

MAL 2/8/99
FORM PTO-1594
(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)

RECC

02-25-1999

-EET

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100972555

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

To the Assistant Commissioner for Trademarks

Send original documents or copy thereof.

1. Name of conveying party(ies):
Mohawk Wire & Cable Corporation

02-08-1999

Address of receiving party(ies)

Design Technologies, Inc.

- individual(s)
- General Partnership
- Corporation-State
- Other _____

- Association
- Limited Partnership

U.S. Patent & TMO/TM Mail Rcpt Dt. #61

Street Address: 9 Mohawk Drive
Leominster, MA 01453-3341

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

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State Washington State Corp.
- Other _____

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other Series of mergers and one final name change

- Merger
- Change of Name

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

Execution Date: September 28, 1992

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)
1,761,168

Additional numbers attached? Yes No

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

Name: David Wolf
Address: WOLF, GREENFIELD & SACKS, P.C.
Federal Reserve Plaza
600 Atlantic Avenue
Boston, MA 02210

6. Total number of applications and registrations involved:..... [1]

7. Total fee (37 CFR 3.41).....\$40.00

Enclosed

Authorized to be charged to deposit account

The Commissioner is authorized to charge:

8. Deposit Account No: 23/2825

02/23/1999 SBURNS 00000105 1761168

01 FC:481 40.00 DP

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.

Lesley A. Hamlin

Lesley A. Hamlin
Signature

February 5, 1999

Date

Total number of pages including cover sheet, attachments, and document: [205]

Mail documents to be recorded with required cover sheet information to:
Box Assignment, Assistant Commissioner for Trademarks, 2900 Crystal Drive, Washington, D.C. 22202-3513

EXHIBIT 1

The Commonwealth of Massachusetts

MICHAEL JOSEPH CONNOLLY

Secretary of State

ONE ASHBURTON PLACE, BOSTON, MASS. 02108

ARTICLES OF ORGANIZATION

(Under G.L. Ch. 156B)

Incorporators

NAME

POST OFFICE ADDRESS

Include given name in full in case of natural persons; in case of a corporation, give state of incorporation.

James Wostra
Hutchins & Wheeler
One Boston Place
Boston, Massachusetts 02108

The above named incorporator(s) do hereby associate themselves with the intention of forming a corporation under the provisions of General Laws, Chapter 156B and hereby state(s):

- The name by which the corporation shall be known is
Mohawk Wire & Cable Corp.
- The purpose for which the corporation is formed is as follows:

See page 2A attached.

Examiner

Name
Approved

C
 P
 M
 R.A.

81-1006-10

Note: If the space provided under any article or item on this form is insufficient, additions shall be set forth on separate 8 1/2 x 11 sheets of non-bleeding paper and in excess of at least 1 inch for length. Additions to more than one article may be continued on a

3. The total number of shares and the par value, if any, of each class of stock within the corporation is authorized as follows:

CLASS OF STOCK	WITHOUT PAR VALUE	WITH PAR VALUE		
	NUMBER OF SHARES	NUMBER OF SHARES	PAR VALUE	AMOUNT
Preferred	None	None		\$
Common	12,500	None		

*4. If more than one class is authorized, a description of each of the different classes of stock with, if any, the preferences, voting powers, qualifications, special or relative rights or privileges as to each class thereof and any series now established:

Not applicable

*5. The restrictions, if any, imposed by the Articles of Organization upon the transfer of shares of stock of any class are as follows:

None

*6. Other lawful provisions, if any, for the conduct and regulation of business and affairs of the corporation, for its voluntary dissolution, or for limiting, defining, or regulating the powers, of the corporation, or of its directors or stockholders, or of any class of stockholders:

See page 6A attached

*If there are no provisions state "None".

Continuation Sheet 2A

The purposes for which the Corporation is formed are as follows:

To engage in the design, development, improvement, testing, manufacture, sale, distribution, repair and installation of wire and cable products of all types and kinds including, without limitation, coated and uncoated, insulated, shielded, twisted, or stranded wire; cables and cable assemblies; conductors; connectors and any other products made from, incorporating, or used in connection with drawn, extruded, braided or twisted metal, coated or wrapped with insulating material, and used singly, in several strands, or assembled into bundles to conduct electrical power or signals.

To engage in the design, development, improvement, testing, manufacture, sale, distribution, repair and installation of machinery and equipment used in the manufacture of any of the foregoing products;

To subscribe for, acquire, hold, sell, exchange, and deal in shares, stocks, bonds, obligations, or securities of any public or private corporation, government, or municipality, and to hold, purchase or otherwise dispose of shares of the capital stock, bonds, debentures, or other evidences of indebtedness created by any other corporation or corporations, and while the owner thereof to exercise all the rights and privileges or ownership, including the right to vote thereon;

To acquire by purchase, deed, mortgage, lease or by any other method and to hold, maintain, operate, improve, develop, sell, exchange, lease, mortgage, pledge, hypothecate, loan money upon and otherwise deal in real and personal property of every kind, character and description, and wheresoever situated, including without limitation the stock and securities of the corporation or of any other corporation;

To lend money upon, credit or security to, to guarantee or assure obligations of, and to aid in any other manner other concerns wherever and however organized, any obligations of which or any interest in which shall be held by the corporation and to do all acts and things designed to protect, improve and enhance the value of such obligations and interests;

To become a partner in any business enterprise which the corporation would have the power to conduct by itself;

To carry on any business permitted and enjoy all rights and powers granted by the Commonwealth of Massachusetts to a corporation organized under Chapter 156B of the General Laws, as amended.

6. Other lawful provisions for the conduct and regulation of the business and affairs of the corporation, for its voluntary dissolution or for limiting, defining or regulating the powers of the corporation, or of its directors or stockholders, or of any class of stockholders:

No Director or officer shall be disqualified by his office from dealing or contracting as vendor, purchaser or otherwise, whether in his individual capacity or through any other corporation, trust, association, firm or joint venture in which he is interested as a stockholder, director, trustee, partner or otherwise, with the corporation or any corporation, trust, association, firm or joint venture in which the corporation shall be a stockholder or otherwise interested or which shall hold stock or be otherwise interested in the corporation, nor shall any such dealing or contract be avoided, nor shall any Director or officer so dealing or contracting be liable to account for any profit or benefit realized through any such dealing or contract to the corporation or to any stockholder or creditor thereof solely because of the fiduciary relationship established by reason of his holding such Directorship or office. Any such interest of a Director shall not disqualify him from being counted in determining the existence of a quorum at any meeting nor shall any such interest disqualify him from voting or consenting as a Director or having his vote or consent counted in connection with any such dealing or contract.

No stockholder shall be disqualified from dealing or contracting as vendor, purchaser or otherwise, either in his individual capacity or through any other corporation, trust, association, firm or joint venture in which he is interested as a stockholder, director, trustee, partner or otherwise, with the corporation or any corporation, trust, association, firm or joint venture in which the corporation shall be a stockholder or otherwise interested or which shall hold stock or be otherwise interested in the corporation, nor shall any such dealing or contract be avoided, nor shall any stockholder so dealing or contracting be liable to account for any profit or benefit realized through any such contract or dealing to the corporation or to any stockholder or creditor thereof by reason of such stockholder holding stock in the corporation to any amount, nor shall any fiduciary relationship be deemed to be established by such stockholding.

Meetings of the stockholders of the corporation may be held at any place within the United States.

The corporation may be a partner in any business enterprise it would have power to conduct by itself.

The Directors may make, amend or repeal the By-Laws in whole or in part, except with respect to any provision thereof which by law or the By-Laws requires action by the stockholders.

7. By laws of the corporation have been duly adopted and the initial directors, president, treasurer and clerk, whose names are set out below, have been duly elected.

8. The effective date of organization of the corporation shall be the date of filing with the Secretary of the Commonwealth or if later date is desired, specify date, (not more than 30 days after the date of filing.)

9. The following information shall not for any purpose be treated as a permanent part of the Articles of Organization of the corporation.

a. The post office address of the initial principal office of the corporation of Massachusetts is:

6 New England
Executive Park, Burlington, Massachusetts 01803

b. The name, residence, and post office address of each of the initial directors and following officers of the corporation are as follows:

	NAME	RESIDENCE	POST OFFICE ADDRESS
President:	J.A. Barbera	34 Pamblewood Dr. Dartmouth Woods Wilmington, Delaware 19810	100 W. Tenth St. Wilmington, Delaware 19801
Treasurer:	A.M. Howe	904 Newport Pike Wilmington, Delaware 19804	100 W. Tenth St. Wilmington, Delaware 19801
Clerk:	A.D. Atwell	R.D. #2 Townsend, Delaware 19734	100 W. Tenth St. Wilmington, Delaware 19801
Directors:	J.A. Barbera	Same as above	Same as above
	A.M. Howe	Same as above	Same as above
	A.D. Atwell	Same as above	Same as above

c. The date initially adopted on which the corporation's fiscal year ends is:

October 31

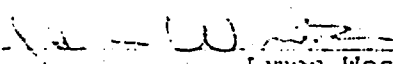
d. The date initially fixed in the by laws for the annual meeting of stockholders of the corporation is:

Second Tuesday in February

e. The name and business address of the resident agent, if any, of the corporation is:

C.T. Corporation System, 10 Post Office Sq., Boston, MA 02109

IN WITNESS WHEREOF, and under the penalties of perjury the INCORPORATOR(S) sign(s) these Articles of Organization this 11th day of June 19 81


James Westra

The signature of each incorporator which is not a natural person must be an individual who shall show the capacity in which he acts and by signing shall represent under the penalties of perjury that he is duly authorized on its behalf to sign these Articles of Organization.

170760

THE COMMONWEALTH OF MASSACHUSETTS

ARTICLES OF ORGANIZATION

GENERAL LAWS, CHAPTER 156B, SECTION 12

I hereby certify that, upon an examination of the within-written articles of organization, duly submitted to me, it appears that the provisions of the General Laws relative to the organization of corporations have been complied with, and I hereby approve said articles; and the filing fee in the amount of \$ 125 having been paid, said articles are deemed to have been filed with me this 27th day of 2003 1977

Effective date

Michael Joseph Connolly

MICHAEL JOSEPH CONNOLLY
Secretary of State

PHOTO COPY OF ARTICLES OF ORGANIZATION TO BE SENT TO BE FILLED IN BY CORPORATION

TO: James Westra, Esquire
Hutchins & Wheeler
.....
One Boston Place
.....
Boston, Massachusetts 02108
.....
Telephone (617) 725-1500
.....

FILING FEE: 1/20 of 1% of the total amount of the authorized capital stock with par value, and one cent a share for all authorized shares without par value, but not less than \$125. General Laws, Chapter 156B. Shares of stock with a par value less than one dollar shall be deemed to have par value of one dollar per share

Copied Mailed

JUN 16 1981

EXHIBIT 2

NAME	NUMBER
INDUCTION CORPORATION	04-2709276 00-101955

10 FEDERAL ST.
 BOSTON
 MA 02110

EFFECTIVE DATE	INDEX NUMBER
09/24/1980	60-352702

YEAR ENDING	PROF.	ANNUAL MEETING DATE
day 10/31		02/21

TYPE	PROFIT	CONSENT	PARTNER	MFG.
6B	Y	N	Y	Y

IDENT AGENT
N

AUTH. CAP.
5,000,000 at \$50,000 Common

Feb. 17, 1987 - Stock increased by
 Pref. \$1,000,000. (10,000shs) \$100. Par.
 June 1, 1981 - Principal office changed to
 Building No. 6, New England Executive Office
 Park, Burlington, Mass 01803
 June 12, 1981 - Merged Mohawk Wire & Cable
 Corp. (MA corp.) into itself.
 June 12, 1981 - Merged Hendrix Wire & Cable
 Corp. (MA corp.) into itself.
 Jan. 5, 1983 Chg'd principal office
 9 Mohawk Dr., Leominster, Mass. 01453
 April 29, 1983 Chg'd ann. mtg. & fiscal yr
 Change of Officers 7-1-83
 (over)

DATE OF ORG. Dec. 15, 1950

AUTH. CAP. 1000 sh com no par

Org. as Mohawk Plastic Corporation
Jan. 18, 1955-Loc. chg. from Leominst
June 13, 1955-Assumed present title.
Jan. 7, 1964-Location ch. from Fitchbur
to 9 Mohawk Drive, Leominster
Dec. 28, 1979-Merged into Northcliff Corpo-
ration.

Form P.F.1. 10m-8-52-907,735.

MASSACHUSETTS DEPARTMENT

CORPORATION AND TAXATION

NAME 2.	NUMBER
Mohawk Wire & Cable Corp. 100 Federal Street, Boston, MA 02110	04-2685952

EFFECTIVE DATE	INDEX NUMBER
November 15, 1979	79-319063

FISCAL YEAR ENDING	PROF.	ANNUAL MEETING DATE
10/31	N	01/2T

TYPE	PROFIT	CONSENT	PARTNER	MFG.
D	Y	Y	N	N

Resident Agent
N

AUTH. CAP.
\$50,000.(5,000,000shs) Com, 1c Par

Org. as Northcliff Corporation ✓
Dec. 21, 1979-Increase by \$1,250,000 Pref.
Par \$100. (12,500shs).
Dec. 28, 1979-Merged Mohawk Wire & Cable
Corp. into itself.
Dec. 28, 1979-Assumed present title.

12-28-79-Principal office changed t
9 Mohawk Drive, Leomnster, Mass
Feb. 7, 1980-Principal office changed
to: 45 Summer St. Leominster, Ma
June 12, 1981-Merged with and into
Conductron Corporation (MA corp.)

NAME 2.	NUMBER
MOHAWK WIRE & CABLE CORP.	51-0269587 - 000170760

6 NEW ENGLAND EXEC. PARK
BURLINGTON
MA 01803

EFFECTIVE DATE	INDEX NUMBER
06/12/81	81-163040

FISCAL YEAR ENDING	PROF.	ANNUAL MEETING DATE
10/31		02/2T

TYPE	PROFIT	CONSENT	PARTNER	MFG.
156B	Y	N	Y	Y

RESIDENT AGENT
Y

C T Corporation System
2 Oliver St., Boston 02109

AUTH. CAP.
12,500 NO PAR

April 22, 1986-Name changed to KAH, Inc.

EXHIBIT 3

State of Delaware
Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "MOHAWK WIRE AND CABLE CORPORATION", FILED IN THIS OFFICE ON THE THIRTEENTH DAY OF FEBRUARY, A.D. 1986, AT 10 O'CLOCK A.M.



2083402 8100
971246836

A handwritten signature in cursive script that reads "Edward J. Freel".

Edward J. Freel, Secretary of State

AUTHENTICATION: 8575241
07-24-97

DATE:

TRADEMARK
REEL: 1861 FRAME: 0013

726044070

FILE

CERTIFICATE OF INCORPORATION
OF
MOHAWK WIRE AND CABLE CORPORATION

FEB 13 1986

Mabel H. Hester
SECRETARY OF STATE

ARTICLE 1. NAME

The name of this corporation is Mohawk Wire and Cable Corporation.

ARTICLE 2. REGISTERED OFFICE AND AGENT

The address of the initial registered office of this corporation is Corporation Trust Center, 1209 Orange Street, Wilmington, County of New Castle, State of Delaware 19801, and the name of its initial registered agent at such address is The Corporation Trust Company.

ARTICLE 3. PURPOSES

The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE 4. SHARES

The total authorized stock of the corporation shall consist of 1,000,000 shares of common stock having a par value of \$.01 per share.

ARTICLE 5. INCORPORATOR

The name and mailing address of the incorporator are:

Stewart M. Landefeld
1900 Washington Building
Seattle, Washington 98101

ARTICLE 6. DIRECTORS

The powers of the incorporator shall terminate upon the filing of this Certificate of Incorporation with the Secretary of State of the State of Delaware. The names and mailing addresses of the persons who are to serve as Directors until

the first annual meeting of stockholders or until their successors are elected and qualify are:

Glenn Kalnasy	Bank of California Center Suite 3140 Seattle, Washington 98164
Michael F. O. Harris	Bank of California Center Suite 3140 Seattle, Washington 98164
William A. Meyer	Bank of California Center Suite 3140 Seattle, Washington 98164

ARTICLE 7. BY-LAWS

The Board of Directors shall have the power to adopt, amend or repeal the By-Laws for this corporation, subject to the power of the stockholders to amend or repeal such By-Laws. The stockholders shall also have the power to adopt, amend or repeal the By-Laws for this corporation.

ARTICLE 8. ELECTION OF DIRECTORS

Written ballots are not required in the election of Directors.

ARTICLE 9. PROVISIONS FOR A COMPROMISE OR ARRANGEMENT

Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class

of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

ARTICLE 10. PREEMPTIVE RIGHTS

No preemptive rights shall exist with respect to shares of stock or securities convertible into shares of stock of this corporation.

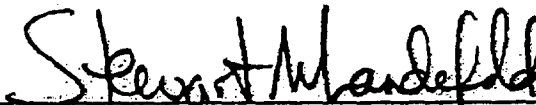
ARTICLE 11. CUMULATIVE VOTING

The right to cumulate votes in the election of Directors shall not exist with respect to shares of stock of this corporation.

ARTICLE 12. AMENDMENTS TO CERTIFICATE OF INCORPORATION

This corporation reserves the right to amend or repeal, by the affirmative vote of the holders of a majority of the shares entitled to vote thereon, any of the provisions contained in this Certificate of Incorporation, and the rights of the stockholders of this corporation are granted subject to this reservation.

I, Stewart M. Landefeld, being the incorporator hereinbefore named for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly I have hereunto set my hand this 12th day of February, 1986.



