

TRADEMARKS



100931512

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12-23-98

To the Honorable Commissioner of Patents and Trademarks: Please

thereof.

1. Name of conveying party(ies):

Machine Technology Inc.
Midatlantic National Bank
United Jersey Bank

- Individual(s)
- General Partnership
- Corporation-State - Machine Technology
- Other
- Association - Banks
- Limited Partnership

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other Agreement for Purchase and Sale OF ASSETS
- Merger
- Change of Name

Execution Date: August 23, 1994

2. Name and address of receiving party(ies)

Name: Integrated Solutions Inc.

Internal Address:

Street Address: 836 North Street

City: Tewksbury State: MA ZIP: 01876

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Delaware
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from assignment)

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

See annexed Schedule B

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Paul D. Broude, Esq.

Internal Address:

6. Total number of applications and registrations involved: 10

7. Total fee (37 CFR 3.41).....\$ 265.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

19-4709

(Attach duplicate copy of this page if paying by deposit account)

12/28/1998 SBURNO 00000161 194709 74582383

01 FC:481 40.00 CH

02 FC:482 225.00 CH

Street Address: Stroock & Stroock & Lavan LLP

100 Federal Street

City: Boston State: MA ZIP: 02110

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Paul D. Broude, Esq.

Name of Person Signing

Paul D. Broude, Esq.

Signature

18 December 1998

Date

Total number of pages including cover sheet, attachments, and document: 87

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

TRADEMARK
REEL: 1833 FRAME: 0227

Schedule B

Docket #	Country	Serial #	Filed Date	Reg #	Reg Date	Mark	Status
ISI T001XX	United States	74/582,383	10/5/94	1,923,480	10/3/95	Optitrac	Issued
ISI T002XX	United States	74/582,609	10/5/94	1,977,352	5/28/96	Acrobot	Issued
ISI T005XX	United States	129,688	6/9/77	1,107,783	12/5/78	Machine Technology, Inc.	Issued
ISI T006XX	United States	73/274,592	8/18/80	1,172,900	10/13/81	MTI and Design	Issued
ISI T007XX	United States	73/319,352	7/17/81	1,218,206	11/30/82	Omnichuck	Issued
ISI T008XX	United States	73/319,355	7/17/81	1,217,383	11/23/82	We Keep It Simple	Issued
ISI T011XX	United States	73/446,677	10/5/83	1,321,861	2/26/85	Multifab	Issued
ISI T016XX	United States	73/778,442	2/2/89	1/859,455	10/25/94	MTI and Design	Issued
ISI T021XX	United States	73/637,641	12/29/86	1,476,612	2/16/88	Flexifab	Issued
ISI T027XX	United States	73/169,098	5/4/78	1,158,805	6/30/81	Wafetrac	Issued

Attention Examiner

**The following scanned
document is the best copy
that is available.**

CLOSING AGENDA - PURCHASE OF MTI ASSETS

I. Purchase and Sale Documents

A. Agreement for Purchase and Sale of Assets

1. Schedule 1 - Bankruptcy Court Order lifting automatic stay
2. Exhibit B - Bill of Sale for MTI Assets (with attachment)
3. Exhibit C - Bill of Sale for MTI-Europa Assets (with attachment)
4. Exhibit C-1 - Bill of Sale for MTI-Japan Assets (with attachment)
5. Exhibit D - Parties provided notice of private sale
6. Officers Certificates for Midlantic National Bank and United Jersey Bank pursuant to Section 5(b) of the Agreement
7. Accounting of proceeds from receivables referenced in Section 2(c) of the Agreement
8. Corporate certificates of the Banks relating to authorization to do business

B. Amendment to Agreement for Purchase and Sale of Assets

II. Other Agreements

1. Confidentiality Agreement between Integrated Solutions, Inc. and the Banks

AGREEMENT FOR PURCHASE AND SALE OF ASSETS

THIS AGREEMENT is made as of this 23rd day of August, 1994, by and among Integrated Solutions, Inc., a Delaware corporation with a principal place of business at 836 North Street, Building #5, Merrimack Center, Tewksbury, Massachusetts 01876 ("ISI"), Midlantic National Bank ("Midlantic"), a national banking association organized and existing under the laws of the United States of America with its principal offices at 499 Thornall Street, Edison, New Jersey, 08818 and United Jersey Bank ("United Jersey Bank"), a New Jersey State Bank organized and existing under the laws the State of New Jersey with its principal offices at 210 Main Street, Hackensack, New Jersey 07602 (the "Banks").

RECITALS

A. On or about December 10, 1992, Machine Technology, Inc. ("MTI") entered into an Amended and Restated Revolving Credit and Term Loan Agreement (the "Credit Agreement") restating and restructuring the collective outstanding indebtedness of MTI due the Banks as of December 10, 1992. The outstanding indebtedness was evidenced by restated term notes dated December 10, 1992 in the respective amounts of \$2,698,294 and \$1,960,367 (the "Restated Notes"). The Credit Agreement was amended by that certain Amended and Restated Credit Agreement dated May 13, 1994. The outstanding indebtedness due to the Banks was evidenced by the amended and restated term notes (the "Amended and Restated Notes") of even date thereof. The repayment of the Amended and Restated Notes and all sums due under the Credit Agreement, as amended, and the Restated Notes, as amended, was secured by the execution to the Banks by MTI of various security agreements dated December 14, 1988, granting the Banks a first lien security interest in certain assets of MTI, including among other things, all accounts receivable of MTI, equipment, machinery, inventory, general intangibles, and other personal property of MTI, all as set forth in more detail therein.

B. On or about December 12, 1988, MTI-Europa, Inc., a New Jersey corporation ("MTI-Europa") executed a guarantee of the Restated Notes in favor of the Banks (the "Guarantee"). In order to secure the obligations under the Guarantee, MTI-Europa executed a security agreement granting the Banks a security interest in certain assets of MTI-Europa, including among other things, all accounts receivable of MTI-Europa, equipment, machinery, inventory, general intangibles, and other personal property of MTI-Europa, all as set forth in more detail therein (the "Europa Collateral").

C. On or about July 13, 1992, MTI-Japan, Inc., a New Jersey corporation ("MTI-Japan") executed a guarantee of the Restated Notes in favor of the Banks (the "Japan Guarantee"). In order to secure the obligations under the Japan Guarantee, MTI-Japan executed a security agreement granting the Banks a security interest in certain assets of MTI-Japan, including among other things, all accounts receivable of MTI-Japan, equipment, machinery, inventory, general intangibles, and other personal property of MTI-Japan, all as set forth in more detail therein (the "Japan Collateral").

D. By letters dated June 8, 1994 and June 20, 1994, Midlantic and United Jersey Bank, respectively, notified MTI that it was in default under the terms of the Amended and Restated Note and Security Agreement and additional loan documents and accelerated all sums owed thereunder (the "Demand Letters"). Furthermore, in the Demand Letters, the Banks respectively informed MTI that the Banks intended to pursue and enforce all of their rights as contemplated by the Credit Agreement, as amended, and other loan documents and applicable state law.

E. On August 3, 1994, the Honorable Novalyn Winfield, United States Bankruptcy Judge, granted the Banks relief from the automatic stay imposed in MTI's bankruptcy proceedings with respect to all assets of MTI subject to the security interests of the Banks (the "Collateral"), and ordered the turnover to the Banks of all Collateral. The order (the "Order") was entered by Judge Winfield on August __, 1994 and a copy is annexed to this Agreement as Schedule 1.

F. The Banks wish to sell to ISI the Collateral, the Europa Collateral and the Japan Collateral and ISI is willing to purchase the Collateral, the Europa Collateral and the Japan Collateral on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt of which are hereby acknowledged, it is agreed by and between the Banks and ISI as follows:

1. **Purchase of Assets**. On the Closing Date (as hereafter defined), ISI shall purchase from the Banks and the Banks shall sell to ISI by Bills of Sale and Assignment and any other necessary transfer or assignment documents the Collateral, the Europa Collateral and the Japan Collateral. The Bills of Sale and Assignment and other transfer documents describing the Collateral to be sold hereunder (the "Assets") shall be in the form of Exhibit B, Exhibit C and Exhibit C-1 annexed hereto and incorporated herein by reference; provided however that ISI on the Closing Date may exclude any item from the list of Assets, the Europa Assets or the Japan Assets, as hereinafter defined, conveyed under this Agreement, with no adjustment to the Purchase Price. The Bill of Sale and other transfer documents relating to the Europa Collateral (the "Europa Assets") shall be in the form of Exhibit C. The Bill of Sale and other transfer documents relating to the Japan Collateral (the "Japan Assets") shall be in the form of Exhibit C-1.

The parties expressly understand and acknowledge that ISI shall not assume any debt, obligation, contract, or liability of MTI, MTI-Europa or MTI-Japan of any kind, character, or description.

2. **Purchase Price**. In consideration of the sale by the Banks of the Assets, the Europa Assets and the Japan Assets, ISI agrees that it shall pay the Banks a purchase price (the "Purchase Price") of Eight Hundred Thousand Dollars (\$800,000) payable as follows:

a. Upon execution of this Agreement, the Purchase Price (the "Deposit"), the receipt of which is hereby acknowledged by the Banks, is to be held in a non-interest bearing escrow

account by O'Connor, Broude & Aronson, as escrow agent (the "Escrow Agent"), which Deposit shall be paid to the Banks on the Closing Date by bank or cashiers check. Escrow Agent may, acting entirely in its discretion, appoint one or more substitute agents by giving ISI and the Banks at least two (2) calendar days prior written notice. Each of the substitute agents is entitled to act in the event that the Escrow Agent is absent or otherwise, for any reason whatsoever, unable to act. To the extent that a substitute agent takes action, it will be considered as Escrow Agent under this Agreement.

b. In the event of any dispute arising out of this Agreement, the Escrow Agent shall interplead the Deposit with a court of competent jurisdiction in accordance with Section 10 of this Agreement. Each of the Banks and ISI hereby agrees to immediately indemnify the Escrow Agent for, and holds it harmless against, any loss, cost (including attorney's fees), or expense incurred or suffered in connection with, or as a result of, serving as Escrow Agent and involving any dispute between ISI and the Banks, except any loss suffered as a result of Escrow Agent's willful misconduct. Escrow Agent will not be liable to the Banks or ISI, or any other person for any harm that results from any act or omission of Escrow Agent in connection with its serving as Escrow Agent, except in the case of Escrow Agent's willful misconduct. Without derogating from the preceding sentence, Escrow Agent may act in reliance upon any instruction, instrument, or signature of both ISI and the Banks reasonably believed by it to be genuine, and Escrow Agent may act upon advice of counsel with respect to any questions that arise under this Agreement.

c. The parties acknowledge and agree that (i) the list of accounts receivable of MTI annexed to the Bill of Sale (Exhibit B hereto) excludes the proceeds of receivables in the approximate amount \$75,000, which proceeds from receivables were collected by the Banks prior to the execution of this Agreement; and (ii) the Banks shall be entitled to receive any cash held on deposit on the Closing Date by the operations of MTI or any subsidiary in France (the "European Funds") or any subsidiary in Japan (the "Japan Funds"), excluding cash from accounts receivable as set forth on Exhibit E and any amounts necessary to pay payroll, taxes, or liabilities or obligations of any kind of or related to MTI's European operations, all as determined in ISI's sole discretion and described by ISI in writing to the Banks, provided however, that the payment of such liabilities or obligations shall be satisfied solely from the European Funds and the Japan Funds.

The parties agree that ISI shall arrange for (and bear all expenses associated with) the delivery of the Assets, the Europa Assets or the Japan Assets and that the Banks shall have no obligation to arrange for physical delivery of the Assets, the Europa Assets or the Japan Assets to ISI. Delivery shall be deemed effective at time of Closing and possession accepted.

3. **Notice of Sale.** The Banks shall promptly give appropriate notice of this sale to those persons or entities to whom it deems appropriate in accordance with 12A: N.J.S.A. §§9-504 through 9-507, including but not limited to, those parties listed on Exhibit D.

4. **Closing.** The Closing of the sale shall take place via facsimile, mail or overnight mail or at the offices of Horn, Goldberg, Gorny, Daniels, Plackter & Weiss, 1200 Laurel Oak Road,

Voorhees, New Jersey 08043 and shall be deemed effective at 10:00 a.m. on the 6th day of September, 1994 (the "Closing Date"), or on such other date and place as the parties shall mutually agree upon in writing prior to such date.

5. **Conditions to ISI's Obligations.** It shall be a condition to ISI's obligations hereunder that:

a. All due diligence investigations and proceedings to be taken by ISI by 5:00 P.M. on August 23, 1994 shall be satisfactory to ISI and its counsel. During the period from the date of this Agreement to the Closing Date, ISI and its representatives shall have reasonable access to MTT's offices, plants, records, files and books of account for the purpose of becoming familiar with all matters relating to the MTT's business, properties and assets. ISI shall have the opportunity to review all loan documents of the Banks relating to the Banks' loans to MTT. ISI shall execute a confidentiality agreement in a form satisfactory to the Banks' and ISI's counsel. During such process and with the prior consent of the Banks, ISI shall have the right to make copies of such records, files and other materials as they may deem advisable. If for any reason, the Closing under this Agreement is not consummated, the ISI and its representatives shall return promptly to the Banks and/or MTT and keep confidential all copies made by ISI and its representatives of material belonging to the MTT.

b. The representations and warranties of the Banks contained herein shall be true and accurate in all respects at the Closing Date as though such representations and warranties were made at such time. The Banks shall have performed and complied with all agreements, covenants and conditions as required by this Agreement to be performed and complied with by them prior to or at the Closing Date. The Banks shall have delivered certificates of good standing issued by the state of their incorporation dated as of a recent date; and a certificate from an authorized officer of each of the Banks certifying to the truth of such representations and warranties in all respects and such performance or compliance.

c. No material damage, destruction or loss, whether or not insured, adversely affecting the Assets, the Europa Assets or the Japan Assets shall have occurred as of the Closing Date.

d. No action or proceeding shall have been instituted or threatened, or claim or demand made, against ISI or the Banks or any of them before any court or other governmental body, seeking to restrain or prohibit, or to obtain damages with respect to, the consummation of the transactions contemplated hereby, which in the reasonable opinion of ISI makes it inadvisable to consummate such transactions.

e. ISI is acting in good faith in connection with all of the transactions contemplated by this Agreement.

In the event that the Banks fail or are unable to fulfill these conditions, ISI may elect to terminate this Agreement and have the Deposit refunded.

6. **Conditions to the Bank's Obligations.** It shall be a condition to the Bank's obligations hereunder that no party who has a right of redemption exercises such right prior to the Closing Date.

7. **Representations and Warranties by ISI.** ISI warrants and represents the following:

a. ISI is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. ISI has full corporate power and authority to enter into the transaction contemplated herein.

b. ISI has taken all necessary actions, corporate or otherwise, to authorize the execution, delivery, and performance of this Agreement and the transactions contemplated herein.

c. ISI has at all times pertinent hereto, had the opportunity to be represented by its own advisors, including but not limited to attorneys at law, certified public accountants, appraisers, insurance consultants, and other professional advisors of its own selection. Except as set forth in this Agreement and the Bills of Sale and any other transfer document contemplated by this Agreement, ISI has not relied on any representation, warranty, agreement, statement or information provided by the Banks, its officers, employees, agents, accountants, or attorneys.

d. ISI has exercised its own business judgement in deciding to purchase the Assets, the Europa Assets and the Japan Assets; it has independently considered and reviewed all of the risks, both business and legal, of purchasing the Assets, the Europa Assets and the Japan Assets. ISI acknowledges that, except as set forth in this Agreement, the Banks make no representations or warranties as to any aspect of the Assets, the Europa Assets and the Japan Assets, including but not limited to their physical condition and that the Assets, the Europa Assets and the Japan Assets are to be transferred to ISI pursuant to this Agreement in "where is" and "as is" condition as set forth more fully in the Bills of Sale set forth in Exhibits B, C and C-1. ISI hereby acknowledges that it has the opportunity to conduct such inspection, reviews, and studies as it, in its experienced business judgment, deems necessary to make a determination that the purchase of the Assets, the Europa Assets and the Japan Assets is advisable.

e. ISI has not dealt with any broker with respect to this transaction and agrees to indemnify and hold the Banks harmless from and against any and all claims, expenses, and liabilities incurred by the Banks as a result of the inaccuracy of this representation.

