. In preparing the Preliminary Adjustment Statement and Final Adjustment Statement: (a) any and all effects on the assets or liabilities of any of the Acquired Companies of any financing or refinancing arrangements entered into by Buyer at any time at or after the Closing Date shall be entirely disregarded; (b) it shall be assumed that the Acquired Companies and their respective lines of business shall be continued as a going concern; and (c) there shall not be taken into account the closing of the transaction or any of the plans, transactions or changes that Buyer intends to initiate or make or cause to be initiated or made at or after the Closing Date with respect to any of the Acquired Companies or its respective business or assets, or any facts or circumstances that are unique or particular to Buyer or any assets or liabilities of Buyer, or any obligation for the payment of the Purchase Price hereunder.

2.4.2 Adjustment Statement Review. Sellers' Representative, on behalf of all Sellers, shall review the Preliminary Adjustment Statement and the Preliminary Post-Closing Adjustment and, if Sellers' Representative believes that either was not prepared in accordance with Section 2.4.1, Sellers' Representative shall so notify Buyer in writing no later than the thirtieth (30) day after Sellers' Representative receipt thereof, setting forth in such notice Sellers' Representative objection or objections to the Preliminary Adjustment Statement or the Preliminary Post-Closing Adjustment with particularity and the specific changes or adjustments which Sellers' Representative claims are required to be made thereto in order to conform the same to the terms of Section 2.4.1. Any notice of objection delivered pursuant to this Section 2.4.2 shall (a) specify in reasonable detail the nature of any disagreement so asserted and (b) contain a commitment by Sellers' Representative, on behalf of Sellers, to pay all adjustments owed to Buyer, if any, that are not in dispute by wire transfer of immediately available funds within two (2) Business Days of Buyer's receipt of such notice ("Objection Notice"). Conversely, Buyer agrees to pay Sellers' Representative, for the benefit of all Sellers, all adjustments owed to Sellers, if any, that are not in dispute by wire transfer of immediately available funds within two (2) Business Days of Buyer's receipt of the Objection Notice. Buyer shall cause the Acquired Companies to cooperate with all representatives of Sellers (including Sellers' Representative) in the review of the Preliminary Adjustment Statement and, without limiting the generality of the foregoing, shall cause the books and records of the Acquired Companies to be made available during normal business hours to such representatives, and shall cause the necessary personnel of the Acquired Companies to provide reasonable cooperation to such representatives in their review of the Preliminary Adjustment Statement, including granting such persons access to the facilities and other assets of the Acquired Companies, in each case, upon reasonable advance notice.

2.4.3 Adjustment Statement Dispute Resolution. If Sellers' Representative timely delivers an Objection Notice to Buyer in accordance with Section 2.4.2, and if Buyer and Sellers'

Representative are unable to resolve such dispute through good faith negotiations within fifteen (15) days after Sellers' Representative's delivery of such Objection Notice, then, the parties shall mutually engage and submit such dispute to, and the same shall be finally resolved in accordance with the provisions of this Agreement by an accounting firm of national reputation as shall be mutually acceptable to Buyer and Sellers' Representative (the "Independent Accountants"). Buyer and Sellers' Representative shall have the opportunity to present their positions with respect to such disputed matters to the Independent Accountants in accordance with the requirements of Section 2.4. The Independent Accountants shall determine and report in writing to Buyer and Sellers' Representative as to the resolution of all disputed matters submitted to the Independent Accountants and the effect of such determinations on the Preliminary Adjustment Statement and the Preliminary Post-Closing Adjustment within twenty (20) days after such submission or such longer period as the Independent Accountants may reasonably require, and such determinations shall be final, binding and conclusive as to Buyer, Sellers, Sellers' Representative and their respective Affiliates. The fees and expenses of the Independent Accountants shall be shared equally between Buyer, on the one hand, and Sellers, collectively, on the other hand.

2.4.4 Final Adjustment Statement and Post-Closing Adjustment . The Preliminary Adjustment Statement and the Preliminary Post-Closing Adjustment shall become the "Final Adjustment Statement" and the "Final Post-Closing Adjustment," respectively, and as such shall become final, binding and conclusive upon Buyer, Sellers, Sellers' Representative and their respective Affiliates for all purposes of this Agreement, upon the earliest to occur of the following:

(a) the mutual acceptance by Buyer and Sellers' Representative of the Preliminary Adjustment Statement and the Preliminary Post-Closing Adjustment, respectively, with such changes or adjustments thereto, if any, as may be proposed by Sellers' Representative and consented to by Buyer;

(b) the expiration of thirty (30) days after Sellers' Representative's receipt of the Preliminary Adjustment Statement and the Preliminary Post-Closing Adjustment, respectively, without timely written objection thereto by Sellers' Representative in accordance with Section 2.4.2; or

(c) the delivery to Buyer and Sellers' Representative by the Independent Accountants of the report of their determination of all disputed matters submitted to them pursuant to Section 2.4.3.

2.4.5 Adjustment of Purchase Price. If the Purchase Price, as finally determined in accordance with Section 2.4, is greater than the Estimated Purchase Price, then Buyer shall pay the amount of such difference (less amounts paid, if any, with respect to non-disputed adjustments pursuant to Section 2.4.2) to Sellers' Representative for the benefit of Sellers by means of a wire transfer of immediately available funds to Sellers' Account. If the Purchase Price, as finally determined in accordance with Section 2.4, is less than the Estimated Purchase Price, Sellers' Representative, on behalf of Sellers, and in accordance with the allocations set forth in Section 2.5 of the Disclosure Letter, shall pay the amount of such difference (less amounts paid, if any, with respect to non-disputed adjustments pursuant to Section 2.4.2) to Buyer by means of a wire transfer of immediately available funds to an account designated by Buyer. The Final Post-

Closing Adjustment, if any, shall be due and payable pursuant to this Section 2.4.5 no later than two (2) Business Days after the Preliminary Adjustment Statement and the Preliminary Post-Closing Adjustment become the Final Adjustment Statement and the Final Post-Closing Adjustment, respectively, pursuant to Section 2.4.4. For Tax purposes, any payment by Buyer or Sellers under this Agreement, including pursuant to Article 9, shall be treated as an adjustment to the Purchase Price unless a contrary treatment is required by Law.

2.5 Allocation to Sellers of the Purchase Price. The payment by Buyer of the Purchase Price (including any additional amount required pursuant to Section 2.4.5) into Sellers' Account shall constitute payment by Buyer to each Seller and satisfaction of Buyer's obligation to pay such amount hereunder. After such payment by Buyer, Sellers' Representative shall be solely responsible for allocating and distributing to each Seller such Seller's respective share of the distributable proceeds from the Sellers' Account, as set forth on Section 2.5 of the Disclosure Letter (as to each Seller, his, her or its "Percentage Interest"), with the understanding among Sellers that distributable proceeds will be impacted by the cashless exercise of the Stock Options. Any collective obligations of Sellers, including, without limitation, payment of transaction fees and expenses, shall be allocated among Sellers in accordance with each Seller's Percentage Interest. The portion of the distributable proceeds allocated to each Seller (net of obligations, tax withholdings and any reserves or holdbacks for indemnification obligations or otherwise established pursuant to this Agreement, or by Sellers' Representative in its sole discretion) shall be paid and distributed to such Seller by means of a wire transfer of immediately available funds to an account designated by such Seller to Sellers' Representative prior to, on, or after the Closing. At the Closing, Sellers agree that Sellers' Representative withhold from the proceeds otherwise distributable to each Seller hereunder, and pay, such Seller's Percentage Interest of any fees or expenses incurred by or on behalf of Sellers in connection with the transactions contemplated hereby. Nothing in this Section 2.5 is intended or shall be construed to confer on any Seller or his, her or its successors, affiliates or assigns rights against Buyer related to the portion of the Purchase Price allocated to such Seller or the net proceeds received after delivery of same into Sellers' Account.

ARTICLE 3

Representations and Warranties Concerning the Transaction

Except as set forth in the Disclosure Letter attached hereto and made a part hereof, each Seller severally represents and warrants to Buyer as follows with the agreement that no Seller makes any representation or warranty in this Article 3 with respect to any other Seller:

3.1 Authority; Capacity and Representation. Such Seller possesses all requisite legal right, power, authority and capacity (corporate or otherwise) to execute, deliver and perform this Agreement, and each other agreement, instrument and document to be executed and delivered by such Seller pursuant hereto (the "Seller Ancillary Agreements"), and consummate the transactions contemplated herein and therein. The execution, delivery and performance by such Seller of this Agreement and such Seller Ancillary Agreements and the consummation by such Seller of the transactions contemplated hereby and thereby have been duly and validly authorized (by corporate action or otherwise) on the part of such Seller. If Seller is not a natural person,

Seller is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization.

3.2 Ownership of Securities. Such Seller is the sole beneficial and record owner and has good and marketable title to all of such Seller's Respective Securities free and clear of all Liens. Upon delivery to Buyer of the certificates, instruments or agreements, as applicable, representing the Securities and payment for the Securities at Closing as provided in this Agreement, Seller will convey to Buyer good and valid title to the Securities, free and clear of all Liens, other than those created by Buyer.

3.3 Execution and Delivery; Enforceability. This Agreement has been, and each Seller Ancillary Agreement will upon delivery be, duly executed and delivered by such Seller and constitutes, or will upon such delivery constitute, the legal, valid and binding obligation of such Seller, enforceable in accordance with its terms.

3.4 Noncontravention.

(a) Except for the applicable requirements of the Security Holders' Agreement, neither the execution and delivery of this Agreement or any Seller Ancillary Agreement nor the consummation by such Seller of the transactions contemplated hereby or thereby, nor compliance by such Seller with any of the provisions hereof or thereof, will: (i) in the case that Seller is not a natural person, conflict with or result in a breach of, any provisions of the Charter Documents of such Seller, (ii) constitute or result in the breach of any term, condition or provision of, or constitute a default under (with or without notice or lapse of time, or both), or give rise to any right of termination, consent, amendment, cancellation, modification or acceleration with respect to, or give rise to any obligation of such Seller to make any payments under, or result in the creation or imposition of a Lien upon any property or assets of such Seller pursuant to any material Contract to which such Seller is a party or by which any of such Seller or any of its respective properties or assets may be subject, or (iii) violate any Law or Order applicable to such Seller or by which any properties or assets owned or used by such Seller is bound or affected.

(b) Other than the applicable requirements of the HSR Act and the Security Holders' Agreement, no consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority or other Person is required to be obtained or made by Seller in connection with: (i) the execution, delivery and performance by such Seller of this Agreement or any Seller Ancillary Agreement; or (ii) the compliance by such Seller with any of the provisions hereof or thereof or the consummation by such Seller of the transactions contemplated hereby or thereby.

ARTICLE 4

Representations and Warranties Concerning the Acquired Companies

Except as set forth in the Disclosure Letter attached hereto and made a part hereof, with respect to the representations and warranties contained in Sections 4.1 through 4.6. inclusive, of this Article 4, the Company represents and warrants to Buyer that:

4.1 Organization and Good Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Subsidiary is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Each of the Acquired Companies has all requisite corporate power and authority to own and lease its assets and to operate its business as the same are now being owned, leased and operated. Each of the Acquired Companies is duly qualified or licensed to do business as a foreign corporation in, and is in good standing in, each jurisdiction in which the nature of its business or its ownership of its properties requires it to be so qualified or licensed, except where the failure to be so qualified or licensed would not have or reasonably be expected to have a Material Adverse Effect. Section 4.1 of the Disclosure Letter sets forth a true and complete list of all jurisdictions in which each of the Acquired Companies are qualified or licensed to do business as a foreign corporation. Each of the Acquired Companies has delivered or made available to Buyer a true, complete and correct copy of the Charter Documents, including all amendments thereto, for each of the Acquired Companies. The Charter Documents of each of the Acquired Companies are in full force and effect. The Company has all corporate power and authority to enter into this Agreement and any other agreements or instruments contemplated hereby and to consummate the transactions contemplated herein. Upon execution and delivery hereof by the parties hereto, this Agreement shall constitute the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

4.2 Capital Stock.

4.2.1 Capital Stock of the Company. The total number of shares of capital stock of all classes which the Company has the authority to issue is One Hundred Thousand (100,000), which are classified as follows: Fifty Thousand (50,000) Class A Common Shares, $.01 par value; Ten Thousand (10,000) Class B Common Shares, $.01 par value; Twenty Thousand (20,000) Class A Preferred Shares, $.01 par value; and Twenty Thousand (20,000) Series B Preferred Shares, $.01 par value. Of such authorized shares, a total of Twenty Nine Thousand Forty-Three and Nine Hundred Fifty Six Thousandths (29,043.956) Class A Common Shares are issued and outstanding (each, a "Share," and collectively, the "Shares") and are owned of record by Sellers in the respective amounts set forth in Section 4.2.1 of the Disclosure Letter. In addition, Two Thousand Four Hundred Eighty and Eighty-Six Hundredths (2,480.86) Warrants for Class B Common Shares (the "Warrants") and One Thousand Eighty-Two and Two Hundredths (1,082.02) Stock Options for Class A Common Shares (the "Stock Options") are owned by Sellers in the respective amounts set forth in Section 4.2.1 of the Disclosure Letter. All of the Shares have been duly authorized and validly issued, are fully paid and nonassessable, and were issued in compliance with all applicable federal and state securities laws and any preemptive rights or rights of first refusal of any Person. All of the Warrants and Stock Options have been

duly authorized, and were delivered in compliance with all applicable federal and state securities laws and any preemptive rights or rights of first refusal of any Person. Except for the Stock Options and Warrants, or as set forth in the Security Holders' Agreement: (a) there are no voting trusts, proxies, or other agreements or understandings with respect to the voting of any shares of capital stock of the Company; (b) there does not exist nor is there outstanding any right or security granted to, issued to, or entered into with, any Person to cause the Company to issue, grant or sell any shares of capital stock of the Company to any Person (including any warrant, stock option, call, preemptive right, convertible or exchangeable obligation, subscription for stock or securities convertible into or exchangeable for stock of the Company, or any other similar right, security, instrument or agreement), and there is no commitment or agreement to grant or issue any such right or security; (c) there is no obligation, contingent or otherwise, of the Company to: (i) repurchase, redeem or otherwise acquire any share of the capital stock or other equity interests of the Company; or (ii) provide funds to, or make any investment in (in the form of a loan, capital contribution or otherwise), or provide any guarantee with respect to the obligations of any other Person (other than the other Acquired Companies); and (d) there are no bonds, debentures, notes or other indebtedness (other than the Warrants) which have the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders of the Company are entitled to vote.

4.2.2 Capital Stock of the Subsidiary. The capital stock of the Subsidiary is as set forth in Section 4.2.2 of the Disclosure Letter. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting of the percentage interests of the Subsidiary and there does not exist nor is there outstanding any right or security granted to, issued to, or entered into with, any Person to cause the Subsidiary to issue, grant or sell any percentage interests or other equity interests of the Subsidiary to any Person (including any warrant, stock option, call, preemptive right, convertible or exchangeable obligation, subscription for percentage interests or securities convertible into or exchangeable for percentage interests of the Subsidiary, or any other similar right, security, instrument or agreement), and there is no commitment or agreement to grant or issue any such right or security. There is no obligation, contingent or otherwise, of the Subsidiary to: (i) repurchase, redeem or otherwise acquire any percentage interests or other equity interests of the Subsidiary; or (ii) provide funds to, or make any investment in (in the form of a loan, capital contribution or otherwise), or provide any guarantee with respect to the obligations of any other Person (other than the other Acquired Companies). All of the issued and outstanding membership interests of the Subsidiary are owned by the Company free and clear of any Lien or pledge.

4.3 Other Ventures. Other than the Company (with respect to the Subsidiary), none of the Acquired Companies owns of record or beneficially any equity ownership interest in any other Person, nor is it a partner or member of any partnership, limited liability company, joint venture or similar entity.

4.4 Noncontravention; Brokerage.

(a) Neither the execution and delivery of this Agreement or any agreement, instrument or document to be executed and delivered by the Company pursuant hereto (the "Company Ancillary Agreements"), nor the consummation by the Company of the transactions contemplated hereby or thereby, nor compliance by the Company with any of the provisions

hereof or thereof, will: (i) conflict with or result in a breach of any provisions of the Charter Documents of any Acquired Company; (ii) constitute or result in the breach of any term, condition or provision of, or constitute a default under (with or without notice or lapse of time, or both), or give rise to any right of termination, consent, amendment, cancellation, modification or acceleration with respect to, or give rise to any obligation of any Acquired Company to make any payments under, or result in the creation or imposition of a Lien upon any property or assets of any Acquired Company pursuant to any Material Contract to which any Acquired Company is a party or by which any of them or any of their respective properties or assets used or owned by any Acquired Company may be subject; (iii) subject to receipt of the requisite approvals set forth in Section 4.4 of the Disclosure Letter, contravene, conflict with or result in a violation of, or constitute a failure to comply with, in any material respect, any Law or Order applicable to any Acquired Company or by which any properties or assets owned or used by any Acquired Company are bound or affected; or (iv) contravene, conflict with or result in a violation of, in any material respect, any of the terms or requirements of, or give any Governmental Authority the right to revoke, withdraw, suspend, cancel, terminate or modify any material Permit that is held by any Acquired Company.

(b) No consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority or other Person is required to be obtained or made by any Acquired Company in connection with: (i) the execution and delivery of this Agreement or any Company Ancillary Agreement or (ii) the compliance by the Company with any of the provisions hereof or thereof or the consummation of the transactions contemplated hereby or thereby.

(c) No Person is or will become entitled, by reason of any agreement or arrangement entered into or made by or on behalf of any of the Acquired Companies, to receive any commission, brokerage, finder's fee or other similar compensation in connection with the consummation of the transactions contemplated by this Agreement.

4.5 Financial Statements. Buyer has been provided copies of: (a) the audited consolidated financial statements of the Company as of and for the fiscal years ended December 31, 2005 and 2006 (collectively, the "Audited Financial Statements"); and (b) the unaudited consolidated financial statements of the Company as of and for the two (2) month period ended March 3, 2007 (the "Interim Financial Statements"). The Audited Financial Statements have been prepared in accordance with GAAP, consistently applied, and present fairly, in all material respects, the consolidated financial position of the Acquired Companies as of the dates indicated and the results of operations for the periods then ended. The Interim Financial Statements have been prepared in accordance with GAAP, consistently applied, and present fairly, in all material respects, the consolidated financial position of the Acquired Companies as of the date indicated and the results of operations for the period then ended, subject in each case to: (a) normal year end adjustments; and (b) the absence of disclosures normally made in footnotes. The balance sheet as of March 3, 2007, which is included in the Interim Financial Statements, is herein referred to as the "Acquisition Balance Sheet."

4.6 Absence of Certain Changes or Events. Since December 31, 2006:

(a) other than circumstances affecting the recreational vehicle and manufactured housing industries generally, there has not occurred any event or circumstance that has had, resulted in, or would reasonably be expected to have, a Material Adverse Effect;

(b) other than as required by applicable Law, there has not been any change in the Tax reporting or accounting policies or practices of any of the Acquired Companies including practices with respect to the payment of accounts payable or the collection of accounts receivable and none of the Acquired Companies has settled or compromised any material Tax liability or made or revoked any material Tax election;

(c) (i) other than in the ordinary course of business, none of the Acquired Companies has made, or granted, (A) any bonus or any wage, severance or termination pay, salary or compensation increase to any current or former director, officer, employee or consultant, (B) any increase of any benefit provided under any employee benefit plan, employment agreement or arrangement, including any fringe benefit plan or arrangement, or (C) any equity or equity-based compensation award; and (ii) none of the Acquired Companies has amended or terminated any existing employee benefit plan or arrangement or adopted any new employee benefit plan or arrangement;

(d) none of the Acquired Companies has issued, transferred, sold or delivered any shares of its capital stock (or its equivalent or options or other convertible securities convertible into or exchangeable or exercisable for, with or without additional consideration, such capital stock or its equivalent) or any other interest therein, or created any Liens on such capital stock except in connection with the exercise of Options;

(e) none of the Acquired Companies has merged or consolidated with any corporation or other entity or invested in, loaned, made an advance or capital contribution to or otherwise acquired any capital stock or business of any Person, or consummated any business combination transaction, in each case, whether a single transaction or series of related transactions;

(f) none of the Acquired Companies has amended its Charter Documents.

(g) none of the Acquired Companies has suffered any theft, damage, destruction or loss of or to any tangible asset or assets having a value in excess of Fifty Thousand Dollars ($50,000) individually;

(h) none of the Acquired Companies has sold, assigned, transferred or subjected to any Lien or otherwise disposed of any tangible or intangible assets having a book value in excess of Fifty Thousand Dollars ($50,000) individually, except for sales of inventory in the ordinary course of business consistent with past practice and except for Permitted Liens;

(i) none of the Acquired Companies has purchased or leased, or has committed to purchase or lease, or authorized any capital expenditures or commitment for capital expenditures, of any asset for an amount in excess of One Hundred Thousand Dollars ($100,000) individually, except purchases of inventory and supplies in the ordinary course of business consistent with past practice;

(j) none of the Acquired Companies has abandoned or cancelled any material Intellectual Property rights;

(k) there has not been any transfer or other disposition (by the way of a Contract or otherwise) to any Person of rights to any Intellectual Property of the Acquired Companies;

(l) none of the Acquired Companies has made or agreed to make any write-off or write-down, any determination to write-off or write-down, or revalue, any of the assets and properties of the Company, or change any reserves or liabilities associated therewith, in an amount exceeding Fifty Thousand Dollars ($50,000);

(m) none of the Acquired Companies has made or agreed to make payment, discharge or satisfaction, in an amount in excess of Twenty-Five Thousand Dollars ($25,000), in any one case, of any claim, liability or obligation (whether absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction in the ordinary course of business of liabilities reflected or reserved against in the Audited Financial Statements and other than liabilities incurred in the ordinary course of business since the December 31, 2006; and

(n) none of the Acquired Companies has entered into any agreement or otherwise committed to do any of the foregoing.

Except as set forth in the Disclosure Letter attached hereto and made a part hereof, with respect to the representations and warranties contained in Sections 4.7 through 4.19, inclusive, of this Article 4, the Company represents and warrants to Buyer that, to the Company's Knowledge:

4.7 Taxes.

(a) All Taxes owed by any of the Acquired Companies for all taxable periods, or portions thereof, ending on or before the date hereof (whether or not shown on any Tax Return) have been fully paid, other than Taxes which are not yet due or which, if due, are not delinquent or are being or currently planned to be contested in good faith by appropriate proceedings or have not been finally determined.

(b) All Tax Returns required to be filed by or with respect to the Acquired Companies have been timely filed and all such Tax Returns (including information provided therewith or with respect thereto) are accurate and complete in all material respects.

(c) There are no Tax claims, audits or proceedings by any Taxing Authority pending in connection with any Taxes due from or with respect to the Acquired Companies, and no claim has been made in writing by any Taxing Authority in a jurisdiction where the Acquired Companies do not file Tax Returns that they are or may be subject to taxation by that jurisdiction and no information has been requested in writing by any Taxing Authority in connection with its consideration of the foregoing.

(d) There are not currently in force any waivers or agreements binding upon any of the Acquired Companies for the extension of time for the assessment or payment of any Tax for any taxable period, and no request for any such waiver or extension is currently pending.

(e) Each of the Acquired Companies has properly withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any Person.

(f) None of the Acquired Companies is a party to or bound by any Tax allocation or Tax sharing agreement, or any similar agreement.

(g) None of the Acquired Companies has been a member of an affiliated group filing a consolidated federal income Tax Return (other than a group the common parent of which was the Company) nor have any liability for the Taxes of any Person under Treas. Reg. § 1.1502-6, Treas. Reg. § 1.1502-78 (or any similar provision of state, local, or foreign law), as a transferee or successor, by Contract, or otherwise.

(h) There are no Liens for Taxes upon the assets or properties of any of the Acquired Companies, except for statutory Liens for current Taxes not yet due.

(i) None of the Acquired Companies has executed any power of attorney, which is currently in effect, with respect to any matter relating to Taxes.

(j) None of the Acquired Companies has a permanent establishment outside of the United States.

(k) The Acquired Companies have maintained all necessary books and records with respect to Tax Returns still subject to audit.

4.8 Employees. There are no pending controversies, grievances or claims by any employee or former employee of any of the Acquired Companies with respect to his or her employment, termination of employment or any employee benefits (other than routine claims for benefits). None of the Acquired Companies is a party to any collective bargaining agreement or employee grievance procedure or dispute resolution mechanism nor is there pending or underway any union organizational activities or proceedings with respect to employees of any of the Acquired Companies. Section 4.8 of the Disclosure Letter sets forth a complete list, as of the date hereof, of all employees of any of the Acquired Companies who, for the fiscal year ended December 31, 2006, received total employment compensation of One Hundred Fifty Thousand Dollars ($150,000) or more in such fiscal year or who would have received such amount had he or she been actively employed for the full fiscal year. There is no labor strike, slowdown or stoppage pending or threatened in writing against any of the Acquired Companies.