Stewart M. Landefeld, Incorporator

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "MOHAWK WIRE AND CABLE CORPORATION", FILED IN THIS OFFICE ON THE SEVENTH DAY OF MARCH, A.D. 1986, AT 9 O'CLOCK A.M.



Edward J. Freel

Edward J. Freel, Secretary of State

2083402 8100
971246836

AUTHENTICATION: 8575242
07-24-97

DATE:

FILED

MAR 7 1986

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION

Mohawk Wire and Cable Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

1. The following amendment to Article 4 of the corporation's Certificate of Incorporation was duly adopted by a majority of the directors named in said certificate in accordance with the provisions of Section 241 of the General Corporation Law of the State of Delaware:

"ARTICLE 4. SHARES

The total authorized stock of the corporation shall consist of 200,000 shares of common stock having a par value of \$.01 per share."

2. The corporation has not received any payment for any of its stock.

IN WITNESS WHEREOF, Mohawk Wire and Cable Corporation has caused this Certificate to be signed and attested by its duly authorized officers this 6th day of March, 1986.

MOHAWK WIRE AND CABLE CORPORATION

By

MFO Harris

Michael F. O. Harris
Vice President

ATTEST:

W.A. Meyer

William A. Meyer, Secretary

EXHIBIT 4

AGREEMENT

FOR THE PURCHASE OF ASSETS OF
THE MOHAWK WIRE AND CABLE DIVISION OF
CONDUCTRON CORPORATION

BY

MOHAWK WIRE AND CABLE CORPORATION,
a Delaware corporation

Dated as of March 10, 1986

ASSET PURCHASE AGREEMENT

TABLE OF CONTENTS

Page
Number

ARTICLE I - SALE OF ASSETS AND ASSUMPTION OF LIABILITIES

1.1	Sale of Assets -----	1
1.2	Assumption of Liabilities -----	2
1.3	Purchase Price; Allocation -----	2
1.4	[Intentionally Left Blank] -----	2
1.5	Instruments of Sale and Transfer -----	3
1.6	Assignment of Contracts and Rights -----	3
1.7	Further Assurances -----	4

ARTICLE II - REPRESENTATIONS AND WARRANTIES OF THE SELLER

2.1	Organization, Good Standing, Etc. -----	4
2.2	Subsidiaries -----	4
2.3	No Approvals or Notices Required; No Conflicts With Instruments -----	4
2.4	Financial Statements -----	5
2.5	Absence of Certain Changes or Events -----	6
2.6	Taxes -----	6
2.7	Property -----	7
2.8	Contracts -----	8
2.9	Legal Proceedings -----	9
2.10	Labor Matters -----	9
2.11	Patents, Trademarks, Etc. -----	10
2.12	Accounts Receivable -----	11
2.13	Corporate Documents, Books and Records -----	11
2.14	Licenses, Permits, Authorizations, Etc. -----	11
2.15	Applicable Laws -----	11
2.16	Insurance -----	11
2.17	Employee Plans -----	12
2.18	Brokerage -----	12
2.19	Full Disclosure -----	12
2.20	Sole Representations and Warranties -----	12
2.21	Inventory -----	13
2.22	Duplicative Exhibits -----	13
2.23	Seller's Net Investment in Mohawk -----	13

ARTICLE III - REPRESENTATIONS AND WARRANTIES OF THE
PURCHASER

3.1	Organization, Good Standing, Power, Etc. -----	13
3.2	Due Execution -----	14
3.3	No Approvals or Notices Required; No Conflicts With Instruments -----	14

3.4	Charter and By-Laws of the Purchaser -----	14
3.5	Post-Incorporation Conduct -----	14
3.6	Litigation -----	15
3.7	Review of the Seller -----	15
3.8	Full Disclosure -----	15
3.9	Creditworthiness -----	15

ARTICLE IV - COVENANTS

4.1	Exhibits -----	16
4.2	Inspection -----	16
4.3	Advice of Claims -----	16
4.4	Cooperation -----	16
4.5	Confidentiality -----	17
4.6	Conduct Prior to Closing -----	17
4.7	Proposals for Acquisitions -----	17
4.8	Additional Information -----	18
4.9	Legal Fees -----	19
4.10	Capitalization of Purchaser -----	19
4.11	Conduct Following Closing -----	19
4.12	Credit Agreement -----	19
4.13	Security Agreement -----	19
4.14	Removal of Certain Property -----	19
4.15	Corporate Name -----	20
4.16	Pre-Closing Operating Results -----	20
4.17	Approvals, Removal of Encumbrances -----	20

ARTICLE V - CONDITIONS PRECEDENT TO OBLIGATIONS OF
THE PURCHASER

5.1	Accuracy of Representations and Warranties; Compliance With Covenants -----	21
5.2	Officers' Certificate -----	21
5.3	Opinion of Counsel for the Seller -----	22
5.4	Legal Proceedings -----	22
5.5	Real Property Purchase Agreement -----	22
5.6	Approvals and Consents -----	22
5.7	Absence of Certain Changes or Events -----	22
5.8	Taxes -----	23
5.9	Credit Agreement -----	23
5.10	Approvals, Removal of Encumbrances -----	23

ARTICLE VI - CONDITIONS PRECEDENT TO OBLIGATIONS OF
THE SELLER

6.1	Accuracy of Representations and Warranties -----	23
6.2	Performance of Agreement -----	23

	<u>Page Number</u>
6.3 Officers' Certificate -----	24
6.4 Opinion of Counsel for the Purchaser -----	24
6.5 Approvals and Consents -----	24
6.6 Real Property Purchase Agreement -----	24
 ARTICLE VII - CLOSING	
7.1 Closing -----	24
7.2 Further Acts -----	24
 ARTICLE VIII - TERMINATION -----	
25	
 ARTICLE IX - COMPLIANCE WITH BULK TRANSFER ACT	
9.1 Schedule of Property and List of Creditors -----	26
9.2 Notice to Creditors -----	27
 ARTICLE X - GENERAL	
10.1 Expenses -----	27
10.2 Amendment -----	28
10.3 Indemnification and Survival of Warranties -----	28
10.4 Guarantee -----	29
10.5 Entire Understanding -----	30
10.6 Waivers -----	30
10.7 Counterparts -----	30
10.8 Headings -----	30
10.9 Applicable Law -----	30
10.10 Parties in Interest -----	30
10.11 Notices -----	31

EXHIBITS

<u>No.</u>	<u>Description</u>
1.1	Assets; Allocation of Consideration
1.2	Liabilities
1.3(a)	Promissory Note
1.3(b)	Warrant I
1.3(c)	Warrant II

<u>No.</u>	<u>Description</u>
1.5(a)	Bill of Sale
1.5(b)	Assignment of Registered Trademark
1.5(c)	Instrument of Assumption
2.1	Foreign Qualification
2.2	1985 10-K
2.3	Conflicts with Instruments
2.4	Audited Mohawk Balance Sheet
2.7(a)	Real Property Description
2.7(d)	Leases, Etc.
2.7(f)	Personal Property Encumbrances
2.7(g)	Physical Defects in Real Property
2.7(h)	Hazardous Wastes
2.8	Certain Contracts
2.9	Pending or Threatened Claims
2.10	Obligations to Employees
2.11	Trademarks, Patents, Intellectual Property
2.16	Insurance
4.10	Pro Forma Balance Sheet
4.13	Terms of Security Agreement
4.14	Removable Personal Property Not Part of Assets
5.3	Opinion of Hutchins & Wheeler
6.4	Opinion of Perkins Coie

0346t

ASSET PURCHASE AGREEMENT

This Agreement is made and entered into as of March 10, 1986 by and among Mohawk Wire and Cable Corporation, a Delaware corporation (the "Purchaser"), Conductron Corporation, a Massachusetts corporation (the "Seller"), and West Penn Wire Corporation, a Pennsylvania corporation ("West Penn").

RECITALS

A. The Seller conducts a business of manufacturing wire and cable through its Mohawk Wire and Cable Division ("Mohawk") and desires and intends to sell the assets of Mohawk to the Purchaser at the price and on the terms and conditions hereinafter set forth.

B. The Purchaser desires and intends to purchase all of the assets of Mohawk and to assume certain of Mohawk's liabilities from the Seller at the prices and on the terms and conditions hereinafter set forth and set forth in the Real Property Purchase Agreement (as herein defined). The assets of the Seller held in connection with the business of Mohawk include both real and personal property. Such real property (excluding trade fixtures) is the subject of a separate real property Purchase and Sale Agreement among the Seller and the Purchaser dated as of the date hereof (the "Real Property Purchase Agreement") and executed concurrently herewith. Such personal property and trade fixtures are the subject of this Agreement.

C. West Penn enters into this Agreement solely to guarantee the possible payment of certain out-of-pocket expenses pursuant to Article VIII, Paragraph (d) of this Agreement.

AGREEMENT

In consideration of the terms hereof, the parties hereto agree as follows:

ARTICLE I - SALE OF ASSETS AND ASSUMPTION OF LIABILITIES

1.1 Sale of Assets. At the Closing and on the terms and subject to the conditions of this Agreement, the Seller shall sell, assign, transfer and deliver to the Purchaser, and the Purchaser shall purchase, acquire and accept from the Seller, those assets, properties, rights, claims, contracts and businesses (together the "Assets") described at Exhibit 1.1

hereto together with all goodwill associated therewith or symbolized thereby.

1.2 Assumption of Liabilities. At the Closing and on the terms and subject to the conditions of this Agreement, the Purchaser shall assume and agree to pay, perform and discharge those trade liabilities and contractual commitments and obligations of Mohawk incurred in the normal course of business, as described at Exhibit 1.2 hereto (together, the "Liabilities").

1.3 Purchase Price; Allocation. At the Closing and subject to the terms and conditions of this Agreement, in full consideration for the Assets, and in addition to the Purchaser's assumption of the Liabilities, the Purchaser shall deliver to the Seller the aggregate purchase price of \$5,700,000 (the "Purchase Price"), consisting of \$3,100,000 in same-day good funds (the "Closing Day Amount"), a five-year eight-percent promissory note for \$2,600,000 (the "Promissory Note Amount") in the form set forth in Exhibit 1.3(a) hereto (the "Note") and warrants to acquire shares of the Purchaser in substantially the form set forth at Exhibit 1.3(b) and Exhibit 1.3(c) hereto. Payment of the Closing Day Amount shall be made to Seller to account no. 1472-580-8 at State Street Bank and Trust Company, Boston, Massachusetts. The Purchase Price and other consideration being given by Purchaser to Seller in exchange for the Assets shall be allocated among the Assets, based substantially upon the Audited Balance Sheet and adjusted as appropriate to reflect changes through the date of the Pre-Closing Balance Sheet. Exhibit 1.1 sets forth allocations that the parties agree would have been made had the Closing Date been as of the date of the Audited Balance Sheet. Prior to the Closing, Seller shall prepare a balance sheet (the "Pre-Closing Balance Sheet") as of the close of business on the fifth day preceding the Closing (the "Pre-Closing Date") and an income statement for the period March 1, 1986 through the Pre-Closing Date. The Seller shall deliver such financial statements, together with a review report on such statements by Peat Marwick Mitchell & Co. to Purchaser on the day preceding the Closing. The Pre-Closing Balance Sheet, which shall set forth the book value of accounts receivable, reserves, inventory and other assets, shall be prepared in accordance with generally accepted accounting principles applied on a basis consistent with the Audited Balance Sheet (as hereinafter defined) and the provisions of Section 2.21. The allocations set forth at Exhibit 1.1, as adjusted to reflect changes set forth on the Pre-Closing Balance Sheet, and in the absence of arithmetic error, shall be binding on the parties hereto.

1.4 [Intentionally Left Blank]

1.5 Instruments of Sale and Transfer. At the Closing, the Seller shall (a) deliver to the Purchaser such instruments of sale and assignment as shall be effective to vest in the Purchaser all of the Seller's right, title and interest in and to the Assets and (b) transfer to the Purchaser all of the Seller's contracts and commitments, books, records and other data relating to the Assets, and the Purchaser shall deliver to the Seller such instruments of assumption as shall be effective to impose on the Purchaser the obligation to pay, perform and discharge the Liabilities. These documents shall include a bill of sale substantially in the form attached as Exhibit 1.5(a) hereto, an assignment of intellectual property rights substantially in the form attached hereto as Exhibit 1.5(b), and an assumption of liabilities substantially in the form attached as Exhibit 1.5(c) hereto. Simultaneously with such delivery, the Seller will take all additional steps as may be necessary to put the Purchaser in possession and operating control of the Assets and the Purchaser will take all additional steps as may be necessary for it to assume the Liabilities.

1.6 Assignment of Contracts and Rights. Anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any claim, contract, license, lease, commitment, sales order, purchase order or any claim or right or any benefit arising thereunder or resulting therefrom if an attempted assignment thereof, without the consent of a third party thereto, would constitute breach thereof or in any way adversely affect the rights of the Purchaser or the Seller thereunder. Until such consent is obtained, or if an attempted assignment thereof would be ineffective or would affect the rights of the Seller thereunder so that the Purchaser would not in fact receive all such rights, the Purchaser and the Seller will cooperate with each other in any arrangement designed to provide for the Purchaser the benefits of, and to permit the Purchaser to assume all liabilities under, any such claim, contract, license, lease, commitment, sales order or purchase order, including enforcement at the request and expense (including reasonable attorneys' fees) and for the benefit of the Purchaser of any and all rights of the Seller against a third party thereto arising out of the breach or cancellation thereof by such third party or otherwise. Any transfer or assignment to the Purchaser by the Seller of any property or property rights or any contract or agreement which shall require the consent or approval of any third party, shall be made subject to such consent or approval being obtained.

1.7 Further Assurances. From time to time after Closing, at the expense of the Purchaser but without further consideration to Seller except for reimbursement of out-of-pocket expenses, (a) the Seller will use its best efforts to execute and deliver such other instruments of sale, assignment, transfer and delivery and will take such other actions as the Purchaser reasonably may request in order to more effectively sell, transfer, assign and deliver to the Purchaser and to place the Purchaser in possession and control of, any of the Assets, or to enable the Purchaser to exercise and enjoy all rights and benefits of the Assets and (b) the Purchaser will use its best efforts to execute and deliver such instruments and take such actions as the Seller reasonably may request in order to assure the assumption of the Liabilities by the Purchaser.

ARTICLE II - REPRESENTATIONS AND WARRANTIES OF THE SELLER

To induce the Purchaser to enter into and perform this Agreement, the Seller represents and warrants to the Purchaser (which representations and warranties shall survive the Closing as provided in Section 9.3) as follows:

2.1 Organization, Good Standing, Etc. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts, has all requisite corporate power and authority to own, operate and lease its properties and to carry on its business as now being conducted, is duly qualified to do business as a foreign corporation and is in good standing in the states set forth in Exhibit 2.1. There is no other jurisdiction in which the Seller owns real or personal property related to the business of Mohawk or in which the nature of such business makes such qualification necessary. The Seller does not control any corporation, partnership, joint venture or other business association related to the business of Mohawk, except for the inactive Massachusetts corporation named Mohawk Wire & Cable Corp. (the "Subsidiary"), which Seller shall cause to change its corporate name as of Closing pursuant to Section 4.15 hereof.

2.2 Subsidiaries. The Seller has no subsidiaries except as set forth in its Annual Report on Form 10-K for the fiscal year ended October 26, 1985, a true and correct copy of which is attached as Exhibit 2.2 hereto (the "1985 10-K").

2.3 No Approvals or Notices Required; No Conflicts With Instruments. This Agreement has been duly executed and

delivered by the Seller and is a legal, valid and binding obligation of the Seller enforceable in accordance with its terms. The Bill of Sale in the form set forth in Exhibit 1.5(a), and the Assignment of Registered Trademark in the form set forth in Exhibit 1.5(b) will at the Closing be duly executed and delivered by the Seller and, when duly executed and delivered at the Closing, will be legal, valid and binding obligations of the Seller enforceable in accordance with their respective terms. The execution, delivery and performance of this Agreement by the Seller and the consummation by it of the transactions contemplated hereby will not (a) constitute a violation of any provision of law applicable to the Seller, (b) require any consent, approval or authorization of any person or governmental authority other than as set forth at Exhibit 2.3, (c) result in a default under (with or without the giving of notice or lapse of time), acceleration or termination of, or the creation in any party of the right to accelerate, terminate, modify or cancel, any agreement, lease, note or other restriction, encumbrance, obligation or liability to which the Seller is a party or by which it is bound or to which any of its assets are subject, except such agreements as set forth at Exhibit 2.3, (d) result in the creation of any lien or encumbrance upon the Seller's assets or (e) conflict with or result in a breach of or constitute a default under any provision of the Seller's charter documents or bylaws.

2.4 Financial Statements. The Seller has delivered to the Purchaser (a) annual reports on Form 10-K containing a balance sheet and statements of income, retained earnings and changes in financial position of the Seller as of the end of the last full calendar week of October 1982, 1983, 1984 and 1985 and accompanying notes, certified without qualification by Peat, Marwick, Mitchell & Co., independent certified public accountants, (b) balance sheets and statements of income, retained earnings and changes in financial position of Mohawk as of the end of the last full calendar week of October 1982, 1983 and 1984 together with accompanying notes thereto, (c) statements of income, retained earnings and changes in financial position of Mohawk as of and for the fiscal year ended at October 26, 1985 with accompanying notes thereto, and (d) an audited balance sheet of Mohawk as of and for the fiscal year ended at October 26, 1985 and accompanying notes, certified without qualification by Peat, Marwick, Mitchell & Co. and attached hereto as Exhibit 2.4 (the "Audited Balance Sheet"). All such audited financial statements have been prepared in conformity with generally accepted accounting principles and, except as may be otherwise disclosed in the footnotes thereto, were prepared on a basis consistent with prior accounting periods and present fairly, in all material

respects, the financial position, results of operations, and changes in financial position of the Seller and/or Mohawk, on a consolidated or unconsolidated basis as appropriate, as of the dates and for the periods then ended. All such unaudited financial statements have been prepared by Seller and are true extracts from Seller's books of account, and, except for the absence of audit, and as may otherwise be set forth in the footnotes thereto, contain all adjustments, which adjustments consist of only normally recurring accruals, which are necessary to present fairly, and which do present fairly, in all material respects, the financial position, results of operations, and changes in financial position of Mohawk as of the dates and for the periods then ended. Since October 26, 1985, the Seller has not incurred any liabilities or obligations material to the business of Mohawk except (i) liabilities or obligations incurred in the ordinary course of business, consistent with past practice, and (ii) liabilities or obligations incurred in connection with or otherwise permitted by this Agreement. All such audited and unaudited financial statements are hereinafter referred to as the "Financial Statements."