8. **Representations and Warranties by the Banks.** The Banks represent and warrant the following only as to the Assets:

a. Midlantic National Bank is a national banking association organized and existing under the laws of the United States of America. United Jersey Bank is a New Jersey State bank, duly incorporated under the laws of the State of New Jersey. The Banks have full corporate power and authority to enter into the transactions contemplated by this Agreement.

b. The Banks have taken all necessary action, corporate and otherwise, including without limitation, the obtainment of a relief from stay in MTI's bankruptcy proceedings and any other court order necessary, to authorize the execution, delivery, and performance of the Agreement, the Bill of Sale, and the other transfer or assignment documents attached hereto.

c. The Banks have a valid and enforceable security interest in the Assets and have taken constructive possession of the Assets pursuant to the Order annexed hereto as Schedule 1 and the Banks are lawfully able to transfer title to the Assets.

d. The Banks have taken constructive possession of the Collateral located in New Jersey at MTI's facility located in Parsippany, New Jersey, pursuant to the Order entered by the Honorable Novalyn Winfield, United States Bankruptcy Judge, in the Chapter 11 bankruptcy proceeding of MTI, pending in the United States Bankruptcy Court for the District of New Jersey, Case No. 94-25085. A copy of the Order is attached hereto as Schedule 1. Pursuant to the Banks' perfected security interests in the Collateral and the provisions of the Order, the Banks hereby sell, assign and transfer the MTI Assets pursuant to 12A: NJSA 9-504 of the Code by the accompanying Bill of Sale and Assignment of even date herewith and in the form attached hereto as Exhibit "B", free of the Banks' security interests.

e. The Banks make no representations or warranties as to the Europa Assets or Japan Assets.

9. **Survival of Representations and Warranties.** ISI and the Banks agree and acknowledge that the representations and warranties contained in paragraphs "7" and "8" hereof are made with the knowledge and expectation that each of them is placing complete reliance thereon. All representations and warranties contained herein shall survive the Agreement, notwithstanding any language in any subsequent document.

10. **Dispute Forum.** In the event of any dispute or claim relating to this Agreement, the parties will consult each other as to the proper forum for such action, provided however that each of ISI and the Banks hereby irrevocably submit to the jurisdiction of any state or federal court sitting in New Jersey over any action or proceeding arising out of or relating to this Agreement and the parties irrevocably agree that all claims in respect of such action or proceeding will be heard or determined only in such New Jersey state or federal court. Service of copies of the summons and complaint and any other process in any action or proceeding may be made to any party by mailing (certified) or delivering a copy of such process to such party at the address for such party specified in Section 13 below. The parties agree that a final judgment in any such action or proceeding, subject to final appeals, shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any manner provided by law.

11. **Benefits.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

12. **Law Governing.** This Agreement shall be interpreted and construed in accordance with and pursuant to the laws of the State of New Jersey.

13. Notices. Any and all notices required to be sent pursuant to the terms of this Agreement shall be sent Certified Mail, Return Receipt Requested, addressed as follows, or to such other address as the parties may so advise each other in writing:

If to ISI: O'Connor, Broude & Aronson
950 Winter Street, Suite 2300
Waltham, Massachusetts 02154
Attention: Paul D. Broude, Esquire

If to the Banks: Peter J. Mardaga, Vice President
Midlantic National Bank
Metro Park Plaza
499 Thornall Street
P.O. Box 600
Edison, New Jersey, 08818

With a copy to:
Horn, Goldberg, Gorny et al.
Suite 1555
1200 Laurel Oak Road
Voorhees, New Jersey 08043-4317
Attn: Rudi Grueneberg, Esquire

Joseph B. Hodgkins, Vice President
United Jersey Bank
250 Moore Street
Hackensack, New Jersey 07601

With a copy to:
Barbara J. Laird, Esquire
UJB Financial Corp.
25 East Salem Street
Hackensack, New Jersey 07601

14. Further Assurances. Subsequent to the Closing, ISI and the Banks shall each, at the request of any of the others, furnish, execute and deliver such documents, instruments, opinions of counsel, certificates, notices and other such instruments and further assurances as counsel for the requesting party shall reasonably require as necessary or desirable to effect complete consummation of this Agreement, or in connection with the preparation and filing of reports required or requested by governmental agencies, stock exchanges or other regulatory bodies. Following the execution of this Agreement, the Banks shall execute such documents or instruments as are reasonably necessary

to complete or effect the foreclosure by private sale of any security interest in MTI Japan Inc.'s assets that the Banks hold in connection with the Amended and Restated Notes.

15. **Exclusive Dealings.** The Banks will not on or before the Closing Date, directly or indirectly, encourage, invite, negotiate, or pursue any other offers concerning the possible sale of the Assets, the Europa Assets and the Japan Assets and will communicate the existence of this Agreement to all customers or former customers of MTI and all other third parties who inquire about any of the Assets, the Europa Assets and the Japan Assets.

16. **Confidentiality.** Each party agrees that it will not, unless directed by an order of a court do so or be otherwise legally required to do so, without the prior written consent of the other, disclose to any person or entity, the details of the transactions contemplated by this Agreement.

17. **Entire Agreement.** This Agreement, including any schedules or exhibits, contains the entire Agreement between the parties with respect to the purchase of the Assets, the Europa Assets and the Japan Assets and is intended as a final expression of their agreement and a complete statement of the terms thereof in that they are not to be modified except in writing signed by the parties hereto. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

18. **Modification and Waiver.** No amendment, waiver or modification shall be effective unless in writing signed by the parties. Any waiver shall be limited to the circumstances or event specifically referenced in the written waiver documents and shall not be deemed a waiver of any other term hereof or of the same circumstances or event or any recurrence thereof.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement this 23rd day of August, 1994.

ATTEST:

Ed Buchanan

INTEGRATED SOLUTIONS, INC.
a Delaware Corporation

By: *Robert Gomes*
Robert Gomes, Executive Vice President

ATTEST:

MIDLANTIC NATIONAL BANK
a National Banking Association

By: _____
Peter J. Mardaga, Vice President

ATTEST:

UNITED JERSEY BANK
a New Jersey Corporation

By: _____
Joseph B. Hodgkins, Vice President

O'CONNOR, BROUDE & ARONSON
as Escrow Agent, solely as to Paragraphs
2.a and 2.b hereof

By: *Paul D. Broude*
Paul D. Broude, Esquire

✓

IN WITNESS WHEREOF, the parties have executed this Agreement this 23rd day of August, 1994.

ATTEST:

INTEGRATED SOLUTIONS, INC.
a Delaware Corporation

By: _____
Robert Gomes, Executive Vice President

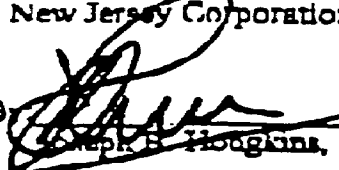
ATTEST:

MIDLANTIC NATIONAL BANK
a National Banking Association

By: _____
Peter J. Mardaga, Vice President

ATTEST:

UNITED JERSEY BANK
a New Jersey Corporation

By:  V.P.
Joseph B. Hougkins, Vice President

O'CONNOR, BROUDE & ARONSON
as Escrow Agent, solely as to Paragraphs
2.a and 2.b hercof

By: _____
Paul D. Broude, Esquire

TRADEMARK
REEL: 1833 FRAME: 0242

AUG 30 1994

Schedule 1
1

David J. Weiss, Esquire (1688)
Rudi R. Grueneberg, Esquire (2399)
Horn, Goldberg, Gorny, Daniels, Plackter & Weiss, P.C.
1200 Laurel Oak Road
Voorhees, New Jersey 08043-4317
Attorneys for Midlantic National Bank, a national banking association

FILED
JAMES J. WALDRON

AUG 22 1994

U.S. BANKRUPTCY COURT
NEWARK, NJ
BY: [Signature] DEPUTY

Barbara J. Laird, Esquire (7247)
Daniel Flores, Esquire (4706)
UJB Financial Corp.
25 East Salem Street
Hackensack, New Jersey 07601
Attorneys for United Jersey Bank, a New Jersey State Bank

IN RE:

MACHINE TECHNOLOGY, INC.

Debtor,

MIDLANTIC NATIONAL BANK, a
national banking association
and

UNITED JERSEY BANK, a New
Jersey State Bank

Plaintiffs-Secured Creditors,

v.

MACHINE TECHNOLOGY, INC.,

Defendant-Debtor.

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY
NEWARK VICINAGE

CASE NO. 94-25085

CHAPTER 11

JUDGE NOVALYN L. WINFIELD

**ORDER DIRECTING DEBTOR TO TURN OVER TO MIDLANTIC
NATIONAL BANK AND UNITED JERSEY BANK ALL CASH
COLLATERAL; GRANTING MIDLANTIC NATIONAL BANK AND
UNITED JERSEY BANK RELIEF FROM THE AUTOMATIC STAY
AND SUCH ADDITIONAL RELIEF AS PROVIDED HEREIN**

THIS MATTER, having been brought before this Court upon the Motion of Midlantic National Bank, a national banking association and United Jersey Bank, a New Jersey State Bank ("Banks") by their respective attorneys, Horn, Goldberg, Gorny, Daniels, Plackter & Weiss, David J. Weiss, Esquire and Rudi R. Grueneberg, Esquire appearing on behalf of Midlantic

SEP 21 04 33PM '94

TRADEMARK

REEL: 1833 FRAME: 0243

National Bank, and Barbara J. Laird, Esquire and Daniel Flores, Esquire appearing on behalf of United Jersey Bank, ("Midlantic National Bank and United Jersey Bank are sometimes collectively referred to as the "Banks") and Midlantic National Bank and United Jersey Bank having filed their Motion objecting to the Debtor's use of cash collateral and seeking the turnover of all assets of the Debtor subject to the security interest of the Banks ("Collateral"), granting the Banks relief from the automatic stay and for such other relief as set forth therein, and the Court having considered the pleadings filed in support of the Motion of the Banks, and this Court having heard all arguments of counsel on August 3, 1994, and the Court having concluded that the Banks are entitled to the requested relief as a matter of law, and for good cause having been shown;

IT IS on this 2nd day of August, 1994 ORDERED that:

- (1) the Debtor acknowledges that the Banks have perfected first lien security interest in all assets of the Debtor subject to the security interest of the Banks ("Collateral") as set forth on Exhibit "A" attached hereto and made a part hereof;
- (2) The Debtor acknowledges, that as of July 22, 1994, the Defendant was indebted to the Banks in the collective principal sum of \$3,778,143.01, inclusive of interest through July 22, 1994, exclusive of interest accruing after July 22, 1994, late charges, default interest and all attorney's fees and costs incurred by the Banks;
- (3) The Banks are granted unconditional relief from the automatic stay pursuant to sections and 362(a)(1) and (a)(2) of the Bankruptcy Code to enforce all remedies as provided by the underlying loan documents and as provided by state law;
- (4) the Debtor is prohibited from using any cash collateral;
- (5) the Debtor is directed to immediately turnover to the Banks all existing cash collateral ("Cash Collateral");

(6) the Debtor will retain the sum of \$40,000.00 from the Cash Collateral represented by the Debtor to exist as provided in paragraph 5 hereinabove, which shall be solely used by the Debtor to pay, on a pro rata basis, the outstanding pre-petition and post-petition payroll, including payment of all federal, state and local payroll taxes; and

(7) in consideration of the Cash Collateral to be retained by the Debtor as provided in paragraph 6 hereinabove, the Debtor will not file any motions or claims relating to or arising from the outstanding pre-petition payroll or post-petition payroll under section 506(c) of the Bankruptcy Code, any other section of the Bankruptcy Code, or pursuant to any federal or state statute or regulation promulgated thereunder; and

IT IS FURTHER ORDERED that:

(8) the Banks, its employees, agents and attorneys, including Daley-Hodkin Appraisal Corporation ("Daley-Hodkin") are to be permitted to and are hereby given access to enter onto the premises of the Debtor located at 25 Eastmans Avenue, Parsippany, New Jersey ("Debtor's Premises") to take a complete inventory of the Collateral, to prepare the Collateral for sale, and to sell the Collateral forthwith in any commercially reasonable manner (in accordance with the provisions of 12A: N.J.S.A. 9-504) which specifically includes, but is not limited to a private sale or sale of the Collateral by public auction sale;

(9) the Banks, its employees, agents, accountants and attorneys, including but not limited to Daley-Hodkin, are hereby authorized to take all necessary measures to secure the access to the Debtor's Premises in order to avoid unauthorized access to the Debtor's Premises;

(10) Gary Hillman ("Hillman"), president of the Debtor agrees to cooperate with the Banks, its employees, agents and attorneys with respect

to the Collateral and any other matter related to the enforcement of the Banks' security interest in the Collateral. In this regard, Hillman has represented and agreed that he will be available to consult with the Banks in person and by telephone, upon reasonable notice. It is understood and agreed by Hillman that he will be available to consult with the Banks on a daily basis through August 31, 1994; and

(11) the Banks, its employees, agents, accountants and lawyers are to be given access to the financial statements of the Debtor, including but not limited to all annual and quarterly financial statements, accounts receivable ledgers, inventory detail, payroll ledgers, sales journals and accounts receivable agings.


NOVALYN L WINFIELD

Consented as to form and substance
of the order:

Novalyn L. Winfield
United States Bankruptcy Judge

Horn, Goldberg, Gorny, Daniels,
Plackter & Weiss
Attorneys for Midlantic National Bank

IT IS THE DIRECTION OF THIS COURT THAT THE
SUCCESSFUL PARTY SERVE A FILED COPY OF THIS
ORDER UPON ALL PARTIES TO THIS ACTION.

By: 

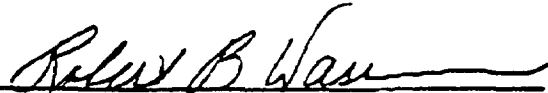
David J. Weiss, Esquire
Rudi R. Grueneberg, Esquire

Barbara J. Laird, Esquire
Daniel Flores, Esquire
Office of the General Counsel
UJB Financial Corporation
Attorneys for United Jersey Bank
a New Jersey State Bank

[SIGNATURES CONTINUED ON NEXT PAGE]

Consented by Debtor to form only
unless otherwise noted in the body
of this order:

Wasserman, Jurista & Stoltz,
Attorneys for Debtor-in-Possession,
Machine Technology, Inc.

By: 
Robert B. Wasserman, Esquire

Machine Technology, Inc.
a New Jersey corporation

By: 
Gary Hillman, President C. O. B.

to the Collateral and any other matter related to the enforcement of the Banks' security interest in the Collateral. In this regard, Hillman has represented and agreed that he will be available to consult with the Banks in person and by telephone, upon reasonable notice. It is understood and agreed by Hillman that he will be available to consult with the Banks on a daily basis through August 31, 1994; and


(11) the Banks, its employees, agents, accountants and lawyers are to be given access to the financial statements of the Debtor, including but not limited to all annual and quarterly financial statements, accounts receivable ledgers, inventory detail, payroll ledgers, sales journals and accounts receivable aging.