4.9 Employee Benefit Plans and Other Compensation Arrangements. Set forth in Section 4.9(a) of the Disclosure Letter is a list of all material employee benefit plans (as defined in Section 3(3) of ERISA), with respect to which any of the Acquired Companies currently is the sponsor or is obligated to make contributions under the plan terms (the "Plans"). With respect to the Plans:

(a) none of the Plans is a "multiemployer plan" (as defined in Title I or Title IV of ERISA) or a plan subject to Title IV of ERISA;

(b) each of the Plans that is intended to be tax-qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service as to its qualification and is so qualified in all material respects, except that no representation is made with respect to any formal qualification requirement with respect to which the remedial amendment period under Section 401(b) of the Code has not yet expired;

(c) there has been no "prohibited transaction" as that term is defined in Section 4975 of the Code or Section 406 of ERISA (each as modified by Section 408 of ERISA) within the last five years and, within the last five years, no Plan has been terminated under either a distress or standard termination as provided in Title IV of ERISA, nor has any notice of intent to terminate any Plan been filed with the Pension Benefit Guaranty Corporation ("PBGC"), nor has the PBGC issued any written notice of intent to terminate any Plan;

(d) no Plan has incurred any "accumulated funding deficiency" as such term is defined in Section 412 of the Code and Section 302 of ERISA (whether or not waived) within the last five years;

(e) neither the Company nor any ERISA Affiliate has or will have any liability (contingent or otherwise) to or in connection with any "multiemployer plan" within the meaning of Section 3(37) of ERISA, or any other employee benefit plan subject to Title IV of ERISA;

(f) all of the Plans have been operated in compliance in all material respects with their respective terms and all Laws, and all contributions required under the terms of the Plans or applicable Law have been timely made, including, without limitation, each annual report (if any) required for each applicable Plan has been timely filed (including extensions for purposes of establishing timeliness);

(g) there are no pending or threatened claims against any of the Plans by any employee or beneficiary covered under any Plan or otherwise involving any Plan (other than routine claims for benefits);

(h) none of the Acquired Companies was obligated to make any payments within the immediately preceding twelve (12) month period hereof, nor is any Acquired Company a party to any Contract, including the Plans, covering any current or former employee or consultant of the Acquired Companies that require it to make or give rise to any payments in connection with the transactions contemplated hereby (disregarding any termination of employment occurring on or after the Closing) that are not fully deductible under Section 280G of the Code;

(i) except with respect to the Stock Options and the Warrants, neither the execution and delivery of this Agreement nor the consummation of the

transactions contemplated hereby, disregarding any termination of employment which may occur on or after the Closing, will: (i) result in any material payment (including, without limitation, severance, unemployment compensation, golden parachute or otherwise) becoming due to any director, officer or any employee of the Acquired Companies from the Acquired Companies under any Plan or otherwise; (ii) materially increase any benefits otherwise payable under any Plan; or (iii) result in any acceleration of the time of payment or vesting of any such benefits to any material extent;

(j) none of the Plans provides or is obligated to provide medical or life insurance coverage to any retired Person, or any current employee of any of the Acquired Companies following such employee's retirement or other termination of employment, except as required by applicable Law (including Section 4980B of the Code);

(k) none of the Acquired Companies maintains any Plan under which it would be obligated to pay benefits solely because of the consummation of the transactions contemplated by this Agreement, disregarding any termination of employment which may occur on or after the Closing;

(l) none of the Acquired Companies have classified any individual as an "independent contractor" or of similar status who, according to a plan or applicable Law, should have been classified as an employee;

(m) the Acquired Companies have no liability, actual or contingent, with respect to any employee who is improperly excluded from participating in any Plan;

(n) except as otherwise reflected in the Plan documents (including any summary plan descriptions), or as required by applicable Law, neither of the Acquired Companies has promised or agreed to limit its authority to amend or terminate any of the Plans; and

(o) each nonqualified deferred compensation plan subject to Section 409A of the Code that is maintained by any of the Acquired Companies has been administered in all material respects in a manner intended to avoid adverse tax consequences under Section 409A of the Code.

4.10 Environmental Matters. With respect to the Acquired Companies:

(a) there is and has been no generation, Treatment, Storage, Release, Disposal or transport of any Hazardous Material, regardless of quantity, at, on, under, or from any of the Real Property, or at, on, under or from any real property formerly owned or operated or leased, by any Acquired Company except in conformance with all applicable Laws;

(b) no asbestos or urea formaldehyde containing materials have been incorporated into or used on the buildings or any improvements that are a part of the Real Property, or into other assets of or products made or sold by the Acquired Companies;

(c) there are no electrical transformers, capacitors, fluorescent light fixture with ballasts, or other equipment containing polychlorinated biphenyls on the Real Property;

(d) all Hazardous Material not in current, usable inventory has been removed from the Real Property and disposed of in compliance with all applicable Laws;

(e) no Acquired Company has at any time sent any Hazardous Materials to a site that, pursuant to any applicable Law: (i) has been placed or proposed for placement on the National Priorities List or any similar state list; or (ii) is subject to or the source of an order, demand or request from a Government Authority to take "response," "corrective," "removal," or "remedial" action, as defined in any applicable Environmental Law, or to pay for the costs of any such action at any location;

(f) since December 31, 2003, no Acquired Company has received any written notice, order or other communication from any Governmental Authority, citizens' group, employee or other individual or entity claiming that the Acquired Companies are, or may be, liable for (i) personal injury, property damage or for any other costs or expenses related to any Release, Treatment, Storage or Disposal of, or exposure to, any Hazardous Material; (ii) any Environmental Claim; or (iii) any non-compliance with any Environmental Laws;

(g) there are no underground storage tanks or related piping, landfills, buried drums or surface impoundments located on, under or at the Real Property;

(h) each of the Acquired Companies is, and has been since December 31, 2003, in compliance in all material respects with all applicable Environmental Laws (which compliance includes without limitation the possession by each Acquired Company of all Permits required under applicable Environmental Laws, and compliance in all material respects with the terms and conditions thereof); and

(i) there is no Environmental Claim pending or threatened in writing against any of the Acquired Companies or against any Person with respect to whom the Acquired Companies has or may have retained or assumed any liability for any Environmental Claim, either contractually or by operation of Law.

4.11 Permits; Compliance with Laws. Each of the Acquired Companies is and has been since December 31, 2003 in compliance in all material respects with all applicable Laws, and possesses and has possessed since December 31, 2003 all material licenses, permits, registrations, permanent certificates of occupancy, authorizations, and certificates from any Governmental Authority required under applicable Law with respect to the operation of its business as currently conducted (collectively, "Permits"). Except for those that are no longer applicable to any of the Acquired Companies, none of the Acquired Companies has received any written notice from any Governmental Authority regarding any actual, alleged, possible or potential violation of, or failure to comply with any Law or Order applicable to any Acquired Company or by which any properties or assets owned or used by any Acquired Company are presently bound or affected.

4.12 Real and Personal Properties.

(a) Section 4.12(a) of the Disclosure Letter lists: (i) all of the real property owned by any of the Acquired Companies (collectively, the "Owned Real Property"); and (ii) all of the real property demised by leases or subleases (collectively, the "Leases") to any of the Acquired Companies (collectively, the "Leased Real Property," and together with the Owned Real Property, the "Real Property"). None of the Acquired Companies has leased, subleased or otherwise granted any rights to the use or occupation of any portion of the Real Property, which is currently in effect.

(b) Each applicable Acquired Company holds a valid and existing leasehold interest under each of the Leases to which it is a party for the terms set forth therein. The Acquired Companies have made available to Buyer a complete and accurate copy of each of the Leases, including all amendments thereto.

(c) The Acquired Companies own each parcel of Owned Real Property as set forth in Section 4.12(a) of the Disclosure Letter, and the Acquired Companies own each of the items of tangible personal property reflected on the Acquisition Balance Sheet or acquired thereafter (except for assets reflected thereon or acquired thereafter that have been disposed of in the ordinary course of business consistent with past practice since the date of the Acquisition Balance Sheet), free and clear of all Liens, except for Liens identified or described in Section 4.12(c) of the Disclosure Letter, and except for Permitted Liens. The tangible personal property is sufficient, in all material respects, for the operation of the business as currently conducted by the Acquired Companies.

4.13 Accounts Receivable. The accounts receivable reflected on the Acquisition Balance Sheet and accounts receivable arising after the date of the Acquisition Balance Sheet and reflected on the books and records of the Acquired Companies represent valid obligations arising from sales actually made. The accounts receivable reflected on the Acquisition Balance Sheet are stated thereon in accordance with GAAP, consistently applied, subject to: (a) normal year end adjustments; and (b) the absence of disclosures normally made in footnotes.

4.14 Inventories. The inventories reflected on the Acquisition Balance Sheet are stated thereon in accordance with GAAP, consistently applied, subject to: (a) normal year end adjustments, and (b) the absence of disclosures normally made in footnotes.

4.15 Intellectual Properties.

(a) Section 4.15(a) of the Disclosure Letter sets forth a list of all registered Intellectual Property, pending applications for registration of Intellectual Property and material unregistered Intellectual Property (other than Trade Secrets) of the Acquired Companies. Section 4.15(b) of the Disclosure Letter sets forth all written licenses (excluding Off-the-Shelf Software and end user licenses for mass market Software) pursuant to which any of the Acquired Companies is a party either as a licensee or licensor and any other material agreements under which the Acquired Companies grant or receive any rights to Intellectual Property.

(b) The Acquired Companies own and possess all, right, title and interest in and to, or have a valid and enforceable right or license to use the Company Intellectual Property as currently being used.

(c) Except for the Permitted Liens, the Company Intellectual Property is not subject to any Liens and is not subject to any restrictions or limitations regarding use or disclosure other than pursuant to the written license agreements disclosed in Section 4.15(b) of the Disclosure Letter.

(d) The Company Intellectual Property owned by any of the Acquired Companies and the Company Intellectual Property used by any of the Acquired Companies, is valid, subsisting, in full force and effect, and has not been cancelled, expired or abandoned.

(e) None of the Acquired Companies has infringed, misappropriated or otherwise conflicted with, any Intellectual Property of any third party. None of the Acquired Companies has received in the past three (3) years any written notice regarding any of the foregoing, including, without limitation, any demands or offers to license any Intellectual Property from any third party.

(f) No third party is infringing or has infringed, misappropriated or otherwise violated any of the Company Intellectual Property. No such claims have been brought or threatened in writing against any third party by any of the Acquired Companies.

4.16 Contracts. Section 4.16 of the Disclosure Letter lists all of the currently effective written agreements or binding oral agreements (including a description of the material terms of such oral agreements) of the following types to which any of the Acquired Companies is a party or by which any material assets of any of the Acquired Companies are bound or are subject (it being understood that subject to Section 8.1.5, Sellers' Representative shall be permitted to provide Buyer with a supplement to Section 4.16 of the Disclosure Letter to reflect the entering into, or amendment, supplement or other modification of, any such agreements in the ordinary course of business after the date hereof and prior to the Closing Date):

(a) Contracts or group of related Contracts, other than purchase orders entered into in the ordinary course of business consistent with past practice, which involve commitments to make capital expenditures or which provide for the purchase of assets, goods or services by any of the Acquired Companies from any one Person under which the undelivered balance of such goods or services has a purchase price in excess of One Hundred Thousand Dollars ($100,000);

(b) Contracts or group of related Contracts, other than sales orders entered into in the ordinary course of business consistent with past practice, which provide for the sale of goods or services by any Acquired Company and under which the undelivered balance of such goods or services has a sale price in excess of One Hundred Thousand Dollars ($100,000);

(c) Contracts relating to Indebtedness of any Acquired Company or the granting by any Acquired Company of a Lien on any of its assets;

(d) Contracts with dealers, distributors or sales representatives;

(e) joint venture agreements, partnership agreements, and limited liability company agreements and each similar type of Contract (however named) involving a sharing of profits, losses, costs or liabilities with any other Person;

(f) Contracts with any labor union or other employee representative of a group of employees relating to wages, hours and other conditions of employment;

(g) written Contracts of employment with any employee or officer;

(h) Contracts not otherwise disclosed herein which limit the freedom of any Acquired Company to engage in any business or compete with any Person;

(i) Contracts pursuant to which any Acquired Company is a lessor or a lessee of any personal or real property, or holds or operates any tangible personal property owned by another Person, except for any such leases under which the aggregate annual rent or lease payments do not exceed Twenty Five Thousand Dollars ($25,000);

(j) stock option Contracts, warrants and convertible securities for the purchase or issuance of capital stock of any Acquired Company;

(k) Contracts restricting the transfer of capital stock of any Acquired Company, obligating any Acquired Company to issue or repurchase shares of its capital stock, or relating to the voting of stock or the election of directors of any Acquired Company;

(l) Contracts for the sale, assignment, transfer or other disposition of assets involving a purchase price (in a single transaction or a series of related transactions) in excess of One Hundred Thousand Dollars ($100,000) and under which any Acquired Company has any continuing liability or obligation;

(m) Contracts with any officer, director, shareholder or Affiliate of the Company;

(n) the Leases; and

(o) the licenses listed in Section 4.15(b) of the Disclosure Letter.

Copies of each Contract required to be identified in Section 4.16 of the Disclosure Letter, including all amendments thereto (collectively, the "Material Contracts") have been made available to Buyer. All of the Material Contracts are in full force and effect and are enforceable against the Acquired Company that is a party thereto and the other parties thereto, in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights or by principles of equity. Each of the Acquired Companies (as the case may be) has performed in all material respects all obligations required to be performed by it pursuant to such Material Contracts, and there are no existing written threats of default, breaches or violations of any of such Material Contracts by any other party thereto.

4.17 Litigation. There are no Actions pending against or brought by, threatened in writing against or threatened in writing to be brought by, any of the Acquired Companies that: (a) involve more than Twenty Thousand Dollars ($20,000) in claims or damages individually; (b) could result in the entry of equitable relief; or (c) could reasonably be expected to prevent or materially delay the consummation of the transactions contemplated hereby; and no such claim has been settled since January 1, 2006. Section 4.17 of the Disclosure Letter lists all Claims of any of the Acquired Companies pending as of the date hereof against any Seller.

4.18 Material Suppliers and Customers. No customer which accounted for more than five percent (5%) of sales (the "Material Customers"), and no supplier which accounted for more than five percent (5%) of purchases (the "Material Suppliers") in the fiscal year ended December 31, 2006 has delivered to any Acquired Company any written notice which cancelled, materially modified, or otherwise terminated its relationship with such Acquired Company or materially decreased its services, supplies or materials to any Acquired Company or its usage or purchase of the services or products of such Acquired Company, nor has any of the Material Customers or the Material Suppliers indicated its intention in writing to such Acquired Company to do any of the foregoing.

4.19 Product Warranty. Section 4.19 of the Disclosure Letter sets forth the Product Warranty Claims history of the Acquired Companies from July 1, 2006 through March 3, 2007. All product warranty claims with respect to the sale of roof vents by the Acquired Companies to Amerimax Building Products, Inc. have been settled or otherwise resolved pursuant to the settlement agreement with Amerimax Building Products, Inc.

4.20 No Additional Representations. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS ARTICLE 4, THE COMPANY EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO THE CONDITION, VALUE OR QUALITY OF ANY OF THE ACQUIRED COMPANIES OR ANY OF THE ACQUIRED COMPANIES' ASSETS, AND THE COMPANY SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO ANY OF THE ACQUIRED COMPANIES' ASSETS, OR AS TO THE WORKMANSHIP THEREOF, OR THE ABSENCE OF ANY DEFECTS THEREIN, WHETHER LATENT OR PATENT, IT BEING UNDERSTOOD THAT SUCH SUBJECT ASSETS ARE BEING ACQUIRED "AS IS, WHERE IS" ON THE CLOSING DATE, AND IN THEIR PRESENT CONDITION, AND BUYER SHALL RELY ON ITS OWN EXAMINATION AND INVESTIGATION THEREOF. IN ADDITION AND WITHOUT LIMITATION TO THE FOREGOING, OTHER THAN THE REPRESENTATIONS AND WARRANTIES SET FORTH IN ARTICLE 3 WITH RESPECT TO SELLERS AND ARTICLE 4 WITH RESPECT TO THE COMPANY, SELLERS AND THE COMPANY DO NOT MAKE, AND HAVE NOT MADE, ANY REPRESENTATIONS OR WARRANTIES RELATING TO SELLERS, THE ACQUIRED COMPANIES OR THE BUSINESSES OF THE ACQUIRED COMPANIES OR OTHERWISE, IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE, INCLUDING, WITHOUT LIMITATION, THOSE REGARDING COST ESTIMATES, PROJECTIONS OR OTHER PREDICTIONS, AND INFORMATION IN ANY MEMORANDA OR OFFERING MATERIALS OR PRESENTATIONS. NO PERSON HAS BEEN AUTHORIZED BY SELLERS OR THE

COMPANY TO MAKE ANY REPRESENTATION OR WARRANTY RELATING TO SELLERS, THE ACQUIRED COMPANIES OR THE BUSINESSES OF THE ACQUIRED COMPANIES OR OTHERWISE IN CONNECTION WITH THE TRANSACTION CONTEMPLATED HEREBY AND, IF MADE, SUCH REPRESENTATION OR WARRANTY MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY SELLERS OR THE COMPANY AND SHALL NOT BE DEEMED TO HAVE BEEN MADE BY SELLERS OR THE COMPANY.

ARTICLE 5

Representations and Warranties of Buyer

Buyer represents and warrants to the Company and each Seller as follows:

5.1 Organization; Authorization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Indiana. Buyer has all requisite corporate power and authority to execute, deliver and perform this Agreement and each other agreement, instrument and document to be executed and delivered by Buyer pursuant hereto (the "Buyer Ancillary Agreements"). The execution, delivery and performance of this Agreement and such other Buyer Ancillary Agreements and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly and validly authorized (by corporate action or otherwise) on the part of Buyer.

5.2 Execution and Delivery; Enforceability. This Agreement has been, and each Buyer Ancillary Agreement, will upon such delivery be, duly executed and delivered by Buyer and constitutes, or will upon such delivery constitute, the legal, valid and binding obligation of Buyer, enforceable in accordance with its terms.

5.3 Governmental Authorities; Consents.

(a) Except for the applicable requirements of the HSR Act, neither the execution and delivery of this Agreement or any Buyer Ancillary Agreement, nor the consummation by Buyer of the transactions contemplated hereby or thereby, nor compliance by Buyer with any of the provisions hereof or thereof, will: (i) conflict with or result in a breach of Buyer any provisions of the Charter Documents of Buyer; (ii) constitute or result in the breach of any term, condition or provision of, or constitute a default under (with or without notice or lapse of time, or both), or give rise to any right of termination, consent, amendment, cancellation, modification or acceleration with respect to, or give rise to any obligation of Buyer to make any payments under, or result in the creation or imposition of a Lien upon any property, assets of Buyer pursuant to any material Contract to which Buyer is a party or by which any of its respective properties or assets may be subject, other than any such consequences that could not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of Buyer to consummate the transactions contemplated by this Agreement; or (iii) violate any Law or Order applicable to Buyer or by which any properties or assets owned or used by Buyer is bound or affected.

(b) Other than the applicable requirements of the HSR Act, no consent, approval, authorization or permits of, or filing with or notification to, any Governmental

Authority or other Person is required to be obtained or made by Buyer in connection with: (i) the execution, delivery and performance by Buyer of this Agreement or any Buyer Ancillary Agreement in connection herewith; or (ii) the compliance by Buyer with any of the provisions hereof or thereof or the consummation of the transactions contemplated hereby or thereby.

5.4 Brokerage. No Person is or will become entitled, by reason of any agreement or arrangement entered into or made by or on behalf of Buyer, to receive any commission, brokerage, finder's fee or other similar compensation in connection with the consummation of the transactions contemplated by this Agreement.

5.5 Investment Intent; Restricted Securities. Buyer is acquiring the Securities solely for Buyer's own account, for investment purposes only, and not with a view to, or with any present intention of, reselling or otherwise distributing the Securities or dividing its participation herein with others. Buyer has sufficient experience in business, financial and investment matters to be able to evaluate the purchase of the Securities and to make an informed investment decision with respect to such purchase. Buyer is an "accredited investor" within the meaning of Rule 501 promulgated under the 1933 Act. Buyer has had such opportunity as it has deemed adequate to obtain from management of the Acquired Companies such information about the businesses of the Acquired Companies as is necessary to permit Buyer to evaluate the merits and risks of investment in the Acquired Companies. Buyer understands and acknowledges that: (a) none of the Securities have been registered or qualified under the 1933 Act, or under any securities Laws of any state of the United States or other jurisdiction, in reliance upon specific exemptions thereunder for transactions not involving any public offering; (b) all of the Securities constitute "restricted securities" as defined in Rule 144 under the 1933 Act; (c) none of the Securities are traded or tradable on any securities exchange or over-the-counter; and (d) none of the Securities may be sold, transferred or otherwise disposed of unless a registration statement under the 1933 Act with respect to such Securities and qualification in accordance with any applicable state securities Laws becomes effective or unless such registration and qualification is inapplicable, or an exemption therefrom is available. Buyer will refrain from transferring or otherwise disposing of any of the Securities acquired hereunder or any interest therein in any manner that may cause any Seller to be in violation of the 1933 Act or any applicable state securities Laws.

5.6 Financing. At the Closing, Buyer will have readily available funds to consummate the transactions contemplated by this Agreement and each Buyer Ancillary Agreement.

ARTICLE 6

Conditions Precedent

6.1 Conditions to Buyers' Obligations. The obligation of Buyer to consummate the closing of the transaction contemplated in this Agreement is subject to the satisfaction or waiver, at or before the Closing, of the following conditions set forth in this Section 6.1:

(a) all filings, authorizations and approvals and consents set forth on in Section 6.1(a) of the Disclosure Letter shall have been made with or obtained from all applicable Persons;

(b) there shall be no suit, action, investigation or proceeding pending or threatened before any Governmental Authority by which it is sought to restrain, delay, prohibit, invalidate, set aside or impose any conditions upon the Closing, in whole or in part, and no injunction, judgment, order, decree or ruling with respect thereto shall be in effect;

(c) there shall not have been a Material Adverse Effect or any event or occurrence (including the failure of the representations and warranties of the Company and Sellers, in the aggregate, to be true and correct as of the Closing Date) which would reasonably be likely to have a Material Adverse Effect;

(d) Sellers, Sellers' Representative and the Acquired Companies shall have performed in all material respects all of the covenants and agreements required to be performed by each of them hereunder prior to or at the Closing;

(e) Buyer shall have received the following:

(i) all agreements representing the Stock Options or Warrants, in each case, duly endorsed for transfer or accompanied by an appropriate instrument of assignment and transfer;

(ii) all certificates for the Shares, duly endorsed for transfer or accompanied by a duly executed stock power or other appropriate instrument of assignment and transfer;

(iii) the written resignation, effective as of the Closing, of each director and officer of the Acquired Companies;

(iv) payoff letters in a commercially reasonable form with respect to the Repaid Closing Indebtedness, which letters provide for the release of all Liens relating to the Repaid Closing Indebtedness following satisfaction of the terms contained in such payoff letters through delivery of all documentation necessary to obtain releases of all Liens subject thereto, including appropriate UCC termination statements, or through authorization to prepare and file the same;

(v) certificates of good standing as of the most recent practicable date from Secretary of State where each of the Acquired Companies is incorporated;

(vi) a certificate of the secretary or other officer of the Company certifying: (A) the true and correct Charter Documents of the Company and the Subsidiary, as of the Closing; and (B) copies of the resolutions duly adopted by the Board of Directors of the Company, authorizing the execution, delivery and performance by the Company of this Agreement and each Company Ancillary Agreement;

(vii) evidence of termination of the Lincap Management Agreement;

(viii) the audited consolidated financial statements of the Company as of and for the fiscal year ended December 31, 2004; and

(ix) each other document reasonably requested by Buyer pursuant to this Agreement, including the Seller Ancillary Agreements and the Company Ancillary Agreements.

Any agreement or document to be delivered to Buyer pursuant to this Section 6.1, the form of which is not attached to this Agreement as an exhibit, shall be in form and substance reasonably satisfactory to Buyer.

6.2 Conditions to Sellers' Obligations. The respective obligations of Sellers to consummate the closing of the transaction contemplated in this Agreement are subject to the satisfaction, at or before the Closing, of the following conditions set forth in this Section 6.2:

(a) all filings, authorizations and approvals and consents set forth on in Section 6.1(a) of the Disclosure Letter shall have been made with or obtained from all applicable Persons;

(b) there shall be no suit, action, investigation or proceeding pending or threatened before any Governmental Authority by which it is sought to restrain, delay, prohibit, invalidate, set aside or impose any conditions upon the Closing, in whole or in part, and no injunction, judgment, order, decree or ruling with respect thereto shall be in effect;

(c) Buyer shall have delivered to Sellers' Account the Closing Date Payment in accordance with Section 2.3 hereof;

(d) Buyer shall have performed in all material respects all of the covenants and agreements required to be performed by it hereunder prior to or at the Closing;

(e) Buyer shall have satisfied the Repaid Closing Indebtedness in accordance with Section 2.3; and

(f) Sellers shall have received the following:

(i) a certificate of good standing as of the most recent practicable date from Secretary of State where Buyer is incorporated;

(ii) a certificate of the secretary or other officer of Buyer certifying: (A) the true and correct Charter Documents of Buyer, as of the Closing; and (B) copies of the resolutions duly adopted by the Board of Directors of Buyer, authorizing the execution, delivery and performance by Buyer of this Agreement and each Buyer Ancillary Agreements; and

(iii) each other document reasonably requested by Sellers' Representative pursuant to this Agreement, including the Buyer Ancillary Agreements.

Any agreement or document to be delivered to Sellers pursuant to this Section 6.2, the form of which is not attached to this Agreement as an exhibit, shall be in form and substance reasonably satisfactory to Sellers' Representative.

ARTICLE 7

The Closing

The consummation of the transactions contemplated herein (the "Closing") will take place on the later date to occur of May 18, 2007 and the third (3rd) Business Day following the satisfaction or waiver (to the extent permitted by applicable Law) of all of the conditions set forth in Article 6 hereof and shall take place at the offices of McDermott Will & Emery LLP, in Chicago, Illinois or at such other time and place as to which Buyer and Sellers' Representative may agree in writing. The date on which the Closing actually occurs is referred to herein as the "Closing Date." The transfers and deliveries described in Article 6 shall be mutually interdependent and shall be regarded as occurring simultaneously, and, any other provision of this Agreement notwithstanding, no such transfer or delivery shall become effective or shall be deemed to have occurred until all of the other transfers and deliveries provided for in Article 6 shall also have occurred or been waived in writing by the party entitled to waive the same, it being understood that Sellers' Representative shall have the authority to waive on behalf of Sellers or any Seller any delivery required at or before the Closing by Buyer hereunder. Such transfers and deliveries shall be deemed to have occurred and the Closing shall be effective as of 11:59 p.m. on the Closing Date.