2.5 Absence of Certain Changes or Events. Since October 26, 1985 except as disclosed on the Audited Balance Sheet, the Seller has not, with respect to Mohawk:

(a) taken any action or entered into or agreed to enter into any transaction, agreement or commitment other than in the ordinary course of business and other than the Real Property Purchase Agreement; or

(b) entered into or agreed to enter into any transaction, agreement or commitment, suffered the occurrence of any event or events or experienced any change in financial condition, business, results of operations or otherwise that (i) has interfered or could interfere with the normal and usual operations of the business or business prospects of Mohawk or (ii) which, in the aggregate, has resulted in a material adverse change in the financial condition, assets, liabilities, earnings, business or business prospects of Mohawk.

2.6 Taxes. Except as otherwise disclosed to Purchaser, the Seller has timely filed with the appropriate governmental agencies all tax returns, information returns and reports required to have been filed. The Seller has paid in full or made adequate provision for the payment of all taxes (including withholding obligations), interest and other governmental charges which have become due pursuant to such returns and all other taxes, interest and other governmental charges which have

become due and payable. United States income tax returns of the Seller have been audited for all periods prior to and including the year ended December 31, 1980, and any deficiencies or assessments with respect to such periods have been paid or settled. The Seller has not filed or entered into any election, consent or extension agreement that extends any applicable statute of limitations. The provisions for income and other taxes reflected in the balance sheets included in the Financial Statements and in any balance sheets hereafter delivered to the Purchaser make adequate provisions for all accrued and unpaid taxes of the Seller. Except as otherwise disclosed to Purchaser, the Seller is not a party to any action or proceeding pending or threatened by any governmental authority for assessment or collection of taxes, no unresolved claim for assessment or collection of such taxes has been asserted against it, and no audit or investigation by governmental authorities is under way. There is and will be no further liability for any such taxes, and no interest or penalties accrued or accruing with respect thereto.

2.7 Property.

(a) The Seller has provided to the Purchaser a complete and accurate list of all real property, a description of which is set forth in Exhibit 2.7(a), (the "Real Property") and of all personal property (the "Personal Property") owned, leased or rented by the Seller in connection with the business of Mohawk. The Assets include all Personal Property. The Seller has delivered to the Purchaser true and complete copies of all leases, subleases, rental agreements, contracts of sale, tenancies or licenses of any portion of the Personal Property. The Real Property and the Personal Property include all property required for use in the conduct of the business of Mohawk as presently conducted.

(b) [Intentionally left blank.]

(c) There are no existing zoning, environmental or other governmental restrictions that currently or prospectively impair the use of all or any portion of the Real Property for the conduct of the business of Mohawk as presently conducted.

(d) Except as set forth at Exhibit 2.7(d), there are no existing leases, subleases, tenancies or licenses of any portion of the Real Property.

(e) Each lease of any portion of the Real Property, and each lease, license, rental agreement, contract of sale or other agreement to which the Personal Property is subject, is

valid and in good standing, the Seller has performed all obligations imposed upon it thereunder, and neither the Seller nor any other party thereto is in default thereunder in any respect, nor is there any event which with notice or lapse of time, or both, would constitute a default thereunder. The Seller has not received notice that any party to any such lease, license, rental agreement, contract of sale or other agreement intends to cancel or terminate, or refuses to renew the same or to exercise or decline to exercise any option or other right thereunder.

(f) Except as set forth at Exhibit 2.7(f), and except for (i) assessments for taxes not yet due and payable and (ii) mechanic's, materialmen's, carrier's and other similar liens arising in the ordinary course of business of Mohawk, all of which shall be discharged by Seller prior to Closing by the due and punctual payment of any indebtedness, other than Liabilities, secured thereby (together, "Trade Liens"), the Personal Property is free and clear of all liens, mortgages, pledges, deeds of trust, security interests, conditional sales agreements, charges, encumbrances and other adverse claims or interests of any kind (together, "Liens").

(g) Except as set forth at Exhibit 2.7(g), Seller has no knowledge of any material physical defect in the Real Property.

(h) There has been no production or storage on, or disposal on or from the Real Property of any material or substance in violation of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), or the Massachusetts General Laws Chapters 21C and 21E by Seller since and including December 28, 1979, or, to the best of Seller's knowledge, by any person (including, without limitation, Seller or any previous owner), and there is now, to the best of Seller's knowledge after reasonable inquiry of its employees and tenants, no proceeding or inquiry with respect thereto, and Seller has not received any notice or made any discovery of any violation relating to the Real Property of the Statutes set forth on Exhibit 2.7(h) or the regulations issued pursuant thereto.

2.8 Contracts. Set forth at Exhibit 2.8 hereto is a complete and accurate list of all contracts, oral or written, relating to the business of Mohawk and to which the Seller is a party (but excluding at will contracts of employment), which involve in each case remaining obligations or liabilities of Seller in excess of \$10,000, including, without limitation,

conditional sales agreements and broker or distributorship agreements, and security agreements and instruments relating to the borrowing of money to the extent related to the Liabilities. All such contracts are valid, in full force and effect, the Seller has performed all obligations imposed upon it thereunder, and there are not under any of them defaults or events of default which would adversely affect the business, business prospects, assets or financial condition of Mohawk.

2.9 Legal Proceedings. Except as set forth at Exhibit 2.9, there are no claims, actions, suits, arbitrations, proceedings or, to the knowledge of Seller, investigations pending or threatened against the Seller, before or by any governmental or nongovernmental department, commission, board, bureau, agency or instrumentality, or any other person, and there are no outstanding or unsatisfied judgments, orders, decrees or stipulations to which the Seller is a party, which relate to either the Assets or the transactions contemplated herein or which would alone or in the aggregate have a material adverse effect upon the business, business prospects, assets or financial condition of Mohawk.

2.10 Labor Matters. There are no material disputes, employee grievances or disciplinary actions pending or, to the knowledge of Seller, threatened by or between the Seller and any of its employees primarily affiliated with Mohawk (the "Employees"). With respect to the Employees, the Seller has complied in all respects with all provisions of all laws relating to the employment of labor and has no liability for any arrears of wages or taxes or penalties for failure to comply with any such laws. Seller has no knowledge of any organizational efforts presently being made or threatened by or on behalf of any labor union with respect to the Employees.

Except as set forth at Exhibit 2.10, with respect to the Employees, the Seller is not a party to any:

(a) management, employment or other written contract providing for the employment or rendition of executive services;

(b) management, employment or other contract that is not terminable by the Seller on 30 days' notice;

(c) bonus, incentive, deferred compensation, severance pay, pension, profit-sharing, retirement, stock purchase, stock option, employee benefit or similar plan, agreement or arrangement;

(d) collective bargaining agreement or other agreement with any labor union or other employee organization (and no such agreement is currently being requested by, or is under discussion by management with, any group of employees or others); or

(e) other employment contract or other compensation agreement or arrangement affecting or relating to the Employees or former employees of the Seller that were primarily affiliated with Mohawk.

Vacation, severance and sick pay have been accrued through Closing.

2.11 Patents, Trademarks, Etc. The Seller has full and unrestricted rights to:

(a) use all patents, trademarks, trade names, copyrights, technology, know-how, processes, formulae, franchises and techniques now used by it in connection with the business of Mohawk; and

(b) manufacture and sell all products now being manufactured and sold by it in connection with the business of Mohawk, in the manner that the same are now being manufactured and sold. All such patents, trademarks, trade names and copyrights are set forth at Exhibit 2.11.

The manner in which the Seller has manufactured, packaged, shipped, advertised, labeled and sold its Mohawk products complies in all respects with all applicable laws and regulations pertaining thereto, the failure to comply with which would have a material adverse effect upon the Seller or Mohawk. A true and complete list of (i) all patents, patent applications, patent agreements, license agreements, trademark registrations and applications therefor, trade names, service marks and copyright registrations and applications therefor to which the Seller is a party or which are owned by or licensed to Seller and are used in its Mohawk business and (ii) any adverse claim made or threatened in respect thereof and any claim made or threatened for alleged infringement thereof is set forth on Exhibit 2.11. All patents and trademarks listed on Exhibit 2.11 as having been registered in the U.S. Patent Office and/or the Canadian Patent Office have been duly issued or registered therein; all such registrations have been validly issued and all are in full force and effect. The Seller has full power to transfer to the Purchaser all items listed in Exhibit 2.11. The Mohawk operation does not infringe any valid patent, trademark, trade name, service mark or copyright of any

other person or entity. All agreements listed in Exhibit 2.11 are valid and enforceable, the Seller has performed all obligations imposed upon it thereunder, and neither the Seller nor any other party thereto is in default thereunder in any respect, nor is there any event which with notice or lapse of time, or both, would constitute a default thereunder. The Seller has not received notice that any party to any agreement listed in Exhibit 2.11 intends to cancel, terminate or refuse to renew the same or to exercise or decline to exercise any option or other right thereunder.

2.12 Accounts Receivable. All accounts receivable of the Seller shown on the Audited Balance Sheet and all accounts receivable described at Exhibit 1.1 hereto have been collected or are in the aggregate collectible within 120 days after the date incurred in the amounts at which they are carried on the books of the Seller, less in the aggregate \$38,000, the reserve provided on the Audited Balance Sheet for uncollectible accounts.

2.13 Corporate Documents, Books and Records. The Seller has furnished to the Purchaser or its representatives for their examination true, correct and complete copies of (a) the articles of incorporation and bylaws of the Seller, including all amendments thereto and (b) the minute books of the Seller.

2.14 Licenses, Permits, Authorizations, Etc. The Seller has received all currently required governmental approvals, authorizations, consents, licenses, orders, registrations and permits of all agencies, whether federal, state, local or foreign, the failure to obtain which might, in the aggregate, have a material adverse effect on the operation of the business of Mohawk as presently conducted.

2.15 Applicable Laws. The Seller has complied and is in compliance, in all respects, with all federal, state, local and foreign laws, rules, ordinances, decrees and orders applicable to the operation of Mohawk, the failure to comply with which might, in the aggregate, have a material adverse effect on the operation of the Mohawk business.

2.16 Insurance. The Seller with respect to the business of Mohawk has maintained and now maintains up to and including on the Closing Date policies of insurance set forth at Exhibit 2.16. Set forth at Exhibit 2.16 is a schedule setting forth as to all policies of insurance maintained by Seller:

- (i) the name, address and telephone number of the insurer and broker;

- (ii) the policy number, amount and expiration date; and
- (iii) summary of the coverage under each such policy.

2.17 Employee Plans. With respect to employee plans covering Employees, the Seller is in compliance in all respects with the applicable provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and the regulations and published interpretations thereunder, failure to comply with which could subject the Seller to tax or penalty. No "reportable event" (as described in ERISA and the regulations thereunder) has occurred with respect to any such plan administered by the Seller or by any administrator designated by the Seller, which reportable event could subject the Seller to liability. No liability to the Pension Benefit Guarantee Corporation ("PBGC") has been incurred, or is expected to be incurred, by the Seller or any other person with respect to any such plan of the Seller, other than liability for insurance premiums. The Seller knows of no event or condition which presents a substantial risk of termination of any such plan by the PBGC, nor does it have notice or knowledge that any proceedings for termination or partial termination of any such plan have been instituted by the PBGC.

2.18 Brokerage. The Seller has retained a broker in connection with the transactions contemplated by this Agreement. Any brokerage or finder's fee due to that person or persons as a result of such transactions shall be paid by the Seller.

2.19 Full Disclosure. No information furnished by the Seller to the Purchaser in connection with this Agreement nor any statement set forth in this Agreement (including, but not limited to, the Financial Statements and all information in the Exhibits hereto) is false or misleading in any respect. In connection with such information, the Seller has not made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make the statements made or information disclosed, in the light of the circumstances under which they were made or disclosed, not misleading.

2.20 Sole Representations and Warranties. The representations and warranties contained in this Article II are the only representations and warranties made by the Seller in connection with this transaction and supersede any and all previous written or oral statements made by the Seller or its agents to the Purchaser or its agents.

2.21 Inventory. All items in the inventory reflected in the Audited Balance Sheet and in the inventory described in Exhibit 1.1: (a) have been valued in accordance with generally accepted accounting principles and (b) are of a quality and quantity usable and salable in the ordinary course of business; provided, however, that no adjustment shall be made to reflect the cessation after Closing, if any, of any ongoing and active line of business presently engaged in by Mohawk.

2.22 Duplicative Exhibits. Notwithstanding the provisions of this Agreement to the contrary, any information to be described on an exhibit to Article II (except for Exhibits 2.3 and 2.8) need not be so described if listed on any other exhibit to Article II.

2.23 Seller's Net Investment in Mohawk. From January 25, 1986 through February 28, 1986 there was no reduction in the Seller's net investment in or advances to Mohawk reflected on the February 28, 1986 Mohawk balance sheet as a result of Seller's withdrawal of Mohawk's money or assets or transferring of liabilities to Mohawk from Seller. "Net investment in or advance to" shall mean sums invested or advanced by Seller, less positive or plus negative cash balances of Mohawk. The January 25, 1986 Mohawk Balance Sheet, February 28, 1986 Mohawk Balance Sheet and the Pre-Closing Balance Sheet were and will be prepared on the same basis except that the February 28, 1986 Mohawk balance sheet and the Pre-Closing Balance Sheet will reflect a nonspecific inventory reserve in the amount of \$839,000, and any valuation adjustments to inventory between February 28 and the date of the Pre-Closing Balance Sheet will be charged to said reserve and not to Mohawk's profit and loss for the period ending with the Pre-Closing Balance Sheet.

ARTICLE III - REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

To induce the Seller to enter into this Agreement, the Purchaser represents and warrants to the Seller (which warranties and representations shall survive the Closing) as follows:

3.1 Organization, Good Standing, Power, Etc. The Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, has all requisite power and authority to own, operate and lease its properties and assets and to carry on its business as now conducted and as currently proposed to be conducted, and is duly qualified and in good standing in each jurisdiction in which it owns or leases property or in which the nature of the

business transacted by it makes such qualification necessary. The Purchaser has full power and authority to execute, deliver and perform this Agreement.

3.2 Due Execution. This Agreement has been duly executed and delivered by the Purchaser and is a legal, valid and binding obligation of the Purchaser enforceable in accordance with its terms. The Instrument of Assumption in the form set forth in Exhibit 1.5(c), the Warrant in the form set forth in Exhibit 1.3(b), the Warrant in the form set forth in Exhibit 1.3(c), and the Promissory Note substantially in the form set forth in Exhibit 1.3(a) will at the Closing be duly executed and, when duly executed and delivered at the Closing, will be legal, valid and binding obligations of the Purchaser enforceable in accordance with their respective terms.

3.3 No Approvals or Notices Required; No Conflicts With Instruments. The execution, delivery and performance of this Agreement by the Purchaser and the consummation by it of the transactions contemplated hereby will not (a) constitute a violation of any provision of law applicable to the Purchaser, (b) require any consent, approval or authorization of any person or governmental authority, (c) result in a default under (with or without the giving of notice or lapse of time), acceleration or termination of, or the creation in any party of the right to accelerate, terminate, modify or cancel, any agreement, lease, note or other restriction, encumbrance, obligation or liability to which the Purchaser is a party or by which it is bound or to which any of its assets are subject, (d) result in the creation of any lien or encumbrance upon the Purchaser's assets, or (e) conflict with or result in a breach of or constitute a default under any provision of the Purchaser's charter documents or bylaws.

3.4 Charter and By-Laws of the Purchaser. The copies of the Charter documents of the Purchaser, certified by the Secretary of State of the State of Delaware and of the by-laws of the Purchaser, certified by its Secretary, which have been furnished by the Purchaser to counsel for the Seller, are true, correct and complete copies thereof.

3.5 Post-Incorporation Conduct. The Purchaser has not carried on any business, entered into any contract or agreement or assumed any obligation since its incorporation, other than activities related to the consummation of the transactions contemplated hereby.

3.6 Litigation. There are no material actions, suits, proceedings or investigations of any kind pending or, to the knowledge of the Purchaser, threatened against the Purchaser before any court, tribunal, commission, agency or other administrative authority.

3.7 Review of the Seller. Without thereby limiting the force of the Seller's representations and warranties contained in Article II hereof, the Purchaser acknowledges that it has, with the full cooperation of the Seller and its officers, independently reviewed such financial statements, liabilities, customers, suppliers, backlog, products, inventory, methods of accounting, margins and other business records of the Seller relating to the operations of Mohawk that have been supplied to it by Seller and inspected and examined the Mohawk physical plant. The Purchaser further acknowledges that representatives of the Seller have discussed the business, financial condition and prospects of Mohawk with representatives of the Purchaser and have had an opportunity to make all desired inquiries of those representatives and have had cooperation from Seller in responding to those inquiries.