Consented as to form and substance
of the order:

Novelyn L. Winfield
United States Bankruptcy Judge

Horn, Goldberg, Gorny, Daniels,
Plackter & Weiss
Attorneys for Midlantic National Bank

By: _____
David J. Weiss, Esquire
Rudi B. Gruenberg, Esquire


Barbara J. Laird, Esquire
Daniel Flores, Esquire
Office of the General Counsel
UTB Financial Corporation
Attorneys for United Jersey Bank
a New Jersey State Bank

[SIGNATURES CONTINUED ON NEXT PAGE]

BILL OF SALE AND ASSIGNMENT

In consideration of the sum of Eight Hundred Thousand Dollars and no cents (\$800,000.00), receipt of which is hereby acknowledged, Midlantic Bank N.A., a national banking association, formerly known as Midlantic National Bank and United Jersey Bank, a New Jersey State Bank (collectively the "Sellers"), do hereby sell and transfer and assign to Integrated Solutions, Inc., a Delaware corporation (the "Buyer"), the assets of Machine Technology, Inc. ("MTI") which is presently subject to a security interest held by Sellers (the "MTI Assets") as is more particularly described in the annexed Schedule A pursuant to 12A: N.J.S.A. 9-504, free of the Banks' security interest therein.

The machinery, equipment, inventory and other MTI Assets constituting a portion of MTI are in a used condition, having been repossessed by the Sellers in the exercise of their right as secured parties under certain security agreements and also as accorded by the Uniform Commercial Code as adopted by the State of New Jersey ("Code"). The Sellers are neither manufacturers nor distributors of, nor dealers or merchants in, such machinery, equipment, inventory and raw materials.

THE SELLERS MAKE NO WARRANTY OF TITLE, OWNERSHIP OR COLLECTABILITY, OR THAT SAID MTI ASSETS ARE FREE OF LIENS OR CLAIMS IN FAVOR OF OTHERS. SELLERS DO, HOWEVER, WARRANT AND REPRESENT THAT THEY HAVE TAKEN CONSTRUCTIVE POSSESSION OF THE MTI ASSETS PURSUANT TO THE ORDER ENTERED IN THE CHAPTER 11 BANKRUPTCY PROCEEDING OF MACHINE TECHNOLOGY, INC., PENDING IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY, CASE NO. 94-25085 THE SELLERS HAVE NO ACTUAL KNOWLEDGE OF THE EXISTENCE OF ANY SECURITY INTEREST IN THE MTI ASSETS UNDER THE CODE OTHER THAN THOSE IN FAVOR OF SELLER. SELLERS HAVE AUTHORITY TO SELL AND TRANSFER THE MTI ASSETS TO BUYER AS SET FORTH IN THIS BILL OF SALE. SELLERS MAKE NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE WITH RESPECT TO SAID MTI ASSETS, WHICH ARE SOLD IN AN "AS IS, WHERE IS" CONDITION, WITH ALL FAULTS. BY ACCEPTANCE OF DELIVERY OF SAID MTI ASSETS, THE BUYER AFFIRMS THAT IT HAS NOT RELIED ON THE SELLERS' SKILL OR JUDGMENT TO SELECT OR FURNISH SAID MTI ASSETS FOR ANY PARTICULAR PURPOSE, AND THAT EXCEPT AS TO THE WARRANTIES CONTAINED HEREIN AND IN PARAGRAPH 8 OF THE AGREEMENT FOR PURCHASE AND SALE OF ASSETS BETWEEN THE PARTIES, DATED AUGUST 24, 1994, AS AMENDED, (THE "PURCHASE AGREEMENT"). THE SELLERS MAKE NO WARRANTY THAT SAID MTI ASSETS ARE FIT FOR ANY PARTICULAR PURPOSE AND THAT THERE ARE NO REPRESENTATIONS OR WARRANTIES, EXPRESSED, IMPLIED OR STATUTORY, THAT EXTEND BEYOND THE DESCRIPTION OF SAID MTI ASSETS ABOVE SET FORTH.


This final and exclusive expression of the agreement of the Sellers and the Buyer and no course of dealing or usage of trade or course of performance shall be relevant to explain or supplement any term expressed in this Bill of Sale and Assignment and the Purchase Agreement.

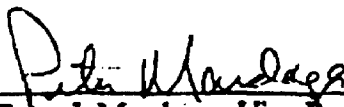
By acceptance of delivery of said MTI Assets, the Buyer acknowledges that the buyer has either examined said MTI Assets as fully desired, or has been given the opportunity for such examination and has declined to make such examination.

IN WITNESS WHEREOF, the Seller has executed this instrument this 6th day of September, 1994.

MIDLANTIC BANK N.A., a national
banking association, formerly known as
Midlantic National Bank

Attest:


Eileen Brown, Secretary
Asst. Cashier

By: 
Peter J. Mardaga, Vice President

Attest:

United Jersey Bank, a New Jersey corporation

, Secretary

By: _____
Joseph B. Hodgkins, Vice President

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WJSE:80 18. 30 475

This final and exclusive expression of the agreement of the Sellers and the Buyer and no course of dealing or usage of trade or course of performance shall be relevant to explain or supplement any term expressed in this Bill of Sale and Assignment and the Purchase Agreement.

By acceptance of delivery of said MTI Assets, the Buyer acknowledges that the buyer has either examined said MTI Assets as fully desired, or has been given the opportunity for such examination and has declined to make such examination.

IN WITNESS WHEREOF, the Seller has executed this instrument this 6th day of September, 1994.

MIDLANTIC BANK N.A., a national banking association, formerly known as Midlantic National Bank

Attest:

, Secretary

By: _____
Peter J. Mardaga, Vice President

Attest:

United Jersey Bank, a New Jersey State Bank

Shirley Press-Spaars

Assistant Secretary
Shirley Press-Spaars
civil-01000100

By: _____
[Signature]
Joseph B. Hodgkins, Vice President

EXCLUDED ASSETS

The MTI Assets transferred pursuant to this Bill of Sale shall exclude the following assets:

1. Any and all chemicals owned or used by MTI in its business, wherever located, or stored in or at the premises of MTI in Parsippany, New Jersey (the "Premises") or in the equipment located at the Premises that is not purchased by ISI.

2. Any and all archive files located at the Premises.

3. Any scrap metal located at the Premises.

4. Any and all items located in the "B Building" of the Premises, including all rough storage areas behind the machine shop in the Premises, excluding the following, which shall be transferred pursuant to this Bill of Sale:

- All extruded aluminum
- Three wood desks
- Four flat files with design drawings
- Three metal file cabinets (with contents)
- All Flexiflab packing crates
- All equipment packaged fro "Microchip"

5. The Portable Clean Room at the Premises.

Exhibit to Bill of Sale and Assignment

The following sets forth the assets subject to the various Security Agreements executed by MTI to the Banks, dated December 12, 1988, consisting of the (a) Amended and Restated Security Agreement (Current Assets) dated December 12, 1988; (b) Amended and Restated Security Agreement (Equipment) dated December 12, 1988; (c) Patent Security Agreement dated December 12, 1988; and (d) Pledge Agreement dated December 12, 1988.

All inventory of Machine Technology, Inc. ("MTI") in all of its forms, wherever located, including but not limited to (i) all spin gear, scrubbers, systems and other inventory manufactured, produced or assembled by MTI, components and packaging materials and raw materials and work in process therefor, finished goods thereof, and materials used or consumed in the manufacture or production thereof, (ii) goods in which MTI has an interest in mass or a joint or other interest or right of any kind, and (iii) goods which have been returned to or repossessed by MTI, and all accessions thereto and products thereof and all proceeds thereof and, to the extent not otherwise included, all payments under insurance (whether or not the Secured party is the loss payee thereof), or any indemnity, warranty or guaranty payable by reason of loss or damage thereto or otherwise with respect thereto; All invoices, contracts, contract rights, general intangibles, cash, bank accounts, security agreements, claims, purchase orders and accounts (including without limitation all royalties and license fees payable to MTI), or other tax refund receivable for goods sold or leased by MTI or for services rendered by MTI, together with the proceeds thereof and all chattel paper, contracts, instruments and other documents evidencing the same or related thereto, and all rights, remedies and claims of MTI under or with respect thereto, and all guaranties and other security for any of the foregoing, and all books, records and equipment relating to any of the foregoing.

All machinery, equipment, furnishings and fixtures now owned by MTI or in which MTI has any right, title or interest, as well as all additions to, substitutions for, replacements of or accessions to any of the items recited as aforesaid and all attachments, components, parts (including spare parts) and accessories, whether installed thereon or affixed thereto, and all fuel for any thereof.

All U.S. Patent and Trademark Office registrations and all applications for such registrations filed by MTI subject to the Patent Security Agreement dated December 12, 1988, executed by MTI to the Banks..

All proceeds of any and all of the foregoing property and, to the extent not otherwise included, all payments and right to payments under insurance, or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing property.

TRADEMARK
REEL: 1833 FRAME: 0255

BILL OF SALE AND ASSIGNMENT

In consideration of the sum of Eight Hundred Thousand Dollars and no cents (\$800,000.00), receipt of which is hereby acknowledged, Midlantic Bank N.A., a national banking association, formerly known as Midlantic National Bank and United Jersey Bank, a New Jersey State Bank (collectively the "Sellers"), do hereby sell, transfer, assign and quit claim to Integrated Solutions, Inc., a Delaware corporation (the "Buyer"), the assets of MTI Europa, Inc., a New Jersey corporation ("MTI Europa") which are presently subject to a security interest held by Sellers (the "MTI Europa Assets") as is more particularly described in the annexed Schedule A pursuant to 12A: N.J.S.A. 9-504, free of the Banks' security interest therein.

The machinery, equipment, inventory and other MTI Europa Assets constituting a portion of MTI are in a used condition, having been repossessed by the Sellers in the exercise of their right as secured parties under certain security agreements and also as accorded by the Uniform Commercial Code as adopted by the State of New Jersey ("Code"). The Sellers are neither manufacturers nor distributors of, nor dealers or merchants in, such machinery, equipment, inventory and raw materials.

THE SELLERS MAKE NO WARRANTY OF TITLE, OWNERSHIP OR COLLECTABILITY, OR THAT SAID MTI EUROPA ASSETS ARE FREE OF LIENS OR CLAIMS IN FAVOR OF OTHERS. SELLERS DO, HOWEVER, WARRANT AND REPRESENT THAT THEY HAVE THE RIGHT OF POSSESSION OF THE MTI EUROPA ASSETS PURSUANT TO THE ORDER ENTERED IN THE CHAPTER 11 BANKRUPTCY PROCEEDING OF MACHINE TECHNOLOGY, INC., PENDING IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY, CASE NO. 94-25085. SELLERS HAVE AUTHORITY TO SELL AND TRANSFER THE MTI EUROPA ASSETS TO BUYER AS SET FORTH IN THIS BILL OF SALE. SELLERS MAKE NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE WITH RESPECT TO SAID MTI EUROPA ASSETS, WHICH ARE SOLD IN AN "AS IS, WHERE IS" CONDITION, WITH ALL FAULTS. BY ACCEPTANCE OF DELIVERY OF SAID MTI EUROPA ASSETS, THE BUYER AFFIRMS THAT IT HAS NOT RELIED ON THE SELLERS' SKILL OR JUDGMENT TO SELECT OR FURNISH SAID MTI ASSETS FOR ANY PARTICULAR PURPOSE, AND THAT EXCEPT AS TO THE WARRANTIES CONTAINED HEREIN AND IN PARAGRAPH 8(a) AND (b) OF THE AGREEMENT FOR PURCHASE AND SALE OF ASSETS BETWEEN THE PARTIES, DATED AUGUST 24, 1994, AS AMENDED (THE "PURCHASE AGREEMENT"). THE SELLERS MAKE NO WARRANTY THAT SAID MTI EUROPA ASSETS ARE FIT FOR ANY PARTICULAR PURPOSE AND THAT THERE ARE NO REPRESENTATIONS OR WARRANTIES, EXPRESSED, IMPLIED OR STATUTORY, THAT EXTEND BEYOND THE DESCRIPTION OF SAID MTI EUROPA ASSETS ABOVE SET FORTH.

This final and exclusive expression of the agreement of the Sellers and the Buyer and no course of dealing or usage of trade or course of performance shall be relevant to explain or supplement any term expressed in this Bill of Sale and Assignment and the Purchase Agreement.

By acceptance of delivery of said MTI Europa Assets, the Buyer acknowledges that the buyer has either examined said MTI Europa Assets as fully desired, or has been given the opportunity for such examination and has declined to make such examination.

IN WITNESS WHEREOF, the Seller has executed this instrument this 6th day of September, 1994.

MIDLANTIC BANK N.A., a national banking association, formerly known as Midlantic National Bank

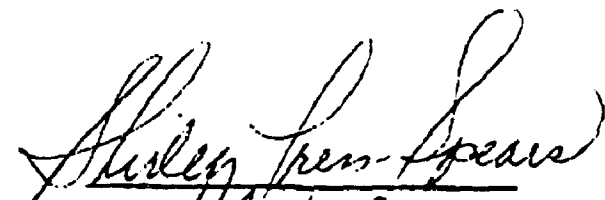
Attest:

, Secretary

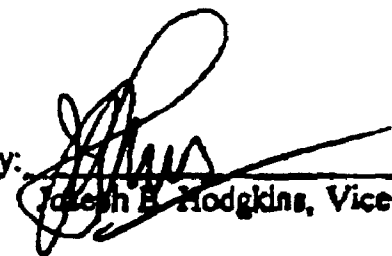
By: _____
Peter J. Mardaga, Vice President

Attest:

United Jersey Bank, a New Jersey State Bank



Ass't , Secretary
Shirley Press-Spears
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By: 

Joseph B. Hodgkins, Vice President


This final and exclusive expression of the agreement of the Sellers and the Buyer and no course of dealing or usage of trade or course of performance shall be relevant to explain or supplement any term expressed in this Bill of Sale and Assignment and the Purchase Agreement.

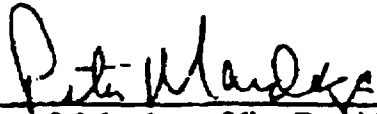
By acceptance of delivery of said MTI Europa Assets, the Buyer acknowledges that the buyer has either examined said MTI Europa Assets as fully desired, or has been given the opportunity for such examination and has declined to make such examination.

IN WITNESS WHEREOF, the Seller has executed this instrument this 6th day of September, 1994.

MIDLANTIC BANK N.A., a national banking association, formerly known as Midlantic National Bank

Attest:


Eileen Brown, Secretary
Acct. Cashier

By: 
Peter J. Mardaga, Vice President

Attest:

United Jersey Bank, a New Jersey corporation

, Secretary

By: _____
Joseph B. Hodgkins, Vice President

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Exhibit to Bill of Sale and Assignment

The following sets forth the assets subject to the Security Agreements executed by MTI Europa to the Banks, dated December 12, 1988, consisting of (a) Security Agreement (Current Assets) dated December 12, 1988, executed by MTI Europa, Inc. to the Banks; and (b) Security Agreement (Equipment) dated December 12, 1988 executed by MTI Europa, Inc. to the Banks.