ARTICLE 8

Additional Covenants and Agreements

8.1 Pre-Closing Covenants and Agreements.

8.1.1 Conduct of Business. During the period between the date of this Agreement until the earlier to occur of the termination of this Agreement in accordance with Section 8.1.4 or the Closing Date (the "**Pre-Closing Period**"), except as otherwise expressly provided for in this Agreement or the Disclosure Letter or except to the extent Buyer otherwise consents in writing, Sellers shall cause each of the Acquired Companies to: (a) be operated in the ordinary course of business, consistent with past practice, (b) use commercially reasonable efforts to (i) preserve intact its respective business organizations, (ii) keep available the services of its present officers and key employees and (iii) preserve its relationships with customers, suppliers, distributors, licensors, licensees, independent contractors and other Persons having business dealings with it, all with the intent of preserving substantially unimpaired its goodwill and ongoing businesses at and after the Closing, (c) to pay its liabilities, Taxes and other obligations consistent with the Company's past practices (other than liabilities, Taxes and other obligations, if any, contested in good faith and for which reserves have been established in accordance with GAAP), and (d) maintain in full force and effect all Permits used in the conduct of its business as presently conducted and otherwise conduct all activities related to its assets, properties and business in accordance in all material respects with all Laws or Orders of any Governmental Authority, including without limitation by timely filing all required reports or other submissions. Except as expressly contemplated by this Agreement, the Company shall not, without the prior written consent of Buyer (which consent shall not be unreasonably withheld, conditioned or delayed), take or agree in writing or otherwise to take, any action that would result in the occurrence of any of the following:

(a) any of the events described in Section 4.6;

(b) entering into any material Contract, other than with Buyer or its Affiliates, or incur any Liabilities, in either case, outside of the ordinary course of business;

(c) effecting any material amendment or other material modification (or agreement to do so) or violation of the terms of, any of the Material Contracts;

(d) entering into any material transaction with any officer, director, shareholder or Affiliate of any of the Acquired Companies;

(e) (i) commencing any Action or (ii) settling or waiving any rights with respect to any Action that (A) involves more than Twenty Thousand Dollars ($20,000) in claims or damages individually; (B) could result in the entry of equitable relief; or (C) could reasonably be expected to prevent or materially delay the consummation of the transactions contemplated hereby;

(f) any action that would result in the acceleration of sales, which in the ordinary course of business would reasonably be expected to occur subsequent to such time;

(g) any other action that would make any of its representations or warranties contained in this Agreement to be untrue or incorrect when made in any material respect (or, with respect to those representations and warranties that are by their terms qualified by a standard of materiality, untrue or incorrect when made in any respect); and

(h) entering into any agreement or otherwise committing to do any of the foregoing.

8.1.2 Access. During the Pre-Closing Period, Buyer and its representatives (including any financing sources and their respective representatives and environmental consultants) shall continue to have reasonable access to the personnel, facilities, properties, counsel, accountants, consultants, representatives and books and records (consistent with applicable privacy Laws) of the Acquired Companies to conduct such necessary inspections as Buyer may reasonably request.

8.1.3 Satisfaction of Closing Conditions.

(a) During the Pre-Closing Period and subject to the terms and conditions of this Agreement, Sellers and the Company, on the one hand, and Buyer, on the other hand, will use commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary under the terms of this Agreement or under applicable Laws to cause the satisfaction of the conditions set forth in Article 6 and to consummate the transactions contemplated by this Agreement, including using their respective commercially reasonable efforts to obtain all authorizations, consents, Permits, waivers or other approvals of all Governmental Authorities or other Persons that may be or become necessary for its execution and delivery of, and the performance of its obligations pursuant to, this Agreement, and the parties shall cooperate with each other with respect to each of the foregoing.

(b) The parties hereto further covenant and agree, with respect to any threatened or pending preliminary or permanent injunction or other order, decree or ruling or statute, rule, regulation or executive order that would adversely affect the ability of the parties hereto to consummate the transactions contemplated hereby, to respectively use commercially reasonable efforts to prevent the entry, enactment or promulgation thereof, as the case may be. Without limiting the foregoing, each of the parties hereto shall use commercially reasonable efforts to lift or rescind any injunction or restraining order or other order adversely affecting the ability of the parties hereto to consummate the transactions contemplated hereby.

(c) Each party hereto shall promptly inform the other of any material communication from the Federal Trade Commission (the "FTC"), the United States Department of Justice (the "DOJ") or any other Government Authority regarding any of the transactions contemplated hereby. If any party hereto or any Affiliate thereof receives a request for additional information or documentary material from any such Government Authority with respect to the transactions contemplated hereby, then such party shall endeavor in good faith to make, or cause to be made, as soon as reasonably practicable and after consultation with the other party, an appropriate response in compliance with such request. Buyer shall advise the Company promptly in respect of any understandings, undertakings or agreements (oral or written) that Buyer proposes to make or enter into with the FTC, the DOJ or any other Government Authority in connection with the transactions contemplated hereby. The Company shall advise Buyer promptly in respect of any understandings, undertakings or agreements (oral or written) that the Company proposes to make or enter into with the FTC, the DOJ or any other Government Authority in connection with the transactions contemplated hereby.

(d) If any objections are asserted with respect to the transactions contemplated hereby by the FTC, the DOJ or any other Government Authority or if any suit is instituted by any Government Authority or any private party challenging any of the transactions contemplated hereby as violative of any antitrust law, each of the parties shall use commercially reasonable efforts to resolve such objections or challenge as such Government Authority or private party may have to such transactions, including to vacate, lift, reverse or overturn any order, decree or ruling or statute, rule, regulation or executive order, whether temporary, preliminary or permanent, so as to permit consummation of the transactions contemplated by this Agreement. Nothing in this Section 8.1.3 or in this Agreement shall obligate Buyer to divest or hold separate (including by trust or otherwise) any assets and/or securities of any corporation to secure authorization by any Governmental Authority to consummate the transactions contemplated by this Agreement.

8.1.4 Termination. This Agreement may be terminated:

(a) by mutual written consent of Buyer and Sellers' Representative at any time prior to the Closing;

(b) by: (i) Buyer if any of the conditions in Section 6.1 has not been satisfied as of June 15, 2007 or if satisfaction of such a condition is or becomes impossible (other than through the failure of Buyer to comply with its obligations under this Agreement) and Buyer has not waived such condition; or (ii) Sellers' Representative if any of the conditions in Section 6.2 has not been satisfied as of June 15, 2007 or if satisfaction of such a condition is or becomes

impossible (other than through the failure of Sellers or Sellers' Representative to comply with their obligations under this Agreement) and Sellers' Representative has not waived such condition; or

(c) by Buyer or Sellers' Representative, if the Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before June 15, 2007.

8.1.5 Update of Disclosure Letter. On or before the Closing Date, the Company may deliver to Buyer an updated Disclosure Letter with respect to any matter hereafter arising which if existing or occurring at or prior to the date of this Agreement would have been necessary to be set forth or described in any of the sections in the Disclosure Letter. Any disclosure in any updated section in the Disclosure Letter shall not be deemed to have cured any breach of any representation or warranty made in this Agreement for purposes of the indemnifications provided for in Article 9 hereof.

8.1.6 Pre-Closing Publicity. During the Pre-Closing Period, any public disclosures or announcements relating to this Agreement or the transactions contemplated hereby will be made only as may be agreed upon in writing by Sellers' Representative and Buyer, except as may be required by Law or by any Governmental Authority or the rules of any stock exchange or trading system.

8.1.7 Exclusivity. During the Pre-Closing Period, each Seller and the Company agrees that such Seller and the Company will not, and will cause the Subsidiary, and each of their respective directors, officers, managers, agents, lenders, financing sources, advisors or other representatives, including legal counsel, accountants and financial advisors, not to, directly or indirectly (a) solicit, initiate or encourage any inquiry, proposal, offer or contact from any Person (other than Buyer and its Affiliates and representatives) relating to any transaction involving the sale of any stock or other ownership interest or material assets (other than the sale of inventory in the ordinary course of business) of any of the Company or the Subsidiary or any acquisition, divestiture, merger, share or unit exchange, consolidation, redemption, financing or similar transaction involving the Company or the Subsidiary (in each case, an "Acquisition Proposal"), or (b) participate in any discussion or negotiation regarding, or furnish any information with respect to, or assist or facilitate in any manner, any Acquisition Proposal. The Company and each Seller will immediately cease and cause to be terminated any and all existing discussions and negotiations with any other Person regarding any of the foregoing.

8.1.8 Notice to Warrantholders. Each holder of the Warrants acknowledges and agrees that by their execution of this Agreement the requirement contained in the Warrant regarding notice of the transactions contemplated by this Agreement has been satisfied.

8.1.9 Specific Performance. Each of the parties hereby agree that in the event of a breach of this Agreement by any party money damages may be inadequate and the other party may have no adequate remedy at Law. It is accordingly agreed that, in addition to, and without limiting any other remedy or right any party may otherwise have, the non-breaching party or parties may seek an injunction, specific performance, or other equitable relief in any court of competent jurisdiction, without any necessity of proving damages or any requirement for the

posting of a bond or other security, to enforce its rights and the breaching parties' obligations hereunder.

8.2 Miscellaneous Covenants.

8.2.1 Post-Closing Publicity. Following the Closing, no party shall make any public disclosure or comment regarding the specific terms of this Agreement or the transactions contemplated herein without the prior approval of Buyer or Sellers' Representative, as the case may be, which approval shall not be unreasonably withheld, except as may be required by Law or by any Governmental Authority or the rules of any stock exchange or trading system or reasonably necessary to enforce any rights under this Agreement. Each party shall be entitled to disclose or comment to any Person that a transaction has been consummated. In addition, nothing herein shall preclude communications or disclosures necessary to implement the provisions of this Agreement, and Buyer, Sellers, Sellers' Representative and their respective Affiliates may make such disclosures as they may consider necessary in order to satisfy their legal or contractual obligations to their lenders, shareholders or investors, without the prior written consent of Sellers or Sellers' Representative or Buyer, as the case may be.

8.2.2 Expenses. Buyer shall pay all fees and expenses incident to the transactions contemplated by this Agreement which are incurred by Buyer or its representatives or are otherwise expressly allocated to Buyer hereunder, and Sellers or the Acquired Companies (with the Acquired Companies only being obligated for payment of any expenses of Sellers and the Acquired Companies if such payment is made prior to the Closing or such expenses are accrued on the Final Adjustment Statement) shall pay all fees and expenses incident to the transactions contemplated by this Agreement which are incurred by Sellers or any Acquired Company (on behalf of Sellers) or their respective representatives or are otherwise expressly allocated to Sellers hereunder.

8.2.3 No Assignments. No assignment of all or any part of this Agreement or any right or obligation hereunder may be made by any party hereto without the prior written consent of all other parties hereto, and any attempted assignment without such consent shall be void and of no force or effect; provided, that (a) Buyer may assign any of its rights or delegate any of its duties under this Agreement to any controlled Affiliate of Buyer provided, further, that no such assignment shall relieve Buyer of its obligations hereunder; and (b) Buyer may assign its rights, but not its obligations, under this Agreement to any of its financing sources.

8.2.4 Confidentiality Agreement. Notwithstanding the execution of this Agreement, the parties acknowledge that the confidentiality agreement executed by Buyer, dated January 16, 2007 (the "Confidentiality Agreement"), remains in full force and effect pursuant to the terms thereof, except to the extent reasonably necessary for Buyer to enforce any of its rights under this Agreement, but shall terminate at the Closing.

8.2.5 Access by Sellers. Buyer shall, and shall cause each of the Acquired Companies to, for a period of five (5) years after the Closing Date (or such other period as may be required by Law), to retain the books and records of the Acquired Companies relating to the period prior to the Closing Date and to, during normal business hours and upon reasonable advance notice, provide Sellers' Representative and its designees and representatives with reasonable access to such

books and records and any extracts or copies thereof for the purpose of preparing Tax Returns as any such Person may reasonably request and at such Person's expense.

8.2.6 Continuation of Indemnification. Following the Closing, Buyer agrees to cause the Acquired Companies to, in accordance with their respective Charter Documents, indemnify and hold harmless each of the present and former directors, officers, managers, partners, employees and agents of the Acquired Companies, in their capacities as such, from and against all damages, costs and expenses actually incurred or suffered in connection with any threatened or pending action, suit or proceeding at law or in equity by any Person or any arbitration or administrative or other proceeding relating to the businesses of the Acquired Companies or the status of such individual as a director, officer, manager, partner, employee or agent prior to the Closing, to the fullest extent permitted by any applicable Law. Buyer agrees not to amend or modify the Charter Documents of any of the Acquired Companies with respect to any indemnification provision or provisions, including provisions respecting the advancement of expenses, in effect on the Closing Date for the benefit of the (current or former) officers, directors, managers, partners, employees and agents (except to the extent that such amendment preserves or broadens the indemnification or other rights theretofore available to such officers, directors employees and agents). Buyer shall cause the persons serving as officers and directors of the Acquired Companies immediately prior to the Closing Date to be covered for a period of six (6) years from the Closing Date by the directors' and officers' liability insurance policy or extended discovery insurance maintained by the Acquired Companies (provided that Buyer, the Company or the Subsidiary may substitute therefor policies of at least the same coverage and amounts and which contain terms and conditions that are, when taken as a whole, not less advantageous to such directors and officers than the terms and conditions of such existing policy) with respect to acts or omissions occurring prior to the Closing Date which were committed by such officers and directors in their capacity as such; provided, however, that the Acquired Companies shall not be obligated to make annual premium payments for such insurance to the extent such premiums exceed 150% of the annual premiums paid as of the date hereof for such insurance (the "Current Premium"). If such premium for such insurance required to be maintained pursuant to this Section would at any time exceed 150% of the Current Premium, then Buyer shall cause to be maintained policies of insurance which, in good faith determination, provide the maximum dollar loss coverage available at an annual premium equal to 150% of the Current Premium. If any of the Acquired Companies merge into, consolidate with or transfer all or substantially all of their assets to another Person, then and in each such case, Buyer shall make and shall cause the Acquired Companies to make proper provision so that the surviving or resulting corporation or the transferee in such transaction shall assume the obligations of Buyer and the Acquired Companies under this Section to the extent such assumption does not occur by operation of Law. This Section shall continue for a period of six (6) years following the Closing and is intended to benefit each director, officer, manager, partners, agent or employee who has held such capacity on or prior to the Closing Date and is now or at any time during such six-year period entitled to indemnification or advancement of expenses pursuant to any provisions contained in the Charter Documents as of the date hereof.

8.2.7 Sellers' Representative. Sellers hereby designate Sellers' Representative to execute any and all instruments or other documents on behalf of Sellers and to do any and all other acts or things on behalf of Sellers which Sellers' Representative deems necessary or advisable, or which may be required pursuant to this Agreement or otherwise, in connection with the consummation

of the transactions contemplated hereby and the performance of all obligations hereunder before, at or following the Closing. Without limiting the generality of the foregoing, Sellers' Representative shall have the full and exclusive authority to: (a) calculate each Seller's Percentage Interest hereunder; (b) agree with Buyer with respect to any matter or thing required or deemed necessary by Sellers' Representative in connection with the provisions of this Agreement calling for the agreement of Sellers; (c) give and receive notices on behalf of all Sellers; (d) act on behalf of Sellers in connection with any matter as to which Sellers are or may be obligated under this Agreement or the Escrow Agreement, all in the absolute discretion of Sellers' Representative; (e) in general, do all things and perform all acts, including without limitation executing and delivering all agreements, certificates, receipts, consents, elections, instructions, and other instruments or documents contemplated by, or deemed by Sellers' Representative to be necessary or advisable in connection with, this Agreement; and (f) take all actions necessary or desirable in connection with the defense or settlement of any indemnification claims pursuant to Article 9 and performance of obligations under Article 2, including to withhold funds for satisfaction of expenses or other liabilities or obligations or to withhold funds for potential indemnification claims made hereunder or to agree to settlement of the Final Post Closing Adjustment. Sellers shall cooperate with Sellers' Representative and any accountants, attorneys or other agents whom it may retain to assist in carrying out its duties hereunder. All decisions by Sellers' Representative shall be binding upon all Sellers and no Seller shall have the right to object, dissent, protest or otherwise contest the same. Sellers' Representative may communicate with any Seller or any other Person concerning his responsibilities hereunder, but it is not required to do so. Sellers' Representative has a duty to serve in good faith the interests of Sellers and to perform its designated role under this Agreement, but Sellers' Representative shall have no financial liability whatsoever to any Person relating to its service hereunder (including any action taken or omitted to be taken), except that it shall be liable for harm which it directly causes by an act of willful misconduct. Sellers shall indemnify and hold harmless Sellers' Representative against any loss, expense (including reasonable attorney's fees) or other liability arising out of its service as Sellers' Representative under this Agreement, other than for harm directly caused by an act of willful misconduct. Sellers' Representative may resign at any time by notifying Buyer and Sellers in writing. Each Seller agrees that Buyer and the Acquired Companies shall be entitled to rely conclusively and absolutely, without further inquiry, on any action taken by Sellers' Representative on behalf of Sellers, and that each such action shall be binding on each Seller as fully as if such Seller had taken such action.

8.2.8 Further Assurances. From time to time after the Closing, at the request of Buyer, Sellers, the Company and Sellers' Representative shall execute and deliver any further instruments and take such other action as Buyer may reasonably request to carry out the transactions contemplated hereby.

8.2.9 Termination of Security Holders' Agreement. With respect to the transactions contemplated by this Agreement, each Seller hereby waives the applicability of, and the rights such Seller had, has or may have under or pursuant to, the Security Holders' Agreement, including any preemptive right or right of first refusal. Each Seller who is a party to the Security Holders' Agreement hereby covenants and agrees with the other Sellers, the Company and Buyer that, effective immediately prior to the Closing, the Security Holders' Agreement shall terminate and be deemed canceled in its entirety, and each Seller unconditionally and forever releases and

discharges each other party to the Security Holders' Agreement from all obligations and liabilities arising thereunder. From and after the Closing, Buyer agrees that the Company and its successors and assigns unconditionally release and forever discharge each party to the Security Holders' Agreement from all obligations and liabilities arising thereunder. The foregoing termination of the Security Holders' Agreement and Buyer's covenant in this Section 8.2.9 shall be of no force or effect unless and until the Closing shall have occurred, and the Security Holders' Agreement shall remain in full force and effect in accordance with its terms unless and until such time as the Closing has occurred.

8.2.10 Release.

(a) Effective as of the Closing, each Seller unconditionally and irrevocably and forever releases and discharges each of the Acquired Companies, their respective successors and assigns, and any present or former directors, officers, employees or agents of each of the Acquired Companies (collectively, the "Released Parties"), of and from, and hereby unconditionally and irrevocably waives, any and all claims, debts, losses, expenses, proceedings, covenants, liabilities, suits, judgments, damages, actions and causes of action, obligations, accounts, and liabilities of any kind or character whatsoever, known or unknown, suspected or unsuspected, in contract or in to, direct or indirect, at law or in equity (collectively, "Claims"), that such Seller ever had, now has or ever may have or claim to have against any of the Released Parties, for or by reason of any matter, circumstance, event, action, inaction, omission, cause or thing whatsoever arising prior to the Closing; provided, that this release does not extend to any Claim: (i) to enforce the terms or any breach of this Agreement or any document or agreement delivered hereunder or any of the provisions set forth herein or therein; or (ii) for indemnification or contribution by a Seller in his, her or its capacity as a former officer, director, employee, agent or fiduciary of any of the Acquired Companies. In addition, nothing in this Section 8.2.10 affects any Seller's right under any employment agreement or to recover wages, bonuses, employee benefits, and other compensatory amounts that are due to him or her in the ordinary course of business, consistent with past practice.

(b) Effective as of the Closing, each of the Acquired Companies unconditionally and irrevocably and forever releases and discharges each Seller, their respective successors and assigns, and any present or former directors, officers, employees or agents of each Seller (collectively, the " Seller Released Parties"), of and from, and hereby unconditionally and irrevocably waives, any and all Claims, that such Acquired Company ever had, now has or ever may have or claim to have against any of the Seller Released Parties, for or by reason of any matter, circumstance, event, action, inaction, omission, cause or thing whatsoever arising prior to the Closing; provided, that this release does not extend to any Claim: (i) to enforce the terms or any breach of this Agreement or any document or agreement delivered hereunder or any of the provisions set forth herein or therein, (ii) against any Seller Released Party due to such Seller Released Party's (A) violation of a criminal law; (B) involvement in a transaction from which the Seller Released Party derived an improper personal benefit; (C) fraud, intentional misrepresentation or willful misconduct; (D) obligation to repay any indebtedness of such Person to any of the Acquired Companies outstanding as of the Closing Date; or (E) with respect to directors, involving any liability for which indemnification of such liability is not available under applicable Law.

8.3 Acknowledgements. It is understood that Calfee, Halter & Griswold LLP shall be allowed to represent Sellers or any Seller in all matters and disputes that may arise after the date hereof, including in any such matter or dispute adverse to Buyer or the Acquired Companies.

8.4 Restrictive Covenants. 8.5

8.4.1 For a period of five (5) years after the Closing Date, each of Linsalata Capital Partners Fund III, L.P8.6. and George G. Thomas (each a "Restricted Party") agree (on a several basis):

(a) not to, directly or indirectly, own, manage, operate, finance, control, or participate in the ownership, management, operation, or control of, or be employed by or render services to, any Person engaged in the Business (except any Person for whom their participation in the Business constitutes less than twenty-five percent (25%) of such Person's business); provided, however, the foregoing restriction shall not apply with respect to any purchase or holding of up to five percent of any class of securities of any Person (but without otherwise participating in the activities of such Person) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934; and

(b) not to, directly or indirectly, either for itself or himself or any other Person (whether as an owner, operator, manager, consultant, officer, director, employee, investor, agent, representative or otherwise), (i) induce or attempt to induce any salaried employee of any Acquired Company to leave the employment of any Acquired Company, (ii) interfere with the relationship between any Acquired Company and any salaried employee of any Acquired Company, (iii) hire, employ, offer to hire or employ or otherwise engage as an employee, independent contractor, or otherwise, any salaried employee of any Acquired Company, or (iv) induce or attempt to induce any of the Material Customers or Material Suppliers to cease or refrain from doing business with any of the Acquired Companies; provided, however, that the restrictions in clauses (b)(i), (ii) and (iii) of this Section 8.4.1 shall not apply to any salaried employee six (6) months after such employee is no longer employed by any Acquired Company.

8.4.2 Notwithstanding anything in Section 8.4.1 to the contrary, if at any time, in any judicial proceeding, any of the restrictions stated in this Section 8.4 are found by a final order of a court of competent jurisdiction to be unreasonable or otherwise unenforceable under circumstances then existing, each Restricted Party agrees that the period, scope or geographical area, as the case may be, shall be reduced to the minimum extent necessary to enable the court to enforce the restrictions to the extent such provisions are allowable under law, giving effect to their agreement and intent that the restrictions contained herein shall be effective to the fullest extent permissible. In addition, each Restricted Party acknowledges and agrees that money damages may not be an adequate remedy for any breach or threatened breach of the provisions of this Section 8.4 and that, in such event, Buyer and its respective successors or assigns shall, in addition to any other rights and remedies existing in their favor, be entitled to specific performance, injunctive or other relief from any court of competent jurisdiction in order to enforce or prevent any violations of the provisions of this Section 8.4. Each Restricted Party hereby waives any and all defenses he or it may have on the ground of lack of jurisdiction or

competence of the court to grant such specific performance, injunctive or other relief contemplated by the preceding sentence. Any injunction shall be available without the posting of any bond or other security. Each Restricted Party agrees that the restrictions contained in this Section 8.4 are reasonable in all respects and are necessary to protect the goodwill of the businesses of the Acquired Companies. The prevailing party in any proceeding arising out of this Section 8.4 shall be reimbursed by the party who does not prevail for its reasonable attorneys and experts fees and related expenses and for the costs of such proceeding.

8.4.3 In the event that any portion of this Section 8.4 shall be determined by any court of competent jurisdiction to be unenforceable, including by reason of its being extended over too great a period of time or too large a geographic area or over too great a range of activities, it shall be interpreted to extend only over the maximum period of time, geographic area, or range of activities as to which it may be enforceable. Each provision and part of a provision herein shall be deemed a separate and severable covenant. It is the desire and intent of the parties that the provisions of this Section 8.4 shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which such enforcement is sought. Accordingly, a court of competent jurisdiction is directed to modify any provision to the extent necessary to render such provision enforceable and if such cannot be lawfully done, then to severe any such portion of a provision, but only such portion of a provision, necessary to cause the remaining provisions or portions of provisions to be enforceable.

8.4.4 From and after the Closing, each Seller will treat and hold as confidential all of the Confidential Information, refrain from using or authorizing the use of any of the Confidential Information, and deliver promptly to Buyer or destroy, at the request of Buyer, all tangible embodiments (and all copies) of the Confidential Information, including electronic, that are in his or its possession or control. In the event that any Seller is requested or required pursuant to written or oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigation demand, or similar process to disclose any Confidential Information, such Seller will notify Buyer promptly, except as prohibited by law or judicial process, of the request or requirement so that Buyer may seek, at Buyer's sole cost and expense, an appropriate protective order. If, in the absence of a protective order, any Seller is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, such Seller may disclose the Confidential Information to the tribunal; provided, however, that the disclosing Seller shall use commercially reasonable efforts to obtain, at the request and expense of Buyer, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as Buyer shall designate.

ARTICLE 9

Indemnification

9.1 Indemnification of Buyer. From and after the Closing and subject to Sections 9.2, 9.5 and 9.6, each Seller shall, severally and not jointly, indemnify, defend, hold harmless, pay and

reimburse Buyer and its officers, directors, employees, stockholders, Affiliates, successors and assigns (collectively, the "Buyer Indemnitees"), from and against: (a) any Losses based upon, arising out of or caused by any inaccuracy in, or breach of, any of the representations and warranties made by such Seller in Article 3 or by the Company in Article 4; (b) any Losses based upon, arising out of or caused by any breach or nonperformance of any covenant or obligation made or incurred by Sellers, the Company or Sellers' Representative herein; and (c) any Losses resulting from the failure of the Acquired Companies to comply with the emissions limits imposed by the Clean Air Act Title V Permit Number 039-17506-00324 issued by the Indiana Department of Environmental Management as in effect on or prior to the Closing Date. Notwithstanding the foregoing, with respect to the representations and warranties made in Article 3 or any covenants made herein, each Seller is responsible for only those representations, warranties and covenants made by that Seller, and no Seller shall be obligated to indemnify, defend, hold harmless, pay or reimburse Buyer Indemnitees for Losses based upon, arising out of or caused by, any inaccuracy in, or breach of, any representation, warranty or covenant made by any other Seller in Article 3 or otherwise herein; provided, however, that any indemnifiable Loss hereunder based upon, arising out of or caused by any act or omission by Sellers' Representative shall be deemed to be a Loss that is the several responsibility of Sellers for purposes of this Section 9.1. The indemnification responsibilities of any Seller hereunder shall be several and in accordance with such Seller's Percentage Interest.

9.2 Limitations on Indemnification of Buyer. Notwithstanding any other provision of this Agreement, the indemnification of Buyer Indemnitees provided for in this Agreement shall be subject to the limitations and conditions set forth in this Section 9.2.

(a) Any claim by a Buyer Indemnitee for indemnification pursuant to Section 9.1(a) or Section 9.1(c) shall be required to be made by delivering notice to Sellers' Representative no later than the expiration of one year after the Closing Date, and no claim may be brought after the Closing Date for breach of any covenant in Section 8.1 [Pre-Closing Covenants and Agreements] which covenants expire at the Closing. Notwithstanding the foregoing, any claim for indemnification based upon, arising out of or caused by any inaccuracy in or breach of any representation or warranty in Section 3.1 [Authority; Capacity and Representation], Section 3.2 [Ownership of Securities], Section 3.3 [Execution and Delivery; Enforceability], Section 4.2 [Capital Stock] or Section 4.4(c) [Brokerage], may be made at any time.