3.8 Full Disclosure. No information furnished by the Purchaser to the Seller in connection with this Agreement nor any statement set forth in this Agreement (including, but not limited to, all information in the Exhibits hereto) is false or misleading in any respect. In connection with such information, the Purchaser has not made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make the statements made or information disclosed taken together with information delivered following the date hereof and prior to Closing, in the light of the circumstances under which they were made or disclosed, not misleading.

3.9 Creditworthiness. On the Closing Date after giving effect to all indebtedness having then been incurred and liens having then been created by Purchaser in connection with the transactions contemplated by this Agreement (i) the fair market value of the Purchaser on a going concern basis will, as of the Closing Date, exceed the Purchaser's debts; (ii) the Purchaser will on the Closing Date have the ability to pay all of its debts as such debts mature; and (iii) the Purchaser will have, as of the Closing Date, sufficient capital with which to conduct its business.

ARTICLE IV - COVENANTS

The Purchaser and the Seller each covenant and agree with the other to perform and observe the following covenants (the Purchaser and the Seller each being referred to in this Article IV as a "party"):

4.1 Exhibits. The content of the exhibits to this Agreement may change after the date of this Agreement, either (a) as contemplated by and set forth in this Agreement or in such exhibits or (b) as may occur in the ordinary course of the business of Mohawk. Any such changes occurring in the ordinary course of business of Mohawk shall be disclosed to the Purchaser in the Officer's Certificate called for in Section 5.2 hereof. All representations and warranties herein shall apply to such exhibits.

4.2 Inspection. From the date of this Agreement to and including the Closing Date, the Seller will grant the Purchaser, its agents, employees, accountants and attorneys reasonable access to, and the opportunity to examine, inspect or copy books, records, documents, instruments, papers, properties and assets pertinent to the business operations of Mohawk, except as to those matters the parties may mutually agree are confidential. Inspection shall be at Purchaser's expense and in a manner not disruptive to the business of Mohawk.

4.3 Advice of Claims. From the date of this Agreement to and including the Closing Date, each party will promptly advise the other party in writing of the commencement or threat of any claims, litigation or proceedings against or affecting it, of which it has notice or knowledge, except that the parties need not disclose any such matter as to which the amount claimed does not exceed \$10,000.

4.4 Cooperation. Each party will fully cooperate with the other party and with the other's counsel and accountants in connection with any steps required to be taken as part of its obligations under this Agreement. Each party will use its best efforts to cause all conditions to this Agreement to be satisfied as promptly as possible and to obtain all consents and approvals necessary for its due and punctual performance of this Agreement and for the satisfaction of the conditions hereof on its part to be satisfied. Neither party will undertake any course of action inconsistent with this Agreement or which would make any representations, warranties or agreements made by it in this Agreement untrue or render any conditions precedent to this Agreement unable to be satisfied at or prior to the Closing Date.

4.5 Confidentiality. Except as contemplated by this Agreement or as necessary to carry out the transactions herein set forth, all information or documents furnished hereunder by either party shall be kept confidential by the party or parties to whom furnished at all times prior to the Closing Date, and in the event such transactions are not consummated, each shall return to the other all documents furnished hereunder and copies thereof and shall continue to keep confidential all information furnished hereunder and shall not thereafter use the same for its advantage.

4.6 Conduct Prior to Closing. The Seller agrees that from the date of this Agreement to and including the Closing Date, except as permitted, required or specifically contemplated by this Agreement or otherwise approved in writing by the Purchaser (which approval shall not unreasonably be withheld), all actions of the Seller relating to Mohawk will be taken in the ordinary course of business (except that certain machinery and equipment leased from Federal Street Leasing pursuant to the agreements described at Exhibit 2.8 (the "Leases"), shall be transferred to the Seller and then transferred to the Purchaser as part of the Assets on the Closing Date, with the Seller retaining all liabilities and obligations under such Leases) and the Seller will use its best efforts to take no action which will cause any representation, warranty or exhibit to this agreement to be untrue at the Closing Date. The Seller will use its best efforts to cause no change in the business, financial condition or results of operations of Mohawk which may reasonably be expected to have a material adverse effect on its business, financial condition or results of operations.

4.7 Proposals for Acquisitions. From the date of this Agreement to and including the Closing Date, neither the Seller nor any of its officers will solicit, encourage, entertain or facilitate (including by way of furnishing information) any corporation, partnership, person or other entity or group (a "Third Party") (other than the Purchaser or its affiliates) concerning (or concerning the business of the Seller in connection with) any direct or indirect sale, lease, or other transfer of the Assets or any interest therein (an "Asset Transfer"), liquidation, dissolution or similar transactions involving the Seller (such transfers, proposals or transactions being referred to herein as "Acquisition Proposals"). Seller will promptly inform the Purchaser of any inquiry (including the terms thereof and the identity of the Third Party making such inquiry) which it may receive in respect of an Acquisition Proposal and furnish to the Purchaser a copy of any such inquiry. Notwithstanding this Section 4.7, in response to an unsolicited request from a Third Party, and with full and

simultaneous disclosure to the Purchaser, the Seller may furnish information concerning its business properties or assets to such Third Party if counsel to the Seller is of the opinion that failure to do so would constitute a violation of the fiduciary obligations of the Board of Directors of the Seller. From the date of this Agreement to and including the Closing Date, Seller will not consolidate with or merge into any other corporation and will not convey, transfer or lease substantially all its assets as an entirety to any Third Party, unless the following conditions are satisfied, in which case this sentence will take precedence over the first sentence of Section 4.7:

(a) The corporation formed by such consolidation or into which Seller is merged or the Third Party which acquires by conveyance, transfer or lease substantially all of the assets of Seller as an entirety shall execute and deliver to Purchaser an agreement containing an assumption by such successor corporation of the due and punctual performance and observance of each covenant and condition of this Agreement to be performed or observed by Seller.

(b) Seller shall have delivered to Purchaser a certificate signed by the President and by the Clerk of Seller, and an opinion of counsel for Seller, or other counsel satisfactory to Purchaser, stating that such consolidation, merger, conveyance, transfer or lease and the assumption agreement specified in Section 4.7(a) comply with this Section 4.7 and that all conditions precedent relating to such transaction have been complied with.

(c) Upon any consolidation or merger, or any conveyance, transfer or lease of substantially all of the assets of Seller as an entirety, in accordance with this Section 4.7, the successor corporation formed by such consolidation or into which Seller is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of Seller under this Agreement with the same effect as if such successor corporation had been originally named as the Seller hereunder. No such conveyance, transfer or lease of substantially all of the assets of Seller as an entirety shall have the effect of releasing Seller or any successor corporation which shall theretofore have become such in the manner prescribed in this Section 4.7 from its liability hereunder.

4.8 Additional Information. The Seller will, as promptly as reasonably possible, furnish the Purchaser with copies of the Seller's unaudited balance sheets and statements of

consolidated income or earnings prepared for any periods ending subsequent to October 26, 1985 and prior to the Closing Date.

4.9 Legal Fees. Each of Seller and Purchaser shall pay its own legal and accounting fees and other costs of this transaction.

4.10 Capitalization of Purchaser. The Purchaser shall be capitalized at Closing substantially in accordance with the pro forma balance sheet set forth at Exhibit 4.10 hereto, except for certain liabilities for legal and accounting fees, customary travel and out-of-pocket expenses, appraisal fees, engineering consultant fees, surveyor fees, and other miscellaneous closing costs not exceeding \$250,000, plus additional bank and other financing closing costs and fees and environmental review fees incurred with respect to or related to this Agreement and the transactions it contemplates. The authorized capital stock of the Purchaser at Closing shall include 15,000 shares of authorized but unissued shares of common stock reserved for issuance pursuant to warrants issued to the Seller at Closing.

4.11 Conduct Following Closing. Purchaser shall use all commercially reasonable efforts to collect accounts receivable existing at Closing. In the event that 120 days following the Closing, an aggregate of \$38,000 or more of the accounts receivable shown on the Audited Balance Sheet and accounts receivable described at Exhibit 1.1 hereto have not been collected, then the Seller shall acquire from the Purchaser all such accounts receivable in excess of the first \$38,000 (following an equitable division by age and collectibility of accounts), which have not been collected, and shall pay the Purchaser their face amount, in cash.

4.12 Credit Agreement. The Purchaser shall use its commercially reasonable efforts to enter into and close a credit agreement in accordance with the terms of the Letter of Commitment (as hereinafter defined).

4.13 Security Agreement. On or prior to the Closing, Purchaser shall enter into a security agreement the principal business terms of which are set forth at Exhibit 4.13 and on such other terms as Purchaser, Seller and Purchaser's lender may reasonably agree.

4.14 Removal of Certain Property. On or prior to the Closing, Seller shall have the right to remove from the Real Property that personal property that is not part of the Assets, as set forth more specifically at Exhibit 4.14.

4.15 Corporate Name. As of Closing, Seller shall, and shall cause Subsidiary to, abandon the name of "Mohawk Wire & Cable." Purchaser shall acquire Seller's and Subsidiary's rights to use of the names "Mohawk Wire & Cable" and "Mohawk Wire and Cable," and equivalents, as trade names or trademarks. Seller shall, and shall cause Subsidiary to, give its consent at Purchaser's request on or prior to Closing to Purchaser's reservation of the names "Mohawk Wire & Cable" or "Mohawk Wire and Cable" or equivalents as a corporate name or trading style and Seller consents and shall cause Subsidiary to consent to Purchaser's use of such names as corporate names or trading styles as of and subsequent to Closing; provided that if Closing shall not occur, Purchaser shall not have the right to use the foregoing names and, on or prior to April 30, 1986, shall change its name to a name that does not resemble "Mohawk Wire & Cable" or shall be terminated. Seller shall not, and shall cause Subsidiary not to, oppose Purchaser or any affiliated party of Purchaser incorporating and using the names "Mohawk Wire & Cable" or "Mohawk Wire and Cable," or equivalents, or registering or using any such names as a trademark or trade name. Seller shall cause Subsidiary as of the Closing to change its name to one that does not include the name "Mohawk" and that is not deceptively similar to and does not resemble the name "Mohawk Wire & Cable" and shall deliver evidence satisfactory to Purchaser of such change. As of the Closing, Seller shall, and shall cause Subsidiary and respective affiliates or successors of either to, cease using such names for any purpose.

4.16 Pre-Closing Operating Results. Any reduction in Seller's net investment in or advances to Mohawk (as such phrase is defined at Section 2.23) for the period beginning on March 1, 1986 and ending on the date of the Pre-Closing Balance Sheet shall operate as a credit to the Purchase Price. From and after the date of the Pre-Closing Balance Sheet until but not including the Closing, Seller shall not withdraw cash from Mohawk. Any increase in the Mohawk cash balance after the date of the Pre-Closing Balance Sheet until the Closing shall be retained by Seller and upon the Closing shall be credited to the Purchase Price.

4.17 Approvals, Removal of Encumbrances. Seller shall use its best efforts (a) to obtain all consents, approvals and authorizations necessary to be obtained to prevent conflict with each of those instruments described at Exhibit 2.3 and (b) to remove those encumbrances specified as to be discharged prior to Closing at Exhibit 2.7(f). Purchaser shall reasonably cooperate at the request of Seller to obtain consents necessary to be obtained to prevent conflict with those leases listed in

Section 2 of Exhibit 2.3 to be assumed by Purchaser. Notwithstanding the preceding sentence, Seller shall not be required to obtain waivers required in connection with this transaction by purchase orders referenced at paragraph 3 to Exhibit 2.3.

ARTICLE V - CONDITIONS PRECEDENT TO
OBLIGATIONS OF THE PURCHASER

The obligations of the Purchaser to perform and observe the covenants, agreements and conditions hereof to be performed and observed by it at or before the Closing Date shall be subject to the satisfaction of the following conditions, the written waiver of any of which by the Purchaser shall eliminate any basis for a claim with respect to such matter by the Purchaser under Section 9.3. No condition in this Article V shall expand the scope of representations and warranties of Article II that are subject to the indemnification provision of Article IX, except to the extent that all such representations and warranties shall be deemed to have been made as of and at the Closing Date.

5.1 Accuracy of Representations and Warranties; Compliance With Covenants. The representations and warranties of the Seller contained in Article II hereof and in the Real Property Purchase Agreement shall have been true in all material respects when made and shall be true in all material respects on and as of the Closing Date with the same force and effect as though made on and as of such date, except as affected by transactions contemplated hereby or thereby and except to the extent that such representations and warranties are made as of a specified date, in which case such representations and warranties shall be true as of the specified date. The Seller shall have performed in all material respects all obligations and agreements and complied in all material respects with all covenants and conditions contained in this Agreement and in the Real Property Purchase Agreement to be performed and complied with by it at or prior to the Closing Date.

5.2 Officers' Certificate. The Purchaser shall have received a certificate of the Chairman of the Board or President and Clerk or Assistant Clerk of the Seller, dated the Closing Date, satisfactory in form and substance to the Purchaser and its counsel, certifying to the best of their knowledge and belief that the conditions set forth in Article V have been fulfilled and the representations and warranties of Article II are true and correct as of the Closing Date. Representations and warranties made in that officers'

certificate shall be deemed representations and warranties of Seller, notwithstanding the first paragraph of this Article V.

5.3 Opinion of Counsel for the Seller. The Purchaser shall have received an opinion letter of Hutchins & Wheeler, counsel for the Seller, dated the Closing Date (in form and substance satisfactory to the Purchaser and its counsel), substantially as set forth at Exhibit 5.3.

5.4 Legal Proceedings. No order of any court or administrative agency shall be in effect which enjoins, restrains or prohibits consummation of this Agreement or the Real Property Purchase Agreement, and no litigation, investigation or administrative proceeding shall be pending or threatened which would enjoin, restrain or prevent consummation of this Agreement or the Real Property Purchase Agreement.

5.5 Real Property Purchase Agreement. The Purchaser shall have received, duly executed by Seller, the Real Property Purchase Agreement. The conditions precedent to the obligations of Purchaser specified in the Real Property Purchase Agreement shall have been fulfilled to the reasonable satisfaction of Purchaser or waived by Purchaser and the closing of the Real Property Purchase Agreement shall have occurred concurrently with the Closing under this Agreement.

5.6 Approvals and Consents. All approvals of applications to public agencies, federal, state, local or foreign, the granting of which is necessary for the consummation of the transactions contemplated hereby, shall have been obtained, and all waiting periods specified by law shall have passed.

5.7 Absence of Certain Changes or Events. Since October 26, 1985 and through the Closing, the Seller has not, with respect to Mohawk:

(a) taken any action or entered into or agreed to enter into any transaction, agreement or commitment other than in the ordinary course of business; or

(b) entered into or agreed to enter into any transaction, agreement or commitment, suffered the occurrence of any event or events or experienced any change in financial condition, business, results of operations or otherwise that (i) has interfered or could interfere with the normal and usual operations of the business or business prospects of Mohawk or (ii) which, in the aggregate, has resulted in a material adverse change in the financial condition, assets, liabilities, earnings, or business of Mohawk.

5.8 Taxes. All taxes payable in 1986 with respect to personal property shall be prorated between the parties as of the date of Closing.

5.9 Credit Agreement. On or before March 14, 1986, the Purchaser and a responsible financial institution shall have entered into a credit agreement pursuant to the terms of the Letter of Commitment (as hereinafter defined) in a form agreeable to the Purchaser.

5.10 Approvals, Removal of Encumbrances. Seller shall have (a) obtained all consents, approvals and authorizations necessary to be obtained to prevent conflict with each of the instruments described at Exhibit 2.3 and (b) removed those encumbrances specified as to be discharged prior to Closing at Exhibit 2.7(f). Notwithstanding the preceding sentence, the obtaining of waivers required in connection with this transaction by purchase orders referenced at paragraph 3 to Exhibit 2.3 shall not be a condition precedent.

ARTICLE VI - CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SELLER

The obligations of the Seller to perform and observe the covenants, agreements and conditions hereof to be performed and observed by it at or before the Closing Date shall be subject to the satisfaction of the following conditions, which may be expressly waived in writing by the Chairman of the Board or President of the Seller, or either of them.

6.1 Accuracy of Representations and Warranties. The representations and warranties of the Purchaser contained in Article III shall have been true in all material respects when made and shall be true in all material respects on and as of the Closing Date with the same force and effect as though made on and as of such date, except as affected by transactions contemplated hereby and except and to the extent that such representations and warranties are made as of a specified date, in which case such representations and warranties shall be true as of the specified date.

6.2 Performance of Agreement. The Purchaser shall have performed in all material respects all obligations and agreements and complied in all material respects with all covenants and conditions contained in this Agreement to be performed and complied with by it at or prior to the Closing Date.

6.3 Officers' Certificate. The Seller shall have received a certificate of the President or a Vice President and the Secretary or Assistant Secretary of the Purchaser, dated the Closing Date, certifying to the best of their knowledge and belief that all of the conditions set forth in this Article VI have been fulfilled and the representations and warranties of Article III are true and correct as of the Closing Date.

6.4 Opinion of Counsel for the Purchaser. At the Closing Date, the Purchaser shall deliver or cause to be delivered a favorable opinion of Perkins Coie (in form and content satisfactory to the Seller and its counsel), dated the Closing Date, substantially as set forth at Exhibit 6.4.

6.5 Approvals and Consents. All approvals of applications to public agencies, federal, state, local or foreign, the granting of which is necessary for the consummation of the transactions contemplated hereby, shall have been obtained, and all waiting periods specified by law shall have passed.

6.6 Real Property Purchase Agreement. The Seller shall have received, duly executed by Purchaser, the Real Property Purchase Agreement. The conditions precedent to the obligations of Seller specified in the Real Property Purchase Agreement shall have been fulfilled to the reasonable satisfaction of Seller or waived by Seller and the closing of the Real Property Purchase Agreement shall have occurred concurrently with the Closing under this Agreement.