All inventory owned by MTI Europa in all of its forms, wherever located, now or hereafter existing, including but not limited to (i) all spin gear, scrubbers, systems and other inventory manufactured, produced or assembled by MTI Europa, components and packaging materials and raw materials and work in process therefor, finished goods thereof, and materials used or consumed in the manufacture or production thereof, (ii) goods in which MTI Europa has an interest in mass or a joint or other interest or right of any kind, and (iii) goods which are returned to or repossessed by MTI Europa, and all accessions thereto and products thereof and all proceeds thereof and, to the extent not otherwise included, all payments under insurance (whether or not the Secured party is the loss payee thereof), or any indemnity, warranty or guaranty payable by reason of loss or damage thereto or otherwise with respect thereto; All invoices, contracts, contract rights, general intangibles, cash, bank accounts, security agreements, claims, purchase orders and accounts (including without limitation all royalties and license fees payable to MTI Europa), or for goods or services rendered or to be rendered by the MTI Europa, together with the proceeds thereof and all chattel paper, contracts, instruments and other documents evidencing the same or related thereto, and all rights, remedies and claims of MTI Europa under or with respect thereto, and all guaranties and other security for any of the foregoing, and all books, records and equipment relating to any of the foregoing.

All machinery, equipment, furnishings and fixtures now owned by MTI Europa or in which MTI Europa now has any right, title or interest, as well as all additions to, substitutions for, replacements of or accessions to any of the items recited as aforesaid and all attachments, components, parts (including spare parts) and accessories, whether installed thereon or affixed thereto, and all fuel for any thereof.

All proceeds of any and all of the foregoing property and, to the extent not otherwise included, and any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing property.

EXCLUDED ASSETS - MTI-EUROPA

The MTI-Europa Assets transferred pursuant to this Bill of Sale shall include the assets (including inventory and accounts receivable and the liabilities associated with such assets) used in MTI-Europa's operations in France, but shall exclude the following assets:

1. Any and all debts, obligations, contract or liability related to leases of any kind, character or description of MTI-Europa or any branch or affiliate, including without limitation, facility leases, automobile leases, and office furniture or equipment leases not associated with such assets under French law.

2. Any and all debts, obligations, contracts or liabilities of any kind, character or description of or relating to MTI-Europa or any branch or affiliate, including without limitation, those relating to any employee of MTI-Europa or any branch or affiliate not associated with such assets under French law.

3. Any and all chemicals owned or used by MTI-Europa in its business, wherever located, at any of its premises or in any of its equipment not purchased by Integrated Solutions, Inc.

TRADEMARK
REEL: 1833 FRAME: 0261

BILL OF SALE AND ASSIGNMENT

In consideration of the sum of Eight Hundred Thousand Dollars and no cents (\$800,000.00), receipt of which is hereby acknowledged, Midlantic Bank N.A., a national banking association, formerly known as Midlantic National Bank and United Jersey Bank, a New Jersey State Bank (collectively the "Sellers"), do hereby sell, transfer, assign and quit claim to Integrated Solutions, Inc., a Delaware corporation (the "Buyer"), the assets of MTI Japan, Inc., a New Jersey corporation ("MTI Japan") which are presently subject to a security interest held by Sellers (the "MTI Japan Assets") as is more particularly described in the annexed Schedule A pursuant to 12A: N.J.S.A. 9-504, free of the Banks' security interest therein.

The machinery, equipment, inventory and other MTI Japan Assets constituting a portion of MTI are in a used condition, having been repossessed by the Sellers in the exercise of their right as secured parties under certain security agreements and also as accorded by the Uniform Commercial Code as adopted by the State of New Jersey ("Code"). The Sellers are neither manufacturers nor distributors of, nor dealers or merchants in, such machinery, equipment, inventory and raw materials.

THE SELLERS MAKE NO WARRANTY OF TITLE, OWNERSHIP OR COLLECTABILITY, OR THAT SAID MTI JAPAN ASSETS ARE FREE OF LIENS OR CLAIMS IN FAVOR OF OTHERS. SELLERS DO, HOWEVER, WARRANT AND REPRESENT THAT THEY HAVE THE RIGHT OF POSSESSION OF THE MTI JAPAN ASSETS PURSUANT TO THE ORDER ENTERED IN THE CHAPTER 11 BANKRUPTCY PROCEEDING OF MACHINE TECHNOLOGY, INC., PENDING IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY, CASE NO. 94-25085. SELLERS HAVE AUTHORITY TO SELL AND TRANSFER THE MTI JAPAN ASSETS TO BUYER AS SET FORTH IN THIS BILL OF SALE. SELLERS MAKE NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE WITH RESPECT TO SAID MTI JAPAN ASSETS, WHICH ARE SOLD IN AN "AS IS, WHERE IS" CONDITION, WITH ALL FAULTS. BY ACCEPTANCE OF DELIVERY OF SAID MTI JAPAN ASSETS, THE BUYER AFFIRMS THAT IT HAS NOT RELIED ON THE SELLERS' SKILL OR JUDGMENT TO SELECT OR FURNISH SAID MTI ASSETS FOR ANY PARTICULAR PURPOSE, AND THAT EXCEPT AS TO THE WARRANTIES CONTAINED HEREIN AND IN PARAGRAPH 8(a) AND (b) OF THE AGREEMENT FOR PURCHASE AND SALE OF ASSETS BETWEEN THE PARTIES, DATED AUGUST 24, 1994, AS AMENDED, (THE "PURCHASE AGREEMENT"). THE SELLERS MAKE NO WARRANTY THAT SAID MTI JAPAN ASSETS ARE FIT FOR ANY PARTICULAR PURPOSE AND THAT THERE ARE NO REPRESENTATIONS OR WARRANTIES, EXPRESSED, IMPLIED OR STATUTORY, THAT EXTEND BEYOND THE DESCRIPTION OF SAID MTI JAPAN ASSETS ABOVE SET FORTH.

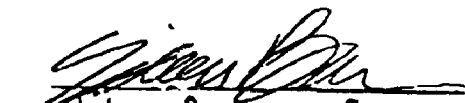
This final and exclusive expression of the agreement of the Sellers and the Buyer and no course of dealing or usage of trade or course of performance shall be relevant to explain or supplement any term expressed in this Bill of Sale and Assignment and the Purchase Agreement.

By acceptance of delivery of said MTI Japan Assets, the Buyer acknowledges that the buyer has either examined said MTI Japan Assets as fully desired, or has been given the opportunity for such examination and has declined to make such examination.

IN WITNESS WHEREOF, the Seller has executed this instrument this 6th day of September, 1994.

MIDLANTIC BANK N.A, a national
banking association, formerly known as
Midlantic National Bank

Attest:


Eileen Brown, Secretary
Asst. Cashier

By: 
Peter J. Mardaga, Vice President

Attest:

United Jersey Bank, a New Jersey corporation

, Secretary

By: _____
Joseph B. Hodgkins, Vice President

0106-011007.000

This final and exclusive expression of the agreement of the Sellers and the Buyer and no course of dealing or usage of trade or course of performance shall be relevant to explain or supplement any term expressed in this Bill of Sale and Assignment and the Purchase Agreement.

By acceptance of delivery of said MTI Japan Assets, the Buyer acknowledges that the buyer has either examined said MTI Japan Assets as fully desired, or has been given the opportunity for such examination and has declined to make such examination.

IN WITNESS WHEREOF, the Seller has executed this instrument this 6th day of September, 1994.

MIDLANTIC BANK N.A, a national
banking association, formerly known as
Midlantic National Bank

Attest:

, Secretary

By: _____
Peter J. Mardaga, Vice President

Attest:

United Jersey Bank, a New Jersey State Bank

Shirley Press-Spears

Assistant, Secretary
Shirley Press-Spears
c:\ms-bill\sal.doc

By: _____
Joseph B. Hodgkins
Joseph B. Hodgkins, Vice President

EXCLUDED ASSETS - MTI-JAPAN

The MTI-Europa Japan assets transferred pursuant to this Bill of Sale shall exclude the following assets:

1. Any and all chemicals owned or used by MTI-Europa in its business, wherever located, at any of its premises or in any of the equipment not purchased by Integrated Solutions, Inc.
2. Any and all debts, obligations, contracts, or liabilities related to the operations of MTI-Japan, Inc. or any branch or affiliate of any kind, character or description.

Japan

Exhibit to Bill of Sale and Assignment

The following sets forth the assets subject to the various Security Agreements executed by MTI Japan to the Banks, dated December 12, 1988, consisting of (a) Security Agreement (Current Assets) dated July 13, 1992, executed by MTI Japan, Inc. to the Banks; and (b) Security Agreement (Equipment) dated July 13, 1992 executed by MTI Japan, Inc. to the Banks.

All inventory owned by MTI Japan in all of its forms, wherever located, now or hereafter existing, including but not limited to (i) all spin gear, scrubbers, systems and other inventory manufactured, produced or assembled by MTI Japan, components and packaging materials and raw materials and work in process therefor, finished goods thereof, and materials used or consumed in the manufacture or production thereof, (ii) goods in which MTI Japan has an interest in mass or a joint or other interest or right of any kind, and (iii) goods which are returned to or repossessed by MTI Japan, and all accessions thereto and products thereof and all proceeds thereof and, to the extent not otherwise included, all payments under insurance (whether or not the Secured party is the loss payee thereof), or any indemnity, warranty or guaranty payable by reason of loss or damage thereto or otherwise with respect thereto; All invoices, contracts, contract rights, general intangibles, cash, bank accounts, security agreements, claims, purchase orders and accounts (including without limitation all royalties and license fees payable to MTI Japan), or for goods or services rendered or to be rendered by the MTI Japan, together with the proceeds thereof and all chattel paper, contracts, instruments and other documents evidencing the same or related thereto, and all rights, remedies and claims of MTI Japan under or with respect thereto, and all guaranties and other security for any of the foregoing, and all books, records and equipment relating to any of the foregoing.

All machinery, equipment, furnishings and fixtures now owned by MTI Japan or in which MTI Japan now has any right, title or interest, as well as all additions to, substitutions for, replacements of or accessions to any of the items recited as aforesaid and all attachments, components, parts (including spare parts) and accessories, whether installed thereon or affixed thereto, and all fuel for any thereof.

All proceeds of any and all of the foregoing property and, to the extent not otherwise included, and any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing property.

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MTI's right, title and interest in and to the collateral set forth in Exhibit "A" to the Patent Security Agreement dated December 12, 1988, consisting of certain patents which are completely owned by Machine Technology, Inc.

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TRADEMARK
REEL: 1833 FRAME: 0268

MIDLANTIC BANK, N.A.'S CERTIFICATE

This Certificate is delivered pursuant to Section 8 of that certain Agreement for Purchase and Sale of Assets ("Agreement") dated as of August 23, 1994 (the "Agreement") among Midlantic National Bank, now known as Midlantic Bank, N.A., United Jersey Bank and Integrated Solutions, Inc.

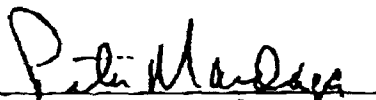
Midlantic Bank, N.A. hereby certifies to Integrated Solutions, Inc. as follows:

1. All representations and warranties made by Midlantic Bank, N.A. under Section 8 of the Agreement are true and correct in all material respects as of the date of this Certificate.

2. Midlantic Bank, N.A. has performed in all material respects all obligations required to be performed by it under the Agreement on or prior to the closing date of the transaction contemplated by the Agreement.

IN WITNESS WHEREOF, Midlantic Bank, N.A. has executed this Certificate as of September 8, 1994.

MIDLANTIC BANK, N.A.

BY: 
Peter J. Mardaga
Vice President

UNITED JERSEY BANK'S CERTIFICATE

This Certificate is delivered pursuant to Section 8 of that certain Agreement for Purchase and Sale of Assets ("Agreement") dated as of August 23, 1994 (the "Agreement") among Midlantic National Bank, now known as Midlantic Bank, N.A., United Jersey Bank and Integrated Solutions, Inc.

United Jersey Bank hereby certifies to Integrated Solutions, Inc. as follows:

1. All representations and warranties made by United Jersey Bank under Section 8 of the Agreement are true and correct in all material respects as of the date of this Certificate.

2. United Jersey Bank has performed in all material respects all obligations required to be performed by it under the Agreement on or prior to the closing date of the transaction contemplated by the Agreement.

IN WITNESS WHEREOF, United Jersey Bank has executed this Certificate as of September 8, 1994.

UNITED JERSEY BANK

BY:


Joseph Hodgkins
Vice President

Midlantic National Bank
Metro Park Plaza
P.O. Box 600
Edison, NJ 08818
(908) 321-8000

MIDLANTIC

September 6, 1994

VIA FACSIMILE

Lawrence Gennari, Esq.
O'Connor, Broude & Aronson
The Bay Colony Corporate Center
950 Winter Street
Suite 2300
Waltham, MA 02154

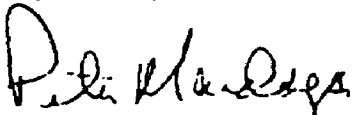
RE: Machine Technology, Inc.

Dear Larry:

Please be advised that through today's date, Midlantic Bank, N.A. (the "Bank") as collateral agent, has collected \$100,114.27 in accounts receivable proceeds relative to the above. In as much as that amount exceeds the \$75,000.00 figure referenced in the August 23, 1994 Agreement for Purchase and Sale of Assets by and among the Bank, United Jersey Bank and Integrated Solutions, Inc., ("ISI") a credit against the purchase price in the amount of \$25,114.27 will inure to the benefit of ISI.

As we agreed, I will send to Bob Gomes of ISI all of the back up information on our collections. Please contact me at (908) 321-2609 with any questions.

Very truly yours,



Peter Mardaga
Vice President
Midlantic Bank, N.A.

PM:dle

cc: Rudi Grueneberg, Esq.
Joseph Hodgkins, United Jersey Bank



STATE OF NEW JERSEY
DEPARTMENT OF BANKING
CN 040
TRENTON 08625
(609) 292-3420

ELIZABETH RANDALL
COMMISSIONER

I, Elizabeth Randall, Commissioner of Banking of the State of New Jersey, do hereby find that the Agreement of Merger made between UNITED JERSEY BANK/CENTRAL, N.A., Township of West Windsor, County of Mercer, and State of New Jersey; UNITED JERSEY BANK/SOUTH, N.A., Township of Cherry Hill, County of Camden, said State and UNITED JERSEY BANK, City of Hackensack, County of Bergen, said State, under the charter and title of UNITED JERSEY BANK, was approved by consent of the sole stockholder of each of the merging banks on April 20, 1994 and pursuant to section 137B of the aforementioned Act, have caused it to be filed in the Department, to be effective as of 11:59 p.m. on July 15, 1994.


Elizabeth Randall
Commissioner

Dated: May 17, 1994



State of New Jersey

DEPARTMENT OF BANKING
CN 040
TRENTON NJ 08625-0040

CHRISTINE TODD WHITMAN
Governor

ELIZABETH RANDALL
Commissioner

June 17, 1994

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY that UNITED JERSEY BANK,
Hackensack, with its principal office located at 210 Main
Street, Hackensack, Bergen County, State of New Jersey, is a
corporation authorized by the Commissioner of Banking to
transact business in this State in accordance with The Banking
Act of 1948.

Michael D. Sheridan
Michael D Sheridan
Chief Examiner
Applications

smd
0171G/1

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Comptroller of the Currency
Administrator of National Banks

Washington, D.C. 20219

CERTIFICATE

I, Eugene A. Ludwig, Comptroller of the Currency, do hereby certify that:

1. The Comptroller of the Currency, pursuant to Revised Statutes 324, et seq., as amended, 12 U.S.C. 1, et seq., as amended, has possession, custody and control of all records pertaining to the chartering, regulation and supervision of all National Banking Associations.

2. "Midlantic National Bank", Newark, New Jersey, (Charter No. 1316), is a National Banking Association formed under the laws of the United States and is authorized thereunder to transact the business of banking on the date of this Certificate.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and caused my seal of office to be affixed to these presents at the Treasury Department, in the City of Washington and District of Columbia, this 26th day of May, 1994.