(b) Except for claims for indemnification under Section 9.1(a) based upon, arising out of or caused by any inaccuracy in or breach of any representation or warranty in Section 3.1 [Authority; Capacity and Representation], Section 3.2 [Ownership of Securities], Section 3.3 [Execution and Delivery; Enforceability], Section 4.2 [Capital Stock] or Section 4.4(c) [Brokerage], Buyer Indemnitees shall not be entitled to indemnification under Section 9.1(a) until the aggregate amount of all of such Buyer Indemnitees' claims for indemnification under such section exceeds the Indemnification Threshold and thereafter Buyer Indemnitees shall be entitled to indemnification under such section only for amounts in excess of the Indemnification Threshold; provided, however, that the Indemnification Threshold shall not apply in the event of any fraud or intentional misrepresentation with respect to any representation or warranty by Sellers in Article 3 or the Company in Article 4, in which case Buyer Indemnitees may recover the full amount of all such Losses. Buyer Indemnitees shall not be entitled to

indemnification under Section 9.1(c) until the aggregate amount of all of such Buyer Indemnitees' claims for indemnification under such section exceeds Two Hundred Fifty Thousand Dollars ($250,000) and thereafter Buyer Indemnitees shall be entitled to indemnification under such section only for amounts in excess of Two Hundred Fifty Thousand Dollars ($250,000); provided, however, that the $250,000 limitation shall not apply in the event of any fraud or intentional misrepresentation with respect to the indemnification matter enumerated in Section 9.1(c), in which case Buyer Indemnitees may recover the full amount of all such Losses.

(c) Except for claims for indemnification under Section 9.1(a) based upon, arising out of or caused by any inaccuracy in or breach of any representation or warranty in Section 3.1 [Authority; Capacity and Representation], Section 3.2 [Ownership of Securities], Section 3.3 [Execution and Delivery; Enforceability], Section 4.2 [Capital Stock] or Section 4.4(c) [Brokerage], the maximum indemnification amount to which Buyer Indemnitees may be entitled under Section 9.1(a) and Section 9.1(c) shall be Six Million Dollars ($6,000,000); provided, however, that the foregoing limitation shall not apply in the event of any fraud or intentional misrepresentation with respect to any representation or warranty by Sellers in Article 3 or the Company in Article 4, in which case Buyer Indemnitees may recover the full amount of all such Losses.

(d) The Buyer Indemnitees shall not be entitled to indemnification under this Agreement if, and to the extent that, the Losses are reflected on the Final Adjustment Statement.

(e) For purposes of determining the amount of Losses resulting from any misrepresentation or breach of a representation or warranty contained herein, all qualifications or exceptions in any representation or warranty relating to or referring to the terms "material," "materiality," "in all material respects," "Material Adverse Effect" or any similar term or phrase shall be disregarded, it being the understanding of the parties that for purposes of determining Losses, the representations and warranties of the parties contained in this Agreement shall be read as if such terms and phrases were not included in them.

9.3 Indemnification of Sellers. From and after the Closing and subject to Sections 9.4, 9.5 and 9.6, Buyer shall indemnify, defend, hold harmless, pay and reimburse Sellers and their respective officers, directors, employees, stockholders, Affiliates, successors and assigns (collectively, the "Seller Indemnitees"), from and against: (a) any Losses based upon, arising out of or caused by any inaccuracy in, or breach of, any of the representations and warranties made by Buyer in Article 5; and (b) any Losses based upon, arising out of or caused by any breach or nonperformance of any covenant or obligation made or incurred by Buyer herein. Buyer does not make and shall not be deemed to have made, nor are Sellers relying upon, any representation, warranty, covenant or obligation other than those representations, warranties, covenants and obligations that are expressly set forth in this Agreement.

9.4 Limitations on Indemnification of Sellers. Notwithstanding any other provisions of this Agreement, the indemnification of Seller Indemnitees provided for in this Agreement shall be subject to the limitations and conditions set forth in this Section 9.4.

(a) Any claim by a Seller Indemnitee for indemnification pursuant to Section 9.3(a) shall be required to be made by delivering notice to Buyer no later than the expiration of one year after the Closing Date, and no claim may be brought after the Closing Date for breach of any covenant in Section 8.1 [Pre-Closing Covenants and Agreements] which covenants expire at the Closing. Notwithstanding the foregoing, any claim for indemnification based upon, arising out of or caused by any inaccuracy in or breach of any representation or warranty made by Buyer in Sections 5.2 [Execution and Delivery; Enforceability], 5.4 [Brokerage] or 5.5 [Investment Intent; Restricted Securities], may be made at any time.

(b) Except for claims for indemnification under Section 9.3(a) based upon, arising out of or caused by any inaccuracy in or breach of any representation or warranty in Sections 5.2 [Execution and Delivery; Enforceability], 5.4 [Brokerage] or 5.5 [Investment Intent; Restricted Securities], Seller Indemnitees shall not be entitled to indemnification under Section 9.3(a) until the aggregate amount of all of such Seller Indemnitees' claims for indemnification exceeds the Indemnification Threshold and thereafter Seller Indemnitees shall be entitled to indemnification only for amounts in excess of the Indemnification Threshold; provided, however, that the Indemnification Threshold shall not apply in the event of any fraud or intentional misrepresentation with respect to any representation or warranty by Buyer in Article 5, for which Seller Indemnitees may recover the full amount of all such Losses.

(c) Except for claims for indemnification under Section 9.3(a) based upon, arising out of or caused by (i) any inaccuracy or breach of any representation or warranty in Sections 5.2 [Execution and Delivery; Enforceability], 5.4 [Brokerage] or 5.5 [Investment Intent; Restricted Securities], the maximum indemnification amount to which Seller Indemnitees may be entitled under Section 9.3(a) shall be an amount equal to Six Million Dollars ($6,000,000); provided, however, that the Indemnification Threshold shall not apply in the event of any fraud or intentional misrepresentation with respect to any representation or warranty by Buyer in Article 5, for which Seller Indemnitees may recover the full amount of all such Losses.

9.5 Procedures Relating to Indemnification.

9.5.1 Third-Party Claims. In order for a party (the "indemnitee") to be entitled to any indemnification provided for under this Agreement with respect to, arising out of, or involving a claim or demand made by any Person against the indemnitee (a "Third-Party Claim"), such indemnitee must notify the party from whom indemnification hereunder is sought (the "indemnitor") in writing of the Third-Party Claim no later than thirty (30) days after such claim or demand is first asserted. Such notice shall state in reasonable detail the amount or estimated amount of such claim, and shall identify the specific basis (or bases) for such claim, including the representations, warranties, covenants or obligations in this Agreement alleged to have been breached. Failure to give such notification shall not affect the indemnification provided hereunder except and only to the extent the indemnitor shall have been actually prejudiced as a result of such failure. Thereafter, the indemnitee shall deliver to the indemnitor, without undue delay, copies of all notices and documents (including court papers received by the indemnitee) constituting the Third-Party Claim so long as any such disclosure could not reasonably be expected to have an adverse effect on the attorney-client or any other privilege that may be available to the indemnitee in connection therewith.

If a Third-Party Claim is made against an indemnitee, the indemnitor shall be entitled to participate, at its expense, in the defense thereof. Notwithstanding the foregoing, if (i) the indemnitor irrevocably admits to the indemnitee in writing its obligation to indemnify the indemnitee for all liabilities and obligations relating to such Third-Party Claim and (ii) the Third-Party Claim does not seek to impose any liability, obligation or restriction upon the indemnitee other than for money damages, then, the indemnitor may elect to assume and control the defense thereof with counsel selected by the indemnitor. If the indemnitor assumes such defense, the indemnitee shall have the right to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the indemnitor, it being understood that the indemnitor shall control such defense.

If the indemnitor so assumes the defense of any Third-Party Claim, all of the indemnified parties shall reasonably cooperate with the indemnitor in the defense or prosecution thereof. Such cooperation shall include, at the expense of the indemnitor, the retention and (upon the indemnitor's request) the provision to the indemnitor of records and information which are reasonably relevant to such Third-Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. If the indemnitor has assumed the defense of a Third-Party Claim, (i) the indemnitee shall not admit any liability with respect to, or settle, compromise or discharge, such Third-Party Claim without the indemnitor's prior written consent (which consent shall not be unreasonably withheld or delayed); (ii) the indemnitee shall agree to any settlement, compromise or discharge of a Third-Party Claim which (a) the indemnitor recommends, (b) by its terms unconditionally releases the indemnitee from all liabilities and obligations in connection with such Third-Party Claim, and (c) is commercially reasonable; and (iii) the indemnitor shall not, without the written consent of the indemnitee, enter into any settlement, compromise or discharge or consent to the entry of any judgment which imposes any obligation or restriction upon the indemnitee.

9.5.2 Other Claims. In the event any indemnitee should have a claim against any indemnitor under this Agreement that does not involve a Third-Party Claim, the indemnitee shall deliver notice of such claim to the indemnitor promptly following discovery of any indemnifiable Loss, but in any event not later than the last date set forth in Section 9.2 or 9.4, as the case may be, for making such claim. Failure to give such notification shall not affect the indemnification provided hereunder except to the extent the indemnitor shall have been actually prejudiced as a result of such failure. Such notice shall state in reasonable detail the amount or an estimated amount of such claim, and shall specify the facts and circumstances which form the basis (or bases) for such claim, and shall further specify the representations, warranties or covenants alleged to have been breached. Upon receipt of any such notice, the indemnitor shall notify the indemnitee as to whether the indemnitor accepts liability for any Loss. If the indemnitor disputes its liability with respect to such claim, as provided above, the indemnitor and the indemnitee shall attempt to resolve such dispute in accordance with the terms and provisions of Section 11.4. If the indemnitor disputes its liability with respect to such claim as provided above, the indemnitor and indemnitee shall attempt to resolve such dispute in accordance with the terms and provisions of Section 11.4.

9.6 Limitation of Remedies. Each party acknowledges and agrees that, should the Closing occur, the sole and exclusive remedy with respect to any and all claims relating to this

Agreement or the transactions contemplated hereby (other than claims of, or causes of action arising from, criminal activity, fraud or claims of, or causes of action for which equitable relief is sought) shall be pursuant to the indemnification provisions set forth in this Article 9. In furtherance of the foregoing, Buyer and each Seller hereby waives on behalf of himself and all other Persons who might claim by, through or under him, from and after the Closing, any and all rights, claims and causes of action (other than claims of, or causes of action arising from, criminal activity, fraud or claims of, or causes of action for which equitable relief is sought) which any such other Person may have arising under or based upon any Law and that relates to the transaction contemplated herein or to any aspect of the businesses of the Acquired Companies (except pursuant to the indemnification provisions set forth in this Article 9). Nothing in this Section 9.6 shall limit any Person's right to seek and obtain any equitable relief to which any Person may be entitled.

ARTICLE 10

Certain Definitions

When used in this Agreement, the following terms in all of their tenses, cases and correlative forms shall have the meanings assigned to them in this Article 10, or elsewhere in this Agreement as indicated in this Article 10:

"1933 Act" means the Securities Act of 1933, as amended, and the regulations thereunder.

"Acquired Companies" is defined in the Recitals; and each of the Company and the Subsidiary may be referred to individually as an "Acquired Company."

"Acquisition Balance Sheet" is defined in Section 4.5.

"Actions" means any actions, suits, arbitrations, proceedings, investigations or claims of any kind whatsoever, whether at law or in equity.

"Affiliate" of a specified Person means any other Person which, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such specified Person. For purposes of this definition, "control" of any Person means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting capital stock or membership interests, by Contract, or otherwise.

"Agreement" means this Securities Purchase Agreement, as may be amended from time to time.

"Audited Financial Statements" is defined in Section 4.5.

"Business" means the manufacture, distribution or sale of laminated gypsum, laminated lauan or hardwood cabinet doors to the recreational vehicle or manufactured housing markets anywhere within the United States.

"Business Day" means any other day than a Saturday, Sunday or day on which banking institutions in Cleveland, Ohio are authorized or obligated pursuant to Law to be closed.

"Buyer" is defined in the preamble of this Agreement.

"Buyer Indemnitees" is defined in Section 9.1.

"Buying Group" means Buyer and each of the Acquired Companies or any other member included in the consolidated tax filing of Buyer.

"Charter Documents" means the articles of incorporation, articles of organization, certificate of incorporation, limited partnership agreement, limited liability company operating agreement, by-laws and operating agreement (or equivalent Charter Documents) of any business entity.

"Claims" is defined in Section 8.2.10(a).

"Closing" and "Closing Date" is defined in Article 7.

"Closing Cash" means the cash held in deposit accounts, including money market accounts, of the Acquired Companies and cash equivalents held by the Acquired Companies immediately prior to the Closing plus checks presented by the Acquired Companies for payment but not yet credited to deposit accounts. The calculation of Closing Cash shall not include any obligations of the Acquired Companies under or with respect to any outstanding checks.

"Closing Certificate" is defined in Section 2.3.

"Closing Date Payment" is defined in Section 2.3.

"Closing Indebtedness" means the Indebtedness of the Acquired Companies immediately prior to the Closing, including, for the avoidance of doubt, the Repaid Closing Indebtedness.

"Closing Working Capital" means the Working Capital of the Acquired Companies, on a consolidated basis, immediately prior to the Closing.

"Code" means the United States Internal Revenue Code of 1986, as amended, and the regulations thereunder.

"Company" is defined in the preamble of this Agreement.

"Company Intellectual Property" means the Intellectual Property owned or used by any of the Acquired Companies.

"Company Knowledge" means the actual knowledge of Todd Cleveland, Doyle Stump, Jeff Rodino and John Forbes, after reasonable inquiry of their direct reports, and the actual knowledge of Eric Bacon.

"Company Shares" is defined in Section 4.2.2.

"Confidential Information" means any information or data concerning the business and affairs of the Acquired Companies that is not generally available to the public and shall exclude any such information or data that (i) is or becomes part of the public domain through no fault on the part of the receiving Party or its representatives, (ii) was or is subsequently received by a party or its representatives on a non-confidential basis from a third party not bound by an obligation of confidentiality to the Acquired Companies, or (iii) relates to the terms of the transactions contemplated by the Agreement.

"Confidentiality Agreement" is defined in Section 8.2.4.

"Contract" means any contract, agreement, deed, mortgage, lease, license, instrument, note, commitment, undertaking, or arrangement.

"Current Premium" is defined in Section 8.2.6.

"Disclosure Letter" is the confidential disclosure letter, dated as of the date hereof, delivered to Buyer in connection with the execution and delivery of this Agreement (as may be modified at or prior to the Closing by mutual agreement of Buyer and Sellers' Representative).

"Disposal," "Storage," and "Treatment" shall have the meanings assigned them at 42 U.S.C. § 6903(3), (33) and (34), respectively.

"DOJ" is defined in Section 8.1.3(c).

"Environmental Claim" means any Claim, investigation or written notice by any Person alleging potential Liability (including potential Liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries or penalties) against any of the Acquired Companies arising out of, based on or resulting from: (a) the presence or Release of any Hazardous Materials at any location, whether or not owned or operated by any of the Acquired Companies; or (b) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law.

"Environmental Laws" means all federal, state, local and foreign treaties, codes, statutes, laws, decrees, regulations, ordinance, rules, licenses, permits, authorizations, decisions, orders, injunctions, decrees, or rules of common law, and any administrative or judicial interpretations of any of the foregoing, regulations relating to pollution or protection of human health or the environment (including but not limited to ground, surface and subsurface strata, soil, indoor and outdoor air, groundwater, surface water, storm water, sediment, wetlands, building surfaces, noise pollution or contamination, and underground or above ground tanks), natural resources, worker health and safety and including Laws relating to Releases of Hazardous Materials or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, transport or handling of Hazardous Materials and all laws with regard to recordkeeping, notification, disclosure and reporting requirements respecting Hazardous Materials, and all laws relating to endangered or threatened species of fish, wildlife and plants and the management or use of natural resources.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder.

"ERISA Affiliate" means any entity that, for any period prior to the Closing Date, is part of the same controlled group as the Acquired Companies within the meaning of Section 414(b) or (c) of the Code.

"Estimated Closing Cash" is defined in Section 2.3.

"Estimated Closing Working Capital" is defined in Section 2.3.

"Estimated Closing Indebtedness" is defined in Section 2.3.

"Estimated Purchase Price" is defined in Section 2.3.

"Final Adjustment Statement" is defined in Section 2.4.4.

"Final Post-Closing Adjustment" is defined in Section 2.4.4.

"FTC" is defined in Section 8.1.3(c).

"GAAP" means generally accepted accounting principles, as in effect in the United States either from time to time as applied to periods prior to the Closing Date or as applied on the Closing Date, as applicable, and in any case, applied on a basis consistent with the methods, policies, practices and procedures used in the preparation of the Audited Financial Statements.

"Governmental Authority" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of any such government or political subdivision, or any self-regulated organization or other non-governmental regulating authority (to the extent that the rules, regulations or orders of such authority have the force of law), or any arbitrator, tribunal or court of competent jurisdiction.

"Hazardous Material" means both (a) those materials or substances included within the definition of "Hazardous Substance" as defined in the comprehensive Environmental Response Compensation and Liability Act, 42 USC Section 9601(14) ("CERCLA" or "Superfund"), regardless of concentration or quantity, but shall include petroleum and any fraction of crude oil regardless of whether specifically listed or designated under subparagraphs (A) through (F) of that definition; and (b) those substances, regardless of concentration or quantity, included within the definitions of "pollutant" and "contaminant" at CERCLA 9601(33) and includes "special," manufacturing," or "industrial" and "universal" wastes the storage, shipment, transportation, or disposal of which require specific handling, manifesting, or other procedures mandated under or regulated by the Solid Waste Disposal Act, 42 USC 6901 *et seq.* ("SWDA," formerly the Resource Conservation and Recovery Act or "RCRA"); state equivalents of the SWDA; natural gas, liquefied natural gas, and synthetic gas of pipeline quality; asbestos; urea formaldehyde; and polychlorinated biphenyls.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the regulations thereunder.

"Indebtedness" means, as at any date of determination thereof (without duplication), all obligations (other than inter-company obligations) of the Acquired Companies in respect of: (a) any borrowed money or funded indebtedness or issued in substitution for or exchange for borrowed money or funded indebtedness (including obligations with respect to principal, accrued interest, and any applicable prepayment charges or premiums); (b) any indebtedness evidenced by any note, bond, debenture or other debt security; (c) capital lease obligations; (d) any indebtedness guaranteed by the Acquired Companies (excluding intercompany debt and letters of credit and guarantees by a company of performance obligations of another); and (e) any obligations with respect to any interest rate hedging or swap agreements. Notwithstanding the foregoing, the calculation of Indebtedness shall not include: (y) any of the principal amount as of the Closing Date of any undrawn letters of credit, or (z) obligations of the Acquired Companies under or with respect to any outstanding checks.

"Indemnification Threshold" is Seven Hundred Fifty Thousand Dollars ($750,000).

"Indemnitee" and "Indemnitor" are defined in Section 9.5.1.

"Independent Accountants" is defined in Section 2.4.3.

"Intellectual Property" means any of the following in any jurisdiction throughout the world: (a) patents, patent applications, patent disclosures and inventions, including any continuations, divisionals, continuations-in-part, renewals and reissues for any of the foregoing; (b) Internet domain names, trademarks, service marks, trade dress, trade names, logos, slogans and corporate names and registrations and applications for registration thereof together with all of the goodwill associated therewith; (c) copyrights (registered or unregistered) and copyrightable works and registrations and applications for registration thereof; (d) mask works and registrations and applications for registration thereof; (e) computer Software (excluding all shrink wrap Software), data, data bases and documentation thereof; (f) trade secrets and other confidential information (including ideas, formulas, compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice), know-how, manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data, copyrightable works, financial and marketing plans and customer and supplier lists and information) (collectively, "Trade Secrets"); and (g) copies and tangible embodiments thereof (in whatever form or medium).

"Interim Financial Statements" is defined in Section 4.5.

"Law" means any federal, state, regional, local or foreign law, statute, ordinance, code, treaty, rule, regulation, order or requirement of any Governmental Authority in effect on the date of this Agreement.

"Leased Real Property" is defined in Section 4.12(a).

"Leases" is defined in Section 4.12(a).

"Lien" means any lien, charge, mortgage, pledge, easement, encumbrance, security interest, matrimonial or community interest, tenancy by the entirety claim, adverse claim, or any other title defect or restriction of any kind.

"Lincap Management Agreement" means that certain Second Amended and Restated Management Agreement, dated September 1, 2004, between Adorn, LLC and Sellers' Representative.

"Loss" or "Losses" means any and all losses, liabilities, damages, costs, penalties, judgments, deficiencies, awards, fines, expenses, actions, notices of violation, and notices of liability and any claims in respect thereof (including, without limitation, amounts paid in settlement and reasonable costs of investigation, and legal fees and expenses) arising out of any incident, event, circumstance or proceeding asserted or initiated or otherwise occurring or existing in respect of any matter or any claim or proceeding to enforce any indemnification rights in respect thereof; provided, however, the amount of any Loss relating to any claim for indemnification shall (a) specifically exclude punitive, exemplary, consequential or incidental damages (except to the extent such damages reflect actual amounts paid to any Person as a result of a Third-Party Claim); (b) be reduced by the Tax Benefit Adjustment Amount, if any; and (c) be net of the amount of any actual recoveries under: (i) any insurance policy which the party seeking indemnification, or any of its Affiliates, is a beneficiary in connection with the circumstances that give rise to the claim for indemnification less any premium increases attributable to receipt of such insurance proceeds and the reasonable out-of-pocket expenses of the party seeking indemnification in pursuing such insurance proceeds; and (ii) any "pass-through" warranty coverage or other remedy available from a manufacturer or other unaffiliated third party by the party seeking indemnification in connection with the circumstances that give rise to the claim for indemnification less any reasonable out-of-pocket expenses of the party seeking indemnification to collect any such remedies; and, in any case, such indemnified party shall use commercially reasonable efforts to pursue such recovery to the same extent as it would if such Losses were not subject to indemnification under this Agreement.

"Material Adverse Effect" means a material adverse effect on the business, condition, financial or otherwise, assets, liabilities, or results of operations of the Acquired Companies, taken as a whole; provided, however, "Material Adverse Effect" shall not include (a) changes in business or economic conditions affecting the economy or the Acquired Companies' industries generally, provided that the Acquired Companies are not disproportionately affected thereby; (b) changes in stock markets or credit markets; (c) any event as to which Buyer has provided written consent hereunder; or (d) except for purposes of Sections 3.4 or 4.4, the execution, delivery or performance of this Agreement (including any announcement relating to this Agreement or the fact that Buyer is acquiring the Acquired Companies).

"Material Contracts" is defined in Section 4.16.

"Material Customers" is defined in Section 4.18.

"Material Suppliers" is defined in Section 4.18.

"Off-the-Shelf Software" means off-the-shelf personal computer software as such term is commonly understood, that is commercially available under non-discriminatory pricing terms on a retail basis for less than $300 per seat and used solely on the desktop personal computers of the Acquired Companies.

"Option Holders" means Sellers identified as such in Section 4.2.1 of the Disclosure Letter.

"Order" means any judgment, injunction, award, decision, decree, ruling, verdict, writ or order of any nature of any Governmental Authority.

"Owned Real Property" is defined in Section 4.12(a).

"PBGC" is defined in Section 4.9(c).

"Percentage Interest" is defined in Section 2.4.2.

"Permits" is defined in Section 4.11.

"Permitted Liens" means: (a) mechanics', carriers', workmen's, repairmen's or other like Liens arising or incurred in the ordinary course of business; (b) Liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business and under which the Acquired Companies are not in default; (c) Liens arising by operation of Law (other than Contracts), including Liens arising by virtue of rights of customers, suppliers and subcontractors in the ordinary course of business under general principles of commercial law; (d) Liens for current Taxes and utilities not yet due and payable or which are being contested in good faith and, in connection therewith, appropriate reserves have been set aside in accordance with GAAP; (e) imperfections of title or encumbrances, if any, that do not, individually or in the aggregate, materially impair the continued use and operation of any asset to which they relate in the conduct of the business of the Acquired Companies as presently conducted; (f) leases, subleases and similar agreements set forth in Section 4.12(a) or in Section 4.16(a) of the Disclosure Letter; (g) easements, covenants, rights-of-way and other similar restrictions or conditions of record or which would be shown by a current accurate survey of any of the Real Property; and (h): (i) zoning, building and other similar restrictions imposed by applicable Laws; (ii) Liens that have been placed by any developer, landlord or other third party on property over which the Acquired Companies have easement rights or, on any Real Property, under any lease or subordination or similar agreements relating thereto; and (iii) unrecorded easements, covenants, rights-of-way and other similar restrictions on the Real Property none of which, individually or in the aggregate, materially impairs the continued use and operation of such Real Property.

"Person" means an individual, a corporation, a limited liability company, a partnership, a trust, an unincorporated association, a government or any agency, instrumentality or political subdivision of a government, or any other entity or organization.

"Plans" is defined in Section 4.9.

"Pre-Closing Period" is defined in Section 8.1.1.

"Preliminary Adjustment Statement" is defined in Section 2.4.1.

"Preliminary Post-Closing Adjustment" is defined in Section 2.4.1.

"Product Warranty Claims" means credits and allowances issued to customers in settlement of claims associated with products manufactured by the Acquired Companies and installed by the customer.

"Purchase Price" is defined in Section 2.2.

"Released Parties" is defined in Section 8.2.10(a).

"Real Property" is defined in Section 4.12(a).

"Release" shall have the meaning assigned it at 42 U.S.C. Section 9601(22) without giving effect to exception clause (A) therein.

"Repaid Closing Indebtedness" is defined in Section 2.3.

"Restricted Party" is defined in Section 8.4.

"Restricted Period" is defined in Section 8.4.

"Securities" is defined in the Recitals to this Agreement.

"Securities Purchase" is defined in the Recitals to this Agreement.

"Security Holders' Agreement" means that certain Amended and Restated Security Holders' Agreement, dated January 31, 2004, by and among the Company and its security holders.

"Seller's Respective Securities" is defined in Section 2.1.

"Seller" and "Sellers" are defined in the preamble of this Agreement.

"Seller Indemnitees" is defined in Section 9.3.

"Sellers' Account" is defined in Section 2.3.

"Seller Released Parties" is defined in Section 8.2.10(b).