ARTICLE VII - CLOSING

7.1 Closing. The closing hereunder (the "Closing") shall take place on or before March 20, 1986 or a later date on or before March 28, 1986 (the "Closing Date") or such earlier or later date as agreed to by the parties, at 8:00 a.m. local time at the offices of Hutchins & Wheeler, or such other place as the parties shall agree. At the Closing each of the parties shall take all such action and deliver all such documents, instruments, certificates and other items as may be required, under this Agreement or otherwise, in order to perform or fulfill all covenants, conditions and agreements on its part to be performed or fulfilled at or prior to the Closing Date and to cause all conditions precedent to the other party's obligations under this Agreement to be satisfied in full.

7.2 Further Acts. If, at any time after the Closing Date, any further action by either of the parties to this Agreement is necessary or desirable to carry out the purposes of this

Agreement and/or to vest in the Purchaser full title to all Assets, such party shall take all such necessary or desirable action or use such party's best efforts to cause such action to be taken.

ARTICLE VIII - TERMINATION

This Agreement may be terminated at any time prior to Closing:

(a) by the mutual consent of the Boards of Directors of the Seller and of the Purchaser; or

(b) by the Purchaser, if any of the conditions provided in Article V shall not have been satisfied, complied with or performed in any material respect, and the Purchaser shall not have waived such failure of satisfaction, noncompliance or nonperformance; provided, that if such failure shall have been willful, then, notwithstanding any other provisions of this Agreement, the Seller shall forthwith reimburse to the Purchaser all of the Purchaser's out-of-pocket costs and expenses incurred in connection with this Agreement and/or the transactions contemplated hereby; or

(c) by the Purchaser, on or before March 10, 1986, if:

(i) Due Diligence. The Purchaser's due diligence review of Mohawk operations and Seller (including without limitation such letters from its accountants as it shall find necessary) discloses information or conditions unsatisfactory to Purchaser; or

(ii) Key Personnel. The Purchaser shall not have received from key management personnel assurances of continued employment with Mohawk of a nature satisfactory to Purchaser; or

(iii) Financing Commitment. The Purchaser shall not have received a letter of commitment (the "Letter of Commitment") from a responsible financial institution to provide debt financing for this transaction; or

(d) by the Seller if any of the conditions provided in Article VI shall not have been satisfied, complied with or performed in any material respect, and the Seller shall not have waived such failure of satisfaction, noncompliance or nonperformance; provided, that if such failure shall have been willful, then, notwithstanding any other provisions of this

Agreement, the Purchaser shall forthwith reimburse to the Seller all of its out-of-pocket costs and expenses incurred in connection with this Agreement and/or the transactions contemplated hereby; or

(e) by either the Purchaser or the Seller if the Closing shall not have occurred on or prior to the Closing Date provided in Article VII, subject to extension as provided in Article VII, in which case all parties shall bear their own out-of-pocket costs and expenses.

In the event of any termination pursuant to this Article VIII (other than pursuant to subparagraph (a) hereof), written notice setting forth the reasons therefor shall forthwith be given by the terminating party to the other party hereto and neither party shall have any liability to the other party of any nature whatsoever, other than out-of-pocket costs and expenses as provided in this Article VIII. Notwithstanding the foregoing, the obligations of the parties hereto in the covenant regarding confidentiality set forth at Section 4.5 shall survive the termination of this Agreement and shall not be subject to the limitations hereof.

ARTICLE IX - COMPLIANCE WITH BULK TRANSFER ACT

In order to comply with the applicable provisions of the Bulk Transfer Act, the parties shall perform as follows:

9.1 Schedule of Property and List of Creditors.

(a) The Seller shall furnish to the Purchaser, at least 15 days prior to the Closing Date, a list of its existing creditors. Such list shall be signed and sworn to or affirmed by the Seller and shall contain the names and business addresses of all of the Seller's creditors, with the amounts owed (if known), and the names of all persons who are known to the Seller to assert claims against the Seller even though such claims are disputed. Seller shall promptly notify Purchaser of any correction or additional material required of which it has knowledge, and Seller shall promptly provide any documents reasonably requested.

(b) The Seller shall furnish to the Purchaser along with such list provided pursuant to (a) above, a schedule of items of property being transferred constituting the Assets in sufficient detail to identify such items and any other information reasonably necessary for the Purchaser to prepare the notice required under the Bulk Transfer Act.

(c) Purchaser shall preserve the list of creditors and the schedule of property for at least six months from the date of Closing and shall permit any creditor of the Seller to inspect or copy such list or schedule at any reasonable times.

9.2 Notice to Creditors. At least 10 days before the date of Closing, Purchaser may, provided that it has notified Seller that Purchaser has entered into a credit agreement satisfying Section 5.9, give notice by certified mail, return receipt requested, with a copy to Seller, to all persons shown on the list of creditors and to all other persons whom are known to Purchaser to hold or assert claims against the Seller of the following:

(a) That a bulk transfer is about to be made;

(b) The names and business addresses of the Seller and Purchaser and all other business names and addresses used by the Seller within the three years prior to the date of this notice;

(c) That Purchaser is not without doubt as to whether the Seller's debts are to be paid in full as they fall due;

(d) The location and a general description of the property to be transferred, and the estimated total of the Seller's debts;

(e) The address where the schedule of property and list of creditors may be inspected;

(f) That Purchaser has been advised by Seller that the proceeds of the transfer are to be used to pay some but not all existing debts, that such debts are not to be paid in full using such proceeds, the amount of such debts to be paid, and to whom owing; and

(g) That the transfer is for new consideration, the amount thereof, and the time and place of payment.

ARTICLE X - GENERAL

10.1 Expenses. If the transactions contemplated by this Agreement are not consummated for any reason, the Purchaser and the Seller shall pay their own respective expenses incident to the negotiation, preparation and carrying out of this Agreement, except as provided in Article VIII.

10.2 Amendment. The Purchaser and the Seller may amend, modify or supplement this Agreement at any time, but only in writing duly executed on behalf of each of the parties.

10.3 Indemnification and Survival of Warranties.

10.3.1 The Seller agrees to indemnify the Purchaser and to hold it harmless against and in respect of any and all losses, damages, costs and expenses including attorneys' fees incurred by the Purchaser by reason of a breach of any of the representations or warranties made in this Agreement or in any letter of representation, officers' certificate or other certificate delivered to the Purchaser at or in connection with the Closing. To the extent that Seller is required by judicial judgment or by order of any governmental authority to pay any part of the Purchase Price to a third party, the Purchaser agrees to indemnify the Seller and to hold it harmless against and in respect of any and all such payments including attorneys' fees incurred by Seller by reason of a breach of any of the representations, warranties, or covenants made by Purchaser in this Agreement or in any letter of representation, officers' certificate or other certificate delivered to the Purchaser at or in connection with the Closing. Payments shall be calculated net of after-tax effect to the indemnified party with respect to such losses and indemnification payments and shall be reduced or increased accordingly. For purposes of the indemnifications made in this Section 10.3, all representations and warranties shall be deemed to have been made as of and at the Closing Date.

10.3.2 The indemnified party shall promptly notify in writing the indemnifying party of any matters which may give rise to the right to indemnification hereunder.

10.3.3 If the Purchaser or Seller is threatened with any claim or any claim is presented to, or any action or proceeding is commenced against, the Purchaser or Seller which may give rise to the right of indemnification hereunder, the Purchaser or the Seller, as the case may be (the "Indemnified Party") will promptly give written notice thereof to the other party (the "Indemnifying Party"). The Indemnifying Party, by delivery of written notice to the Indemnified Party within 30 days of receipt of notice of claim to indemnity from the Indemnified Party may elect to contest the third party claim, action, or proceeding in such manner as it deems necessary or advisable; provided, that if the Indemnified Party requests in writing that such claim, action or proceeding not be contested, then it shall not be contested but shall not be covered by the indemnities provided herein. The Indemnifying Party shall not

have the right to settle an indemnifiable matter except with the consent of the Indemnified Party, after delivering a written description of the proposed settlement to, and receiving consent from, the Indemnified Party. In the event that the Indemnified Party unreasonably declines to consent to settlement, then the Indemnified Party shall have no right to indemnification beyond the amount of settlement. If the Indemnifying Party does not elect to contest an indemnifiable matter, the Indemnified Party shall have the exclusive right to prosecute, defend, compromise, settle or pay any claim. The Indemnified Party shall permit the Indemnifying Party reasonable access to the books and records of the Indemnified Party and shall otherwise cooperate with the Indemnifying Party in connection with any matter or claim for indemnification. If the Indemnifying Party elects to defend a claim, action, or proceeding made or commenced against the Indemnified Party by a third party, the Indemnified Party may participate in such defense at its own expense.

10.3.4 All representations and warranties made by the Purchaser or the Seller shall survive until five months following the end of the first full (12 month) fiscal year of Purchaser which year concludes in calendar 1987, and shall thereafter be null and void, except for those in Section 2.6 which shall survive for seven years after Closing, and those in Section 2.7(b) and (h), which shall survive indefinitely. Each statement appearing in any Exhibit to this Agreement or letter or certificate delivered to the Purchaser at the Closing shall be deemed a representation and warranty by the Seller.

10.3.5 No claim for indemnification shall be made under this Section 10.3 unless the cumulative amount of any such claim or claims (the "Aggregate Amount") exceeds, in the aggregate, \$60,000 (the "Deductible"). In the event that the Aggregate Amount exceeds the Deductible, the party entitled to indemnification shall not be indemnified to the extent of the Deductible.

10.3.6 Claims by either indemnified party under this Section 10.3 shall not exceed the Purchase Price in dollar value, provided, however, that this limitation shall not apply to claims against Seller arising under the representation and warranty in Section 2.7(h) or for liabilities not assumed by Purchaser.

10.4 Guarantee. From and after the date of this Agreement, West Penn covenants and agrees to guaranty the obligation of Purchaser to reimburse the costs and expenses of Seller pursuant to the terms and conditions of Article VIII, paragraph

(d) in the event of willful failure. This guarantee is of payment and not of collection, and shall be enforceable against West Penn notwithstanding the underlying insolvency of the Purchaser.

10.5 Entire Understanding. The terms set forth in this Agreement are intended by the parties as a final, complete and exclusive expression of the terms of their agreement and may not be contradicted, explained or supplemented by evidence of any prior agreement, any contemporaneous oral agreement or any consistent additional terms.

10.6 Waivers. Any terms, covenants, representations, warranties or agreements of any party hereto may be waived at any time by an instrument in writing executed by the party for whose benefit such terms exist. The failure of any party at any time or times to require performance of any provisions hereof shall in no manner affect its right at a later time to enforce the same. No waiver by any party of any condition or of any breach of any terms, covenants, representations, warranties or agreements contained in this Agreement shall be effective unless in writing, and no waiver in any one or more instances shall be deemed to be a further or continuing waiver of any such condition or breach in other instances or a waiver of any other condition or any breach of any other terms, covenants, representations, warranties or agreements.

10.7 Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.8 Headings. The headings preceding the text of Sections of this Agreement are for convenience only and shall not be deemed parts hereof.

10.9 Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, as applied to contracts executed and to be fully performed in such state.

10.10 Parties in Interest. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and permitted assigns of the parties hereto, whether herein so expressed or not. Neither this Agreement nor any of the rights, interests or obligations hereunder of either party hereto shall be assigned without the prior written consent of the other parties. This Agreement is not intended, nor shall

it be construed, to confer any enforceable rights on any person not a party hereto.

10.11 Notices. Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, sent certified or registered, and addressed as respectively set forth below in the case of the Purchaser and the Seller, or to such other address as any party shall have previously designated by such a notice. Any notice so delivered personally shall be deemed to be received on the date of delivery and any notice so mailed shall be deemed to be received three days after the date on which it was mailed.

Notices to the Purchaser and the Seller shall be sent as follows:

To Purchaser:

Mohawk Wire and Cable Corporation
3140 Bank of California Center
Seattle, Washington 98164
Attention: Mr. Glenn Kalnasy

with copies to:

Perkins Coie
1900 Washington Building
Seattle, Washington 98101
Attention: Mr. Stewart Landefeld

Foley, Hoag & Eliot
One Post Office Square
Boston, Massachusetts 02109
Attention: Mr. H. Kenneth Fish

To Seller:

Conductron Corporation
Hendrix Wire Facility
Old Wilton Road
Milford, New Hampshire 03055
Attention: Mr. Joseph J. Incandela, President

with a copy to:

Hutchins & Wheeler
One Boston Place
Boston, Massachusetts 02108
Attention: Mr. Charles W. Robins

To West Penn:

West Penn Wire Corporation
P.O. Box 762
2833 Chestnut
Washington, Pennsylvania 15301

with a copy to:

Perkins Coie
1900 Washington Building
Seattle, Washington 98101
Attention: Mr. Stewart Landefeld

[NO FURTHER TEXT THIS PAGE -- NEXT PAGE IS SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties hereto have entered into and signed this Agreement as of the date and year first above written.

MOHAWK WIRE AND CABLE CORPORATION

By W.F. Harris
Its _____

CONDUCTRON CORPORATION

By _____
Its President

~~By _____
Its Treasurer~~

Solely as Guarantor pursuant to Section 10.4:

WEST PENN WIRE CORPORATION

By Paul W. Olson
Its President

Exhibit 1.1
to Asset Purchase Agreement

ASSETS; ALLOCATION OF CONSIDERATION

The Assets consist of all personal property, whether tangible or intangible, and trade fixtures used or held by the Seller in connection with the operation of the business of Mohawk. The following is intended to list in more detail certain of the items of personal property and trade fixtures constituting the Assets:

A. Description

1. Machinery and Equipment: All machinery and equipment and trade fixtures used or held by Seller in connection with the operation of the business of Mohawk, including without limitation the machinery and equipment described at Schedule A hereto, and any additions or deletions thereto that may have been made since June 7, 1985.

2. Inventories. All inventories of Mohawk, including without limitation all those set forth in detail at Schedule B hereto, and any additions or deletions thereto since October 26, 1985.

3. Accounts Receivable. All accounts receivable held by the Seller in connection with the operation of the business of Mohawk, including without limitation all accounts receivable as of October 26, 1985, as set forth on the Aged Trial Balance Report dated October 31, 1985 (a copy of which has been furnished to Purchaser) and any additions or deletions since October 26, 1985.

4. Contractual Rights. All contractual rights held by the Seller in connection with the operation of the business of Mohawk, including without limitation all rights associated with contracts to be assumed by Purchaser as listed on Exhibit 2.8 to the Agreement.

5. Note Receivable. A note of National Electric Corporation, in the principal amount of \$66,000, in favor of Seller.

6. Other Assets. All other personal property used or held by Seller in connection with the operation of the business of Mohawk, including without limitation: (i) all patents, trademarks, trade names, copyrights, technology, know-how, processes, formulae, franchises and techniques used by the Seller in connection with the business of Mohawk and all good will

associated with or symbolized by the foregoing, including without limitation intellectual property as set forth at Exhibit 2.11 to the Agreement (the "Intellectual Property"), and (ii) certain current assets (the "Current Assets"), including without limitation (a) deposits made on certain returnable containers, (b) certain scrap material, (c) miscellaneous receivables, and (d) prepaid expenses, including insurance premiums and real estate taxes.