Comptroller of the Currency



AMENDMENT TO AGREEMENT FOR PURCHASE AND SALE OF ASSETS

THIS AMENDMENT to the Agreement for Purchase and Sale of Assets dated as of August 23, 1994 (the "Agreement"), by and among Integrated Solutions, Inc., a Delaware corporation with a principal place of business at 836 North Street, Building #5, Merrimack Center, Tewksbury, Massachusetts 01876 ("ISI"), Midlantic National Bank ("Midlantic"), a national banking association organized and existing under the laws of the United States of America with its principal offices at 499 Thornall Street, Edison, New Jersey, 08818 and United Jersey Bank ("United Jersey Bank"), a New Jersey State Bank organized and existing under the laws the State of New Jersey with its principal offices at 210 Main Street, Hackensack, New Jersey 07602 (the "Banks"), is made as of September 6, 1994.

RECITALS

A. The parties wish to amend the Agreement to reflect their agreement and understanding as of the date of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed by and between the Banks and ISI as follows:

1. The second paragraph of Section 1 of the Agreement is hereby deleted and replaced in its entirety with the following:

The parties expressly understand and acknowledge that ISI shall not assume any debt, obligation, contract, or liability of MTI, MTI-Europa, or MTI-Japan of any kind, character, or description. Subject to the representations and warranties set forth in Section 8 of the Agreement, the parties expressly understand and acknowledge that the Banks have not assumed any debt, obligation, contract, or liability of MTI, MTI-Europa or MTI-Japan of any kind, character, or description.

2. Section 2(c)(ii) of the Agreement is hereby deleted and of no further force or effect.

3. Sections 8 (c) and (d) of the Agreement are hereby deleted and replaced in their entirety with the following:

c. The Banks have a valid and enforceable security interest in the Assets and have taken constructive possession of the Assets (except for the stock of MTI-Europa or MTI- Japan) pursuant to the Order annexed hereto as Schedule 1 and the Banks are lawfully able to transfer title to the Assets.

d. The Banks have taken constructive possession of the Collateral located in New Jersey at MTI's facility located in Parsippany, New Jersey, pursuant to the Order entered by the Honorable Novalyn Winfield, United States Bankruptcy Judge, in the Chapter 11 bankruptcy proceeding of MTI, pending in the United States Bankruptcy Court for the District of New Jersey,

Case No. 94-25085. A copy of the Order is attached hereto as Schedule 1. Pursuant to the Banks' perfected security interests in the Collateral and the provisions of the Order, the Banks hereby sell, assign and transfer the MTI Assets (except for the stock of MTI-Europa or MTI-Japan) pursuant to 12A: N.J.S.A. 9-504 of the Code by the accompanying Bill of Sale and Assignment of even date herewith and in the form attached hereto as Exhibit "B," free of the Banks' security interests.

4. Section 14 of the Agreement is hereby deleted in its entirety and replaced with the following:

Section 14. Further Assurances. Subsequent to the Closing, ISI and the Banks shall each, at the request of any of the others, furnish, execute and deliver such documents, instruments, opinions of counsel, certificates, notices and other such instruments and further assurances as counsel for the requesting party shall reasonably require as necessary or desirable to effect complete consummation of this Agreement, or in connection with the preparation and filing of reports required or requested by governmental agencies, stock exchanges or other regulatory bodies. Following the execution of this Agreement, the Banks shall execute such documents or instruments as are reasonably necessary to complete or effect the foreclosure by private sale of any security interest in MTI- Europa's or MTI Japan Inc.'s assets that the Banks hold in connection with the Amended and Restated Notes.

5. The Closing date for the transactions under the Agreement shall be September 8, 1994 or such other date as agreed to between the parties in writing.

6. On September 2, 1994, Eastmans Road Associates, the Landlord ("Landlord") of the facility leased by MTI located at 20 Eastmans Road, Parsippany, New Jersey ("Demised Premises"), filed an order to show cause and verified complaint in the Superior court of New Jersey, Chancery Division, Morris County, being docketed as case no. MRS-C-187-94 ("Landlord Action"), seeking a preliminary injunction restraining the proposed sale of assets under the Purchase Agreement by the Banks to ISI and further, the imposition of a landlord lien against certain assets of MTI pursuant to N.J.S.A. 2A:44-166. An order was entered on September 6, 1994 by Judge Stanton ordering that: (1) the proposed sale by the Banks of the collateral, shall proceed and (2) the Banks shall place the sum of \$143,750.00 in escrow pending final adjudication of the claims of the Landlord in the action. The parties agree that ISI shall pay the sum of \$35,000.00 as a storage fee to the Banks for the storage of the MTI Assets at the Demised Premises for the period September 6, 1994 to September 30, 1994. The Banks will release ISI from any liability, cost or expense, including attorneys fees and costs, relating to rent for the Demised Premises for the period from and prior to September 30, 1994. ISI will be responsible for any and all claims asserted by the Landlord concerning or relating to charges, if any, arising from any continued storage of the MTI Assets at the Demised Premises on and after October 1, 1994. Additionally, ISI shall remain solely responsible for any non-rent claims asserted by the Landlord and arising out of the storage of the MTI Assets at the Demised Premises from and after September 6, 1994 until such storage has ended.


7. The Agreement is otherwise ratified and confirmed in its entirety as being in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment this 6th day of September, 1994.

ATTEST:



INTEGRATED SOLUTIONS, INC.
a Delaware Corporation

By: 
_____ Robert Gomes, Executive Vice President

ATTEST:

MIDLANTIC NATIONAL BANK
a National Banking Association

By: _____
Peter J. Mardaga, Vice President

ATTEST:

UNITED JERSEY BANK
a New Jersey Corporation

By: _____
Joseph B. Hodgkins, Vice President

O'CONNOR, BROUDE & ARONSON
as Escrow Agent, solely as to Paragraphs
2.a and 2.b hereof

By: _____
Paul D. Broude, Esquire

7. The Agreement is otherwise ratified and confirmed in its entirety as being in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment this 6th day of September, 1994.

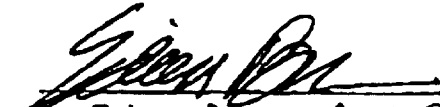
ATTEST:

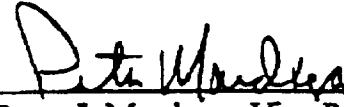
INTEGRATED SOLUTIONS, INC.
a Delaware Corporation

By: _____
Robert Gomes, Executive Vice President

ATTEST:

MIDLANTIC NATIONAL BANK, N.A.
a National Banking Association formerly known as
Midlantic National Bank


Eileen Brown, Asst. Cashier

By: 
Peter J. Mardaga, Vice President

ATTEST:

UNITED JERSEY BANK
a New Jersey Corporation

By: _____
Joseph B. Hodgkins, Vice President

O'CONNOR, BROUDE & ARONSON
as Escrow Agent, solely as to Paragraphs
2.a and 2.b hereof

By: _____
Paul D. Broude, Esquire

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ATTEST:

INTEGRATED SOLUTIONS, INC.
a Delaware Corporation

By: _____
Robert Gomes, Executive Vice President

ATTEST:

MIDLANTIC BANK, N.A.
a national banking association

By: _____
Peter J. Mardaga, Vice President

ATTEST:

UNITED JERSEY BANK
a New Jersey State Bank

By: _____
Kathleen B. Hodgkins, Vice President

O'CONNOR, BROUDE & ARONSON
as Escrow Agent, solely as to Paragraphs
2.a and 2.b hereof

By: _____
Paul D. Broude, Esquire

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IN WITNESS WHEREOF, the parties have executed this Amendment this 6th day of September, 1994.

ATTEST:

INTEGRATED SOLUTIONS, INC.
a Delaware Corporation

By: _____
Robert Gomes, Executive Vice President

ATTEST:

MIDLANTIC NATIONAL BANK
a National Banking Association

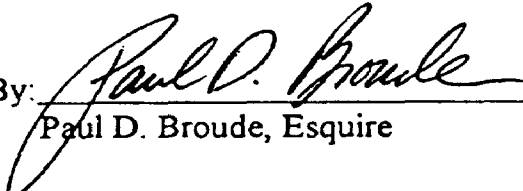
By: _____
Peter J. Mardaga, Vice President

ATTEST:

UNITED JERSEY BANK
a New Jersey Corporation

By: _____
Joseph B. Hodgkins, Vice President

O'CONNOR, BROUDE & ARONSON
as Escrow Agent, solely as to Paragraphs
2.a and 2.b hereof

By: 
Paul D. Broude, Esquire



TRADEMARK
REEL: 1833 FRAME: 0282

Midlantic National Bank
Metro Park Plaza
P.O. Box 600
Edison, NJ 08818
(908) 321-8000

MIDLANTIC

Robert L. Gomes
Executive Vice President
Integrated Solutions, Inc.
836 North Street
Building #5
Mellimack Center
Tewksbury, MA 01876

August 26, 1994

Midlantic National Bank

Re: Letter Agreement Regarding Confidential Information
("Letter Agreement")

Dear Mr. Gomes:

You have approached Midlantic National Bank and United Jersey Bank (the "Banks") in connection with the purchase of certain assets of Machine Technology, Inc., MTI Europe and MTI Japan subject to the Banks' security interest (collectively the "MTI Assets"). You have further requested that the Banks share certain information about said assets. During the course of this matter you will be provided with and/or have access to information that is ordinarily kept confidential.

As a condition to your review of the above-described information, the Banks require that you agree, as set forth below, to treat such information and any other information (collectively, the "Confidential Information") which you receive from the Banks or any of the Bank's respective employees, agents, shareholders, directors, accounts, attorneys or representatives (collectively, the "Banks' Representatives") confidential until the closing of the transaction.

The term "Confidential Information" includes, without limitation, any of the following items supplied to you or Your Representatives (hereinafter defined) by the Banks or any of the Banks' Representatives: (a) records and data concerning the Banks' assets, including loans and claims, and/or the assets of the Borrower and/or any of the Banks' borrowers; (b) information concerning the MTI Assets and (c) information supplied in discussions with the Banks or any of the Banks' Representatives concerning the MTI Assets.

You agree that you will not use the Confidential Information for any purpose other than in connection with your review of the Confidential Information in connection with the proposed purchase of assets until the closing of the transaction. You further agree to transmit the Confidential Information only to your directors, officers, employees and/or agents, including legal counsel (collectively, "Your Representatives"), and prospective purchasers, who need to know such information for the purpose of considering such proposed purchase who shall be advised by you of this Letter Agreement and agree with you, in writing, to be bound by the provisions hereof.

You agree that the Confidential Information shall be kept confidential by you and Your Representatives until the closing of the transaction. Neither you nor Your Representatives shall disclose, without the prior written consent of the Banks, such information in any manner whatsoever, in whole or in part, to any person, firm, corporation, association or other entity for any reason or purpose whatsoever, except as may be required by law pursuant to a valid subpoena.

Except as provided above, you and Your Representatives will not disclose to any person who is not the Banks' Representative any of the terms, conditions or other facts of this proposed transaction with respect to the Banks, *without prior written consent* of the Banks. The term "person," as used in this letter, shall be broadly interpreted to include, without limitation, any corporation, company, partnership or individual. Upon the Banks' request, you will promptly return all Confidential Information to us without retaining any copy thereof.

For purposes of this Letter Agreement, the term "Confidential Information" shall not include information which (i) becomes generally available to the public other than as a result of a disclosure by you or Your Representatives, or (ii) becomes available to you on a non-confidential basis from a source other than from the Banks, provided, however, that such source is not bound by a confidentiality agreement with the Banks, or any Bank Representative.

You understand and agree that the Confidential Information constitutes a valuable asset of the Banks and/or the unauthorized disclosure and/or improper use of this information would cause irreparable damage and harm to the Banks. Accordingly you agree that money damages would not be a sufficient remedy for breach of this Letter Agreement by you or Your Representatives and that the Banks shall be entitled to an injunction restraining such breach. Such a remedy shall not be deemed to be the exclusive remedy for breach of this Letter Agreement, but shall be in addition to all other remedies available at law or in equity to the Banks.

You further understand and agree that if the Banks fail or delay exercising any of their rights hereunder, such failure or delay shall not operate as a waiver of such right. Furthermore, any single or partial exercise of any such right shall not preclude the Banks from any other or further exercise of such right hereunder.

If you agree with the foregoing, please sign the enclosed copy of this letter on the lines indicated below and return that copy to me at your earliest convenience. Execution of this Letter Agreement is a condition to our continued discussions.

Very truly yours,

Midlantic National Bank N.A.,
individually and as Collateral Agent
on behalf of United Jersey Bank

Peter J. Mardaga, Vice President

Integrated Solutions, Inc.

By  _____
Robert L. Gomes
Executive Vice President

Midlantic National Bank
Metro Park Plaza
P.O. Box 600
Edison, NJ 08818
(908) 321-8000

MIDLANTIC

Robert L. Gomes
Executive Vice President
Integrated Solutions, Inc.
836 North Street
Building #5
Mellimack Center
Tewksbury, MA 01876

August 26, 1994

Midlantic National Bank

**Re: Letter Agreement Regarding Confidential Information
("Letter Agreement")**

Dear Mr. Gomes:

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As a condition to your review of the above-described information, the Banks require that you agree, as set forth below, to treat such information and any other information (collectively, the "**Confidential Information**") which you receive from the Banks or any of the Bank's respective employees, agents, shareholders, directors, accounts, attorneys or representatives (collectively, the "**Banks' Representatives**") confidential until the closing of the transaction.

The term "Confidential Information" includes, without limitation, any of the following items supplied to you or Your Representatives (hereinafter defined) by the Banks or any of the Banks' Representatives: (a) records and data concerning the Banks' assets, including loans and claims, and/or the assets of the Borrower and/or any of the Banks' borrowers; (b) information concerning the MTI Assets and (c) information supplied in discussions with the Banks or any of the Banks' Representatives concerning the MTI Assets.

You agree that you will not use the Confidential Information for any purpose other than in connection with your review of the Confidential Information in connection with the proposed purchase of assets until the closing of the transaction. You further agree to transmit the Confidential Information only to your directors, officers, employees and/or agents, including legal counsel (collectively, "Your Representatives"), and prospective purchasers, who need to know such information for the purpose of considering such proposed purchase who shall be advised by you of this Letter Agreement and agree with you, in writing, to be bound by the provisions hereof.

You agree that the Confidential Information shall be kept confidential by you and Your Representatives until the closing of the transaction. Neither you nor Your Representatives shall disclose, without the prior written consent of the Banks, such information in any manner whatsoever, in whole or in part, to any person, firm, corporation, association or other entity for any reason or purpose whatsoever, except as may be required by law pursuant to a valid subpoena.

Except as provided above, you and Your Representatives will not disclose to any person who is not the Banks' Representative any of the terms, conditions or other facts of this proposed transaction with respect to the Banks, *without prior written consent* of the Banks. The term "person," as used in this letter, shall be broadly interpreted to include, without limitation, any corporation, company, partnership or individual. Upon the Banks' request, you will promptly return all Confidential Information to us without retaining any copy thereof.

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You understand and agree that the Confidential Information constitutes a valuable asset of the Banks and/or the unauthorized disclosure and/or improper use of this information would cause irreparable damage and harm to the Banks. Accordingly you agree that money damages would not be a sufficient remedy for breach of this Letter Agreement by you or Your Representatives and that the Banks shall be entitled to an injunction restraining such breach. Such a remedy shall not be deemed to be the exclusive remedy for breach of this Letter Agreement, but shall be in addition to all other remedies available at law or in equity to the Banks.

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If you agree with the foregoing, please sign the enclosed copy of this letter on the lines indicated below and return that copy to me at your earliest convenience. Execution of this Letter Agreement is a condition to our continued discussions.