"Sellers' Representative" is defined in the preamble of this Agreement.

"Shares" is defined in Section 4.2.1.

"Software" means, as they exist anywhere in the world, computer software programs, including all source code, object code, specifications, databases, designs and documentation related to such programs.

"Stock Options" is defined in Section 4.2.1.

"Subsidiary" is defined in the Recitals to this Agreement.

"Tax" or "Taxes" means: (a) any and all federal, state, provincial, local, foreign and other taxes, levies, fees, imposts, duties, and similar governmental charges (including any interest, fines, assessments, penalties or additions to tax imposed in connection therewith or with respect thereto) including, without limitation (i) taxes imposed on, or measure by income, gross receipts, franchise, or profits, and (ii) license, payroll, employment, withholding, excise, severance, stamp, occupation, premium, windfall profits, customs duties, capital stock, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, ad valorem capital gains, goods and services, branch, utility, production and compensation taxes; and (b) any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

"Taxing Authority" means any domestic or foreign national, state, provincial, multi-state or municipal or other local executive, legislative or judicial government, court, tribunal, official, board, subdivision, agency, commission or authority thereof, or any other governmental body exercising any regulatory or taxing authority thereunder having jurisdiction over the assessment, determination, collection or other imposition of any Tax.

"Tax Benefit Adjustment Amount" means the amount of any realizable decrease in the Tax liability whether by deduction or credit, basis increase, shifting of income, or other Tax benefit realizable by any indemnitee (or any Affiliate of any indemnitee) in connection with the Losses that form the basis of the indemnitee's claim for indemnification hereunder.

"Tax Return" means any return, declaration, report, claim for refund, election, disclosure, estimate, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof required to be filed with any Taxing Authority with respect to Taxes.

"Third-Party Claim" is defined in Section 9.5.1.

"Trade Secrets" is defined in the definition of "Intellectual Property."

"Warrants" is defined in Section 4.2.1.

"Working Capital" means (1) the sum of the consolidated current assets of the Acquired Companies less (2) the sum of the consolidated current liabilities of the Acquired Companies that are identified on Exhibit A hereto. A sample calculation of Working Capital, including certain of the methods, policies, practices and procedures applicable thereto, along with each specific general ledger account to be included, is set forth on Exhibit A hereto.

"Working Capital Target" means Eleven Million Seven Hundred Thousand Dollars ($11,700,000).

ARTICLE 11

Construction; Miscellaneous Provisions

11.1 Notices. Any notice to be given or delivered pursuant to this Agreement shall be ineffective unless given or delivered in writing, and shall be given or delivered in writing as follows:

(a) If to Buyer, to:

Patrick Industries, Inc.
107 W. Franklin St.
Elkhart, Indiana 46515-0638
Attention: President
Telecopy Number: (574) 522-5213

With a copy to:

McDermott Will & Emery LLP
227 West Monroe Street
Chicago, Illinois 60606
Attention: Robert A. Schreck, Jr., P.C.
Telecopy Number: (312) 984-7700

(b) If to Sellers' Representative or Sellers or to any Seller to Sellers or such Seller in care of:

FNL Management Corp.
Landerbrook Corporate Center One
5900 Landerbrook Drive, Suite 280
Mayfield Heights, Ohio 44124
Attention: Eric V. Bacon
Telecopy Number: (440) 684-0984

With a copy to:

Calfee, Halter & Griswold LLP
1400 McDonald Investment Center
800 Superior Avenue
Cleveland, Ohio 44114-2688
Attention: Michael F. Marhofer
Telecopy Number: (216) 241-0816

or in any case, to such other address for a party as to which notice shall have been given to Buyer and Sellers' Representative in accordance with this Section. Notices so addressed shall be deemed to have been duly given (i) on the third business day after the day of registration, if sent by registered or certified mail, postage prepaid, (ii) on the next Business Day following the

documented acceptance thereof for next-day delivery by a national overnight air courier service, if so sent, or (iii) on the date sent by facsimile transmission, if electronically confirmed. Otherwise, notices shall be deemed to have been given when actually received at such address.

11.2 Entire Agreement. This Agreement, the Disclosure Letter and Exhibits hereto constitute the exclusive statement of the agreement among the Company, Buyer, each Seller and the Sellers' Representative concerning the subject matter hereof, and supersedes all other prior agreements, oral or written, among or between any of the parties hereto concerning such subject matter. All negotiations among or between any of the parties hereto are superseded by this Agreement, and there are no representations, warranties, promises, understandings or agreements, oral or written, in relation to the subject matter hereof among or between any of the parties hereto other than those expressly set forth or expressly incorporated herein.

11.3 Modification. No amendment, modification, or waiver of this Agreement or any provision hereof, including the provisions of this sentence, shall be effective or enforceable unless consented to in writing by Buyer and the Sellers' Representative on behalf of the Sellers.

11.4 Jurisdiction and Venue. Each party hereto agrees that any claim relating to this Agreement shall be brought solely in the Delaware Court of Chancery, unless the Delaware Court of Chancery lacks jurisdiction, in which case any such claim shall be brought in such state or federal court of competent jurisdiction located in New Castle County, Delaware and all objections to personal jurisdiction and venue in any action, suit or proceeding so commenced are hereby expressly waived by all parties hereto. The parties waive personal service of any and all process on each of them and consent that all such service of process shall be made in the manner, to the party and at the address set forth in Section 11.1 of this Agreement, and service so made shall be complete as stated in such section. Sellers expressly acknowledge and consent to the notice and service of process to Sellers' Representative for each of them in accordance with Section 11.1 and this Section 11.4.

11.5 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of Buyer, each Seller and the respective successors and permitted assigns of Buyer and of each Seller.

11.6 Headings. The article and section headings used in this Agreement are intended solely for convenience of reference, do not themselves form a part of this Agreement, and may not be given effect in the interpretation or construction of this Agreement.

11.7 Number and Gender; Inclusion. Whenever the context requires in this Agreement, the masculine gender includes the feminine or neuter, the neuter gender includes the masculine or feminine, the singular number includes the plural, and the plural number includes the singular. In every place where it is used in this Agreement, the word "including" is intended and shall be construed to mean "including, without limitation."

11.8 Counterparts. This Agreement and each document delivered pursuant to this Agreement may be executed by the parties in separate counterparts and by facsimile or by electronic mail with scan or attachment signature, each of which when so executed and delivered shall be deemed an original, and all such counterparts shall together constitute one and the same

instrument. Each counterpart may consist of a number of copies hereof or thereof each signed by less than all, but together signed by all of the parties.

11.9 Third Parties. Except as may otherwise be expressly stated herein, no provision of this Agreement is intended or shall be construed to confer on any Person, other than the parties hereto, any rights hereunder. Buyer Indemnitees and Seller Indemnitees who are not otherwise parties to this Agreement shall be third party beneficiaries of this Agreement.

11.10 Disclosure Letter and Exhibits. The Disclosure Letter and Exhibits, if any, referenced in this Agreement constitute an integral part of this Agreement as if fully rewritten herein. Notwithstanding anything to the contrary contained in this Agreement or in any of the sections of the Disclosure Letter, any information disclosed in one section of the Disclosure Letter shall be deemed to be disclosed in such other sections of the Disclosure Letter and applicable to such other representations and warranties to the extent that the disclosure is reasonably apparent from its face to be applicable to such other section of the Disclosure Letter and such other representations and warranties. Disclosure of any fact or item in any section of the Disclosure Letter shall not be deemed to constitute an admission that such item or fact is material for the purposes of this Agreement. All references in this document to "this Agreement" and the terms "herein," "hereof," "hereunder" and the like shall be deemed to include all of such sections of the Disclosure Letter and Exhibits.

11.11 Time Periods. Any action required hereunder to be taken within a certain number of days shall, except as may otherwise be expressly provided herein, be taken within that number of calendar days; provided that if the last day for taking such action falls on a Saturday, a Sunday, or a legal holiday, the period during which such action may be taken shall automatically be extended to the next business day.

11.12 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the choice-of-laws or conflicts-of-laws provisions thereof.

The remainder of this page was intentionally left blank with
four (4) counterpart signature pages following.

IN WITNESS WHEREOF, Buyer, the Company, Sellers and Sellers' Representative have executed and delivered this Securities Purchase Agreement, or have caused this Securities Purchase Agreement to be executed and delivered by their duly authorized representatives, as of the date first written above.

BUYER:

PATRICK INDUSTRIES, INC.

By: /s/ Paul E. Hassler

Its: President & CEO

COMPANY:

ADORN HOLDINGS, INC.

By: /s/

Its: Chairman

SELLERS:

LINSALATA CAPITAL PARTNERS FUND III, L.P.

By: V.T.G. Partners, L.L.C., its general partner

By: FNL Management Corp., its manager

By: /s/

Its: Senior Vice President

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

By: Babson Capital Management LLC,
as Investment Adviser

By: /s/ Michael L. Klofas
Michael L. Klofas
Managing Director

MASSMUTUAL CORPORATE INVESTORS

By: /s/ Michael L. Klofas
Michael L. Klofas
Vice President

The foregoing is executed on behalf of MassMutual Corporate Investors, organized under a Declaration of Trust, dated September 13, 1985, as amended from time to time. The obligations of such Trust are not personally binding upon, nor shall resort be had to the property of, any of the Trustees, shareholders, officers, employees or agents of such Trust, but the Trust's property only shall be bound.

MASSMUTUAL PARTICIPATION INVESTORS

By: /s/ Michael L. Klofas
Michael L. Klofas
Vice President

The foregoing is executed on behalf of MassMutual Participation Investors, organized under a Declaration of Trust, dated April 7, 1988, as amended from time to time. The obligations of such Trust are not personally binding upon, nor shall resort be had to the property of, any of the Trustees, shareholders, officers, employees or agents of such Trust, but the Trust's property only shall be bound.

NATIONAL CITY CAPITAL CORPORATION

By: /s/

Its: Principal

Great Lakes Capital
Investments II, LLC

By: /s/

Its: Member

/s/ George G. Thomas
George G. Thomas

/s/ Todd M. Cleveland
Todd M. Cleveland

/s/ Doyle K. Stump
Doyle K. Stump

/s/ John A. Forbes
John A. Forbes

/s/ James S. Ritchey
James S. Ritchey

/s/ Jeffrey D. Warner
Jeffrey D. Warner

/s/ Jeffrey M. Rodino
Jeffrey M. Rodino

/s/ Aldino J. Piraccini
Aldino J. Piraccini

/s/ Roger L. Garrett
Roger L. Garrett

/s/ Scott A. Bailey
Scott A. Bailey

/s/ Ronald H. Neill
Ronald H. Neill

/s/ William Schecter
William Schecter

/s/ Timothy McGinley
Timothy McGinley

SELLERS' REPRESENTATIVE:

FNL MANAGEMENT CORP.

By: /s/

Its: Senior Vice President

EXECUTION COPY

SECURITIES PURCHASE AGREEMENT

BY AND AMONG

TONTINE CAPITAL PARTNERS, L.P.,

TONTINE CAPITAL OVERSEAS MASTER FUND, L.P.

AND

PATRICK INDUSTRIES, INC.

APRIL 10, 2007

TABLE OF CONTENTS

SECURITIES PURCHASE AGREEMENT

This SECURITIES PURCHASE AGREEMENT, dated as of April 10, 2007, is entered into by and among PATRICK INDUSTRIES, INC., an Indiana corporation (the "***Company***"), and the investors identified on the signature page hereto (each a "***Buyer***" and collectively, the "***Buyers***").

RECITALS:

A. The Buyers desire to provide financing to the Company, and the Company desires to obtain financing from the Buyers, upon the terms and conditions set forth in this Agreement, in connection with the Company's proposed acquisition of Adorn Holdings, Inc. ("***Target***");

B. The total financing being provided by the Buyers to the Company hereunder shall consist of the purchase by the Buyers of 980,000 shares (the "***Shares***") of common stock, no par value, of the Company, which constitutes 19.95% of the common stock currently outstanding, at $11.25 per share, for a total purchase price of $11,025,000.00, and the provision by the Buyers of interim debt financing of up to $16,500,000.00, but not less than $13,975,000.00 (the "***Debt Financing***"), in exchange for Senior Subordinated Promissory Notes from the Company in like principal amount, substantially in the form attached hereto as Exhibit A (individually, a "***Note***" and collectively, the "***Notes***");

C. The Company and the Buyers are executing and delivering this Agreement in reliance upon the exemptions from securities registration afforded by Section 4(2) of the 1933 Act and Rule 506; and

D. At the Closing (as defined below), the parties hereto will execute and deliver an Amended and Restated Registration Rights Agreement, in the form attached hereto as Exhibit B, pursuant to which the Company has agreed under certain circumstances to register the resale of the Shares under the 1933 Act and the rules and regulations promulgated thereunder, and applicable state securities laws.

AGREEMENT

NOW THEREFORE, the Company and the Buyers hereby agree as follows:

ARTICLE 1
DEFINITIONS

"***1933 Act***" means the Securities Act of 1933, as amended.

"***1934 Act***" means the Securities Exchange Act of 1934, as amended.

"***Acquisition***" means the proposed acquisition by the Company of the Target pursuant to that certain Securities Purchase Agreement dated April 10, 2007 among the Company, Target and the additional parties thereto (the "***Target SPA***").

"***Action***" means any action, suit claim, inquiry, notice of violation, proceeding (including any partial proceeding such as a deposition) or investigation against or affecting the Company, any of its Subsidiaries or any of their respective properties before or by any court, arbitrator, governmental or administrative agency, regulatory authority (federal, state, county, local or foreign), public board, stock market, stock exchange or trading facility.

"***Agreement***" means this Securities Purchase Agreement.

"***Amended and Restated Registration Rights Agreement***" means the Amended and Restated Registration Rights Agreement, in the form attached hereto as Exhibit B, to be executed and delivered at the Closingpursuant to which the Company has agreed under certain circumstances to register the resale of the Shares under the 1933 Act and the rules and regulations promulgated thereunder, and applicable state securities laws.

"***Buyer***" and "***Buyers***" have the meaning set forth in the preamble.

"***Claim***" has the meaning set forth in Section 8.2.

"***Closing***" has the meaning set forth in Section 2.4.

"***Closing Date***" has the meaning set forth in Section 2.4.

"***Code***" has the meaning set forth in Section 4.13.

"***Common Stock***" means the Company's common stock, no par value.

"***Company***" has the meaning set forth in the preamble.

"***Debt Financing***" has the meaning set forth in the Recitals.

"***Environmental Laws***" has the meaning set forth in Section 4.11.

"***ERISA***" has the meaning set forth in Section 4.21.

"***Reimbursement Agreement***" has the meaning set forth in Section 5.3.

"***GAAP***" has the meaning set forth in Section 4.5(b).

"***Hazardous Materials***" has the meaning set forth in Section 4.11.

"***IBCL***" has the meaning set forth in Section 4.20.

"***Indemnified Party***" has the meaning set forth in Section 8.2.

"***Intellectual Property***" has the meaning set forth in Section 4.8.

"***Investment Company***" has the meaning set forth in Section 4.13.

"***Legal Requirement***" means any federal, state, local, municipal, foreign, international, multinational or other law, rule, regulation, order, judgment, decree, ordinance, policy or directive, including those entered, issued, made, rendered or required by any court, administrative or other governmental body, agency or authority, or any arbitrator.

"***Material Adverse Change***" means a material adverse change on the business, condition, financial or otherwise, assets, liabilities, or results of operations of the Company and each of its Subsidiaries, taken as a whole; provided, however, "Material Adverse Change" shall not include (a) changes in business or economic conditions affecting the economy or the Company's and each of its Subsidiaries' industries generally, provided that the Company and each of its Subsidiaries are not

disproportionately affected thereby; (b) changes in stock markets or credit markets; (c) any event as to which the Buyers have provided written consent hereunder; or (d) except for purposes of Section 4.4, the execution, delivery or performance of this Agreement (including any announcement relating to this Agreement or the fact that the Company is acquiring the Target and each of its subsidiaries).

"***Material Adverse Effect***" means any material adverse effect on the business, operations, assets, financial condition or prospects of the Company.

"***Note***" and "***Notes***" have the meaning set forth in the Recitals.

"***Per Share Price***" means $11.25 per Share, which is the lesser of (a) the closing price of the Common Stock as reported on the Nasdaq Global Market on the trading day immediately prior to the public announcement of the Company's entry into the Target SPA and (b) the arithmetic average of the closing price of the Common Stock as reported on the Nasdaq Global Market during the twenty (20) consecutive trading day period ending five (5) trading days prior to such public announcement. The Per Share Price shall be rounded down to the closest $0.25 increment.

"***Permits***" has the meaning set forth in Section 4.10.

"***Purchase Price***" has the meaning set forth in Section 2.3.

"***Registration Rights Agreement***" means the Registration Rights Agreement, dated September 13, 2005, by and between Tontine Capital and the Company pursuant to which the Company has agreed under certain circumstances to register the resale of shares of Common Stock held by Tontine Capital under the 1933 Act and the rules and regulations promulgated thereunder, and applicable state securities laws.

"***Rights Agreement***" has the meaning set forth in Section 4.20.

"***Rule 506***" means Rule 506 of Regulation D promulgated under the 1933 Act.

"***SEC***" means the United States Securities and Exchange Commission.

"***SEC Documents***" has the meaning set forth in Section 4.5.

"***Securities***" means, collectively, the Shares and the Note.

"***Shares***" has the meaning set forth in the Recitals.

"***Subsidiaries***" means with respect to the Company, Machinery Inc. and Harlan Machinery Inc.

"***Target***" has the meaning set forth in the Recitals.

"***Target SPA***" has the meaning set forth in the definition of Acquisition.

"***Tontine Capital***" means Tontine Capital Partners, L.P.

"***Transaction Documents***" means this Agreement, the Amended and Restated Registration Rights Agreement, the Note, and any other documents contemplated by this Agreement.

"***Transfer Instructions***" has the meaning set forth in Section 2.3.

ARTICLE 2

PURCHASE AND SALE OF SHARES AND ISSUANCE OF NOTE

2.1 Purchase of Shares. Subject to the terms and conditions of this Agreement, on the Closing Date, the Company shall issue and sell the Shares to each Buyer and each Buyer shall purchase from the Company the number of Shares as is set forth below such Buyer's name on the signature page hereto.

2.2 Issuance of Note. Subject to the terms and conditions of this Agreement, on the Closing Date, each Buyer shall provide a portion of the Debt Financing to the Company in the amount as is set forth below such Buyer's name on the signature page hereto and the Company shall issue a Note in like principal amount to each Buyer.

2.3 Purchase Price for Shares and Notes and Form of Payment; Delivery. On the Closing Date each Buyer shall pay the Per Share Price for the Shares and the amount of the Note to be issued and sold to it at the Closing, for a total price of $11,025,000.00 for the Shares and up to $16,500,000.00, but not less than $13,975,000.00 for the Notes (the "***Purchase Price***"). The Purchase Price shall be paid by wire transfer of immediately available funds in accordance with the Company's written instructions. At the Closing, upon payment by the Buyers of the Purchase Price, the Company shall issue and deliver to the Buyers the Notes in the principal amount of the total Debt Financing, and the Company will deliver irrevocable written instructions ("***Transfer Instructions***") to the transfer agent for the Company's Common Stock to issue certificates representing the Shares registered in the name of each Buyer and to deliver such certificates to or at the direction of each Buyer. The Company shall not have the power to revoke or amend the Transfer Instructions without the written consent of the Buyers.

2.4 Closing Date. Subject to the terms of this Agreement, the closing of the transactions contemplated by this Agreement shall occur on or before the date that is five (5) days after the date that the last of the conditions set forth in Article 6 and Article 7 have been satisfied, or at such other time as may be mutually agreed upon by the parties to this Agreement (the "***Closing Date***"), at the offices of McDermott Will & Emery LLP, 227 West Monroe Street, Chicago, Illinois 60606 or at such other location or by such other method (including exchange of signed documents) as may be mutually agreed upon by the parties to this Agreement ("***Closing***").

ARTICLE 3

BUYERS' REPRESENTATIONS AND WARRANTIES

Each Buyer represents and warrants to the Company that:

3.1 Organization and Qualification. Each of the Buyers is an entity of the type identified on the signature page hereto duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, with full power and authority to purchase the Shares and provide the Debt Financing and otherwise perform its obligations under this Agreement and the other Transaction Documents.

3.2 Authorization; Enforcement. This Agreement and each of the other Transaction Documents to be executed by the Buyers and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by, and duly executed and delivered on behalf of, such Buyer. This Agreement and each of the other Transaction Documents to be executed by the Buyers constitutes the valid and binding agreement of such Buyer enforceable in accordance with its terms, except as such enforceability may be limited by: (i) applicable bankruptcy, insolvency, reorganization,

moratorium or other similar laws in effect that limit creditors' rights generally; (ii) equitable limitations on the availability of specific remedies; and (iii) principles of equity.

3.3 Securities Matters. In connection with the Company's compliance with applicable securities laws:

a. Such Buyer understands that the Securities are being offered and sold to it in reliance upon specific exemptions from the registration requirements of United States and state securities laws and that the Company is relying upon the truth and accuracy of, and such Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Buyer set forth herein in order to determine the availability of such exemption and the eligibility of such Buyer to acquire the Securities.

b. Such Buyer is purchasing the Securities for its own account, not as a nominee or agent, for investment purposes and not with a present view towards resale, except pursuant to sales exempted from registration under the 1933 Act, or registered under the 1933 Act as contemplated by the Amended and Restated Registration Rights Agreement.

c. Such Buyer is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the 1933 Act, and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Securities. Such Buyer understands that its investment in the Securities involves a significant degree of risk. Such Buyer understands that no United States federal or state agency or any other government or governmental agency has passed upon or made any recommendation or endorsement of the Securities.

3.4 Information. Such Buyer has conducted its own due diligence examination of the Company's business, financial condition, results of operations, and prospects. In connection with such investigation, such Buyer and its representatives (i) have reviewed the Company's Form 10-K for the fiscal years ended December 31, 2005 and December 31, 2006, the Company's quarterly reports on Form 10-Q for the three most recently concluded interim periods and the Company's Current Reports on Form 8-K or Form 8-K/A filed in 2006 and 2007, and (ii) have been given an opportunity to ask questions, to the extent such Buyer considered necessary, and have received answers from, officers of the Company concerning the business, finances and operations of the Company and information relating to the offer and sale of the Securities, and (iii) have received or had an opportunity to obtain such additional information as it deemed necessary to make an informed investment decision with respect to the purchase of the Securities.

3.5 Restrictions on Transfer. Such Buyer understands that except as provided in the Amended and Restated Registration Rights Agreement, the issuance of the Securities has not been and is not being registered under the 1933 Act or any applicable state securities laws. Such Buyer may be required to hold the Securities indefinitely and the Securities may not be transferred unless (i) the Securities are sold pursuant to an effective registration statement under the 1933 Act, or (ii) the Securities to be sold or transferred may be sold or transferred pursuant to an exemption from such registration. Such Buyer understands that until such time as the resale of the Shares has been registered under the 1933 Act as contemplated by the Amended and Restated Registration Rights Agreement or otherwise may be sold pursuant to an exemption from registration, certificates evidencing the Shares may bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of the certificates evidencing such Shares):

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"). THE SHARES MAY NOT BE OFFERED FOR SALE, SOLD, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE ACT, THE AVAILABILITY OF WHICH IS TO BE ESTABLISHED TO THE SATISFACTION OF THE CORPORATION."

3.6 Stock Ownership. The Buyers, in the aggregate, beneficially owned as of the date of this Agreement, 1,313,089 shares of the Company's Common Stock. Except for such shares and the Shares and the Notes to be issued pursuant to this Agreement, neither the Buyers nor any of their respective affiliates, has or has a right to acquire any beneficial ownership interest in any capital stock or any other securities of the Company, and no such person has a right to vote any common stock of the Company.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the Company's Disclosure Schedule attached hereto, the Company represents and warrants to Buyers that:

4.1 Organization and Qualification. The Company has no subsidiaries other than the Subsidiaries. The Company and each of its Subsidiaries is a corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, with corporate power and authority to own, lease, use and operate its properties and to carry on its business as now operated and conducted. The Company and each of its Subsidiaries is duly qualified as a foreign corporation to do business and is in good standing in each jurisdiction in which its ownership or use of property or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so qualified or in good standing would not have a Material Adverse Effect. Neither the Company nor any Subsidiary is in violation of any provision of its respective certificate or articles of incorporation, partnership agreement, bylaws or other organizational or charter documents, as the same may have been amended.

4.2 Authorization; Enforcement. The Company has all requisite corporate power and authority to enter into and perform this Agreement and each of the other Transaction Documents and to consummate the transactions contemplated hereby and thereby and to issue the Securities, in accordance with the terms hereof and thereof. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby (including without limitation, the issuance of the Securities) have been duly authorized by the Company's Board of Directors and no further consent or authorization of the Company, its Board of Directors, or its shareholders is required. This Agreement and each of the other Transaction Documents have been duly executed and delivered by the Company. This Agreement and each of the other Transaction Documents will constitute upon execution and delivery by the Company, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by: (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws in effect that limit creditors' rights generally; (ii) equitable limitations on the availability of specific remedies; (iii) principles of equity (regardless of whether such enforcement is considered in a proceeding in law or in equity); and (iv) to the extent rights to indemnification and contribution may be limited by federal securities laws or the public policy underlying such laws.

4.3 Capitalization; Valid Issuance of Securities. As of the date hereof, the authorized capital stock of the Company consists of 12,000,000 shares of Common Stock, of which 4,912,427 shares are

issued and outstanding, and no shares are held by the Company as treasury shares, and 1,000,000 shares of preferred stock, of which no shares are issued and outstanding. All of such outstanding shares of Common Stock are duly authorized, validly issued, fully paid and nonassessable. The Securities have been duly authorized and when issued pursuant to the terms hereof will be validly issued, fully paid and nonassessable and will not be subject to any encumbrances, preemptive rights or any other similar contractual rights of the shareholders of the Company or any other person. No shares of capital stock of the Company are subject to preemptive rights or any other similar rights of the shareholders of the Company or any liens or encumbrances imposed through the actions or failure to act of the Company. As of the date of this Agreement, except as set forth on Schedule 4.3 or disclosed in the Company's Proxy Statement for 2006, (i) there are no outstanding options, warrants, scrip, rights to subscribe for, puts, calls, rights of first refusal, agreements, understandings, claims or other commitments or rights of any character whatsoever relating to, or securities or rights convertible into or exchangeable for any shares of capital stock of the Company or any of its Subsidiaries, or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional shares of capital stock, (ii) there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of its or their securities under the 1933 Act (except the Registration Rights Agreement) and (iii) there are no anti-dilution or price adjustment provisions contained in any security issued by the Company (or in any agreement providing rights to security holders) that will be triggered by the issuance of the Shares or the Notes. Except as may be described in any documents which have been publicly filed by any of the Company's shareholders, to the Company's knowledge, there are no agreements between the Company's shareholders with respect to the voting or transfer of the Company's capital stock or with respect to any other aspect of the Company's affairs.