B. Allocation

Subject to appropriate adjustments to reflect the Pre-Closing Balance Sheet, the parties hereby agree, based substantially upon the Audited Balance Sheet, to allocate the consideration (including without limitation the Purchase Price, certain stock warrants, and assumption of certain liabilities) being given by Purchaser to Seller in exchange for the Assets as follows:

	<u>Allocated Amount</u>
1. <u>Machinery and Equipment</u> , including all machinery, equipment and trade fixtures described in category 1 above.	\$1,758,000
2. <u>Inventories</u> , including all inventories described in category 2 above.	2,954,000
3. <u>Accounts Receivable</u> , including all accounts receivable described in category 3 above.	3,013,000
4. <u>Backlog</u> , including an aggregate amount equal to the price to be paid minus the cost of inventory to be sold for all sales orders received prior to Closing which as of Closing are undelivered, such amounts being included in category 4 above.	To be determined as of the date of Pre-Closing Balance Sheet
5. <u>Note Receivable</u> , including the note receivable described in category 5 above.	66,000
6. <u>Other Assets</u> , including all other assets of Seller constituting the Assets, such other assets almost wholly consisting for allocation purposes of the Current Assets described in category A.6 above, and also including Intellectual Property described in category A.6 above and any other assets.	215,000
	<u>\$8,006,000</u>

Schedule A
to Exhibit 1.1

LIST OF MACHINERY AND EQUIPMENT

Quantity	Description
1	Extruder Line #1, 2½", w/Payoff, Preheater, Royle Extruder, Drive, Control, Trough, Marker, Capstan, Take Up
1	Extruder Line #2, 2½", w/Payoff, Preheater, Royle Extruder, Drive, Control, Trough, Marker, Capstan, Take Up
1	Extruder Line #3, 2½", w/Payoff, Preheater, Royle Extruder, Drive, Control, Trough, Marker, Capstan, Take Up, Sterlco Temperature Control, Nylon 1½" Extruder
1	Extruder Line #4, 2½", w/Payoff, Preheater, Entwistle Extruder, Drive, Control, Trough, Capstan, Take Up
1	Extruder Line #5, 2½", w/Payoff, Preheater, Entwistle Extruder, Drive, Control, Trough, Capstan, Take Up, Essex Extruder
1	Extruder Line #6, 2½" & 3", w/Payoff, Preheater, Royle 2½" & 3" Extruders, Drive, Control, Trough, Capstan, Take Up
1	Extruder Line #7, 2½", w/Payoff, Preheater, Entwistle 2½" Extruder, Drive, Control, Trough, Transformer, Capstan, Take Up
1	Extruder Line #8, 2½", w/Payoff, Preheater, Entwistle 2½" Extruder, Drive, Control, Trough, Transformer, Capstan, Take Up
1	Extruder Line #9, 2½", w/Payoff, Preheater, Entwistle 2½" Extruder, Drive, Control, Trough, Transformer, Capstan, Take Up
1	Extruder Line #11, 1½", w/Payoff, Preheater, Monitor, Entwistle 1½" Extruder, Drive, Control, Marker, Trough, Capstan, Spark Test, Dryer, Take Ups
1	Extruder Line #12, 1½", w/Payoff, Preheater, Entwistle 1½" Extruder, Drive, Control, Trough, Spark Test, Capstan, Take Ups
1	Extruder Line #17, 3½", w/Payoff, Preheater, Entwistle 3½" Extruder, Drive, Control, Capstan, Take Up
1	Extruder Line #18, 3½", w/Payoff, Preheater, Entwistle 3½" Extruder, Drive, Control, Capstan, Take Up, Temperature Control, Tester, Monitor & Printer

Quantity

Description

Quantity	Description
1	Extruder Line #19, 3½", Entwistle 3½" Extruder
1	Extruder Line #20, 3½", w/Payoff, Royle Extruder (3½"), Drive, Control, Trough, Capstan, Take up
1	Extruder Line #21, 3½", w/Payoff, Entwistle 3½" Extruder, Drive, Control, Capstan, Take Up, Printer
1	Extruder Line #22, 4½", w/Payoff, Entwistle 4½" Extruder, Drive, Control, Trough, Transformer, Capstan, Take Up
1	Extruder Line #23, 4½", w/Payoff, Royle 4½" Extruder, Drive, Control, Trough, Capstan, Take Up
3	Allard 3-Wire Twiners
9	Allard 2-Wire Twiners
4	Edmonds 4-Wire Twisters
1	U.S. 30-Cradle Planetary Cabler w/Payoff, Taper, Binder, Take up
1	Edmonds 36-Cradle Planetary Cabler w/Payoff, Taper, Binder, Take Up
2	Allard 36" Bunch Cablers
1	Allard 48" Cabler w/Neutralizer
59	Wardwell Braiders & Servers
2	U.S. Machine Dual Tapers
2	Entwistle Auto T.H.E. Respooling Lines
4	Newmco, Entwistle & Special Respoolers
1	Huestis Wire Stripper
1	Repair Line w/Payoff, Capstan, Taping Head & Strippers
1	Entwistle 30" Closer
Lot	Equipment Not in Use: Extruder, Capstan, Payoff, (2) Newmco 48", Dancer
15	U.S. Machine and Special Built Stripers
Lot	Mixers, Compactor, Racks, Scales, Wrapper, Respoolers, Forklifts, Freezer, Lab, Offices, Maintenance Tools, Tooling, Computer (as more particularly described beginning on following page)

TRADEMARK
REEL: 1861 FRAME: 0061

DESCRIPTION OF LOT

Mixers

13 Cement mixers - Model number #705

Compactor

1 Tripak compactor - Model #T-200, Serial #500-314
1 Closed container - Model #C-42N, Serial #C-1133

Racks

6 Racks with 1 shelf - 16' L x 6' H
10 Racks with 2 shelves - 16' L x 6' H
1 Rack with 1 shelf - 16' L x 3½' H
9 Racks with 3 shelves - 16' L x 10' H
7 Racks with 2 shelves - 8' L x 7' H
81 Pallets - 3' x 4'
98 Pallets - 3' x 3'
1 Rack with 1 shelf - 16' L x 3½' H

Scales

1 National Controls Inc. floor scale with display weight readout,
Model #5780, Serial #C811095
1 Fairbanks-Morse portable platform scale - Model #1124A,
Serial #G588324
1 Fairbanks-Morse portable platform plate - Model #2115
1 Detecto Scales SSC dormant type scale - Model #2812UT4,
Serial #670094
1 Digiflex scale - Model #5775, Serial #741506

Wrapper

1 Wrapper - Model #0049-11882, Serial #STS-80-LG

Respoolers/Spoolers

1. Dual reel take-up spooler - Entwistle, Model #THE-24/36,
Serial #233

Payoff Entwistle: Will take up to 48" reel
Model: POSSO
Serial: 1304

2. Dual reel take-up spooler - Entwistle, Model #THE-24/36
Serial #250

Payoff Entwistle: Will take up to 48" reel
Model: POS50-6
Serial: 123RH
3. Allard machine single take-up spooler for 16" to 54" reels -
Serial #290

Payoff Entwistle: Will take up to 48" reel
Model: POS50-6
Serial: 116
4. Cable repair spooler: Will take a 12" to a 30" reel. This
machine is used to repair finished cable on.

Payoff Entwistle: Will take up to 36" reel
Model: GT-36
Serial: 315
5. Coiling and respooling machine: Will take a 12" to a 16" reel,
will also coil lengths for camera cable department.

Payoff Entwistle: Will take up to a 36" reel
Model: GT-36
Serial: 291
6. Newmco single spooler: Will take a 12" to 16" reel - Model #6-24
Serial #784-073

Payoff: Will take up to a 36" reel
Model: None
Serial: None
7. Newmco single spooler: Will take a 12" to 16" reel - Model #6-30
Serial #282-057

Payoff: Will take up to 1 36" reel
Model: None
Serial: None
8. Single take-up spooler, will take 16" to 22" reels - Serial #853
9. Single take-up spooler, will take 16" to 22" reels - Serial #855
10. Apcor single take-up spooler, will take up 12" to 16" reel -
Model #SW-1, Serial #E-1406
11. Dual take-up spooler for metal spools

Payoff: Will take up to 1 36" reel

12. Brownstar dual spooling machine, will take metal spools -
Model #SD-24, Serial #SD-700901

Payoff: Will take up to a 36" reel

Forklifts

1 Hand truck - Model #CL1355-8595, Serial #N297193

1 Fork truck - Model #S-189807, Serial #6277674 (Yale)

Freezer

1 Cincinnati sub-zero products (208 volts, 60 cwc, 1 ph -
Model #W117-100-8-HC, Serial #611031

Lab

1 Wilson Color-o-meter - Model #106, Serial #84-06-024

1 Wilson Color-o-meter - Model #106, Serial #84-06-023

1 Wilson Color-o-meter - Model #106, Serial #29-06-89

1 Wilson Color-o-meter - Model #106, Serial #1018

(See attached Table for additional test equipment)

Tooling

192 Primary tips

257 Primary dies

144 Jacket tips

153 Jacket dies

117 Semi-jacket tips

70 Semi-jacket dies

874 Print wheels

23 Hi-temp tips

29 Hi-temp dies

Computer

CPU: DEC PDP 11/44

512 KB Memory

8 KB Cache Memory

Storage Devices: 3 RK07 Disk drives; 28 MB capacity each
10 Disk packs

Terminals: 2 Decwriter III's
4 VT100's
3 VT101's
1 VT50
(2 terminals are equipped w/word processing keyboards)

Printers: 1 Decprinter I
1 LP25
1 Letterprinter 100

Offices

Miscellaneous desks, chairs, files, calculators, adding machines, etc

Maintenance Tools

A large quantity of small hand tools.

(c) Narrative Description of the Business

The following table illustrates the Company's net sales from continuing operations attributable to its power distribution cable products for each of the three fiscal years ended October 29, 1983, October 27, 1984, and October 26, 1985. (See Note 2 to Consolidated Financial Statements for net sales from discontinued operations.)

	<u>1983</u>	<u>1984</u>	<u>1985</u>
Power Distribution Cable	\$24,473,000	\$35,775,000	\$35,145,000
	=====	=====	=====

POWER DISTRIBUTION CABLE PRODUCTS

Upon the completion of the Mohawk divestiture, the Company will be solely engaged in the power distribution cable business.

Conductron's power cable production facility is equipped to extrude thermoplastic and thermosetting chemical compounds onto conductors (consisting principally of copper or aluminum wire), to cure the extruded product, to combine insulated wires into cables, to sheath and jacket cables, to quality test the finished product, and to package it for delivery.

Power distribution cables are designed to be used in high voltages to maximize the amount of power throughput (wattage). The use of these high voltages necessitates insulation and shielding in distribution applications to maximize system reliability by preventing an electrical discharge which would result in a power failure. The Company manufactures to standards greater than those governed by the industry in order to assure a higher level of product reliability.

Sales of Conductron's line of underground power distribution cable have grown in recent years as underground cable has gained acceptance for use in residential, agricultural, and industrial applications in service areas which are subject to severe weather conditions and in areas where reduction of overhead cable congestion is a major consideration. Additional applications include underwater power transmission, airport lighting systems, and special industrial and scientific uses. For overhead power distribution applications, Conductron markets a proprietary aerial system which permits the use of lightly insulated cable by employing specialty patented spacers to maintain uniform separation among cables and strong steel messenger wire. By limiting the amount of insulation required, cable costs are reduced.

BACKLOG

The Company estimates that its backlog of unfilled orders (primarily for shipment within 12 months) for power distribution cable at October 26, 1985 was \$13,167,000 compared to \$6,777,000 at October 27, 1984. The primary reasons for the increase in backlog were that above average power cable demand continued throughout 1985 as housing starts remained at or near the 1.7 million level and the Company did not experience in fiscal 1985 the delays by customers in releases under blanket orders which were experienced in fiscal 1984. Backlog does not include blanket orders for which releases have not yet been scheduled.

COMPETITION

The markets for Conduccion's power distribution cable products are highly competitive. Conduccion competes on the basis of quality, price, service, and speed of delivery. Most of Conduccion's competitors are larger and have greater financial resources.

RAW MATERIALS AND SUPPLIES

The most important raw materials used by Conduccion are aluminum wire, copper wire, polyvinylchloride and polyethelene. Conduccion enjoys adequate and alternative sources of supply and is not substantially dependent upon any one supplier. During fiscal 1985, no one vendor accounted for more than 31% of Conduccion's total purchases of raw materials used in manufacturing power distribution cable. However, some of the raw materials used by Conduccion are subject to significant price fluctuations, and no assurance can be given that the occurrence of future raw material shortages would not adversely affect the Company.

CUSTOMERS AND MARKETING

The Company sells its power distribution cable to a diversified group of customers within the electrical utility industry. Sales are made throughout the United States to municipal, investor owned, and rural cooperative electrical utilities; and in addition, sales are made to distributors within the electrical utility industry. During 1985, the Company's power distribution cable products were sold to over 200 customers. No customer/distributor accounted for 10% or more of the Company's revenues from sale of power distribution cable in 1985.

The Company markets its power distribution cable products through independent sales representatives and direct company sales personnel. Power distribution cable products are totally manufactured to customer specifications.

LICENSES, PATENTS, TRADEMARKS

Conduccion owns certain patents in connection with its aerial cable systems. Conduccion believes that these patents are beneficial but not essential to its business. Conduccion has not been granted any licenses under any patents, trademarks, or proprietary information owned by others which are, at present, material to the conduct of its business.

PRODUCT DEVELOPMENT

Conduccion directs its efforts in product development and engineering to customer requests for assistance in the development of new products, to improvement of existing products, and to industry needs as perceived by management.

Management intends to expand Conduccion's development and engineering activities in the future which should expand Conduccion's customer base. In addition, considerable time is spent in the process engineering area developing new manufacturing techniques aimed towards securing quality and manufacturing cost advantages.

EMPLOYEE RELATIONS

As of October 26, 1985, Conduccion employed within its power distribution cable unit and corporate office approximately 157 persons on a full-time basis. Conduccion considers its employee relations to be satisfactory.

ENVIRONMENTAL MATTERS

Compliance by Conduccion with Federal, state, and local environmental protection laws has had no material adverse effect upon Conduccion to date. Conduccion believes that it complies in all material respects with applicable Federal and state environmental regulations with respect to its facilities (see Item 3. Legal Proceedings).

Item 2. PROPERTIES

Information regarding the Company's principal plants appears below:

<u>Location</u>	<u>Approximate Facility Size (Sq. ft.) October 26, 1985</u>
Leominster, Massachusetts	120,000 (1)
Milford, New Hampshire	156,000 (2)
	276,000
	=====

(1) Company owned facility used for corporate offices and manufacture of signal cable which is to be sold as part of the divestiture of the Company's Mohawk division.

(2) Company leased facility.

Management believes the facilities are in good condition.

Item 3. LEGAL PROCEEDINGS

In June 1985, Hendrix Wire and Cable ("Hendrix") of Milford, New Hampshire, a division of the Company, received notification from the United States Environmental Protection Agency ("EPA") that Hendrix has been identified as a "potentially responsible party" for the costs of investigating and cleaning-up the Savage Municipal Well site (the "Site") in Milford pursuant to 42 U.S.C. S6901, et seq. The Site has been found to contain certain hazardous substances. EPA has identified three other potentially responsible parties who also operate near the Site. Based on the information presently available to Hendrix, which includes the preliminary results of testing done by an environmental consultant, Hendrix has no reason to believe that it contributed to the pollution found at the Site, and has asserted that position to the EPA. The investigation of the Site and the sources of its pollution by EPA, Hendrix and the other potentially responsible parties is continuing. Accordingly, no prediction as to the outcome of the matter can be made at this time.

There are no other material pending legal proceedings to which the Company is a party or of which any of its property is the subject.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders through solicitation of proxies or otherwise.

PART II

Item 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS

Conduccion's common stock is traded in the over-the-counter market, and the following table sets forth the high and low closing bid prices of the common stock as reported by NASDAQ for the periods indicated. The quotations represent prices between dealers exclusive of retail mark-ups, markdowns or commissions, and do not necessarily represent actual transactions.

	<u>Fiscal</u>	
	<u>1984</u>	<u>1985</u>
First Quarter	\$6.00-4.25	\$3.50-3.50
Second Quarter	4.25-3.00	3.50-3.50
Third Quarter	3.75-2.75	4.75-3.50
Fourth Quarter	3.75-3.00	4.25-2.50

As of February 7, 1986, there were approximately 342 holders of Conduccion's common stock.

Conduccion has not paid any cash dividends on its common stock since its inception. The Board of Directors presently plans to continue this policy. The indenture pursuant to which Conduccion's common stock and 9 1/2% convertible senior subordinated debentures were first offered to the public and the terms of Conduccion's Preferred Stock, place restrictions on Conduccion's ability to pay dividends. In addition, certain of Conduccion's present agreements with banks restrict the payment of dividends on common stock to 50% of net earnings.

Item 6. SELECTED FINANCIAL DATA

CONDUCTRON CORPORATION AND SUBSIDIARIES
SELECTED FINANCIAL DATA

	YEAR ENDED				
	October 31, 1981	October 30, 1982	October 29, 1983	October 27, 1984	October 26, 1985
Net Sales	\$21,796,000	\$21,491,000	\$24,473,000	\$35,775,000	\$35,145,000
Provision for Certain Non-recurring Costs	-	-	-	\$ 1,398,000	-
Gain on Sale of Subsidiary	-	\$ 454,000	-	-	-
Earnings (Loss) from Continuing Operations	\$ 528,000	\$ (745,000)	\$(3,187,000)	\$(1,505,000)	\$ 554,000
Earnings (Loss) from Continuing Operations Available for Common Stock	\$ 410,000	\$ (835,000)	\$(3,104,000)	\$(1,566,000)	\$ 512,000
Earnings (Loss) from Continuing Operations per Common Share	\$.22	\$ (.42)	\$(1.63)	\$ (.78)	\$.2
Net Earnings (Loss)	\$ 1,641,000	\$ (708,000)	\$(3,005,000)	\$(1,655,000)	\$(3,273,000)
Net Earnings (Loss) Available for Common Stock	\$ 1,523,000	\$ (798,000)	\$(3,088,000)	\$(1,716,000)	\$(3,315,000)
Net Earnings (Loss) per Common Share	\$.81	\$ (.40)	\$(1.54)	\$ (.85)	\$(1.6)
Weighted Average Shares Outstanding	1,872,000	2,002,000	2,008,000	2,012,000	2,012,000
Preferred Dividends	\$ 118,000	\$ 90,000	\$ 83,000	\$ 61,000	\$ 42,000
Common Stock Dividends	-	-	-	-	-
Current Assets	\$25,496,000	\$19,766,000	\$20,018,000	\$18,609,000	\$15,210,000
Current Liabilities	\$10,263,000	\$ 8,457,000	\$10,298,000	\$ 9,053,000	\$12,850,000
Working Capital	\$15,233,000	\$11,309,000	\$ 9,720,000	\$ 9,556,000	\$ 2,330,000
Mandatory Redeemable Preferred Stock	\$ 1,000,000	\$ 1,000,000	\$ 800,000	\$ 600,000	\$ 400,000
Long Term Obligations	\$18,388,000	\$19,598,000	\$18,421,000	\$18,119,000	\$ 9,844,000
Total Assets	\$40,082,000	\$38,973,000	\$35,627,000	\$32,197,000	\$24,199,000
Stockholders' Equity	\$ 9,955,000	\$ 9,166,000	\$ 6,053,000	\$ 4,365,000	\$ 1,075,000
Book Value per Common Share	\$4.99	\$4.58	\$3.01	\$2.17	\$.

Results for the years ended October 31, 1981, October 30, 1982, October 29, 1983, October 27, 1984, and October 26, 1985 are not fully comparable. Amounts for the year ended October 31, 1981 have been restated for the acquisition of Middleburg Corporation on November 4, 1981. The acquisition was accounted for on a pooling of interests basis. Amounts for the years ended October 31, 1981, October 30, 1982, and October 29, 1983 have been restated for the divestiture of Middleburg Corporation and Jamestown Metal Manufacturing Company during 1983. Amounts for the years ended October 31, 1981, October 30, 1982, October 29, 1983, October 27, 1984, and October 26, 1985 have been restated for the divestiture of Oxford Precision, Inc. and the Mohawk Wire and Cable division of Conductron Corporation during 1985. (See Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations and Note 2 to Consolidated Financial Statements).