Very truly yours,

Midlantic National Bank N.A.,
individually and as Collateral Agent
on behalf of United Jersey Bank

Peter J. Mardaga, Vice President

Integrated Solutions, Inc.

By: 
Robert L. Gomes
Executive Vice President

SEP 12 1994

HORN, GOLDBERG, GORNY, DANIELS,
PLACKTER & WEISS

A PROFESSIONAL CORPORATION
COUNSELORS AT LAW

230 SOUTH BROAD STREET
10TH FLOOR
PHILADELPHIA, PENNSYLVANIA 19102
TELEPHONE (215) 732-8300
FACSIMILE (215) 732-8368

LEONARD C. HORN
JACK GORNY
MARK SOIFER
A. MICHAEL BARKER*
DAVID J. WEISS
NICHOLAS CASIELLO, JR.
DAVID S. LIEBERMAN**
MICHAEL J. VISCONTI, JR.*
JILL T. OJSERKIS+
ROBERT I. TUTEUR+
DANIEL S. OJSERKIS
JOEL M. FLEISHMAN+
HOWARD E. FREED
MARK R. SANDER **
L. PATRICIA SAMPOLI*

HOWARD A. GOLDBERG
JOHN WALKER DANIELS
DAVID A. SACKS
EDWARD R. KNIGHT
JACK PLACKTER +
MARC L. HURVITZ *
WILLIAM M. HONAN +
MELVYN J. TARNOPOL +
TIMOTHY M. CRAMMER
FREDERICK F. FITCHETT, III
HOWARD E. DRUCKS
JOHN P. LEON +
KEVIN J. THORNTON
DANIEL A. COREY

LAUREL WOOD, STE 155
1200 LAUREL OAK RD.
Voorhees, NJ 08043-4317
TELEPHONE: (609) 346-8688
FACSIMILE: (609) 346-9866

STE 300, CITYCENTER BLDG.
1300 ATLANTIC AVE.
ATLANTIC CITY, NJ 08401-7278
TELEPHONE: (609) 348-4525
FACSIMILE: (609) 348-4804

BARTH F. AARON
RUDI R. GRUENBERG+
STEVEN L. ROTHMAN
STEVEN M. HORN
PATRICK MADAMBA, JR.
SHARON MORAN-PENNINGTON
MICHELE B. GINIECZKI+
JOEL M. CHIPKIN+
PETER M. SARKOS+
BARBARA A YARS+
MICHAEL S. AFFANATO+
JILL MANUEL-COUGHLIN+
MANESHA S. JOSHI+
KATHLEEN A. DEWITT+
MICHAEL A. KOPLOWITZ+

ANNE MARIE P. KELLEY+
KATHLEEN VELLA+
JOSEPH G. ANTINORI
ELLEN M. NICHOLSON+
NICHOLAS P. TALVACCHIA+
JODI L. COHEN+
DEBORAH MASON+
STEVEN M. KESSLER
ERIC M. WOOD+
GRACE E. BRUTHER
SALLY E. HECKEROTH+
WILLIAM J. DOWNEY, III+
INDIA P. STILL+
JOSEPH M. GAREMORE+
JAMES F. MOGAN, III+

WAYNE R. ROSENLICHT (1954-1990)

COUNSEL TO THE FIRM
HERBERT HORN

OF COUNSEL

ALFRED H. KATZMAN MURRAY FREDERICKS
(1908-1994)
ABRAHAM ROSENBERG
(1905-1992)

August 26, 1994

*CERTIFIED CIVIL TRIAL ATTORNEY
+ALSO MEMBER OF PENNSYLVANIA BAR

DIRECT DIAL:

REPLY TO: PHILADELPHIA

To: All Interested Parties on Attached Page

Re: Machine Technology, Inc.
MTI Europa
MTI Japan

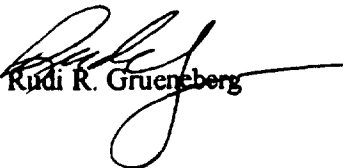
Midlantic National Bank and United Jersey Bank (collectively the "Banks") have a perfected security interest in certain assets of Machine Technology, Inc. ("MTI") MTI Europa and MTI Japan, including but not limited to accounts receivable, inventory, equipment, machinery, patents, and general intangibles.

An order was entered in the Chapter 11 Bankruptcy proceeding filed by Machine Technology, Inc., pending in the United States Bankruptcy Court for the District of New Jersey granting the Banks relief from the stay.

This letter is to advise you that, on or after September 6, 1994, the Banks intend to dispose of the assets of MTI, MTI Europa and MTI Japan, through a private sale pursuant to the provisions of 12A: N.J.S.A. 9-504 with said sale to take place on or after September 6, 1994.

If you have any questions, please do not hesitate to call the undersigned.

Very truly yours,


Rudi R. Gruenberg

RRG/jeh

Exhibit D

The Individuals and Entities who will receive notice of the sale of the Assets of Machine Technology, Inc. to Integrated Solutions, Inc. pursuant 12A:N.J.S.A.: 9-504-507.

Machine Technology, Inc.
25 Eastmans Road
Parsippany, New Jersey 07054

OCE Bruning
1800 Bruning Drive
West Itasca, IL 60143

Vendor Funding, Co., Inc.
3333 New Hyde Park Road
New Hyde Park, New York 00142

IBM Credit Corporation
600 Parsippany Road
Parsippany, New Jersey 07054

ITT Commercial Finance Corp.
100 Walnut Avenue
Clark, New Jersey 07066

Vector Automation, Inc.
Village of Cross Keys
5100 Falls Road
Baltimore, MD 21210

Master Lease Division
Tokai Financial Services, Inc.
1055 Westlakes Drive
Berwyn, PA 19312

New Jersey Division of Taxation
50 Barracks Street CN-269
Trenton, New Jersey

Attorney General of the United States of America
Justice Building
9th & Pennsylvania Avenues
Washington, D.C. 20530

**Office of the United States Attorney
970 Broad Street
Newark, New Jersey 07102**

**District Director, Internal Revenue Service
Attention: John F. Jennings
970 Broad Street
15th Floor
Newark, New Jersey 07102**

**MTI Europa
25 Eastmans Road
Parsippany, New Jersey 07054**

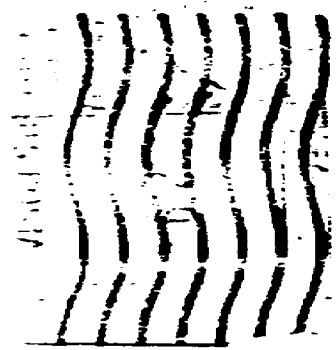
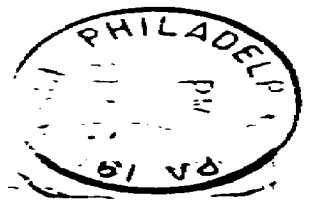
**MTI Japan
25 Eastmans Road
Parsippany, New Jersey 07054**

**Luke R. Komarek, Esquire
Faegre & Benson
2200 Norwest Center
60 South Seventh Street
Minneapolis, Minnesota 55402-3901**

**HORN, GOLDBERG, GORNY, DANIELS,
PLACKTER & WEISS**

A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW
230 SOUTH BROAD STREET
10th FLOOR
PHILADELPHIA, PA 19102

Vendor Funding, Co., Inc.
3333 New Hyde Park Road
New Hyde Park, New York 00142



**HORN, GOLDBERG, GORNY, DANIELS,
PLACKTER & WEISS, P.C.**

Larry Gennari, Esquire
September 8, 1994
Page 2

Please review the foregoing calculation and call me if your calculation differs. Additionally, the funds should be wired to Midlantic National Bank pursuant to the following instructions:

ABA 0212-00012
Attention: Peter J. Mardaga, Vice President
Supervised Loans
Re: Machine Technology, Inc.

Please call me with any comments with respect to the foregoing.

Very truly yours,


Rudi R. Grueneberg

RRG/jeh

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cc: Daniel Flores, Esquire (via facsimile)
Peter J. Mardaga, Vice President
Joseph B. Hodgkins, Vice President

RIKER, DANZIG, SCHERER, HYLAND & PERRETTI

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Morristown, NJ 07962-1981

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FAX COVER SHEET

Date:	September 8, 1994	
Send To:	Larry Gennari	cc:
Firm:		
Fax #:	(617)-890-9261	
Alternate Fax #:		
Must be Sent by:	ASAP	
From:	Joseph L. Schwartz	
Client/Matter:	13524.2	
Attorney #:	351	
Re:	Machine Technology, Inc.	
	Pages sent (including cover):	___

Message:

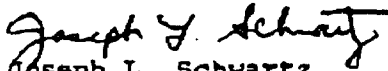
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returned to me in the enclosed, self-addressed stamped envelope.
By copy of this letter, I am providing all interested parties with
copies of the within documents, in accordance with the Local Rules.

Very truly yours,


Joseph L. Schwartz

cc: Robert B. Wasserman, Esq.
Rudi R. Gruenberg, Esq.
Mr. Larry Gennari

(w/encl.)
(via fax, w/encl.)
(via fax, w/encl.)

RIKER, DANZIG, SCHERER, HYLAND & PERRETTI
Headquarters Plaza
One Speedwell Avenue
Morristown, New Jersey 07962-1981
(201) 538-0800
Attorneys for ITT Commercial Corp.

Attorney Appearing: Joseph L. Schwartz
JS-5525

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY

_____ :
In the Matter of: :
MACHINE TECHNOLOGY, INC., :
Debtor. :
: Hon. Novalyn L. Winfield,
: U.S.B.J. (NLW)
: Bankruptcy No. 94-25085
: APPLICATION IN SUPPORT OF
: ENTRY OF CONSENT ORDER
: GRANTING ITT COMMERCIAL
: FINANCE CORP. RELIEF FROM THE
: AUTOMATIC STAY PURSUANT TO 11
: U.S.C. § 362(d)
: _____ :

TO: Hon. Novalyn L. Winfield, U.S.B.J.
United States Bankruptcy Court
King Federal Building
50 Walnut Street
Newark, NJ 07102

Robert B. Wasserman, Esq.
Wasserman, Jurista & Stolz, P.C.
225 Millburn Avenue
Millburn, NJ 07041

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parties.

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WHEREFORE, ITT respectfully requests the entry of the accompanying Consent Order Granting ITT Relief from the Automatic Stay Pursuant to 11 U.S.C. § 362(d).

RIKER, DANZIG, SCHERER, HYLAND
& PERRETTI
Attorneys for ITT Commercial Finance
Corp.

By: Joseph L. Schwartz
Joseph L. Schwartz

DATED: September 8, 1994

EXHIBIT "A"

5. **SELLER.** Lessee shall select and request Lessor to order the equipment from the seller specified by Lessee (herein called "Seller"). Lessor agrees to order same from Seller but shall not be liable for specific performance or damages if for any reason Seller delays or fails to fill such order. Lessor has no obligation to install the Equipment. No agent or employee of Seller is authorized to bind Lessor to this Lease, to alter or waive any term or condition hereof, or to add any provision hereto, notwithstanding any compensation or benefit that may be given by Lessor to Seller or any agent or employee of Seller.

6. **USE.** Lessee shall cause the equipment to be operated in accordance with all applicable manufacturer's manuals or instructions by competent and duly qualified personnel only and in accordance with applicable governmental laws, regulations and ordinances, if any (including those with respect to the registration, licensing, installation, use, maintenance and operation of the Equipment), and all policies of insurance relating to the Equipment, and if such compliance requires changes or additions to be made on or to the Equipment, Lessee shall make such changes or additions at its own cost and expense in accordance with Section 7. Lessee will use the Equipment for business purposes only and will not change the location of any Equipment as specified in the Schedule without the prior written consent of Lessor. (S)

7. **DELIVERY AND ACCEPTANCE.** Lessee shall: (a) pay all costs and expenses of freight, packing, insurance, handling, storage, shipment and delivery of the Equipment, and (b) furnish, at its own cost and expense, such labor, equipment and other facilities and supplies as may be required to install and erect the Equipment. Unless Lessee gives Lessor and Seller written notice of each defect or other proper objection to any item of Equipment within five (5) business days after the delivery thereof, it shall be conclusively presumed and the Equipment was duly delivered and unconditionally accepted by Lessee.

8. **LESSOR'S INSPECTION.** Lessee agrees that Lessor or its authorized representatives may at all reasonable times inspect the Equipment, but that Lessor shall have no duty to make any such inspection and shall incur no liability by reason of not making the same.

9. **MAINTENANCE AND REPAIR.** Lessee shall use the Equipment only in the manner for which it was designed and intended. Lessee, at its own expense, will keep and maintain the Equipment in as good operating condition as when delivered to Lessee hereunder, ordinary wear and tear excepted, and will provide all maintenance and service and make all repairs necessary for such purpose. In addition, if any parts or accessories or part of the Equipment shall from time to time become worn out, lost, destroyed, damaged beyond repair or otherwise permanently rendered unusable, Lessee, at its own expense, will promptly replace such parts or accessories, or cause the same to be replaced, by replacement parts or accessories which are free and clear of all liens, encumbrances or rights of others and have a value and utility at least equal to the parts or accessories replaced. All such replacement parts and accessories shall immediately become the property of Lessor and part of the Equipment for all purposes hereof; but the parts or accessories replaced thereby shall no longer be the property of Lessor. Lessee may

MASTER EQUIPMENT LEASE

~~THIS LEASE~~ dated April 10 1967, between UNITED FINANCIAL CORPORATION, having an office at 275 N. Franklin Turnpike, Ramsey, New Jersey 07446 (herein called "Lessor"), and MACHINE TECHNOLOGY INC. with its principal place of business at 25 ~~LEWIS ROAD, PARLISBURY,~~ New Jersey 07866 (herein called "Lessee").

W I T N E S S E T H:

1. **LEASE.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, all of the machinery, equipment and/or other personal property described in each schedule executed by Lessor and Lessee from time to time, in each of their sole discretions, pursuant to this Master Equipment Lease, with all replacement parts, additions, repairs and accessories incorporated therein and/or affixed thereto (all such machinery, equipment, personal property, replacement parts, additions, repairs and accessories are hereinafter collectively called the "Equipment"). Each such schedule shall reference this Master Equipment Lease, shall incorporate therein all of the terms and conditions hereof unless any provisions hereof are specifically excluded or modified therein and shall contain such additional terms and conditions as Lessor and Lessee shall, in each of their sole discretions, agree upon. Each such schedule (together with the terms and conditions to this Master Equipment Lease to the extent incorporated therein) shall constitute a separate lease. All such schedules are collectively hereinafter called the "Schedule".

2. **TERM.** The term of the lease of each item of Equipment hereunder shall commence on the date specified in the Schedule describing such item and shall continue for the period specified in each schedule.

3. **RENT.** The rent payable for the equipment throughout the term of this Lease shall be the amounts set forth in the Schedule. Such rent shall be payable in the amounts and on the dates specified in the Schedule to Lessor or such other persons or corporations, and at such addresses, as Lessor may from time to time designate in writing to Lessee and, unless otherwise specified in the Schedule, shall be payable in advance. The lease of Equipment hereunder is a net lease and the rent shall be absolutely net to Lessor, and all costs and expenses and obligations of every kind and nature relating to the Equipment shall be paid by Lessee except as otherwise expressly provided.