4.4 No Conflicts. The execution, delivery and performance of this Agreement and each of the other Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of Securities) will not (i) conflict with or result in a violation of any provision of the Articles of Incorporation, as amended, of the Company or the Bylaws, as amended, of the Company, (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both could become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any material agreement, indenture, patent, patent license or instrument to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any Legal Requirement (including federal and state securities laws and regulations and regulations of any self-regulatory organizations to which the Company or its securities are subject) applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected (except for such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect). Neither the Company nor any of its Subsidiaries is in violation of its Certificate or Articles of Incorporation, bylaws or other organizational documents and neither the Company nor any of its Subsidiaries is in default (and no event has occurred which with notice or lapse of time would result in a default) under, and neither the Company nor any of its Subsidiaries has taken any action or failed to take any action that would give to others any rights of termination, amendment, acceleration or cancellation of, any agreement or instrument to which the Company or any of its Subsidiaries is a party or by which any property or assets of the Company or any of its Subsidiaries is bound or affected, except for possible defaults as would not, individually or in the aggregate, have a Material Adverse Effect. Except with respect to any filings or notices related to the issuance of the Shares to be filed with Nasdaq, if any, and as required under the 1933 Act and any applicable state securities laws, the Company is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court, governmental agency, regulatory agency, self regulatory organization or stock market or any third party in order for it to execute, deliver or perform any of its obligations under the Transaction Documents. All

consents, authorizations, orders, filings and registrations that the Company is required to effect or obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date hereof.

4.5 SEC Documents; Financial Statements.

a. Since December 31, 2005, the Company has timely filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the 1933 Act and the 1934 Act (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents (other than exhibits to such documents) incorporated by reference therein, being hereinafter referred to herein as the "***SEC Documents***"), or has timely filed for a valid extension of such time of filing and has filed any such SEC Documents prior to the expiration of any such extension. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the 1933 Act and the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

b. As of their respective dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with United States generally accepted accounting principles ("***GAAP***"), consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes, year end adjustments or may be condensed or summary statements) and fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except as set forth in the financial statements of the Company included in the SEC Documents, the Company has no liabilities, contingent or otherwise, other than (i) liabilities incurred in the ordinary course of business subsequent to December 31, 2006, and (ii) obligations under contracts and commitments incurred in the ordinary course of business and not required under generally accepted accounting principles to be reflected in such financial statements, which, individually or taken in the aggregate would not reasonably be expected to have a Material Adverse Effect.

c. Except as set forth on Schedule 4.5, the Company has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the 1934 Act).

4.6 Absence of Certain Changes. Since December 31, 2006, other than circumstances affecting the recreational vehicle and manufactured housing industries generally, there has not occurred any event or circumstance that has had, resulted in, or would reasonably be expected to have, a Material Adverse Change. Except with respect to the transactions contemplated hereby and by each of the other Transaction Documents and except as set forth on Schedule 4.6, since December 31, 2006, the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables, accrued expenses and other liabilities incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected on the Company's financial statements pursuant to GAAP or required to be disclosed in filings made with the SEC.

4.7 Absence of Litigation. There is no Action pending or, to the knowledge of the Company or any of its Subsidiaries, threatened against or affecting the Company or any of its Subsidiaries that (i) adversely affects or challenges the legality, validity or enforceability of this Agreement, or (ii) would, if

there were an unfavorable decision, have or reasonably be expected to have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries, nor any director or officer thereof (in his or her capacity as such), is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending any investigation by the SEC involving the Company or any current or former director or officer of the Company (in his or her capacity as such). The SEC has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company under the 1934 Act or the 1933 Act.

4.8 Intellectual Property. The Company and each of its Subsidiaries owns or possesses the requisite licenses or rights to use all patents, patent applications, patent rights, inventions, know-how, trade secrets, copyrights, trademarks, trademark applications, service marks, service names, trade names and copyrights ("***Intellectual Property***") necessary to enable it to conduct its business as now operated (and, to the Company's knowledge, as presently contemplated to be operated in the future); except as set forth on Schedule 4.8, there is no claim or Action by any person pertaining to, or proceeding pending, or to the Company's knowledge threatened, which challenges the right of the Company or of a Subsidiary with respect to any Intellectual Property necessary to enable it to conduct its business as now operated and to the Company's knowledge, the Company's or its Subsidiaries' current products and processes do not infringe on any Intellectual Property or other rights held by any person, except where any such infringement would not reasonably be expected to have a Material Adverse Effect.

4.9 Tax Status. The Company and each of its Subsidiaries has made or filed all federal, state and foreign income and all other material tax returns, reports and declarations required by any jurisdiction to which it is subject (unless and only to the extent that the Company and each of its Subsidiaries has set aside on its books provisions reasonably adequate for the payment of all unpaid and unreported taxes) and has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and has set aside on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim. The Company has not executed a waiver with respect to the statute of limitations relating to the assessment or collection of any foreign, federal, state or local tax.

4.10 Permits; Compliance.

a. The Company and each of its Subsidiaries is in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exemptions, consents, certificates, approvals and orders necessary to own, lease and operate its properties and to carry on its business as it is now being conducted (collectively, "***Permits***"), and there is no Action pending or, to the knowledge of the Company, threatened regarding suspension or cancellation of any of the Permits. Neither the Company nor any of its Subsidiaries is in conflict with, or in default or violation of, any of the Permits, except for any such conflicts, defaults or violations which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

b. Except as set forth on Schedule 4.10(b), since December 31, 2006, no event has occurred or, to the knowledge of the Company, circumstance exists that (with or without notice or lapse of time): (a) would reasonably be expected to constitute or result in a violation by the Company or any of its Subsidiaries, or a failure on the part of the Company or its Subsidiaries to comply with, any Legal Requirement; or (b) would reasonably be expected to give rise to any obligation on the part of the Company or any of its Subsidiaries to undertake, or to bear all or any portion of the cost of, any remedial

action of any nature in connection with a failure to comply with any Legal Requirement, except in either case that would not reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 4.10(b), neither the Company nor any of its Subsidiaries has received any notice or other communication from any regulatory authority or any other person, nor does the Company have any knowledge regarding: (x) any actual, alleged, possible or potential violation of, or failure to comply with, any Legal Requirement, or (y) any actual, alleged, possible or potential obligation on the part of the Company or any of its Subsidiaries to undertake, or to bear all or any portion of the cost of, any remedial action of any nature in connection with a failure to comply with any Legal Requirement, except in either case that would not reasonably be expected to have a Material Adverse Effect.

c. The Company is in compliance in all material respects with the provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder that are applicable to it and has taken reasonable steps such that the Company expects to be in a position to comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder at such time as Section 404 becomes applicable to the Company.

d. The Company is, and has reason to believe that for the foreseeable future it will continue to be, in compliance with all applicable rules of the Nasdaq Global Market. The Company has not received notice from Nasdaq that the Company is not in compliance with the rules or requirements thereof. The issuance and sale of the Securities under this Agreement does not contravene the rules and regulations of the Nasdaq Global Market, and no approval of the shareholders of the Company is required for the Company to issue the Shares as contemplated by this Agreement.

4.11 Environmental Matters. "***Environmental Laws***" shall mean, collectively, all Legal Requirements, including any federal, state, local or foreign statute, laws, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment issued against the Company or its Subsidiaries, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "***Hazardous Materials***") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials. Except for such matters as could not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect: (i) the Company and its Subsidiaries have complied and are in compliance with all applicable Environmental Laws; (ii) without limiting the generality of the foregoing, the Company and its Subsidiaries have obtained, have complied, and are in compliance with all Permits that are required pursuant to Environmental Laws for the occupation of their respective facilities and the operation of their respective businesses; (iii) none of the Company or its Subsidiaries has received any written notice, report or other information regarding any actual or alleged violation of Environmental Laws, or any liabilities or potential liabilities (including fines, penalties, costs and expenses), including any investigatory, remedial or corrective obligations, relating to any of them or their respective facilities arising under Environmental Laws, nor, to the knowledge of the Company is there any factual basis therefore; (iv) there are no underground storage tanks, polychlorinated biphenyls, urea formaldehyde or other hazardous substances (other than small quantities of hazardous substances for use in the ordinary course of the operation of the Company's and its Subsidiaries' respective businesses, which are stored and maintained in accordance and in compliance with all applicable Environmental Laws), in, on, over, under or at any real property owned or operated by the Company and/or its Subsidiaries; (v) there are no conditions existing at any real property or with respect to the Company or any of its Subsidiaries that require remedial or corrective action, removal, monitoring or closure pursuant to the Environmental Laws and (vi) to the knowledge of the Company, neither the Company nor any of its Subsidiaries has contractually, by operation of law, or

otherwise amended or succeeded to any liabilities arising under any Environmental Laws of any predecessors or any other Person.

4.12 Title to Property. Except for any lien for current taxes not yet delinquent or which are being contested in good faith and by appropriate proceedings and except as set forth on Schedule 4.12, the Company and its Subsidiaries have good and marketable title to all real property and all personal property owned by them which is material to the business of the Company and its Subsidiaries. Any leases of real property and facilities of the Company and its Subsidiaries are valid and effective in accordance with their respective terms, except as would not have a Material Adverse Effect.

4.13 No Investment Company or Real Property Holding Company. The Company is not, and upon the issuance and sale of the Securities as contemplated by this Agreement will not be, an "investment company" as defined under the Investment Company Act of 1940 ("***Investment Company***"). The Company is not controlled by an Investment Company. The Company is not a United States real property holding company, as defined under the Internal Revenue Code of 1986, as amended (the "***Code***").

4.14 No Brokers. The Company has taken no action which would give rise to any claim by any person for brokerage commissions, transaction fees or similar payments relating to this Agreement or the transactions contemplated hereby.

4.15 Registration Rights. Except pursuant to the Amended and Restated Registration Rights Agreement and this Agreement, neither the Company nor any Subsidiary is currently subject to any agreement providing any person or entity any rights (including piggyback registration rights) to have any securities of the Company or any Subsidiary registered with the SEC or registered or qualified with any other governmental authority.

4.16 Exchange Act Registration. The Common Stock is registered pursuant to the 1934 Act, and the Company has taken no action designed to, or which, to the knowledge of the Company, is likely to have the effect of, terminating the registration of the Common Stock.

4.17 Labor Relations. No labor or employment dispute exists or, to the knowledge of the Company, is imminent or threatened, with respect to any of the employees of the Company that has, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

4.18 Transactions with Affiliates and Employees. Except as set forth in the SEC Documents, none of the officers or directors of the Company, and to the knowledge of the Company, none of the employees of the Company, is presently a party to any transaction or agreement with the Company (other than for services as employees, officers and directors) exceeding $60,000, including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

4.19 Insurance. The Company and its Subsidiaries have insurance policies in full force and effect of a type, covering such risks and in such amounts, and having such deductibles and exclusions as are customary for conducting businesses and owning assets similar in nature and scope to those of the Company and its Subsidiaries. The amounts of all such insurance policies and the risks covered thereby are in accordance in all material respects with all material contracts and agreements to which the Company and/or its Subsidiaries is a party and with all applicable Legal Requirements. With respect to each such insurance policy: (i) the policy is valid, outstanding and enforceable in accordance with its

terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws in effect that limit creditors' rights generally, equitable limitations on the availability of specific remedies and principles of equity (regardless of whether such enforcement is considered in a proceeding in law or in equity); (ii) neither the Company nor any of its Subsidiaries is in breach or default with respect to its obligations thereunder in any material respect; and (iii) no party to the policy has repudiated, or given notice of an intent to repudiate, any provision thereof.

4.20 Approved Acquisitions of Securities; No Anti-Takeover Provisions. Prior to Closing, the Company will have taken all necessary action, if any, required under the laws of the State of Indiana or otherwise to allow the Buyers to acquire the Securities pursuant to this Agreement and further to allow the Buyers to, without further approval of the Company's Board of Directors, acquire in the future additional shares of Common Stock, until such time as the Buyers collectively own 40% of the then-outstanding Common Stock, including the adoption of irrevocable resolutions approving and exempting from the restrictions in Section 18 and Section 19 of Chapter 43 of the ICBL the transactions contemplated by this Agreement. Without limitation of the foregoing, the Company will have amended its Bylaws to opt out of the provisions of the Indiana Business Corporation Law ("***IBCL***") pertaining to the acquisition of a controlling interest (IBCL 23-1-42-1 through 23-1-42-11) with respect to the acquisition by the Buyers of the Shares. Except for the Rights Agreement, the Company has no control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's Articles of Incorporation or Bylaws, each as amended (or similar charter documents), that is or could become applicable to the Buyers as a result of the Buyers and the Company fulfilling their obligations or exercising their rights under this Agreement, including without limitation the Company's issuance of the Securities and the Buyers' ownership of the Securities and Buyers' acquisition in the future of additional shares of Common Stock until such time as the Buyers collectively own 40% of the then-outstanding Common Stock. Prior to Closing, the Company will have amended the Rights Agreement, dated March 21, 2006, as amended, by and between the Company and National City Bank, as Rights Agent (the "***Rights Agreement***"), to accommodate the issuance and sale of the Shares to the Buyers, in a form reasonably acceptable to the Buyers.

4.21 ERISA. Based upon the Employee Retirement Income Security Act of 1974, as amended ("***ERISA***"), and the regulations and published interpretations thereunder: (i) neither the Company nor any of its Subsidiaries has engaged in any Prohibited Transactions (as defined in Section 406 of ERISA and Section 4975 of the Code); (ii) the Company and each of its Subsidiaries has met all applicable minimum funding requirements under Section 302 of ERISA in respect to its plans; (iii) neither the Company nor any of its Subsidiaries has any knowledge of any event or occurrence which would cause the Pension Benefit Guaranty Corporation to institute proceedings under Title IV of ERISA to terminate any employee benefit plan(s); neither the Company nor any of its Subsidiaries has any fiduciary responsibility for investments with respect to any plan existing for the benefit of persons other than its or such Subsidiary's employees; and (v) neither the Company nor any of its Subsidiaries has withdrawn, completely or partially, from any multi-employer pension plan so as to incur liability under the Multiemployer Pension Plan Amendments Act of 1980.

4.22 Disclosure. The Company understands and confirms that the Buyers will rely on the representations and covenants contained herein in effecting the transactions contemplated by this Agreement and the other Transaction Documents. All representations and warranties provided to the Buyers including the disclosures in the Company's disclosure schedules attached hereto furnished by or on behalf of the Company, taken as a whole are true and correct and do not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. No event or circumstance has occurred or information exists with respect to the Company or its Subsidiaries or its or their businesses, properties, prospects, operations or financial conditions, which, under applicable law, rule or

regulation, requires public disclosure or announcement by the Company but which has not been so publicly announced or disclosed.

ARTICLE 5
COVENANTS

5.1 Form D; Blue Sky Laws. Upon completion of the Closing, the Company shall file with the SEC a Form D with respect to the Securities as required under Regulation D and each applicable state securities commission and will provide a copy thereof to the Buyers promptly after such filing.

5.2 Use of Proceeds. The Company shall use the proceeds from the sale of the Securities to complete the Acquisition.

5.3 Expenses. The Company shall pay the fees and expenses incurred by the Buyers in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the other Transaction Documents and the transactions hereunder and thereunder, including, without limitation, reasonable attorneys' fees and expenses, as set forth in the Expense Reimbursement Agreement dated as of February 1, 2007 (the "***Reimbursement Agreement***") between the Company and Tontine Capital.

5.4 No Integration. The Company shall not make any offers or sales of any security (other than the Securities) under circumstances that would require registration of the Securities being offered or sold hereunder under the 1933 Act or cause the offering of the Securities to be integrated with any other offering of securities by the Company in such a manner as would require the Company to seek the approval of its shareholders for the issuance of the Securities under any shareholder approval provision applicable to the Company or its securities.

5.5 Board Designee(s). Following the Closing and for as long as the Buyers and/or their affiliates hold (i) between 7.5% and 14.9% of the then outstanding Common Stock, the Buyers shall have the right to appoint one (1) nominee to become a member of the Company's Board of Directors reasonably acceptable to the Nominating and Corporate Governance Committee of the Company's Board of Directors (the "***Governance Committee***") or (ii) hold at least 15.0% of the then outstanding Common Stock, the Buyers shall have the right to appoint two (2) nominees to become members of the Company's Board of Directors reasonably acceptable to the Governance Committee. Notwithstanding anything to the contrary contained in this Agreement, the Articles of Incorporation, as amended, of the Company, or the Bylaws of the Company, as amended, following the Closing and thereafter for as long as the Buyers have the right to appoint directors pursuant to this Section 5.5, the Company's Board of Directors shall be comprised of no more than nine (9) directors, including any representatives appointed by Buyers pursuant hereto. Such reduction in the number of the directors from eleven (11) to nine (9) shall be effected by the Company prior to or at the Company's annual shareholder meeting to be held in 2008.

5.6 Future Acquisitions. The Company shall not revoke its approval of the acquisition of up to 40% of the Common Stock on a fully diluted basis collectively by the Buyers. The Company shall use its best efforts to ensure that any future acquisitions of the Common Stock by the Buyers (up to 40% of the of the outstanding Common Stock on a fully diluted basis) shall not be made subject to the provisions of any anti-takeover laws and regulations of any governmental authority, including without limitation, the applicable provisions of the ICBL, and any provisions of an anti-takeover nature adopted by the Company or any of its Subsidiaries, including the Rights Agreement, or contained in the Company's Articles of Incorporation, Bylaws, or the organizational documents of any of its Subsidiaries, each as amended.

5.7 Announcement of Rights Offering. The Company shall publicly announce, concurrent with the announcement of the execution of this Agreement and the Target SPA, that the Company intends to conduct a registered rights offering to its shareholders at the Per Share Price following the consummation of the transactions contemplated under the Target SPA.

ARTICLE 6

CONDITIONS TO THE COMPANY'S OBLIGATION

The obligation of the Company hereunder to issue and sell the Securities to the Buyers at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions thereto, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion:

6.1 Delivery of Transaction Documents. The Buyers shall have executed and delivered the Transaction Documents to which it is a party to the Company.

6.2 Payment of Purchase Price. The Buyers shall have delivered the Purchase Price and the Debt Financing in accordance with Section 2.3 above.

6.3 Representations and Warranties. The representations and warranties of the Buyers shall be true and correct in all material respects (provided, however, that such qualification shall only apply to representations or warranties not otherwise qualified by materiality) as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date), and the applicable Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the applicable Buyer at or prior to the Closing Date.

6.4 Litigation. No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

ARTICLE 7

CONDITIONS TO THE BUYERS' OBLIGATION

The obligation of the Buyers hereunder to purchase the Securities at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Buyers' sole benefit and may be waived by the Buyers at any time in their sole discretion:

7.1 Delivery of Transaction Documents; Issuance of Securities. The Company shall have executed and delivered the Transaction Documents to the Buyers, including the Notes and the Amended and Restated Registration Rights Agreement, and shall deliver the Transfer Instructions to the transfer agent for the Company's Common Stock to issue certificates in the name of each Buyer representing the Shares being purchased by such Buyer. The Company shall deliver a copy of the Transfer Instructions to the Buyers at the Closing.

7.2 Representations and Warranties. The representations and warranties of the Company shall be true and correct in all material respects (provided, however, that such qualification shall only

apply to representations or warranties not otherwise qualified by materiality) as of the date when made and as of the Closing Date as though made at such time (except for representations and warranties that speak as of a specific date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to the Closing Date.

7.3 Consents. Any consents or approvals required to be secured by the Company for the consummation of the transactions contemplated by the Transaction Documents shall have been obtained and shall be reasonably satisfactory to the Buyers.

7.4 Litigation. No Action shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

7.5 Project A. All of the conditions necessary for the Acquisition to be consummated shall have been satisfied and the Company and the parties to the Target SPA are proceeding to closing thereunder subject to the provision of the Debt Financing and the purchase of the Shares under this Agreement.

7.6 Opinion. The Buyers shall have received an opinion of the Company's counsel, dated as of the Closing Date, in form, scope and substance reasonably satisfactory to the Buyers with respect to the matters set forth in Exhibit C attached hereto.

7.7 No Material Adverse Change. There shall not have been a Material Adverse Change or any event or occurrence (including the failure of the representations and warranties of the Company, in the aggregate, to be true and correct as of the Closing Date) which would reasonably be likely to have a Material Adverse Change.

7.8 Board Approval. The board of directors of the Company shall have adopted irrevocable resolutions approving and exempting from the restrictions in Section 18 and Section 19 of Chapter 43 of the ICBL the transactions contemplated by this Agreement.

7.9 Amendment of Rights Plan. As of the Closing Date, the amendment to the Rights Agreement referenced in Section 4.20 shall continue to be in full force and effect to accommodate the issuance and sale of the Shares to the Buyers and to allow the Buyers to purchase, collectively, up to 40% of the Common Stock.

7.10 Control Share Statute. As of the Closing Date, the Company shall not have amended its Bylaws to opt back in to the provisions of the IBCL pertaining to the acquisition of a controlling interest (IBCL 23-1-42-1 through 23-1-42-11); provided, however, that the Company can so amend its Bylaws to opt into the provisions of Chapter 42 of the IBCL once the purchase and issuance of the Shares hereunder is complete.

ARTICLE 8
TERMINATION

8.1 Termination Provisions. This Agreement may be terminated at any time before the Closing Date:

a. By mutual consent of the Company and the Buyers;

b. By either the Company or the Buyers as applicable, in the event that any of the conditions precedent to their respective obligations to consummate the transactions contemplated hereby as set forth in Article 6 or Article 7, through no fault of the terminating party, have not been met and satisfied and have become impossible of fulfillment;

c. By either the Company or the Buyers if the Closing Date does not occur before June 30, 2007, or such later date as the parties may mutually agree upon (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained herein);

d. By the Buyers if there has been any material breach of any representation, warranty, agreement or covenant in this Agreement by the Company, which breach cannot be or has not been cured within thirty (30) days after giving written notice thereof to the Company; and

e. By the Company if there has been any material breach of any representation, warranty, agreement or covenant in this Agreement by the Buyers, which breach cannot be or has not been cured within thirty (30) days after giving written notice thereof to the Buyers.

8.2 Effect of Termination. Upon the termination of this Agreement pursuant to the terms hereof, this Agreement will be void and neither party will have any further liability obligations with respect hereof, except as otherwise provided in this Agreement or except and to the extent termination results from the intentional breach by a party of any of its representations, warranties or covenants hereunder.

ARTICLE 9
INDEMNIFICATION

9.1 Indemnification by the Company. The Company agrees to indemnify the Buyers and their affiliates and hold the Buyers and their affiliates harmless from and against any and all liabilities, losses, damages, costs and expenses of any kind (including, without limitation, the reasonable fees and disbursements of the Buyers' counsel in connection with any investigative, administrative or judicial proceeding), which may be incurred by the Buyers or their affiliates as a result of any claims made against the Buyers or their affiliates by any person that relate to or arise out of (i) any breach by the Company of any of its representations, warranties or covenants contained in this Agreement or in the Transaction Documents (other than the Amended and Restated Registration Rights Agreement, which contains separate indemnification provisions), or (ii) any litigation, investigation or proceeding instituted by any person with respect to this Agreement or the Securities (excluding, however, any such litigation, investigation or proceeding which arises solely from the acts or omissions of the Buyers or their affiliates).

9.2 Notification. Any person entitled to indemnification hereunder ("***Indemnified Party***") will (i) give prompt notice to the Company, of any third party claim, action or suit with respect to which it seeks indemnification (the "***Claim***") (but omission of such notice shall not relieve the Company from liability hereunder except to the extent it is actually prejudiced by such failure to give notice), specifying in reasonable detail the factual basis for the Claim, the amount thereof, estimated in good faith, and the method of computation of the Claim, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such indemnification is sought with respect to the Claim, and (ii) unless in such Indemnified Party's reasonable judgment a conflict of interest may exist between such Indemnified Party and the Company with respect to such claim, permit the Company to assume the defense of the Claim with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall cooperate fully with the Company with respect to the defense of the Claim and, if

the Company elects to assume control of the defense of the Claim, the Indemnified Party shall have the right to participate in the defense of the Claim at its own expense. If the Company does not elect to assume control or otherwise participate in the defense of the Claim, then the Indemnified Party may defend through counsel of its own choosing. If such defense is not assumed by the Company, the Company will not be subject to any liability under this Agreement or otherwise for any settlement made without its consent (but such consent will not be unreasonably withheld or delayed). If the Company elects not to or is not entitled to assume the defense of a Claim, it will not be obligated to pay the fees and expenses of more than one counsel for all Indemnified Parties with respect to the Claim, unless an actual conflict of interest exists between such Indemnified Party and any other of such Indemnified Parties with respect to the Claim, in which event the Company will be obligated to pay the fees and expenses of such additional counsel or counsels.

ARTICLE 10

GOVERNING LAW; MISCELLANEOUS

10.1 Governing Law. This Agreement shall be enforced, governed by and construed in accordance with the laws of the State of Indiana applicable to agreements made and to be performed entirely within such state, without regard to the principles of conflict of laws. The parties hereto hereby submit to the exclusive jurisdiction of the United States Federal Courts located in the State of Indiana with respect to any dispute arising under this Agreement, the agreements entered into in connection herewith or the transactions contemplated hereby or thereby. All parties irrevocably waive the defense of an inconvenient forum to the maintenance of such suit or proceeding. All parties further agree that service of process upon a party mailed by first class mail shall be deemed in every respect effective service of process upon the party in any such suit or proceeding. Nothing herein shall affect any party's right to serve process in any other manner permitted by law. All parties agree that a final non-appealable judgment in any such suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on such judgment or in any other lawful manner. The party which does not prevail in any dispute arising under this Agreement shall be responsible for all reasonable fees and expenses, including reasonable attorneys' fees, incurred by the prevailing party in connection with such dispute.

10.2 Counterparts; Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. This Agreement, once executed by a party, may be delivered to the other party hereto by electronic transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

10.3 Headings. The headings of this Agreement are for convenience of reference only and shall not form part of, or affect the interpretation of, this Agreement.