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

The consolidated financial statements for the years ended October 27, 1984 and October 29, 1983 have been reclassified, where appropriate, to conform with the financial statement presentation used in 1985.

During fiscal 1985, Conduccion, through its wholly-owned subsidiary, Conduccion Components, Inc., sold, in a partially redemptive transaction, all of the outstanding shares of the common stock of its Oxford Precision, Inc. subsidiary ("Oxford"); and in addition, adopted, as of October 26, 1985, a plan to divest itself of its Mohawk Wire and Cable division ("Mohawk"). During fiscal 1983, Conduccion, through Conduccion Components, Inc., sold Jamestown Metal Manufacturing Corporation ("Jamestown"); and in addition, sold the assets of its Middco Connector division ("Middco"). As a result, the Consolidated Statement of Operations for fiscal year 1984 has been restated to reflect the results of operations of Oxford and Mohawk as "Loss from operations of discontinued businesses." The Consolidated Statements of Operations for fiscal years 1983, 1982, and 1981 have been restated to reflect the results of operations of Oxford, Mohawk, Jamestown, and Middco as "Loss from operations of discontinued businesses, net of income taxes (benefit)." (See Note 2 to Consolidated Financial Statements.)

Net sales from continuing operations decreased \$630,000 (1.8%) from 1984 to 1985 and increased \$11,302,000 (46.2%) from 1983 to 1984. The slight decrease in revenues from 1984 to 1985 in the Company's power cable division, was a result of both a product mix shift which was less favorable from a production standpoint, resulting in lower manufacturing throughput to revenue in the period, and lower prices due to competitive conditions and lower material costs. The increase in net sales from 1983 to 1984 in the Company's power cable division was a result of both a significantly increased unit volume and higher prices.

Gross profit increased \$198,000 and from 18.8% to 19.7% of sales from 1984 to 1985. This increase was due primarily to material price decreases and operating efficiencies incurred during the first quarter of 1985. This increase was offset somewhat during the remainder of the fiscal year due in large part to the mix shift described above, which adversely affected operating efficiencies; and in addition, lower margins due to competitive conditions. Gross profit increased \$4,214,000 and from 10.2% to 18.8% of sales from 1983 to 1984. Higher volume and operating efficiencies in the power cable unit resulted in improved margins. The Company functioned at levels well below capacity in its power cable facility during 1983.

Selling, general and administrative expenses decreased \$412,000 and from 11.9% to 10.9% of sales from 1984 to 1985. The cost-cutting and containment of expense measures undertaken at the Company's continuing operating unit and corporate office during the past year have continued to

significantly impact the operating performance of the Company. Selling, general and administrative expenses decreased \$46,000 and from 17.5% to 11.9% of sales from 1983 to 1984 due to the commencement of cost-cutting measures referred to above.

As discussed in Note 4 of the Notes to Consolidated Financial Statements, the Company recorded \$1,398,000 of non-recurring charges to continuing operations during 1984.

In the third quarter of 1984, the Company discontinued investment in the fiber optic connector business and as a result wrote off \$544,000 of fiber optic connector assets as these assets were not regarded as recoverable. A \$679,000 non-recurring charge to operations was incurred to write down a note receivable and related receivables originating from the sale of Boston Machine works, a former subsidiary, in 1982 as management believed an impairment in the realizability of such receivables became probable. Other non-recurring charges of \$175,000 relating to contingencies with respect to discontinued products and businesses were also recorded during 1984.

Interest and other income (expense) declined by \$101,000 from 1984 to 1985. The decline is the result of a \$75,000 write-off of the remaining related receivables due from Boston Machine Works (see above) as management believes that the recovery of any amount related to such receivables is now remote. The remainder of the decline is due to a decrease in interest income earned on other declining note receivable balances. Interest and other income declined by \$215,000 from 1983 to 1984 due to a decrease in interest income earned on refundable income taxes and the note taken back on the sale of Boston during 1983.

Interest expense was \$152,000 lower in 1985 than 1984 as a result of the steady decline in the interest rate charged on the Company's revolving credit and term loan agreement and decreased borrowings under the revolving credit. Borrowings decreased during 1985 as a result of the proceeds realized on the sale of the Oxford Precision, Inc. subsidiary offset somewhat by borrowings needed to fund the operations of the Company and reductions in other long-term debt. Interest expense increased \$205,000 from 1983 to 1984 as a result of increased borrowings to fund the operations of the Company and reductions in other long-term debt.

The Company had no income tax expense or benefit during 1985 and 1984. The Company has available book and tax investment credit carry-forwards of \$500,000 which expire from 1994-2000, and a book net operating loss carry-forward of \$5,000,000 (\$7,300,000 for tax purposes) expiring from 1997-2000 which may be used to reduce future taxable income. Capital losses of \$700,000, which may be used to offset future capital gains, expire through 1990. The Company had an income tax benefit, including the \$74,000 tax expense related to discontinued operations, of \$686,000 in fiscal 1983 as a result of partially recognizing the tax effect of the operating loss in fiscal 1983 by the elimination of \$656,000 in deferred tax credits. Additionally, deferred income tax credits were not recognized on 1983 timing differences.

As discussed previously, the Company adopted a plan to divest itself of its Mohawk Wire and Cable division and sold its Oxford Precision, Inc. subsidiary during 1985. Expected proceeds from the divestiture of Mohawk are \$9,000,000, composed of \$6,250,000 in cash and a \$2,750,000 subordinated note. Proceeds from the sale of Oxford were \$3,250,000, composed of \$2,950,000 in cash and a \$300,000 senior subordinated, secured, negotiable promissory note. The Company recognized a loss on the sale of Mohawk and Oxford of \$2,297,000 which has been included as "Estimated loss on sale of discontinued businesses" in the Consolidated Statements of Operations. (See Note 2 to Consolidated Financial Statements.) In addition, during 1985, the Company incurred a \$500,000 charge to discontinued operations to reserve for note receivables originating from the sale of divisions in 1983 as management believed an impairment in the realizability of such receivables became probable. As discussed previously, the Company sold Jamestown and Middco during 1983. Proceeds from the sale of Jamestown were \$1,671,000 composed of \$1,121,000 in cash, a \$175,000 note, and 375 shares of 5% mandatory redeemable preferred stock having a par value of \$1,000 per share. Proceeds from the sale of the assets of Middco were \$1,325,000 consisting of \$725,000 in cash, a 60-day \$100,000 promissory note which has been paid, and a \$500,000 subordinated note. The Company recognized a loss on the sale of Jamestown and Middco of \$89,000 which has been included as "Loss on sale of discontinued businesses" in the Consolidated Statements of Operations (See Note 2 to Consolidated Financial Statements.)

Net loss attributed to common stock was \$3,315,000 (\$1.65 per share) in 1985 as compared to \$1,716,000 (\$.85 per share) in 1984 and \$3,088,000 (\$1.54 per share) in 1983.

Liquidity and Capital Resources

During 1985, working capital decreased by \$7,226,000. The major sources of working capital during 1985 were the non-current assets of discontinued operations, net, \$6,311,000 and earnings from continuing operations, \$1,403,000. Major uses of working capital during 1985 were payments and current installments of long-term debt, \$8,171,000; discontinued operations, \$2,581,000; addition to property, plant and equipment, net, \$1,237,000; and redemption and payment of preferred stock and preferred stock dividends, \$242,000. At the end of fiscal 1985, the ratio of current assets to current liabilities was 1.18:1 versus 2.06:1 a year earlier.

In March, 1984, the Company reached an agreement amending its Revolving Credit and Term Loan Agreement. The amendments changed the agreement from an unsecured to a secured credit facility and reduced the availability under the revolving credit and term loan portion to \$7,650,000. Advances under the amended agreement are based on a formula applied to the Company's accounts receivable and inventory levels. Agreement has been reached to further amend the agreement, effective August 1, 1985, to adjust the formula on a sliding scale basis so as to eliminate inventory levels from the calculation of permitted borrowings on and after April 1, 1986.

At October 26, 1985, the Company was not in compliance with certain financial ratios under the agreement. In addition, the Company's decision to sell Mohawk (which constitutes a substantial portion of the Company's assets) will further violate the agreement. The Company has received waivers of compliance through March 31, 1986. The Company has also received consent from the banks to sell Mohawk. The Company has agreed to use the proceeds from the sale to retire all of the outstanding debt under the agreement and the Industrial Revenue Bonds. As described in Note 2 in the Notes to Consolidated Financial Statements, the Company has reached an agreement in principle to sell Mohawk.

The Company believes that it will have adequate resources to meet its working capital and capital expenditure requirements. The timing and extent of future requirements will depend upon operating results.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
Conduccion Corporation:

We have examined the consolidated balance sheets of Conduccion Corporation and subsidiaries as of October 26, 1985 and October 27, 1984 and the related consolidated statements of operations, changes in common stockholders' equity and changes in financial position for each of the years in the three year period then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned consolidated financial statements present fairly the financial position of Conduccion Corporation and subsidiaries at October 26, 1985 and October 27, 1984, and the results of their operations and the changes in their financial position for each of the years in the three year period then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Peat, Marwick, Mitchell & Co.

PEAT, MARWICK, MITCHELL & CO.

Boston, Massachusetts
February 11, 1986

CONDUCTRON CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

<u>Assets</u>	October 26, <u>1985</u>	October 27, <u>1984</u>
Current assets:		
Cash (note 7)	\$ 459,000	514,000
Accounts receivable, less allowance for doubtful accounts of \$49,000 and \$100,000 (note 7)	3,963,000	7,733,000
Inventories (notes 3 and 7)	4,120,000	9,570,000
Prepaid expenses and other current assets	256,000	636,000
Current portion of notes receivable (note 2)	162,000	156,000
Net current assets of discontinued operations (note 2)	<u>6,250,000</u>	<u>-</u>
Total current assets	<u>15,210,000</u>	<u>18,609,000</u>
Property, plant and equipment, at cost		
(notes 5 and 7)	6,506,000	15,046,000
Less accumulated depreciation and amortization	<u>1,527,000</u>	<u>3,864,000</u>
Net property, plant and equipment	<u>4,979,000</u>	<u>11,182,000</u>
Net non-current assets of discontinued operations		
(note 2)	2,750,000	-
Notes receivable (note 2)	275,000	675,000
Other assets	395,000	520,000
Deferred debenture costs	590,000	643,000
Costs in excess of net assets acquired (note 1)	<u>-</u>	<u>568,000</u>
	<u>\$ 24,199,000</u>	<u>32,197,000</u>
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Current portion of long-term debt (note 7)	6,775,000	1,503,000
Accounts payable	3,898,000	5,691,000
Accrued liabilities	1,459,000	1,859,000
Provision for discontinued operations (note 2)	<u>748,000</u>	<u>-</u>
Total current liabilities	<u>12,880,000</u>	<u>9,053,000</u>
Long-term senior debt (note 7)	191,000	8,560,000
Other non-current liabilities	-	60,000
9-1/2% convertible senior subordinated debentures, net (note 7)	9,456,000	9,162,000
Long-term subordinated debt (note 7)	197,000	397,000
Mandatory redeemable preferred stock (note 8)	400,000	600,000
Common stockholders' equity (notes 6 and 7):		
Common stock	20,000	20,000
Capital in excess of par value	6,663,000	6,638,000
Accumulated deficit	<u>(5,608,000)</u>	<u>(2,293,000)</u>
Total common stockholders' equity	<u>1,075,000</u>	<u>4,365,000</u>
	<u>\$ 24,199,000</u>	<u>32,197,000</u>

See accompanying notes to consolidated financial statements.

CONDUCTRON CORPORATION AND SUBSIDIARIES

Consolidated Statements of Operations

	Year ended		
	October 26, 1985	October 27, 1984	October 29, 1983
Net sales	\$ 35,145,000	35,775,000	24,473,000
Cost of goods sold	<u>28,233,000</u>	<u>29,061,000</u>	<u>21,973,000</u>
Gross profit	6,912,000	6,714,000	2,500,000
Selling, general and administrative expenses	3,832,000	4,244,000	4,290,000
Provision for certain non-recurring costs (note 4)	-	1,398,000	-
Interest and other income	<u>38,000</u>	<u>139,000</u>	<u>354,000</u>
Earnings (loss) from continuing operations before interest and income taxes	3,118,000	1,211,000	(1,436,000)
Interest expense	<u>2,564,000</u>	<u>2,716,000</u>	<u>2,511,000</u>
Earnings (loss) from continuing operations before income taxes	554,000	(1,505,000)	(3,947,000)
Income tax benefit	-	-	<u>(760,000)</u>
Earnings (loss) from continuing operations	<u>554,000</u>	<u>(1,505,000)</u>	<u>(3,187,000)</u>
Discontinued operations (note 2):			
Earnings (loss) from operations of discontinued businesses, net of income taxes of \$74,000 in 1983	(1,030,000)	(150,000)	271,000
Estimated loss on sale of discontinued businesses	<u>(2,797,000)</u>	<u>-</u>	<u>(89,000)</u>
Earnings (loss) from discontinued operations	<u>(3,827,000)</u>	<u>(150,000)</u>	<u>182,000</u>
Net loss	\$ <u>(3,273,000)</u>	<u>(1,655,000)</u>	<u>(3,005,000)</u>
Net loss attributable to common shares outstanding	\$ <u>(3,315,000)</u>	<u>(1,716,000)</u>	<u>(3,088,000)</u>
Weighted average number of common shares outstanding	<u>2,012,000</u>	<u>2,012,000</u>	<u>2,008,000</u>
Loss per common share:			
Earnings (loss) from continuing operations	\$.25	(.78)	(1.63)
Earnings (loss) from discontinued operations	<u>(1.90)</u>	<u>(.07)</u>	<u>.09</u>
Net loss	\$ <u>(1.65)</u>	<u>(.85)</u>	<u>(1.54)</u>

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Common Stockholders' Equity

	Total stockholders' equity	Number of shares	Amount	Capital in excess of par value	Retained earnings (deficit)
Balance at October 30, 1982	\$ 9,166,000	2,002,000	\$ 20,000	\$ 6,635,000	\$ 2,511,000
Issuance of common stock to officer	17,000	25,000	-	17,000	-
Partial cancellation of stock obligation with officer	(25,000)	(15,000)	-	(25,000)	-
Net increase in officer's note	(17,000)	-	-	(17,000)	-
Preferred stock dividends	(83,000)	-	-	-	(83,000)
Net loss	(3,005,000)	-	-	-	(3,005,000)
Balance at October 29, 1983	6,053,000	2,012,000	20,000	6,610,000	(577,000)
Net reduction in officer's note	28,000	-	-	28,000	-
Preferred stock dividends	(61,000)	-	-	-	(61,000)
Net loss	(1,655,000)	-	-	-	(1,655,000)
Balance at October 27, 1984	4,365,000	2,012,000	20,000	6,638,000	(2,293,000)
Net reduction in officer's note	25,000	-	-	25,000	-
Preferred stock dividends	(42,000)	-	-	-	(42,000)
Net loss	(3,273,000)	-	-	-	(3,273,000)
Balance at October 26, 1985	\$ 1,075,000	2,012,000	\$ 20,000	\$ 6,663,000	\$ (5,608,000)

See accompanying notes to consolidated financial statements.

CONDUCTION CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Financial Position

	Year ended		
	October 26, 1985	October 27, 1984	October 29 1983
Sources of working capital:			
Earnings (loss) from continuing operations	\$ 554,000	(1,505,000)	(3,187,000)
Items which do not use (provide) working capital:			
Depreciation and amortization	774,000	764,000	706,000
Provision for deferred taxes	-	-	(656,000)
Provision for write-down of non-current receivable from former subsidiary	75,000	500,000	-
Write-off of fiber optic connector assets	-	544,000	-
Working capital (used) provided by continuing operations	<u>1,403,000</u>	<u>303,000</u>	<u>(3,137,000)</u>
Earnings (loss) from discontinued operations	(3,827,000)	(150,000)	182,000
Items which do not use working capital:			
Depreciation and amortization	746,000	853,000	1,149,000
Provision for write-down of non-current receivable from former subsidiary	500,000	-	-
Working capital (used) provided by discontinued operations	<u>(2,581,000)</u>	<u>703,000</u>	<u>1,331,000</u>
Working capital (used) provided by operations	<u>(1,178,000)</u>	<u>1,006,000</u>	<u>(1,806,000)</u>
Non-current assets of subsidiaries sold, net	6,311,000	-	648,000
Sales of property, plant and equipment	51,000	21,000	607,000
Proceeds from long-term debt	158,000	881,000	4,134,000
Current portion of notes receivable	179,000	109,000	(31,000)
Other	12,000	33,000	2,000
Total sources of working capital	<u>5,533,000</u>	<u>2,050,000</u>	<u>3,554,000</u>
Uses of working capital:			
Net non-current assets of discontinued operations	2,750,000	-	-
Additions to property, plant and equipment	1,288,000	469,000	1,312,000
Increase in other assets	8,000	54,000	312,000
Payments and current installments of long-term debt	8,171,000	1,430,000	2,580,000
Redemption and payment of preferred stock	200,000	200,000	200,000
Payment of preferred stock dividends	42,000	61,000	83,000
Issuance of notes receivable	300,000	-	656,000
Total uses of working capital	<u>11,909,000</u>	<u>2,214,000</u>	<u>5,143,000</u>
Decrease in working capital	\$ <u>(7,226,000)</u>	<u>(164,000)</u>	<u>(1,589,000)</u>
Analysis of decrease in working capital:			
Cash	\$ (55,000)	107,000	23,000
Accounts receivable	(3,770,000)	(98,000)	1,281,000
Inventories	(5,450,000)	(471,000)	(423,000)
Prepaid expenses and other current assets	(364,000)	(948,000)	945,000
Refundable income taxes	(16,000)	(5,000)	(1,555,000)
Current portion of notes receivable	6,000	6,000	(19,000)
Net current assets of discontinued operations	6,250,000	-	-
Current portion of long-term debt	(5,272,000)	42,000	481,000
Accounts payable	1,793,000	1,307,000	(1,892,000)
Accrued liabilities	400,000	(104,000)	(430,000)
Provision for discontinued operations	(748,000)	-	-
Decrease in working capital	\$ <u>(7,226,000)</u>	<u>(164,000)</u>	<u>(1,589,000)</u>

See accompanying notes to consolidated financial statements.