4. **WARRANTIES.** LESSOR MAKES NO WARRANTIES AS TO THE EQUIPMENT AND NONE SHALL BE IMPLIED, INCLUDING WITHOUT LIMITATION, ITS CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. LESSEE AGREES TO LOOK SOLELY TO THE MANUFACTURER, SELLER OR CARRIER OF THE EQUIPMENT FOR ANY CLAIM ARISING FROM ANY DEFECT, BREACH OF WARRANTY, FAILURE OR DELAY IN DELIVERY, MISDELIVERY OR INABILITY TO USE THE EQUIPMENT FOR ANY REASON WHATSOEVER AND LESSEE'S OBLIGATIONS TO LESSOR HEREUNDER SHALL NOT IN ANY MANNER BE AFFECTED THEREBY. LESSOR SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY ANY ITEM OF EQUIPMENT, THE DELIVERY, INSTALLATION, USE, MAINTENANCE, REPAIR, SERVICING OR REPLACEMENT THEREOF, BY ANY DELAY OR FAILURE TO PROVIDE SAME, BY ANY INTERRUPTION OF SERVICE OR LOSS OF SERVICE OR LOSS OF USE, OR FOR ANY LOSS OF BUSINESS OR DAMAGE HOWEVER CAUSED.

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also, with the prior written consent of Lessor, from time to time add further parts or accessories to the Equipment provided that such addition does not impair the value or utility of the Equipment, and any parts or accessories so added, if not required to be added as a replacement as above provided, shall remain the property of Lessee or other owner thereof and shall be removed by Lessee without injury to the remaining Equipment, at any time prior to the expiration of the Lease at Lessee's option or if Lessor so requests. Any parts or accessories not so removed shall become the property of Lessor. Except as required or permitted by this Section 9, Lessee shall not make any alterations or additions to any Equipment without the prior written consent of Lessor.

10. **LOSS AND DAMAGE.** Lessee shall bear the entire risk of loss, theft, destruction or damage arising out of or pertaining to the Equipment, or any part thereof, its installation, possession, use, delivery and return, and shall not be relieved of the obligation to pay the total rent or any obligation hereunder because of any such occurrence. In the event of damage to any item of Equipment, Lessee, at its sole expense, shall immediately place the same in good repair. If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair or rendered permanently unfit for use for any reason, or in the event of any condemnation, confiscation, theft or seizure or requisition of title of any of the Equipment, or in the event the use by Lessee of any of the Equipment shall be unlawfully prevented or substantially interfered with by any third party for a period of more than 30 days, Lessee at its sole expense and at the option of Lessor, shall (a) replace the same with like equipment in good repair, or (b) pay Lessor in cash all amounts then due hereunder and the unpaid balance of the total rent for the unexpired term hereof attributable to said item. Upon Lessor's receipt of such payment, Lessee shall be entitled to Lessor's interest in said item and to possession of same at its then location, as is, and without recourse to Lessor.

11. **INSURANCE.** At all times during the term of this Lease and until such time as Lessor receives possession of the Equipment pursuant to Section 12, Lessee will cause to be carried and maintained on the Equipment, at its own cost and expense, insurance in such amounts, against such risks, in such form and with such insurance companies as shall be satisfactory to Lessor from time to time; provided, however, that the amount of property damage insurance in effect for the Equipment from time to time shall in no event be less than the greater of the full replacement cost of the Equipment or the total rent hereunder, and Lessee shall provide such additional insurance against injuries, loss or damage to persons or property arising out of the use or operation of the Equipment as is customarily maintained by the owners of like property, with companies satisfactory to Lessor. All insurance policies (including liability policies) shall name both Lessor and Lessee as

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(other than taxes on or measured by the income of Lessor). If any of the same shall remain unpaid, when due, Lessor may pay same and add such payment to the next payment next becoming due as additional rent. In case any report or return is required to be made with respect to any obligation of Lessee under this Section or arising out of this Section, Lessee will either make such report or return in such manner as will show the ownership of the Equipment in Lessor and send a copy of such report or return to Lessor or will notify Lessor of such requirement and make such report or return in such manner as shall be satisfactory to Lessor. The obligations of Lessee under this Section shall survive the termination of this Lease.

14. **TITLE OF LESSOR, LIENS, ENCUMBRANCES AND RIGHTS OF OTHERS.** Title to the Equipment shall at all times remain in Lessor. Lessee, at its own cost and expense, shall protect and defend the title of Lessor. Lessee shall have no rights, interests or property in the Equipment except the use and quiet enjoyment thereof as Lessee in accordance with the terms and provisions of this Lease. Lessee will not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, attachment, charge, encumbrance or right of others whatsoever on or with respect to the Equipment, title thereto or any interest therein. Lessee will promptly notify Lessor in writing of the existence of any such mortgage, pledge, lien, attachment, charge, encumbrance or right of others which may arise at any time, and will promptly, at Lessee's expense, cause the same to be duly discharged, dismissed and removed as soon as possible, but in any event within 5 days after the existence of the same shall have first become known to Lessee.

15. **LESSOR'S PAYMENT.** If Lessee fails to make any payment of rent required to be made by it hereunder, or any payment of late charges, Lessor may, at its option, apply any of the security deposited pursuant to Section 10 hereof against such payment. Lessee shall pay a late charge of \$2 per dollar on any rent installment in default ten (10) days or more.

16. **INDEMNITY.** Lessee hereby assumes liability for, and hereby agrees to indemnify and keep Lessor harmless from and against, and to pay Lessor promptly upon demand the amount of, any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including attorney's fees and expenses) imposed on, or asserted by or against Lessor in any way relating to or arising out of this Lease or the enforcement hereof or the manufacture, construction, purchase, acceptance, rejection, ownership, delivery, installation, lease, possession, use, operation, maintenance, condition, sale, return or other disposition of the Equipment, including, without limitation, claims arising from latent and other defects, whether or not discoverable by Lessee, and the recovery of claims under insurance policies on the Equipment. The indemnities contained in this Section shall (a) apply equally to any Equipment not yet delivered hereunder; and (b) continue in full force and effect notwithstanding the expiration or other termination of this Lease. For the purpose of this section, the term "Lessor" shall include (i) its directors, officers and employees and any agents acting for it or them, and (ii) its successors and assigns.

provided that in the event Lessor has assigned this Lease and/or the rents payable hereunder, Lessee shall, if notified in writing of such assignment by Lessor, cause all insurance policies on the Equipment to provide that losses, if any, shall be payable to Lessor and the assignee, as their respective interests may appear, under a loss payable clause satisfactory to Lessor and such assignee. Lessor, at its option, may apply any proceeds of said insurance to replace or repair the Equipment and/or to Lessee's obligations hereunder. Lessee shall give immediate written notice of any loss or damage to the Equipment to the insurers and shall promptly file proof of loss with such insurers. Lessee will cause each insurer under a policy required by the terms of this Section to agree (either by endorsement upon such policy or by letter addressed to Lessor) to give Lessor (and/or Lessor's assignee, as the case may be) at least 30 days' prior written notice of any alteration in the terms of such policy or of the cancellation thereof. Lessee agrees to provide to Lessor at any time and from time to time upon its request therefor, copies of all policies or certificates with respect to such policies or with other evidence satisfactory to Lessor of compliance by Lessee with the terms of this Section. In the event that Lessee shall fail to maintain insurance as herein provided, or within ten (10) days after Lessor's request thereof, shall fail to deliver the policies or certificates thereof to Lessor, then Lessor may at its option provide such insurance and add the cost thereof to the rent payment next becoming due which Lessee agrees to pay as additional rent.

12. RETURN OF EQUIPMENT. Upon the expiration or earlier termination of the lease of any of the Equipment or any renewal thereof, Lessee, at its own expense, shall return such Equipment forthwith to Lessor by whichever of the following means Lessor may specify: (a) the delivery of such Equipment at Lessee's premises; (b) the delivery of such Equipment at such other location as Lessor shall designate; or (c) the loading of such Equipment on board such carrier as Lessor shall specify and the shipping of such Equipment, freight charges prepaid, to such destination as Lessor may designate. Upon any such return of the Equipment, Lessee agrees that there will be removed from such Equipment any name or other identification of Lessee thereon and that such Equipment will be in the same condition as when delivered to Lessee hereunder, ordinary wear and tear excepted, and free and clear of all liens, encumbrances or rights of others whatsoever. If Lessor shall so request, Lessee shall permit Lessor to store such Equipment on Lessee's premises for a reasonable period after termination of the lease thereof at no cost to Lessor.

13. Lessee agrees to pay and to indemnify and hold Lessor harmless from, all license and registration fees and all sales, use, personal property and other taxes, levies, imposts, duties, charges or withholdings of any nature (together with any penalties, fines or interest thereon) arising at any time prior to or during the term the Equipment is leased hereunder, or upon the return of the Equipment to Lessor, and imposed against Lessor by any federal, state or local government or taxing authority upon or with respect to the purchase, ownership, delivery, leasing, sale, possession, use, operation, return or other disposition of the Equipment, or upon the rentals, receipts or earnings arising therefrom or upon or with respect to this Lease

Lessee's obligations under this section shall be those of a primary obligor irrespective of whether the person indemnified shall be indemnified with respect to the same or similar matters under any other instrument or agreement by any person and irrespective of any insurance policies which may be in existence with respect to such matters.

17. DEFAULT. Each of the following events shall constitute an event of default (herein individually called an "Event of Default" and collectively called "Events of Default") hereunder: (a) Lessee shall fail to make any rent payment ~~due~~; (b) Lessee shall fail to make any other payment or perform or observe any other covenant, condition or agreement to be performed or observed by ~~it hereunder and such failure shall continue unremedied for a period of 30 days after notice thereof by Lessor~~; (c) ANY representation or warranty made by Lessee herein or in any document or certificate furnished Lessor in connection herewith or pursuant hereto shall be incorrect at any time in any material respect; (d) Lessee shall suspend or terminate the operation of its business; (e) Lessee shall become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver; (f) a trustee or receiver shall be appointed for Lessee or for a substantial part of its property without its consent and shall not be dismissed for a period of 30 days; (g) Bankruptcy, reorganization or insolvency proceedings shall be instituted by or against Lessee and, if instituted against Lessee, shall not be dismissed within 30 days; or (h) any attachment or levy is made against any of Lessee's property. Upon the occurrence of any Event of Default and at any time thereafter, so long as the same shall be continuing, Lessor may, at its option, declare this lease to be in default, and at any time thereafter, so long as Lessee shall not have remedied all outstanding Events of Default, Lessor may do one or more of the following with respect to any or all of the Equipment as Lessor in its sole discretion shall elect:

(i) Require Lessee, at Lessee's expense, to promptly return any or all of the Equipment to Lessor at the location, in the condition and otherwise in accordance with all of the terms of Section 12 hereof, or at Lessor's option, Lessor may enter upon the premises where the Equipment is located and take immediate possession of and remove the Equipment by summary proceedings or otherwise, all without liability of Lessor to Lessee for or by reason of such entry or taking of possession, whether for restoration with respect to damage to property caused by such taking or otherwise;

(ii) ~~sell or lease~~ any or all of the Equipment or otherwise dispose of, held, use, ~~or lease~~ the Equipment to others, at one or more public or private sales or other dispositions, at wholesale or retail, for such consideration, on such terms, for cash or on credit, as Lessor may deem advisable, on at least ten (10) days notice to Lessee of any public sale or of the time after which a private sale or other disposition may be made (which notice Lessee acknowledges is reasonable); or keep idle any or all of the Equipment as Lessor, in its sole discretion, may determine, all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto.

Whether or not Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under paragraph (1) or paragraph (1.), above, Lessor may require Lessee to pay to Lessor, as liquidated damages for loss of a bargain and not as a penalty, the entire unpaid total rent for the balance of the term of the lease of any or all of the Equipment which shall be at once due and payable; and/or exercise any other right or remedy which may be available to it under applicable law or provided by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof. (17)

In addition, Lessee shall be liable for any and all unpaid additional rent due hereunder before, after or during the exercise of any of the foregoing remedies and for all attorney's fees and other costs and expenses incurred by Lessor by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Equipment in accordance with the terms of Section 12 hereof or in placing such Equipment in the condition required by said Section. Lessor may bid for and purchase the Equipment if sold pursuant to this Section. Except as otherwise expressly provided above, no remedy referred to in this Section is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity; and the exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all such other remedies. No express or implied waiver by Lessor of any Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default. To the extent permitted by applicable law, Lessee hereby waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, lease or otherwise use the Equipment in mitigation of Lessor's damages as set forth in this Section or which may otherwise limit or modify any of Lessor's rights or remedies under this Section.

The provisions of this Section 17 to the contrary notwithstanding, except as expressly provided below, Lessor's assignee shall not be entitled to deem an Event of Default under any Schedule assigned to it to have occurred by reason of the occurrence of an Event of Default under any other Schedule which was not assigned to such assignee. In the event that Lessor has assigned more than one Schedule to the same assignee (each such Schedule individually, a "Multiple Equipment Schedule", and together, the "Multiple Equipment Schedules"), such assignee shall be entitled to deem an Event of Default under any one of such Multiple Equipment Schedules to constitute a simultaneous Event of Default under each other Multiple Equipment Schedule assigned to such assignee.

18. **ASSIGNMENT BY LESSOR AND LESSEE.** Without the prior written consent of Lessor, Lessee shall not assign any of its rights hereunder, sublet the Equipment or otherwise permit the Equipment to be operated or used by, or in the possession of, anyone but Lessee. Lessor may at any time assign all of its right, title and interest hereunder, or any part thereof, and may mortgage, encumber or transfer any of its rights or interest in and to the Equipment or any part thereof to any other person with or without notice to Lessee, at Lessor's option, and each such assignee, transferee and mortgagee shall have the right to transfer or

assign its interest. Without limiting the foregoing, Lessor may separately assign, mortgage, encumber or transfer any one or more of the Schedules. Each assignee, transferee and mortgagee shall have all rights, powers, privileges and remedies of Lessor, but shall not be deemed to have assumed any liabilities, duties or obligations of Lessor hereunder and Lessee shall not assert against such assignee, transferee or mortgagee any defense, counterclaim, claim or set-off that Lessee may have against Lessor. In the event Lessor notifies Lessee of an assignment of any or all of the Schedules, Lessee agrees to execute an acknowledgment of each such assignment.

19. SECURITY. As security for the prompt and full payment of all rent payable hereunder and the due performance of all of the Lessor's other obligations and agreements hereunder, Lessee has pledged and deposited with Lessor the amounts set forth in the Schedule. Upon the occurrence of any Event of Default hereunder, Lessor shall have the right, but shall not be obligated, to apply said amounts to the curing of such Event of Default. Any such application by Lessor shall not be a defense to any action by Lessor arising out of such Event of Default. Lessee shall remain liable for any judgement for amounts in excess of said security, and, upon demand, Lessee shall, from time to time, restore said security to the full amounts set forth in the Schedule. Upon the expiration, or earlier termination, of the lease of the Equipment, Lessor will return to Lessee any then remaining balance of said security, without interest, provided Lessee shall have fully performed all of its obligations and agreements hereunder.

20. LESSOR'S OBLIGATIONS UNCONDITIONAL. Lessee agrees to pay all rent and any other amounts owing hereunder on the due date thereof in immediately available funds to Lessor (in accordance with the terms of Section 3 hereunder), and Lessee hereby agrees that its obligation to pay such rent and other amounts shall be absolute and unconditional under all circumstances, including, without limitation, the following circumstances: (a) any set-off, counterclaim, recoupment, defense, claim or other right which Lessee may have against Lessor or anyone else for any reason whatsoever; (b) any defect in the condition, design, operation or fitness for use of the Equipment or the existence of any liens, encumbrances or rights of others whatsoever with respect to the Equipment, whether or not resulting from claims against Lessor not related to the ownership of the Equipment; (c) any damage to or loss or destruction of the Equipment or any interruption or cessation in the use or possession thereof by Lessee for any reason whatsoever; (d) any insolvency, liquidation, reorganization or similar proceedings by or against Lessee; (e) any other event of circumstances whatsoever, whether or not similar to any of the foregoing. To the extent permitted by applicable law, Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of the Equipment hereunder. Each rent or other payment made by Lessee hereunder shall be final and Lessee will not seek to recover all or any part of such payment from Lessor for any reason whatsoever.

