

The court incorporates by reference in this paragraph and adopts as the findings and orders of this court the document set forth below.



**/S/ RUSS KENDIG**

**Russ Kendig  
United States Bankruptcy Judge**

**UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION, AT CANTON**

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In re:	: Chapter 11
	: :
SCHWAB INDUSTRIES, INC., et al., <sup>1</sup>	: Case No. 10-60702
	: (Jointly Administered)
Debtors.	: :
	: Judge Russ Kendig
	: :
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**AGREED ORDER RESOLVING MOTION OF OHIO FARMERS INSURANCE COMPANY FOR RELIEF FROM AUTOMATIC STAY UNDER SECTION 362 OF THE BANKRUPTCY CODE TO TERMINATE SURETY BOND**

This matter coming before the Court upon the Motion of Ohio Farmers Insurance Company for Relief from the Automatic Stay Under Section 362 of the Bankruptcy Code to Terminate Surety Bond, Docket No. 291 (the "Motion"), filed by Ohio Farmers Insurance Company ("Movant"); the Motion having been filed pursuant to section 362 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"); the Court having

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's tax identification number are: Schwab Industries, Inc. (2467); Medina Cartage Co. (9373); Medina Supply Company (3995); Quality Block & Supply, Inc. (2186); O.I.S. Tire, Inc. (7525); Twin Cities Concrete Company (9196); Schwab Ready-Mix, Inc. (8801); Schwab Materials, Inc. (8957); and Eastern Cement Corp. (7232).

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jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); venue of the chapter 11 cases for the above-captioned debtors and debtors in possession (collectively, the “Debtors”) and of the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; the Court having considered the Motion and the Movant and the Debtors agreeing to resolve the matters set forth therein; and upon due deliberation and sufficient cause appearing therefore,

**IN EXCHANGE FOR THE MUTUAL PROMISES CONTAINED HEREIN, THE PARTIES AGREE AND IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

1. The Motion shall be, and hereby is, GRANTED in accordance with the terms of this Agreed Order.

2. The automatic stay established by section 362(a) of the Bankruptcy Code, as applicable to the Movant, shall be, and hereby is, lifted in the Debtors’ bankruptcy cases, on a limited basis, to allow Movant to cancel the Strongsville Bond<sup>2</sup> and the Movant shall have no further liability arising under the Strongsville Bond.

3. The Debtors are hereby authorized, pursuant to section 363(c) of the Bankruptcy Code, to acquire a new postpetition bond (the “Postpetition Bond) and a general indemnity agreement (the “Postpetition Indemnity) with Movant on substantially the same terms as existed prepetition in support of that certain contract between the Debtors and the City of Strongsville (the “Strongsville Contract”).

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<sup>2</sup> Capitalized terms used, but not otherwise defined herein, shall have the meanings given to them in the Motion.

4. The Debtors shall pay Movant an \$822.00 premium and execute the Postpetition Indemnity to acquire the Postpetition Bond.

5. In the event that Movant is required to perform and/or complete the Debtors' obligations under the Strongsville Contract pursuant to the Postpetition Bond, during the time the Debtors are operating their businesses (such time for operating their businesses terminating upon the closing of a sale for substantially all of their assets under section 363 of the Bankruptcy Code or the conversion of the Debtors' bankruptcy cases under chapter 7), the Movant's claims under the Postpetition Bond and/or Postpetition Indemnity shall have administrative expense status under section 503(b) of the Bankruptcy Code.

6. The Movant shall be permitted without further order of this Court, to cancel or otherwise terminate the Postpetition Bond and relieve itself of all obligations thereunder as of the earlier of (a) a closing of any sale of substantially all of the Debtors' assets, whether or not the Strongsville Contract is assumed and assigned; and (b) the cessation of the Debtors' business operations.

7. Nothing in this Agreed Order shall obligate or prejudice the Movant's rights to negotiate a new bond and general indemnity agreement with the assignee of the Strongsville Contract.

8. This Court shall retain jurisdiction to enforce the terms of this Agreed Order.

9. This Agreed Order shall be immediately effective upon entry.

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AGREED AND ACCEPTED BY:

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