10.4 Severability. In the event that any provision of this Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform to such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

10.5 Entire Agreement; Amendments. This Agreement and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and supersede all previous understandings or agreements between the parties with respect to such matters (other than the Reimbursement Agreement). No provision of this Agreement may be waived other than

by an instrument in writing signed by the party to be charged with enforcement. The provisions of this Agreement may be amended only by a written instrument signed by the Company and the Buyers.

10.6 Notices. Any notices required or permitted to be given under the terms of this Agreement shall be delivered personally or by courier (including a recognized, receipted overnight delivery service) or by facsimile (with a copy delivered by receipted overnight delivery service) and shall be effective upon receipt, if delivered personally or by courier (including a recognized, receipted overnight delivery service) or by facsimile, in each case addressed to a party. The addresses for such communications shall be:

If to the Company:

Patrick Industries, Inc.
107 West Franklin Street
Elkhart, Indiana 46516
Telephone: (574) 294-7511
Facsimile: (574) 522-5213
Attention: Andy Nemeth

With copy to:

McDermott Will and Emery LLP
227 West Monroe
Chicago, Illinois 60606-5096
Telephone: (312) 984-7582
Facsimile: (312) 984-7700
Attention: Robert A. Schreck, Jr., Esq.

If to the Buyers:

Tontine Capital Partners, L.P.
55 Railroad Avenue, 1st Floor
Greenwich, Connecticut 06830
Attention: Mr. Jeffrey L. Gendell
Telephone: (203) 769-2000
Facsimile: (203) 769-2010

With copy to:

Barack Ferrazzano Kirschbaum Perlman & Nagelberg LLP

Until June 30, 2007:
333 W. Wacker Drive, Suite 2700
Chicago, Illinois 60606

After June 30, 2007:
200 W. Madison Street, Suite 3900
Chicago, Illinois 60606

Attention: John E. Freechack, Esq.
Telephone: (312) 984-3100
Facsimile: (312) 984-3150

Each party shall provide notice to the other party of any change in address.

10.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Buyers.

10.8 Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

10.9 Publicity. The Company and the Buyers shall have the right to review a reasonable period of time before issuing any press releases or any other public statements with respect to the transactions contemplated hereby; provided, however, that the Company shall be entitled, without the prior approval of the Buyers, to make any press release with respect to such transactions as is required by applicable law and regulations (although the Buyers shall be consulted by the Company in connection with any such press release prior to its release and shall be provided with a copy thereof and be given an opportunity to comment thereon). Notwithstanding the foregoing, the Company shall file with the SEC a Form 8-K disclosing the transactions herein within four (4) business days of the Closing Date and attach the relevant agreements and instruments thereto, and the Buyers may make such filings as may be required under Section 13 and Section 16 of the 1934 Act.

10.10 Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

10.11 No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

10.12 Rights Cumulative. Each and all of the various rights, powers and remedies of the parties shall be considered cumulative with and in addition to any other rights, powers and remedies which such parties may have at law or in equity in the event of the breach of any of the terms of this Agreement or the Transaction Documents. The exercise or partial exercise of any right, power or remedy shall neither constitute the exclusive election thereof nor the waiver of any other right, power or remedy available to such party.

10.13 Survival. Any covenant or agreement in this Agreement required to be performed following the Closing Date, shall survive the Closing Date. Without limitation of the foregoing, the respective representations and warranties given by the parties hereto shall survive the Closing Date and the consummation of the transactions contemplated herein, but only for a period of the earlier of (i) three (3) years following the Closing Date and (ii) the applicable statute of limitations with respect to each representation and warranty, and thereafter shall expire and have no further force and effect..

10.14 Knowledge. The term "knowledge of the Company" or any similar formulation of knowledge shall mean, the actual knowledge after due inquiry of the named executive officers of the Company as set forth in its 2007 Proxy Statement.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed as of the date first above written.

COMPANY:

PATRICK INDUSTRIES, INC.

By: /s/ Paul E. Hassler
Name: Paul E. Hassler
Title: President

BUYER:

TONTINE CAPITAL PARTNERS, L.P.

By: Tontine Capital Management, LLC, its general partner

By: /s/ Jeffery L. Gendell
Jeffrey L. Gendell, as managing member

Total Number of Shares: 521,380

Total Purchase Price for the Shares: $5,865,525.00

Amount of Debt Financing: up to $13,200,000.00

Form of Entity and Jurisdiction of Organization:

Delaware Limited Partnership

TONTINE CAPITAL OVERSEAS MASTER FUND, L.P.

By: Tontine Capital Overseas GP, L.L.C., its general partner

By: /s/ Jeffery L. Gendell
Jeffrey L. Gendell, as managing member

Total Number of Shares: 458,620

Total Purchase Price for the Shares: $5,159,475.00

Amount of Debt Financing: up to $3,300,000.00

Form of Entity and Jurisdiction of Organization:

Cayman Islands Limited Partnership

THE SECURITY REPRESENTED HEREBY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT AND SUCH STATE SECURITIES LAWS, OR AN EXEMPTION FROM REGISTRATION THEREUNDER.

SENIOR SUBORDINATED PROMISSORY NOTE

$[___] Elkhart, Indiana

FOR VALUE RECEIVED, PATRICK INDUSTRIES, INC., an Indiana corporation (hereinafter referred to as the "**Borrower**"), hereby promises to pay to the order of _____, and its successors and assigns (hereinafter referred to as "**Holder**"), in the manner hereinafter provided, the principal sum of [____] DOLLARS ($[___]), as it may be increased herein, in immediately available funds and in lawful money of the United States of America, together with interest thereon, all in accordance with the provisions hereinafter specified. This Note is one of $**[_____]** in aggregate principal amount of Senior Subordinated Promissory Notes (each a "**Note**" and collectively, the "**Notes**") issued pursuant to the Securities Purchase Agreement dated April 10, 2007, among the Borrower and the original purchasers of the Notes (the "**Purchase Agreement**"), and is subject to the provisions set forth therein.

1. Accrual of Interest. Interest shall accrue on the outstanding principal amount hereof (including any PIK Interest, as hereafter defined) at (i) a rate equal to nine and one-half percent (9.50%) per annum for the period beginning on the date hereof and ending on the first anniversary of the date hereof (the "**Initial Period**") and (ii) a rate equal to thirteen and one-half percent (13.50%) per annum for the period following the Initial Period. Interest shall be calculated hereunder on the basis of the actual number of days elapsed.

2. Payment of Interest. Commencing on December 31, 2007, the Borrower shall pay interest on this Note semi-annually in arrears on each June 30 and December 31 of each calendar year and on the Maturity Date (as hereafter defined), or if any such day is not a business day, on the next succeeding business day (each an "**Interest Payment Date**"), to Holder. Interest payable on this Note shall be paid on each Interest Payment Date, at the election of the Borrower, (i) in cash or (ii) in kind, in which event, the amount of the principal outstanding under this Note shall be increased by the amount of such interest payment ("**PIK Interest**") on such Interest Payment Date and interest shall then accrue on the increased principal amount. During the continuance of an Event of Default, notwithstanding anything else to the contrary contained in this Note, interest payable on the outstanding principal hereunder, including any PIK Interest, shall bear interest at the then applicable interest rate set forth in Section 1 plus two percent (2%) per annum and such interest shall be payable upon demand.

3. Scheduled Principal Payments. The Borrower shall make payments of principal to Holder as follows: (i) on the first anniversary of this Note, the sum of $[_____], which

represents 10% of original principal amount of this Note, (ii) on the second anniversary of this Note, the sum of $[_____], which represents 40% of original principal amount of this Note, and (iii) on [_____], 2010 (the "**Maturity Date**"), a final payment of the sum of the outstanding principal balance of this Note, including the amount of any PIK Interest, together with accrued and unpaid interest thereon, and all other obligations and indebtedness owing hereunder, if not sooner paid.

4. Prepayment. This Note may be prepaid in whole or in part at any time without premium or penalty. Any prepayment of principal shall be accompanied by payment of any interest, if any, accrued and unpaid through the date of such prepayment.

5. Manner and Application of Payments. All amounts payable hereunder shall be payable to Holder by wire transfer of immediately available funds. Payments hereunder shall be applied first to interest and then to principal outstanding hereunder, except that if Holder has incurred any cost or expense in connection with the enforcement or collection of the obligations of the Borrower hereunder, Holder shall have the option of applying any monies received from the Borrower to payment of such costs or expenses plus interest thereon before applying any of such monies to any interest or principal then due.

6. No Security**.** This Note is an unsecured obligation of the Borrower and no collateral accompanies the obligations hereunder.

7. Subordination. [The indebtedness of the Borrower evidenced by this Note, including the principal and interest, is subordinated and junior in right of payment to the Senior Debt (as hereafter defined), whether such obligations are outstanding at this date or are hereafter incurred, but will be senior in right of payment to any additional indebtedness of Borrower. For purposes of this Note, "**Senior Debt**" shall mean **[Define]**. **[Senior Debtholder will require specific subordination language.]**

8. Treatment of Notes. Each Note issued pursuant to the Purchase Agreement or subsequently issued in replacement thereof shall rank *pari passu* with each other as to the payment of principal and interest. Further, the Notes and any notes subsequently issued in replacement thereof shall rank senior as to the payment of principal and interest with all present and future indebtedness for money borrowed of the Borrower other than the Senior Debt.

9. Events of Default. Each of the following acts, events or circumstances shall constitute an Event of Default (each an "**Event of Default**") hereunder:

(i) the Borrower shall default in the payment when due (in accordance with the terms of the Notes) of any principal, including PIK Interest, interest or other amounts owing hereunder or under any other Note, and such default is not cured within three (3) business days of the due date;

(ii) any representation or warranty made by the Borrower in the Purchase Agreement to shall have been false or misleading in any material respect on the date as of which such representation or warranty was made;

(iii) the Borrower shall fail to perform or observe any material agreement, covenant or obligation arising under any provision hereof, under any other Note or the Purchase Agreement for more than thirty (30) days following receipt by the Borrower of a notice from Holder indicating any such violation;

(iv) any default by the Borrower under the terms of the Senior Debt, which results in the acceleration of the Senior Debt;

(v) (a) the Borrower shall commence a voluntary case concerning itself under any bankruptcy, insolvency or similar laws or statutes (including Title 11 of the United States Code, as amended, supplemented or replaced) (collectively, the "**Bankruptcy Code**"); or (b) an involuntary case is commenced against the Borrower and is not dismissed within ninety (90) days; or (c) a custodian (as defined in the Bankruptcy Code) is appointed for, or takes charge of, all or substantially all of the property of the Borrower or the Borrower commences any other proceedings under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Borrower or there is commenced against the Borrower any such proceeding; or (d) any order of relief or other order approving any such case or proceeding is entered; or (e) the Borrower is adjudicated insolvent or bankrupt; or (f) the Borrower makes a general assignment for the benefit of creditors; or (g) the Borrower shall call a meeting of its creditors with a view to arranging a composition or adjustment of its debts; or (h) the Borrower shall by any act or failure to act consent to, approve of or acquiesce in any of the foregoing; and

(vi) this Note or any other Note shall cease to be in full force and effect, or shall cease to provide the rights, powers and privileges purported to be created hereby.

Upon the occurrence of any Event of Default described in the immediately preceding paragraph, the unpaid principal amount of and any and all accrued interest on this Note and all other obligations of the Borrower to Holder shall automatically become immediately due and payable, with all additional interest from time to time accrued thereon.

10. Remedies; Cumulative Rights. In addition to the rights provided under Section 8, Holder shall also have any other rights that Holder may have been afforded under any contract or agreement at any time, including the Purchase Agreement, and any other rights that Holder may have pursuant to applicable law. No delay on the part of Holder in the exercise of any power or right under this Note or under any other instrument executed pursuant hereto shall operate as a waiver thereof, nor shall a single or partial exercise of any power or right preclude other or further exercise thereof or the exercise of any other power or right.

No extensions of time of the payment of this Note or any other modification, amendment or forbearance made by agreement with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the liability of any co-borrower, endorser, guarantor or any other person with regard to this Note, either in part or in whole. No failure on the part of Holder or any holder hereof to exercise any right or remedy hereunder, whether before or after the occurrence of a default, shall constitute a waiver thereof, and no waiver of any past default shall constitute a waiver of any future default or of any other default.

No failure to accelerate the debt evidenced hereby by reason of an Event of Default hereunder or acceptance of a past due installment, or indulgence granted from time to time shall be construed to be a waiver of the right to insist upon prompt payment thereafter, or to impose late payment charges, or shall be deemed to be a novation of this Note or any reinstatement of the debt evidenced hereby, or a waiver of such right of acceleration or any other right, or be construed so as to preclude the exercise of any right which Holder or any holder hereof may have, whether by the laws of the State of Indiana, by agreement or otherwise, and none of the foregoing shall operate to release, change or affect the liability of the Borrower of this Note, and the Borrower hereby expressly waives (to the extent allowed by law) the benefit of any statute or rule of law or equity which would produce a result contrary to or in conflict with the foregoing.

11. Waivers. Except for the notices expressly required by the terms of this Note (which rights to notice are not waived by the Borrower), the Borrower, for itself and its successors and assigns, hereby forever waives presentment, protest and demand, notice of protest, demand, dishonor and non-payment of this Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note, and waives and renounces (to the extent allowed by law), all rights to the benefits of any statute of limitations and any moratorium, appraisement, and exemption now allowed or which may hereby be provided by any federal or state statute or decisions against the enforcement and collection of the obligations evidenced by this Note and any and all amendments, substitutions, extensions, renewals, increases, and modifications hereof.

12. Attorneys' Fees. The Borrower agrees to pay all reasonable costs and expenses of collection and enforcement of this Note when incurred, including Holder's reasonable attorneys' fees and legal and court costs, including any incurred on appeal or in connection with bankruptcy or insolvency, whether or not any lawsuit or proceeding is ever filed with respect hereto.

13. Severability; Invalidity. The Borrower and Holder intend and believe that each provision in this Note comports with all applicable local, state and federal laws and judicial decisions. However, if any provisions, provision, or portion of any provision in this Note is found by a court of competent jurisdiction to be in violation of any applicable local, state or federal ordinance, statute, law, or administrative or judicial decision, or public policy, and if such court would declare such portion, provision or provisions of this Note to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such portion, provision or provisions shall be given force and effect to the fullest possible extent they are legal, valid and enforceable, and the remainder of this Note shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were severable and not contained herein, and the rights, obligations and interest of the Borrower and Holder hereof under the remainder of this Note shall continue in full force and effect.

14. Usury. All terms, conditions and agreements herein are expressly limited so that in no contingency or event whatsoever, whether by acceleration of maturity of the unpaid principal balance hereof, or otherwise, shall the amount paid or agreed to be paid to the holders hereof for the use, forbearance or detention of the money advanced hereunder exceed the highest lawful rate permissible under applicable laws. If, from any circumstances whatsoever, fulfillment of any provision hereof shall involve transcending the limit of validity prescribed by law which a court

of competent jurisdiction may deem applicable hereto, then*ipso facto*, the obligation to be fulfilled shall be reduced to the limit of such validity, and if under any circumstances the holder hereof shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to reduction of the unpaid principal balance due hereunder and not to the payment of interest.

15. Assignment. The Borrower may not transfer, assign or delegate any of its rights or obligations hereunder. This Note shall accrue to the benefit of Holder and its successors and shall be binding upon the undersigned and its successors. Holder shall have the right, without the consent of the Borrower, to transfer or assign, in whole or in part, its rights and interests in and to this Note, and, as used herein, the term "**Holder**" shall mean and include such successors and assigns.

16. Notices. Any notices required or permitted to be given under the terms of this Note shall be sent or delivered personally or by courier (including a recognized, receipted overnight delivery service) or by facsimile (with a copy sent by a recognized, receipted overnight delivery service) and shall be effective upon receipt, if delivered personally or by courier (including a recognized overnight delivery service) or by facsimile, in each case addressed to a party. The addresses for such communications shall be:

If to the Borrower:

Patrick Industries, Inc.
107 West Franklin Street
Elkhart, Indiana 46516
Telephone: (574) 294-7511
Facsimile: (574) 522-5213
Attention: Andy Nemeth

If to Holder:

Tontine Capital Partners, L.P.
55 Railroad Avenue, 1st Floor
Greenwich, Connecticut 06830
Attention: Mr. Jeffrey L. Gendell
Telephone: (203) 769-2000
Facsimile: (203) 769-2010

Each party shall provide notice to the other party of any change in address.

17. Amendment. The provisions of this Note may be amended only by a written instrument signed by the Borrower and Holder.

18. Governing Law. THIS NOTE AND THE RIGHTS AND OBLIGATIONS OF ALL PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF INDIANA.

19. Jurisdiction; Waiver of Jury Trial. ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS NOTE SHALL BE FILED, TRIED AND LITIGATED IN THE STATE AND FEDERAL COURTS LOCATED IN INDIANA. THE BORROWER WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS NOTE, INCLUDING CONTRACT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. THE BORROWER HAS REVIEWED THIS WAIVER AND KNOWINGLY AND VOLUNTARILY WAIVES THE AFORESAID TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS NOTE MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

[Signature page follows]

EXECUTED AND DELIVERED at Elkhart, Indiana as of the date written below.

PATRICK INDUSTRIES, INC.

Dated as of [_____], 2007

By:
Name:
Title:

PATRICK INDUSTRIES**, INC.**

AMENDED AND RESTATED
REGISTRATION RIGHTS AGREEMENT

This Amended and Restated Registration Rights Agreement (the "Agreement") is made this ____ day of _____, 2007, by and among Patrick Industries, Inc., an Indiana corporation (the "Company"), and the stockholders of the Company identified on the signature page hereto (individually a "Stockholder" and collectively the "Stockholders"). This Amended and Restated Registration Rights Agreement amends and restates in its entirety that certain Registration Rights Agreement dated September 13, 2005, between the Company and Tontine Capital Partners, L.P. ("Tontine Capital").

AGREEMENT

The parties hereby agree as follows:

1. **REGISTRATION RIGHTS.** The Company and the Stockholders covenant and agree as follows:

1.1 **Definitions.** For purposes of this Agreement:

(a) The term "Adverse Disclosure" means public disclosure of material non-public information relating to a significant transaction, which disclosure (i) would be required to be made in any registration statement filed with the SEC by the Company so that such registration statement would not be materially misleading; (ii) would not be required to be made at such time but for the filing of such registration statement; and (iii) would, in the good faith judgment of the Company's Board of Directors, have a material adverse effect upon the Company's ability to complete such significant transaction or upon the terms on which such significant transaction could be completed

(b) The term "Common Stock" means the common stock of the Company, without par value, including the preferred share purchase rights which accompany each share.

(c) The term "Exchange Act" means the Securities Exchange Act of 1934, as amended, or successor statute, and the rules and regulations of the SEC promulgated thereunder.

(d) The term "Holder" means a Stockholder that is a holder of Registrable Securities and any transferees of such Stockholder underSection 1.11 hereof who hold Registrable Securities.

(e) The term "Majority Holders" means those Holders holding a majority of the Registrable Securities.

(f) The terms "register," "registered," and "registration" refer to a registration effected by preparing and filing a registration statement or similar document in

compliance with the Securities Act of 1933, as amended, or successor statute, and applicable rules and regulations thereunder (the "Securities Act"), and the declaration or ordering of effectiveness of such registration statement or document by the SEC;

(g) The term "Registrable Securities" means (i) the shares of Common Stock now held by the Stockholders, consisting of 2,293,089 shares of Common Stock, 1,313,089 of which were purchased pursuant to a certain Stock Purchase Agreement dated September 13, 2005, between the Company and Tontine Capital and 980,000 of which were purchased pursuant to a certain Securities Purchase Agreement dated April 10, 2007, among the Company, Tontine Capital and Tontine Capital Overseas Master Fund, L.P., and so long as this Agreement is still in effect, any other shares of Common Stock acquired by the Stockholders on or after the date hereof, (ii) any securities of the Company acquired by the Stockholders in the registered rights offering to be made to the Company's shareholders promptly hereafter (the "Rights Offering") and (iii) any other shares of the Company's Common Stock issued as a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares listed in (i) or (ii) (because of stock splits, stock dividends, reclassifications, recapitalizations or similar events); provided, however, that the foregoing definition shall exclude in all cases any Registrable Securities (x) which are effectively registered under the Securities Act and disposed of in accordance with a Registration Statement covering such shares, (y) which have been transferred by a Stockholder owning such securities pursuant to Rule 144 under the Securities Act ("Rule 144") or other provisions of or exemptions from the Securities Act or (z) which are no longer beneficially owned by any Stockholder;

(h) The term "Registration Statement" means a Shelf Registration Statement on Form S-3 registering the resale of Registrable Securities, or such other registration statement filed by the Company under the Securities Act pursuant to the provisions of this Agreement, including the prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits and all material incorporated by reference in such registration statement.

(i) The term "SEC" means the Securities and Exchange Commission, or any other Federal agency at the time administering the Securities Act; and

(j) The term "Shelf Registration Statement" means a "shelf" registration statement on Form S-3 filed under the Securities Act providing for the registration of, and the sale on a continuous or delayed basis by the Stockholders of, all of the Registrable Securities pursuant to Rule 415 under the Securities Act and/or any similar rule that may be adopted by the SEC, filed by the Company pursuant to the provisions of Section 1.2 of this Agreement.

(k) The term "Underwritten Offering" means a registration under this Agreement in which securities of the Company are sold to an underwriter on a firm commitment basis for reoffering to the public.

1.2 **Registration**.

(a) At such time as the Company files a Registration Statement with respect to the Rights Offering, but in any event within ninety (90) days of the date hereof, the Company shall file a Registration Statement on Form S-3 under the Securities Act registering the resale under Rule 415 under the Securities Act of all of the Registrable Securities then outstanding. The Registration Statement shall provide for the resale from time to time, and pursuant to any method or combination of methods legally available on Form S-3 by the Stockholders of any and all Registrable Securities, such methods of distribution to be provided in writing to the Company no later than seven (7) days prior to the effective date of the Registration Statement with the SEC. The Company shall use its reasonable best efforts to cause the Registration Statement to be declared effective under the Securities Act as soon as possible, but in any event, no later than ninety (90) days from the date of filing, and shall use its reasonable best efforts to keep the Registration Statement continuously effective for a period of five (5) years after the Registration Statement first becomes effective, subject to the terms of this Agreement. The Company shall promptly amend such Registration Statement from time to time to include any Registrable Securities that are issued at any time after the original filing upon written notice to the Company by any Stockholder regarding the request for registration of such newly issued Registrable Securities.

(b) If for any reason the SEC does not permit all of the Registrable Securities to be included in a Registration Statement filed pursuant to Section 1.2(a) or Section 1.3 below or for any other reason all Registrable Securities then outstanding are not then included in such an effective Registration Statement, then the Company shall prepare and file as soon as reasonably possible after the date on which the SEC shall indicate as being the first date or time that such filing may be made an additional Registration Statement covering the resale of all Registrable Securities not already covered by an existing and effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415. Each such Registration Statement shall provide for the resale from time to time, and pursuant to any method or combination of methods legally available on Form S-3 by the Holders of any and all Registrable Securities, such methods of distribution to be provided in writing to the Company no later than seven (7) days prior to the effective date of the Registration Statement with the SEC. The Company shall use its reasonable best efforts to cause each such Registration Statement to be declared effective and to keep the Registration Statement continuously effective for a period of five (5) years after the Registration Statement first becomes effective.

1.3 **Request for Registration**.

(a) Subject to Section 1.3(h), if the Company shall receive a written request from the Majority Holders of the Registrable Securities then outstanding (the "Initiating Stockholders") that the Company file a Registration Statement on Form S-3 under the Securities Act registering the resale of all or part of such Majority Holders' Registrable Securities then outstanding, the Company will promptly give written notice of such requested registration to all other Holders, and thereupon the Company will use its reasonable best efforts to file with the SEC as soon as reasonably practicable following such demand request (but in no event later than the date that is ninety (90) days after the demand request) such Registration Statement. The Company shall use its reasonable best efforts to cause such Registration Statement to be declared

effective by the SEC within ninety (90) days after the initial filing of the Registration Statement. The Company shall include in such Registration Statement the Registrable Securities which the Company has been so requested to be registered by the Initiating Holders and all other Registrable Securities the holders of which shall have made a written request to the Company for registration thereof within thirty (30) days after the giving of such written notice by the Company.

(b) If the Holders of not less than 50% of the Registrable Securities covered by a Registration Statement filed pursuant to Section 1.2 or Section 1.3 so elect, the offering of Registrable Securities pursuant to such Registration Statement shall be in the form of an Underwritten Offering and the Company shall amend or supplement the Registration Statement, if appropriate. Such Holders shall have the right to select the managing underwriter or underwriters to administer the offering, subject to the approval of the Company, which approval shall not be unreasonably withheld or delayed.

(c) A registration requested pursuant to this Section 1.3 shall not be deemed to have been effected unless a Registration Statement with respect thereto has become effective; provided, that a Registration Statement that does not become effective after the Company has filed a Registration Statement with respect thereto solely by reason of the refusal to proceed of the Initiating Stockholders shall be deemed to have been effected by the Company at the request of the Initiating Stockholders.

(d) The Company shall use its reasonable best efforts to keep any Registration Statement filed pursuant to this Section 1.3 continuously effective for a period of five (5) years after the Registration Statement first becomes effective. In the event the Company shall give any notice pursuant to Section 1.3(i) or Section 1.5(d), the time period mentioned in this Section 1.3(d) (or in Section 1.2 above) during which the required Registration Statement is to remain effective shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Section 1.3(i) or Section 1.5(d) to and including the date when each Holder covered by the Registration Statement shall have received the copies of the supplemented or amended prospectus contemplated by Section 1.5(h) or shall have otherwise been notified by the Company that the Suspension has been lifted.

(e) Notwithstanding the foregoing, if the Company shall furnish to the Holders, a certificate signed by the President of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such Registration Statement to be filed and it is therefore advisable to defer the filing of such Registration Statement, the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the written request of the Initiating Stockholders.

(f) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to this Section 1.3 during the period starting with the date ninety (90) days prior to the Company's good faith estimate of the date of filing of, and ending on the later of a date ninety (90) days after the effective date of, a Registration Statement subject to Section 1.4 hereof.

(g) Notwithstanding the foregoing, the Company shall not be required to effect a registration pursuant to this Section 1.3 (i) after the Company has effected two (2) registrations pursuant to this Section 1.3 and such registrations have been declared or ordered effective or (ii) during the period in which the Company is not eligible to use Form S-3 for such Registration Statement.

(h) The right of the Holders to register Registrable Securities pursuant to this Section 1.3 is only exercisable if the Registrable Securities were not included in the Registration Statement contemplated by Section 1.2(a) or such Registration Statement otherwise becomes unusable (other than due solely to some act or omission by the Holders electing to have Registrable Securities registered pursuant to such Registration Statement) and the Company is not able to restore the usability of the Registration Statement as contemplated by this Agreement.