21. IDENTIFICATION. Lessee agrees to place on each item of the Equipment, at Lessee's expense, insignia, plates or other identification of a size acceptable to Lessor and in a conspicuous place satisfactory to

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Lesser showing Lesser's title to such item of Equipment.

22. **NOT PART OF REALTY.** It is agreed that the Equipment shall be and at all times remain personal property. Without limitation of the generality of the provisions of Sections 10 and 14 hereof, (a) Lessee agrees to take such action (including the obtaining and recording of waivers), at its own expense, as may be necessary to prevent any third party from acquiring any right to or interest in the Equipment by virtue of the Equipment being deemed to be real property or a part of any real property, and (b) if at any time any person shall claim any right or interest referred to in clause (a) above, Lessee will, at its own expense, cause such claim to be waived in writing or otherwise eliminated to Lesser's satisfaction within 5 days after such claim shall have first become known to Lessee. Lessee represents and warrants that it is not now, and agrees that during the term of this Lease it will not be, a party to any lease or mortgage of the realty where the Equipment is or is to be located which restricts (whether expressly or by implication) the removal of the Equipment at any time by Lesser or Lessee.

23. **DUE AUTHORIZATION AND EXECUTION; NO VIOLATION.** Lessee warrants and represents that the execution, delivery and performance of this Lease and any Schedule are within Lessee's corporate powers, have been duly authorized, are not in contravention of law, or the terms of Lessee's charter, by-laws or other corporate documents, or of any indenture, agreement or undertaking to which Lessee is a party or by which it is bound. Lessee further warrants and represents that the application, statements and credit or financial information submitted by it to Lesser are true and correct and made to induce Lesser to enter into this Lease and to order the Equipment from Seller.

24. **FURTHER ASSURANCES.** Lessee will promptly and duly execute and deliver to Lesser such further documents and assurances and take such further action as Lesser may, from time to time, request in order to more effectively carry out the intent and purpose hereof and to establish and protect the rights, interests and remedies created, or intended to be created, in favor of Lesser hereby, including, without limitation, (a) the filing or recording of this Lease or a short form thereof satisfactory to Lesser (or any Schedule or amendment hereto), or a financing or continuation statement in accordance with the laws of any applicable jurisdictions, and (b) the taking of such further action as Lesser may reasonably require to fully protect Lesser's interest hereunder in accordance with the Uniform Commercial Code or other applicable law. Lessee hereby authorizes Lesser to effect any such filing or recording as aforesaid (including the filing of any such financing statement) without the signature of Lessee, where permitted by law, and, at the option of Lesser, Lesser's costs and expenses with respect thereto shall constitute additional rent, payable on demand.

25. **NOTICES.** All notices hereunder shall be in writing and shall be sufficiently given if delivered personally or if mailed by certified mail, return receipt requested, addressed to the respective party at its address set forth in the opening paragraph hereof or at such other address as such party shall from time to time designate in writing to the other party.

26. **CONFIDENTIAL INFORMATION.** Lessee agrees that no information or data relating to the Equipment shall be disclosed by Lessee, its agents or representatives in any way to any third party, person, firm or corporation without the prior written consent of Lessor. The obligations of Lessee under this Section shall survive the termination of this Lease.

27. **MISCELLANEOUS.** No term or provision of this Lease may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought; and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given. The captions in this Lease are for convenience of reference only and shall not define or limit any of the terms or provisions hereof. If more than one entity or person constitutes "Lessee" as defined herein, the obligations of such entities or persons hereunder shall be joint and several. This lease shall in all respects, including all matters of construction, validity and performance, be governed by, and construed in accordance with, the laws of the State of New Jersey, regardless of the location of the Equipment. The parties hereto waive the right to a jury trial. This Lease shall be binding upon Lessor and Lessee and their successors, legal representative and, subject to Section 18, their assigns. To the extent, if any, that this Lease constitutes chattel paper (as defined in the Uniform Commercial Code of any applicable jurisdiction) as security interest in this Lease may be created through the transfer of possession of any counterpart other than an original counterpart hereof, this Lease constitutes the entire agreement between Lessor and Lessee with respect to the subject matter hereof and no understandings, agreements, representations or warranties not contained in this Lease or any Schedule or in written amendment hereto or thereto or any other document executed or delivered by the parties hereto in connection herewith shall be binding on either Lessor or Lessee.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease to be duly executed by their respective officers or representatives thereunto duly authorized the day and year first above written.

UNITED FINANCIAL CORPORATION

MACHINE TECHNOLOGY INC.

(Lessee)

By *Richard L. ...*
(Title)

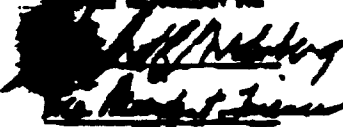
By *Stanley ...*
(Title) *Vice President Finance*

AG 3: 194 2015 5 - 11:02:46

1/1/94

AMENDMENT TO MASTER EQUIPMENT LEASE DATED 10/2/88 BETWEEN MACHINE TECHNOLOGY INC. AS LESSOR AND UNITED FINANCIAL CORPORATION AS LESSEE.

- 1- THIS MASTER EQUIPMENT LEASE
- 2- OTHER THAN ADDITIONS WHICH MAY BE PERMITTED WITHOUT DECREASING THE UTILITY OR VALUE OF THE FINAL EQUIPMENT AS SET FORTH IN PARAGRAPH 8 HEREOF.
- 3- TO THE EXTENT ANY SCHEDULE IS DELETED OR MODIFIED ANY TERMS HEREOF THE TERMS OF SCHEDULE SHALL PREVAIL OVER THE TERMS HEREOF.
- 4- THE TERM
- 5- WHICH COVENANT WILL NOT BE UNREASONABLY WITHHELD
- 6- UNDER THE SCHEDULES
- 7- DELETE FROM THE WORD GREATER IN LINE EIGHT, TO THE WORD OR THE IN LINE NINE.
- 8- AND LESSOR AGREES TO MAKE SUCH PROCEEDS AVAILABLE FOR LESSEE TO REPAIR OR REPLACE EQUIPMENT.
- 9- FROM TEN TO THIRTY DAYS.
- 10- WITHIN ONE HUNDRED MILES OF LESSOR'S LOCATION
- 11- WITHIN TEN DAYS OF ITS DUE DATE.
- 12- CHANGE FROM FIVE TO FIFTEEN DAYS AFTER NOTICE.
- 13- CHANGE FROM THIRTY DAYS TO SIXTY DAYS.
- 14- CHANGE FROM THIRTY DAYS TO SIXTY DAYS.
- 15- AND AS REQUIRED BY APPLICABLE LAW.
- 16- TEN BUSINESS DAYS.
- 17- IF LESSEE PAYS THE AMOUNT SET FORTH IN THIS PARAGRAPH, LESSEE SHALL BE ENTITLED TO PEACEFUL POSSESSION OF THE EQUIPMENT FOR THE REMAINDER TERM OF THE SCHEDULE.
- 18- EXCEPT THE OBLIGATION NOT TO DISTURB LESSEE'S PEACE AND QUIET POSSESSION OF THE EQUIPMENT.
- 19- UPON LESSEE'S PAYMENT IN FULL OF THE PURCHASE PRICE OF THE EQUIPMENT TO THE SELLER AND LESSEE'S WRITTEN ACCEPTANCE OF THE EQUIPMENT.
- 20- ANY SCHEDULE TO THIS MASTER LEASE AGREEMENT.
- 21- MAILED 'LESSOR'S ORIGINAL' AND ALL COPIES ARE TO MAILED 'DUPLICATE'.

AGREED TO:
 MACHINE TECHNOLOGY INC.

 TITLE

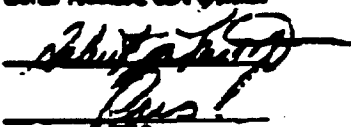
AGREED TO:
 UNITED FINANCIAL CORPORATION

 TITLE

EXHIBIT "B"

FOR OFFICE USE ONLY

Debtor(s) Name (Last Name, First) Co MACHINE TECHNOLOGY, IN		Date of Filing 9/8/94
Address 25 Haddon Road Parsippany, New Jersey 07454		FOR OFFICE USE ONLY
Assignor's Name (Last Name, First) Co UNITED FINANCIAL CORPORATION		
Address 275 N. Franklin Turnpike Ramsey, New Jersey 07446		
Assignor's Name (Last Name, First) Co UNITED FINANCIAL CORPORATION		
Address 100 Walnut Street Clark, New Jersey 07066		

This financing statement covers the following items (or class) of property:

All of Debtor's equipment more specifically described on Schedule "A" attached herein, together with all parts, accessories, attachments, substitutions, repairs, improvements and replacements and any and all proceeds thereof, including without limitation insurance proceeds.

3308161-5

When returned to creditor or assignor complete this portion of form.
a. Description of real estate sufficient to identify the property.

b. Name and complete address of assignor.

() Proceeds of Collateral are also covered. () Proceeds of Collateral are also covered. No. of additional sheets prepared ()

() Filed with Registrar of Deeds and Mortgages of County. () Secretary of State

() Filed with the County Clerk of County.

Assignor(s) of Real Estate

Assignor(s) of Personal Property (Goods or Chattels)

MACHINE TECHNOLOGY, INC.

UNITED FINANCIAL CORPORATION

X. [Signature]

[Signature]

SECURED PARTY COPY - This form of financing statement is approved by the Secretary of State of New Jersey.

NOV 79

SENT BY:RIKER,DANZIG

9- 8-94 : 5:38PM :RIKER,DANZIG,SCHERER-

617 890 9261:#19/26

THIS FINANCIAL G 31 '94 09:16 00 0000

FOR OFFICE USE ONLY

Office for filing pursuant to the Uniform Commercial Code (Library date 10/3/94)

(Debtor's Name (Last Name, First Co) Address

PACKER TECHNOLOGY, INC.
25 Rossmore Road
Rutherford, New Jersey 07070

FOR OFFICE USE ONLY

1458673

(Secured Party's Name and Complete Address)
UNITED FINANCIAL CORPORATION
275 N. Franklin Turnpike
Rutherford, New Jersey 07070

4/5/94

(Assignee's Name and Complete Address)
1ST COMMERCIAL FINANCE CORPORATION
100 Walnut Street
Clark, New Jersey 07066

This financing statement covers the following type(s) of property:

All of Packer's equipment were specifically described on Schedule "A" attached hereto, together with all parts, accessories, attachments, substitutions, repairs, improvements and replacements and any and all proceeds thereof, including without limitation insurance proceeds.

920564

9308101-5

This collateral is subject to financing statement filed pursuant to law.
a. Description of such filing jurisdiction to identify the property.

b. Name and complete address of debtor.

a. () Proceeds of Collateral are also covered. b. () Proceeds of Collateral are also covered. No. of additional sheets prepared (6)
() Filed with Register of Deeds and Mortgage of County. () Emergency of State
() Filed with the County Clerk of County.

TERMINATION STATEMENT

The execution of termination of financing is governed by a Filing Office for filing pursuant to the Uniform Commercial Code. The secured Party certifies that the Secured Party no longer claims a security interest under the financing statement bearing the file number above.

Dated: _____ 19 _____

(Signature) of Secured Party or Assignee as Record-File valid until (date)

FILING OFFICER COPY-ACKNOWLEDGMENT

Filing Officer is requested to enter file number, date and hour of filing on this copy and return it to the person filing, as an acknowledgment.

2 10-28

RIKER, DANZIG, SCHERER,
HYLAND & PERRETTI

HEADQUARTERS PLAZA
ONE SPEEDWELL AVENUE
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MORRISTOWN, NEW JERSEY 07952-1981
(201) 538-0800
FAX (201) 538-1984

170 WEST STATE STREET
TRENTON, NEW JERSEY 08608-1102
(609) 296-2181
FAX (609) 296-4378

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EDWARD A. ZUREK, JR.
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PETER L. BARNLEY
BENJAMIN F. NICHEL
GERALD A. LUDIA
JOHN P. SHERIDAN, JR.
ROBERT FISHER III
JAMES E. BOTTENHUIS, JR.
VINCENT J. SHARKEY, JR.
DENNIS J. O'GRADY
MICHAEL E. PUREY
MICHAEL R. COLE
EARY C. WILSON
SUSAN BOOTH
ROBERT B. BORTONE
EDWARD R. DEMORE

CHAMN L. KELLY
MARIO S. BATTISTE
DANIEL J. KRAVITZ
L. ANN E. KRANIS
ROBERT A. C. JAMES
ROBERT J. SCHUCHTERBERG
STUART REIM
MARTYNE A. SCHERER
SARAH L. J. MOULDER
MICHELLE A. MORRISON
ANDREW J. STANLEYMAN
KATHLEEN M. VAN DEVENTER
MICHAEL B. BERENSON
SARAH S. FRANKEL
JANE R. DEWES
JOHN R. CALLECCHIA
LEITCHY J. MAYER
PETER C. MALLOY
CRANE J. DONALDSON
GLENN D. CUNNINGHAM
ROBERT J. GILSON

IRVING RIKER (1928-1991)
CHARLES DANZIG (1934-1991)

EVERETT M. SCHERER
WILLIAM F. HYLAND
SIDNEY M. SCHREIBER
HOWARD F. CARROLLMAN
OF COUNSEL

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SCOTT B. MURPHY
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CAROL M. BRADLEY
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VITTORIO J. SARILLO, JR.
ANTHONY STOSHELO
EDWARD P. MACHISTEY
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LEWIS S. GREENGLOR
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DAN O'PERMANDE
LUDY L. SWEET
GARY A. WELLS
DAVID WELLS
MILLIE A. DEAR
MILLIE A. DEAR
ALEX HANSEN
ROBERTA M. SAMUELS
JOHN B. WELLS
LEWIS S. SMITH
DEBORAH W. FARMALLY
LUCAS R. BYEOLER
LUCAS R. BYEOLER
MARGARET S. CONLON
ANTHONY J. BOYD
NANCY C. EBERHARDT

MARCO L. SOFARI
BARBARA L. FINKELER
MILANA S. OUMOLITTA
LARRY R. RASMAN
CHARLES A. WISS
SAMUEL M. JAM
SCOTT A. OMBREMAN
WILLIAM J. CONTOLLY
FRANK C. WELLS
JACQUES A. JAS
BRUCE A. BRYN PALLAORO
ANTHONY ROCKE PARRA
JOSEPH L. SCHMERTZ
JOHN S. BYRNE
EDWARD J. BIRNBAUM
LEWIS A. DUBREY
LEWIS A. DUBREY
BRUCE J. HARRIS
DEBORAH ROBERTSON
NANCY L. STEINFELD
GARY F. STEINFELD
JAMES L. LUTHE, JR.
JOHN P. TERRELL
LAWRENCE R. HANLIFFE
DAVID J. ROSSMAN
DEBORAH FAYE SCHMIDTBERG
LAWRENCE VAN RIBA
STEVEN H. FARRISS

September 8, 1994

Office of the Clerk
attn: Ms. Lorraine Healy
United States Bankruptcy Court
King Federal Building
50 Walnut Street
Newark, NJ 07102

Re: Machine Technology, Inc.
Case No. 94-25085 (NLW)

Dear Lorraine:

This office represents ITT Commercial Finance Corp., a secured creditor of the above-referenced Debtor. Enclosed please find an original and two (2) copies of the following:

- 1. Application in support of Entry of Consent Order Granting ITT Commercial Finance Corp. Relief from the Automatic Stay Pursuant to 11 U.S.C. § 362(d); and
- 2. Proposed form of Consent Order.

If the enclosed documents meet with Judge Winfield's approval, kindly have the Consent Order entered and have a conformed copy