(i) If the filing of the Registration Statement or the continued effectiveness of the Registration Statement at any time would require the Company to make an Adverse Disclosure, the Company may, upon giving prompt written notice of such action to the Holders, delay filing the Registration Statement or suspend use of the Registration Statement (in either case, a "Suspension"); provided, however, the Company shall not be permitted to exercise a Suspension (i) more than twice during any twelve (12) month period, (ii) for a period exceeding thirty (30) days on any one occasion, or (iii) for an aggregate period exceeding sixty (60) days in any twelve (12) month period. In the case of a Suspension, the notice required above shall request the Holders to suspend any sale or purchase, or offer to sell or purchase the Registrable Securities, and to suspend use of the prospectus related to the registration in connection with any such sale or purchase or offer to sell or purchase. The Company shall promptly notify the holders upon the termination of any Suspension, and amend or supplement the prospectus, if necessary, so it does not contain any untrue statement or omission therein and furnish to the holder such numbers of copies of the prospectus as so amended or supplemented as the Holders may reasonably request.

1.4 **Company Registration.**

(a) The Company shall notify all Holders in writing at least thirty (30) days prior to the filing of a Registration Statement (including, but not limited to, a Registration Statement relating to secondary offerings of securities of the Company, but excluding (x) registration statements relating solely to employee benefit plans or debt securities, or (y) registration statements solely with respect to corporate reorganizations or other transactions under Rule 145 of the Securities Act or (z) a registration on any registration form that does not permit secondary sales), and such notice shall describe the proposed registration and distribution.

(b) Each Holder desiring to include in any such Registration Statement all or any part of the Registrable Securities held by it shall, within fifteen (15) days after the above-described notice from the Company, so notify the Company in writing. The Company shall, subject to Section 1.7, afford each such Holder an opportunity to include in such Registration Statement all or part of such Registrable Securities held by such Holder.

(c) If the Registration Statement is to be filed in connection with an Underwritten Offering, all Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. The Company shall use its reasonable best efforts to cause the managing underwriter or underwriters of a proposed underwritten offering to permit the Registrable Securities to be included in a Registration Statement under this Section 1.4 to be included on the same terms and conditions as any similar securities of the Company or any other security holder included therein and to permit the sale or other disposition of such Registrable Securities in accordance with the intended method of distribution thereof.

(d) Any Holder shall have the right to withdraw its request for inclusion of its Registrable Securities in any Registration Statement pursuant to this Section 1.4 by giving written notice to the Company of its request to withdraw prior to the filing of the Registration Statement.

(e) If a Holder decides not to include all of its Registrable Securities in any Registration Statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent Registration Statement or Registration Statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.4 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration.

(f) In connection with any public offering by the Company of its Common Stock, pursuant to which the Stockholder is entitled to registration rights under this Section 1.4, the Stockholder (including any permitted transferee) if requested in good faith by the Company and the managing underwriter of the Company's securities, shall agree not to, directly or indirectly, offer, sell, pledge, contract to sell (including any short sale), grant any option to purchase or otherwise dispose of any securities of the Company held by them (except for any securities sold pursuant to such Registration Statement) or enter into any hedging transaction relating to any securities of the Company for a period not to exceed ninety (90) days following the effective date of the applicable Registration Statement as agreed to by such parties; provided, that the Stockholder's obligations under this paragraph (f) shall be conditioned upon all officers and directors entering into similar agreements with the Company and such managing underwriter. For purposes of this Section 1.4, "hedging transaction" means any short sale (whether or not against the box) or any purchase, sale or grant of any right (including without limitation, any put or call option) with respect to any security (other than a broad-based market basket or index) that includes, relates to or derives any significant part of its value from the Common Stock.

1.5 **Obligations of the Company.** Whenever required under Section 1 to effect the registration of any Registrable Securities, the Company will use its reasonable best efforts to effect the registration of Registrable Securities pursuant to this Agreement in accordance with the intended methods of disposition thereof, and pursuant thereto the Company will as expeditiously as possible:

(a) Prepare and file with the SEC a Registration Statement with respect to such Registrable Securities and use its reasonable best efforts to cause such Registration Statement to become effective, and keep such registration statement effective for the period provided for in this Agreement.

(b) Promptly prepare and file with the SEC such amendments and supplements to such Registration Statement and the prospectus used in connection with such Registration Statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement for the period provided for in this Agreement.

(c) Promptly furnish to each Holder of Registrable Securities such numbers of copies of such Registration Statement, each amendment and supplement thereto, the prospectus included in the Registration Statement in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Promptly notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of: (i) the happening of any event as a result of which the prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, (ii) the issuance by the SEC of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, and (iii) the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose.

(e) Use its reasonable best efforts to cause all such Registrable Securities registered pursuant hereto to be listed on Nasdaq or each securities exchange on which similar securities issued by the Company are then listed.

(f) Provide each Holder of Registrable Securities with a reasonable opportunity to review and comment on the Registration Statement prior to its filing with the SEC.

(g) If there has occurred any event as a result of which the prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, the Company will use its reasonable best efforts to prepare and furnish to each Holder a reasonable number of copies of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading in the light of the circumstances then existing.

(h) In the event of the issuance by the SEC of any stop order suspending the effectiveness of a Registration Statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any securities included in the Registration Statement for sale in any jurisdiction, the Company will use its reasonable best efforts to promptly obtain the withdrawal of such order.

(i) Cooperate with each seller of Registrable Securities and their counsel in connection with any filings required to be made with the National Association of Securities Dealers.

(j) Use its reasonable best efforts to register or qualify such Registrable Securities under such other state securities or blue sky laws as the selling Holders selling such Registrable Securities reasonably requests and do any and all other acts and things which may be reasonably necessary or reasonably advisable to enable such Holder to consummate the disposition in such jurisdictions of the Registrable Securities owned by such Holder and to keep each such registration or qualification (or exemption therefrom) effective during the period which the Registration Statement is required to be kept effective (provided, that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subparagraph, (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction).

(k) Enter into such customary agreements (including underwriting agreements containing customary representations and warranties) and take all other customary and appropriate actions as the Holders of a majority of the Registrable Securities being sold or the managing underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities.

(l) With respect to an Underwritten Offering pursuant to any Registration Statement filed under Section 1.2 or Section 1.3, obtain one or more comfort letters, dated the effective date of the Registration Statement and, if required by the managing underwriters, dated the date of the closing under the underwriting agreement, signed by the Company's independent public accountants in customary form and covering such matter of the type customarily covered by comfort letters in similar transactions.

(m) With respect to an Underwritten Offering pursuant to any Registration Statement filed under Section 1.2 or Section 1.3, obtain a legal opinion of the Company's outside counsel, dated the effective date of such Registration Statement and, if required by the managing underwriters, dated the date of the closing under the underwriting agreement, with respect to the Registration Statement, each amendment and supplement thereto, the prospectus included therein (including the preliminary prospectus) and such other documents relating thereto in customary form and covering such matters of the type customarily covered by legal opinions in similar transactions.

(n) Take all other steps reasonably necessary to effect the registration of the Registrable Securities contemplated hereby.

1.6 **Furnish Information**. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 1 with respect to the Registrable Securities of any Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall reasonably be required to effect the registration of such Stockholder's Registrable Securities.

1.7 **Expenses of Registration**. All expenses, other than underwriting discounts and commissions ("Selling Expenses"), incurred in connection with registrations, filings or qualifications of Registrable Securities pursuant to Section 1 for each Holder, including (without limitation) all registration, filing, and qualification fees, printers' and accounting fees and fees and disbursements of counsel for the Company and any other person or entity retained by the Company, shall be borne by the Company, and the Company will pay its internal expenses (including without limitation all salaries and expenses of the Company's employees performing legal or accounting duties) and the expenses and fees for listing or approval for trading of the securities to be registered on each securities exchange on which similar securities issued by the Company are then listed or quoted. All Selling Expenses and the fees and disbursements of counsel for the Holders incurred in connection with any registrations hereunder shall be borne by the Holders of the securities so registered, *pro rata* on the basis of the number of shares so registered. In connection with any Registration Statement filed hereunder, the Company will pay the reasonable fees and expenses of a single counsel retained by the Holders of a majority (by number of shares) of the Registrable Securities requested to be included in such Registration Statement.

1.8 **Underwriting Requirements.** In connection with any Underwritten Offering, the Company shall not be required under Section 1.4 to include any of the Holders' securities in such underwriting, unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it (or by other persons entitled to select the underwriters), and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by Stockholders to be included in such offering exceeds an amount that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters determine in their sole discretion will not jeopardize the success of the offering. In such event: (x) in cases initially involving the registration for sale of securities for the Company's own account, securities shall be registered in such offering in the following order of priority: (i) first, the securities which the Company proposes to register, and (ii) second, Registrable Securities and securities which have been requested to be included in such registration by persons entitled to exercise "piggy-back" registration rights pursuant to contractual commitments of the Company (pro rata based on the amount of securities sought to be registered by Holders and such other persons); and (y) in cases not initially involving the registration for sale of securities for the Company's own account, securities shall be registered in such offering in the following order of priority: (i) first, the securities of any person whose exercise of a "demand" registration right pursuant to a contractual commitment of the Company is the basis for the registration,

(ii) second, Registrable Securities and securities which have been requested to be included in such registration by persons entitled to exercise "piggy-back" registration rights pursuant to contractual commitments of the Company (pro rata based on the amount of securities sought to be registered by Holders and such other persons), and (iii) third, the securities which the Company proposes to register (the securities so included to be apportioned pro rata among the selling stockholders according to the total amount of securities entitled to be included therein owned by each selling stockholder or in such other proportions as shall mutually be agreed to by such selling stockholders).

No Holder may participate in any Underwritten Offering hereunder unless such Holder (a) agrees to sell such Holder's securities on the basis provided in any underwriting arrangements approved by the person or persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting arrangements and other documents required under the terms of such underwriting arrangements.

1.9 **Delay of Registration**. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.10 **Indemnification**. In the event any Registrable Securities are included in a Registration Statement under this Section 1:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, and its general or limited partners, officers, directors, members, managers, employees, advisors, representatives, agents and affiliates (collectively, the "Representatives"), and each underwriter, if any, and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Securities Exchange Act of 1934, as amended (the " Exchange Act"), against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus, or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, or any rule or regulation promulgated under the Securities Act, the Exchange Act; and the Company will pay to each such Stockholder, underwriter or controlling person, as incurred, any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability, or action; provided, however, that the indemnity agreement contained in this subsection 1.10(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable to any Stockholder, underwriter or controlling person for any such loss, claim, damage, liability, or action to the extent that it arises

out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Stockholder, underwriter or controlling person. Each Holder shall be entitled to reimbursement from the Company for any out-of-pocket losses actually incurred by such Holder to the extent that such Holder suffers such losses as a result of such Holder's inability to make delivery of sold securities due to the Company's breach of its commitment to provide timely notice as required by Section 1.5(d).

(b) To the extent permitted by law, each selling Stockholder will indemnify and hold harmless the Company, and its Representatives, each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act, any underwriter, and any controlling person of any such underwriter, against any losses, claims, damages, or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Stockholder expressly for use in connection with such registration; and each such Stockholder will pay, as incurred, any legal or other expenses reasonably incurred by any person intended to be indemnified pursuant to this subsection 1.10(b), in connection with investigating or defending any such loss, claim, damage, liability, or action;provided, however, that the indemnity agreement contained in this subsection 1.10(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Stockholder, which consent shall not be unreasonably wiheld. The obligation of each Holder to indemnify the Company and its Representatives shall be limited to the net proceeds received by such Holder from the sale of Registrable Securities under such Registration Statement. In no event, however, shall any Holder be liable for indirect, incidental or consequential or special damages of any kind.

(c) Promptly after receipt by an indemnified party under this Section 1.10 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.10, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties which may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the reasonable fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential conflicting interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of liability to the indemnified party under this Section 1.10 to the extent that the indemnifying party has been prejudiced thereby.

(d) If the indemnification provided for in this Section 1.10 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

(e) The obligations of the Company and Stockholders under this Section 1.10 shall survive the completion of any offering of Registrable Securities in a Registration Statement under this Section 1, and otherwise.

1.11 **Assignment of Registration Rights**. The rights to cause the Company to register Registrable Securities pursuant to this Section 1 may be transferred or assigned by Holder provided that (i) the Company is furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned and a representation as to the affiliate status of the transferee; (ii) such transferee agrees in writing to be subject to all restrictions set forth in this Agreement as though it were a Holder and shall be thereafter be deemed to constitute a Holder; and (iii) such assignment shall be effective only if and to the extent following such transfer the further disposition of such securities by the transferee or assignee is not eligible to be made under Rule 144(k).

1.12 **Additional Stockholder Covenants**. Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 1.3(i) or Section 1.5(d) hereof or upon notice of the commencement of any delay period under Section 1.3(d) hereof, such Holder shall forthwith discontinue disposition of such Registrable Shares covered by such Registration Statement or prospectus until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 1.5(b) hereof, or until it is advised in writing (the "Advice") by the Company that the use of the applicable prospectus may be resumed, and has received copies of any amended or supplemented prospectus or any additional or supplemental filings which are incorporated, or deemed to be incorporated, by reference in such prospectus and, if requested by the Company, such Holder shall deliver to the Company (at the expense of the Company) all copies, other than permanent file copies then in such Stockholder's possession, of the prospectus covering such Registrable Shares at the time of receipt of such request. Each Holder further agrees not to utilize any material other than the applicable current prospectus in connection with the offering of Registrable Shares pursuant to this Agreement.

1.13 **Termination of Registration Rights.** All registration rights granted under this Agreement with respect to a Holder shall terminate and be of no further force and effect when such Holder no longer beneficially owns any Registrable Securities.

2. **ADDITIONAL COMPANY OBLIGATIONS**.

2.1 **Current Public Information**. The Company covenants that it will use its reasonable best efforts to file all reports required to be filed by it under the Exchange Act, and will use its reasonable best efforts to take such further action as the Stockholder may reasonably request, all to the extent required to enable the Holders of Registrable Securities to sell Registrable Securities pursuant to Rule 144 or Rule 144A adopted by the SEC under the Securities Act or any similar rule or regulation hereafter adopted by the SEC. The Company shall, upon the request of a Holder, deliver to such Holder a written statement as to whether it has complied with such requirements during the twelve (12) month period immediately preceding the date of such request.

3. **Miscellaneous**.

3.1 **Successors and Assigns**. Except as otherwise provided in this Agreement, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective permitted successors and permitted assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

3.2 **Amendments and Waivers**. Any term of this Agreement may be amended or waived only with the written consent of (i) the Company, and (ii) the Majority Holders. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each Stockholder of any Registrable Securities then outstanding and its permitted successors and assigns.

3.3 **Notices**. All notices, consents, waivers and other communications under this Agreement must be in writing (which shall include telecopier or electronic communication) and will be deemed to have been duly given if delivered by hand or by nationally recognized overnight delivery service (receipt requested), or by telecopy if confirmed by receipted overnight delivery service as follows:

Stockholders: c/o Jeffrey L. Gendell
55 Railroad Avenue, 1st Floor
Greenwich, Connecticut, 06830
Telephone: (203) 769-2000
Telecopy: (203) 769-2010
Email: jgendell@tontinepartners.com

with a copy to: Barack Ferrazzano Kirschbaum Perlman & Nagelberg LLP

Until June 30, 2007:
333 W. Wacker Drive, Suite 2700
Chicago, Illinois 60606

After June 30, 2007:
200 W. Madison Street, Suite 3900
Chicago, Illinois 60606

Attention: John E. Freechack, Esq.
Telephone:(312) 984-3100
Telecopy:(312) 984-3150
Email: john.freechack@bfkpn.com

Company: Patrick Industries, Inc.
107 West Franklin Street
Elkhart, Indiana 46516
Attention: Andy Nemeth
Telephone: (574) 294-7511
Telecopy: (574) 522-5213
Email: nemetha@patrickind.com

with a copy to: McDermott Will and Emery LLP

227 West Monroe Street
Chicago, Illinois 60606-5096
Attention: Robert A. Schreck, Jr.
Telephone: (312) 372-2000
Telecopy: (312) 984-7700
Email: rschreck@mwe.com

or to such other person or place as any party shall furnish to the other parties hereto. Except as otherwise provided herein, all such notices, consents, waivers and other communications shall be effective: (a) if delivered by hand, when delivered; (b) if delivered by overnight express delivery service, on the next Business Day after deposit with such service; and (c) if by telecopier or electronic mail, on the next business day of transmission if also confirmed by mail in the manner provided in this Section.

3.4 **Severability**. If any term, provision, covenant or restriction of this Agreement is held by any governmental authority or a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

3.5 **Governing Law**. This Agreement shall be governed in all respects, including validity, interpretation and effect, by the internal laws of the State of Indiana, without regard to the principles of conflict of laws. Any disputes arising out of or in connection with this Agreement shall be adjudicated in a United States District Court in Indiana or in a court of competent civil jurisdiction in the State of Indiana. Each party hereto irrevocably submits to the personal jurisdiction of such courts for the purposes of any such suit, action, counterclaim or proceeding arising out of this Agreement (collectively, a Suit). Each of the parties hereto hereby waives and agrees not to assert by way of motion, as a defense or otherwise in any such Suit, that such Suit is brought in an inconvenient forum, or the venue of such Suit is improper; provided, however, that nothing herein shall be construed as a waiver of any right that any party hereto may have to remove a Suit from a court sitting in the State of Indiana to a United States District Court in Indiana. Each of the parties hereby agrees that service of all writs, process and summonses in any Suit may be made upon such party by mail to the address as provided in this Agreement. Nothing herein shall in anyway be deemed to limit the ability of any party to serve any such writs, process or summonses in any other matter permitted by applicable law.

3.6 **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

3.7 **Entire Agreement.** This Agreement and the documents referred to herein, constitute the entire agreement between the parties hereto pertaining to the subject matter hereof and supersede any and all other written or oral agreements existing between the parties hereto, which agreements are expressly canceled.

3.8 **No Inconsistent Agreements**. The Company has not and shall not enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Stockholders in this Agreement.

3.9 **Titles and Subtitles**. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

[SIGNATURE PAGE FOLLOWS]

The parties hereto have executed this Amended and Restated Registration Rights Agreement as of the date first written above.

PATRICK INDUSTRIES, INC.

By: /s/ Paul E. Hassler
Paul E. Hassler, President

TONTINE CAPITAL PARTNERS, L.P.

By: Tontine Capital Management, LLC, its general partner

By: /s/ Jeffery L. Gendell
Jeffery L. Gendell, as managing member

TONTINE CAPITAL OVERSEAS MASTER FUND, L.P.

By: Tontine Capital overseas GP, L.L.C., its general partner

By: /s/ Jeffery L. Gendell
Jeffery L. Gendell, as managing member

EXHIBIT C

FORM OF LEGAL OPINION

1. The Company is a corporation, validly existing and in good standing under the laws of the state of the jurisdiction in which it is incorporated.

2. The Company has all necessary corporate power and authority to execute, deliver and perform its obligations under each of the Transaction Documents. The execution, delivery and performance of each of the Transaction Documents have been duly authorized by all necessary corporate action on the part of the Company.

3. Each of the Transaction Documents has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

4. The issuance, sale and delivery of the Securities and the execution, delivery and performance by the Company of the Transaction Documents and the consummation by the Company of the transactions contemplated thereby do not violate or result in a breach of or default under the Articles of Incorporation, as amended, Bylaws, as amended, or any applicable requirement of law.

5. To our knowledge, there are no actions, suits, proceedings, claims or disputes pending or threatened against, or affecting, the Company, at law, in equity, in arbitration or before any governmental authority that contest the execution, validity or performance of the Transaction Documents.

6. Except for filings, authorizations or approvals contemplated by the Agreement, to our knowledge no authorizations or approvals of, and no filings with, any governmental authority are necessary or required for the execution, delivery or performance by, or enforcement against, the Company of any of the Transaction Documents.

7. The Securities are duly authorized and, when issued and sold to the Buyers after payment therefor in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and non-assessable.

8. There are no statutory, or to our knowledge, contractual preemptive, rights of first refusal or similar rights with respect to the issuance and sale of the Securities.

9. Assuming that the representations made by the Buyers in the Agreement are true and correct and that any required filings are made pursuant to Rule 503 of Regulation D as promulgated under the Securities Act of 1933, the offering, sale and issuance of the Securities pursuant to the Agreement do not require registration under the Securities Act of 1933, as amended and the rules promulgated thereunder as they currently exist or registration or qualification under any state securities laws.

For Immediate Release

Patrick Industries to Acquire Adorn, LLC

ELKHART, IN., April 11, 2007 – Patrick Industries, Inc. (NASDAQ: PATK) has agreed to acquire Adorn, LLC ("Adorn"), a manufacturer and supplier of interior components to the recreational vehicle ("RV") and manufactured housing ("MH") industries. Patrick expects to close the acquisition within six to eight weeks and expects the acquisition to be accretive to earnings in 2007.

Adorn, which is based in Elkhart, Indiana and recorded approximately $240 million in revenue in 2006, manufactures and supplies laminated wall paneling, cabinet doors and other interior components primarily to the RV and MH industries. Adorn also manufactures and supplies a variety of laminated products and slotwall for the industrial market. Adorn has three facilities in Elkhart, as well as manufacturing facilities in eight other states. Paul Hassler, President and CEO of Patrick Industries, said, "Adorn's products provide a strong complement to our existing product lines, while broadening our reach in the industrial sectors." With Patrick Industries reporting 2006 revenue of $348 million, the combined entities together account for approximately $588 million in total revenue. "This acquisition will result in a nearly 70 percent increase in our top line, and we intend to maximize synergies through an effective transition plan to further drive profitability," Mr. Hassler said.

"Adorn provides an exceptional fit within the framework of our strategic plan, which includes organic and acquisition growth to increase shareholder value," said Mr. Hassler. "We and the Adorn management team are excited to bring these two companies together and combine our efforts toward industry 'best practices.'" The synergies of the combined companies are expected to include logistics, personnel, product base, purchasing, manufacturing efficiencies and increased capacity utilization, among others. Mr. Hassler commented, "We feel this business combination will result in Patrick Industries, Inc. becoming a premier manufacturer and distributor of building and component products to the RV and MH industries."

Todd Cleveland, President and CEO of Adorn, said, "I am truly excited about the new opportunities the combination will provide for our valued customers, team members, and suppliers. This combination will help to ensure that these groups have a solid, efficient platform to work from, with the ability to grow as future demand increases and the markets we serve improve. Our combined team's immediate focus, upon the closing of this transaction, will be to capitalize on the synergies that will drive efficiencies and ultimately enhance shareholder value."

Adorn has been a portfolio company of Linsalata Capital Partners since February 2000. Eric V. Bacon, Senior Managing Director at Linsalata, said, "Combining forces with Patrick and its management team is a logical step for these two companies and provides an excellent opportunity for Adorn and its management team."

The acquisition will be funded through both debt and equity financing, which will be structured to provide additional liquidity to facilitate the combined companies' future growth plans and working capital needs. Patrick has entered into a commitment letter with J.P. Morgan Securities Inc. and JP Morgan Chase Bank, N.A. for a senior credit facility comprised of a revolving credit loan and a term loan. Additional financing for the acquisition will be provided by Tontine Capital Partners, L.P. and its

affiliates (“Tontine”). Tontine, a significant shareholder of Patrick, has agreed to purchase 980,000 shares of Patrick common stock in a private placement at a purchase price of $11.25 per share and to provide additional interim debt financing in the form of senior subordinated notes.

Following the closing of the Adorn acquisition, Patrick intends to raise up to approximately $20 million of additional equity capital by means of a rights offering of common stock to its shareholders. The rights to be distributed will permit Patrick shareholders as of the to-be-determined record date to purchase additional shares of Patrick common stock at the same $11.25 per share paid by Tontine in the private placement. Proceeds from the rights offering are expected to be applied to repayment of debt, including the senior subordinated notes.

The foregoing notice does not constitute an offer of any securities for sale. The distribution of rights and the issuance of common stock related thereto will be accomplished by means of a registration statement to be filed by Patrick with the Securities and Exchange Commission. Patrick will distribute the related prospectus following the effectiveness of the registration statement to all shareholders as of the rights offering record date.

About Patrick Industries
Patrick Industries, Inc. (www.patrickind.com) is a manufacturer of component products and a distributor of building products serving the recreational vehicle, manufactured housing, kitchen cabinet, home and office furniture, fixture and commercial furnishings, marine, and other industrial sectors and operates coast-to-coast through locations in 12 states. Patrick’s major manufactured products include cabinet and wall components, countertops, adhesives, and aluminum extrusions. Patrick also distributes drywall and drywall finishing products, interior passage doors, flooring, vinyl and cement siding, ceramic tile, high pressure laminates, and other miscellaneous products.

About Adorn, LLC
Founded in 1986, Adorn, LLC (www.adornllc.com) manufactures and supplies laminated wall paneling, cabinet doors and other interior components to the recreational vehicle and manufactured housing industries. Adorn also manufactures and supplies a variety of products including laminated products and slotwall for industrial, furniture, kitchen cabinet and store fixture applications. Adorn’s nationwide facilities are strategically located throughout the United States.

Forward-Looking Information
This press release contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to financial condition, results of operations, business strategies, operating efficiencies or synergies, competitive position, growth opportunities for existing products, plans and objectives of management, markets for Patrick’s common stock and other matters.

Statements in this press release that are not historical facts are “forward-looking statements” for the purpose of the safe harbor provided by Section 21E of the Exchange Act and Section 27A of the Securities Act. Forward-looking statements, including, without limitation, those relating to our future business prospects, revenues and income, wherever they occur in this press release, are necessarily estimates reflecting the best judgment of our senior management at the time such statements were made, and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by forward-looking statements. Patrick does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made. You should consider forward-looking statements, therefore, in light of various important factors, including those set forth in this press release. There are a number of factors, many of which are beyond Patrick’s control, which could cause actual results and events to differ materially from those described in the forward-looking statements. These factors include pricing pressures due to competition, costs and

availability of raw materials, availability of retail and wholesale financing for manufactured homes, availability and costs of labor, inventory levels of retailers and manufacturers, levels of repossessed manufactured homes, the financial condition of our customers, interest rates, oil and gasoline prices, the outcome of litigation, volume of orders related to hurricane damage and operating margins on such business, and adverse weather conditions impacting retail sales. In addition, national and regional economic conditions and consumer confidence may affect the retail sale of recreational vehicles and manufactured homes.

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