TRADEMARK
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CONDUCTRON CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(1) Summary of Financial Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements include the accounts of the parent company and its subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation.

(b) Fiscal Year

The fiscal year of the Company ends on the last Saturday in October.

(c) Inventories

Inventories are valued at the lower of cost (first-in, first-out (FIFO)) or market. Inventory valued on a job order cost basis constituted 19% and 15% of total inventories at October 27, 1984 and October 29, 1983, respectively.

(d) Depreciation and Amortization

The Company provides for depreciation of property, plant and equipment on the straight-line method for financial reporting purposes and accelerated methods for income tax purposes.

Original issue discount and deferred debenture costs are amortized over the term of the bonds, using the interest method.

Costs in excess of net assets acquired (\$640,000) was being amortized over a 40-year period. At October 26, 1985, the remaining balance was written off as part of the sale of the Company's Mohawk Wire & Cable Division.

(e) Income Taxes

Investment tax credits are recorded as a reduction of the provision for Federal income taxes by the flow through method.

Deferred income taxes are provided for timing differences in the recognition of revenue and expense for tax and financial reporting purposes.

(f) Loss Per Common Share

Loss per common share in each of the three years in the period ended October 26, 1985 has been computed based upon the weighted average number of common shares outstanding during the year, after provision for preferred dividends.

(2) Acquisitions and Dispositions

In April 1982, the Company sold Boston Machine Works, a former subsidiary, for \$1,750,000 consisting of \$1,150,000 in cash and a note for \$600,000. After the divestiture the Company also provided additional working capital under separate credit arrangements. In July 1984, Management believed an impairment in the realizability of such receivables became probable and, accordingly, wrote down the receivables to \$75,000. In July 1985, the remaining \$75,000 of related receivables was written off as management believes that the recovery of any amount related to such receivables is now remote.

CONDUCTRON CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

On October 13, 1983, the Company, acting through its wholly-owned subsidiary, Conduccion Components, Inc., sold all of the outstanding shares of the common stock of Jamestown Metal Manufacturing Corporation (Jamestown). The sale price was based on the net book value (as defined), subject to certain adjustments, of Jamestown at July 30, 1983 and the agreement provided that all income and expense of Jamestown after that date was for the account of the buyer. The sale was for \$1,671,000 composed of \$1,121,000 in cash, a \$175,000 senior subordinated promissory note bearing interest at the rate of 10% per annum and payable in quarterly installments of \$6,250 commencing December 1983 to September 1984, \$12,500 commencing December 1984 to September 1985 and \$25,000 commencing December 1985 to September 1986, and 375 shares of 5% mandatory redeemable preferred stock having a par value of \$1,000 per share redeemable on October 1988. In March 1985, the Company signed a memorandum of understanding whereby the Company agreed to a temporary 90-day moratorium on its rights to receive principal and interest payments on the promissory note and also agreed that said temporary moratorium may be extended for additional 90-day periods upon agreement of both parties. Temporary 90-day moratoriums on interest and principal payments under the promissory note were agreed upon in June 1985 and September 1985.

On November 23, 1983, the Company sold substantially all the assets of its Middco Connectors Division (Middco) for \$725,000 in cash, a 60-day \$100,000 promissory note and a \$500,000 subordinated note bearing interest at the rate of 10% per annum and principal payable in November 1990.

On June 18, 1985, the Company, acting through its wholly-owned subsidiary, Conduccion Components, Inc., sold, in a partially redemptive transaction, all of the outstanding shares of the common stock of its Oxford Precision, Inc. subsidiary ("Oxford"). Immediately prior to the sale, certain assets used in the Oxford business, including fixed assets which had been leased, were added to Oxford's asset base. The sale was for \$3,250,000 composed of \$2,950,000 in cash and a \$300,000 senior subordinated secured negotiable promissory note bearing interest at prime and payable in three installments of \$100,000 each on June 17, 1986, December 17, 1986, and June 17, 1987, respectively.

The Company has reached an agreement in principal to sell the net assets of its Mohawk Wire & Cable Division ("Mohawk") for \$9,000,000 consisting of \$6,250,000 in cash, a five year 8% promissory note for \$2,750,000 and a warrant to acquire shares of the purchaser. The note is payable in three installments. Each of the first two installments are for \$1,000,000 in principal without interest, and the third and final installment will be for \$750,000 in principal, plus all accrued interest. The first, second and third installments are due in 1989, 1990 and 1991, respectively.

(Continued)

CONDUCTRON CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

The note will be secured by all personal property of the purchaser of Mohawk but will be subordinate to the purchaser's senior indebtedness. Proceeds from the sale of any collateral securing the purchaser's senior lenders and the Company will be first paid to the senior lender providing, however, that only the first \$1,000,000 received from the sale of machinery and equipment will be paid to the senior lender.

The results of operations of Mohawk, Oxford, Jamestown and Middco have been reclassified in the consolidated statement of operations as "Earnings (loss) from operations of discontinued businesses, net of income taxes." Net sales of the discontinued operations aggregated \$18,113,000 in 1985, \$25,695,000 in 1984 and \$31,547,000 in 1983. "Loss on sale of discontinued businesses" in 1985 includes the net effect of the sale of Mohawk and Oxford and the write-off of a \$500,000 note receivable from a previously discontinued operation, and the net effect of the sale of Jamestown and Middco, in 1983.

(3) Inventories

	October 26, <u>1985</u>	October 27, <u>1984</u>
Raw materials	\$ 2,265,000	3,778,000
Work in process	945,000	3,028,000
Finished goods	<u>910,000</u>	<u>2,764,000</u>
	<u>\$ 4,120,000</u>	<u>9,570,000</u>

A \$605,000 non-recurring charge was recorded in April 1984 to provide for the write-down of inventory to estimated net realizable value attributable to a discontinued product line at the Company's Mohawk Wire & Cable Division. This non-reconciling charge has been reclassified to loss from operations of discontinued business.

(4) Provision for Certain Non-Recurring Costs

Non-recurring charges to continuing operations of \$1,398,000 attributable primarily to the write-down of the carrying value of certain assets, were recorded during the year ended October 27, 1984 as summarized below:

Provision for write-down of receivable from former subsidiary (note 2)	\$ 679,000
Provision for write-off of fiber optic connector assets	544,000
Other	<u>175,000</u>
	<u>\$ 1,398,000</u>

(Continued)

CONDUCTRON CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

In July 1984, Management decided to discontinue investment in the fiber optic connector business and as a result provided \$544,000 to write off the fiber optic connector assets, including \$254,000 of molds included in property, plant and equipment and \$290,000 of other fiber optic assets and patents included in other assets, which are not presently regarded as recoverable.

Other non-recurring charges of \$175,000 were recorded in July 1984 relating to contingencies with respect to discontinued products and businesses.

(5) Property, Plant and Equipment

	October 26, 1985	October 27, 1984
Land and land improvements	\$ -	356,000
Buildings	1,161,000	3,868,000
Machinery and equipment	5,345,000	10,822,000
	6,506,000	15,046,000
Less accumulated depreciation and amortization	1,527,000	3,864,000
Net property, plant and equipment	\$ 4,979,000	11,182,000

(6) Common Stockholders' Equity and Debentures

In February 1981, the Company sold 13,000 units which consisted of 390,000 shares of common stock and \$13,000,000 of 9-1/2% convertible senior subordinated debentures due 1996. Proceeds of \$11,891,000 were used to reduce other indebtedness, to finance plant expansion and for working capital purposes. The Company had \$13,000,000 of debentures outstanding at October 26, 1985 and October 27, 1984.

At October 26, 1985 and October 27, 1984, the Company had 5,000,000 shares of \$.01 par value common stock authorized. There were 2,012,000 shares issued and outstanding at October 26, 1985 and October 27, 1984.

In October 1980, the Company sold 60,000 shares of common stock to an officer for \$30,000 in cash and a \$270,000 note, less unamortized discount of \$83,820 with an imputed interest rate of 10%. In March 1983, the Company negotiated a severance agreement with the officer whereby the obligation to purchase 15,000 shares of common stock was cancelled for the return of \$25,000 in cash and the issuance of a new \$166,000 note (due March, 1986), less unamortized discount of \$37,000 with an imputed interest rate of 10%. In addition, in March 1983, the Company sold 25,000 shares of common stock to an officer for \$17,500 in cash and a \$70,000 note with interest at 9%. The notes, net of amortized discount, are included in capital in excess of par and are payable in annual installments through 1987. The net amount of the note outstanding was \$157,000 in 1985 and \$182,000 in 1984.

(Continued)

CONDUCTRON CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(7) Long-term Senior and Subordinated Debt

	October 26, <u>1985</u>	October 27, <u>1984</u>
Long-term senior debt:		
Note to seller, payable annually through 1985: interest quarterly at 10%; secured by letter of credit	\$ -	843,000
Industrial development revenue bonds: payable in installments through 2001, interest at 8-1/2% and 70% of prime subject to 7-1/2% minimum	1,800,000	2,685,000
Revolving credit and term loan agreement, interest at prime	4,600,000	5,980,000
Other notes, interest from 9% to 12%, secured by assets of Hendrix	<u>366,000</u>	<u>355,000</u>
	6,766,000	9,863,000
Less current installments	<u>6,575,000</u>	<u>1,303,000</u>
Long-term senior debt, excluding current portion	\$ <u>191,000</u>	<u>8,560,000</u>
Convertible senior subordinated debentures due 1996 (less unamortized discount of \$3,544,000 and \$3,838,000 in 1985 and 1984, respectively), interest semi-annually at 9-1/2%	\$ <u>9,456,000</u>	<u>9,162,000</u>
Subordinated debt:		
Subordinated note due in equal annual install- ments to June 1987, interest at 15%	\$ 397,000	597,000
Less current installments	<u>200,000</u>	<u>200,000</u>
	\$ <u>197,000</u>	<u>397,000</u>

In June 1981, the Company negotiated \$15 million of unsecured credit facilities with three banks. The facilities consisted of \$3 million of Industrial Revenue Bonds and \$12 million of availability under a revolving credit and term loan agreement (the "agreement"). In January 1983, as a condition to granting the required approval for financing by several lenders to the Company's former Jamestown subsidiary (note 2), the availability under the agreement was reduced from \$12,000,000 to \$9,000,000. During March 1984, the Company reached an agreement further amending the agreement. The amendments changed the agreement from an unsecured to a secured credit facility and reduce the availability to \$7,650,000. Advances under the amended agreement are based on a formula applied to the Company's accounts receivable and inventory levels. Agreement has been reached to further amend the agreement, effective August 1, 1985, to adjust the formula on a sliding scale basis so as to eliminate inventory levels from the calculation of permitted borrowings on and after April 1, 1986.

At October 26, 1985 the Company was not in compliance with certain covenants of the agreement referred to above. Additionally, the Company's planned sale of Mohawk (which constitutes a substantial portion of the Company's assets) requires the consent of its Bank lenders under the terms of the agreement. The Company has received debt compliance waivers through **TRADEMARK**, 1986 and

CONDUCTRON CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

has also received the required consent to sell Mohawk. The Company has agreed to use the proceeds from the sale to retire all of the outstanding debt under the agreement and the Industrial Revenue Bonds. As described in note 2, the Company reached an agreement in principal to sell Mohawk in March 1986.

The 9-1/2% convertible senior subordinated debentures were issued at an original issue discount of \$352.50 (effective annual yield of 18%). The conversion price is \$25 subject to adjustment to prevent dilution. The debentures are redeemable, at the Company's option, in whole or in part any time on or after February 15, 1982 at 100% plus accrued interest. Commencing February 15, 1987, the Company must retire annually 10% (\$1,300,000) of the original principal amount of debentures. The Company may, at its option, receive credit for bonds converted or redeemed other than through the operation of the sinking fund.

Interest on the revolving credit is at prime. Commitment fees on the unused portion of the line are 1/2%.

The agreement provides for compensating balances of 5% of the outstanding loans and 5% of the average amount of the credit.

The bond indenture and revolving credit and term loan agreement contain, among other provisions, requirements for maintaining certain working capital and financial ratios and restrictions on cash dividends (which are limited to 50% of net earnings in any year). As part of the amendments to the Company's credit facility certain financial covenants relating to liquidity, capitalization and indebtedness were revised.

Maturities of long-term senior and subordinated debt are as follows:

Year ended	
1986	\$ 6,775,000
1987	1,604,000
1988	1,341,000
1989	1,322,000
1990	1,321,000
1991 and thereafter	7,800,000

(8) Mandatory Redeemable Preferred Stock

In February 1981, the Company issued 10,000 shares of 9% \$100 par value mandatory redeemable preferred stock due in 1987. The Company is obligated to redeem the shares at par plus accumulated dividends at the rate of 1,000 shares semi-annually commencing from June 1, 1983 to June 1, 1987. The shares are subject to redemption at the option of the Company at any time at par value plus accumulated dividends. There were 4,000 and 6,000 of these shares issued and outstanding at October 26, 1985 and October 27, 1984, respectively.

(Continued)

CONDUCTRON CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(9) Stock Options and Warrants

The Company has granted options to certain members of management and employees to purchase 120,587 shares of common stock at prices ranging from \$3.50 to \$14.50 per share. The options are exercisable in ratable amounts commencing in 1981 and ending in 1988. Options not exercised will expire from 1985 through 1994. At October 26, 1985, there were 63,312 shares exercisable. No options have been exercised and there are 114,413 shares reserved for future issuance. All options are granted at 100% of fair market value on the date of the grant.

In conjunction with its common stock and debenture sale, the Company, in February 1981, issued warrants to purchase 65,000 shares of stock at \$14.10 per share. The warrants are exercisable from February 1982 through February 1986.

(10) Profit Sharing Plan

The Company has two qualified profit-sharing plans covering substantially all full-time employees at its two operating divisions, Hendrix Wire & Cable and Mohawk Wire & Cable. The Company, at its discretion, may contribute any amount not in excess of the maximum permitted by the Internal Revenue Code. The Company's Jamestown subsidiary, which was sold in October 1983 (note 2), had a non-contributory retirement plan covering substantially all salaried employees. The Company's Oxford subsidiary, which was sold in 1985, had a qualified profit sharing plan covering substantially all employees.

	October 26, 1985	October 27, 1984	October 29, 1983
Profit sharing expense	\$ 75,000	75,000	58,000
Pension expense	\$ -	-	154,000

(11) Related Party Transactions

The Company has leased equipment from Federal Street Leasing Company, a commonly-owned affiliate. Total expense was \$124,000, \$154,000, and \$154,000 for the years ended October 26, 1985, October 27, 1984 and October 29, 1983, respectively. As of June 18, 1985, in accordance with the agreement to sell its Oxford Precision subsidiary, the Company paid a lease in full for \$103,000 and title to equipment passed to the Oxford Precision subsidiary. At October 26, 1985, as part of the proposed agreement to sell its Mohawk Wire and Cable Division, the Company has accrued \$60,000 to pay a lease in full and title to the equipment will pass to the purchaser of the Mohawk Wire and Cable Division.

Fees for management and consulting services provided to the Company and its subsidiaries aggregating \$78,000, \$97,000, and \$111,000 for the years ended October 26, 1985, October 27, 1984 and October 29, 1983, respectively, were paid to Thomas H. Lee Company, a private investment company owned by Mr. Lee who is a principal stockholder of the Company. In addition, the Company paid one of its former directors \$25,000 in 1984 and 1983 for consulting services.

TEST EQUIPMENT

EQUIPMENT	MANUFACTURER	MODEL No	DESCRIPTION	MONAUX No.
FAULT LOCATOR	HEWLETT-PACKARD	H08-1415A	FAULT LOCATOR	L100
OSCILLOSCOPE	HEWLETT-PACKARD	140A	SCOPE	L101
WHEATSTONE BRIDGE	SHALCROSS	638R	OHM METER .00001-11 OHMS	L102
50 OHM STANDARD	GENRAD	36401	REFERENCE	L103
IMPEDENCE BRIDGE	GENRAD	SN 12305 650A	CAPACITANCE, RES., IMP. BRIDGE	L104
DC POWER SUPPLY	B+K	SN 2417368 1601	0-50 V D.C., .05-2 A	L105
SIGNAL GENERATOR	TEXTRONIX	SN 004791 191	CONSTANT AMPLITUDE SIG. GEN.	L106
PULSE GENERATOR	HEWLETT-PACKARD	SN 0100411355 80128	0-50 MHz RATE	L107
VOLTMETER	HEWLETT-PACKARD	SN 09V6A03737 8405A	VOLTAGE AND PHASE MEASUREMENT	L108
IMPEDENCE BRIDGE	GENRAD	SN 5377 1650B	R.C.L.G. MEASUREMENTS	L109
75 OHM STANDARD	HEWLETT-PACKARD	297	REFERENCE	L110
PERMAS WEIGHTS	FISHER SCIENTIFIC		REFERENCE 1, 2, 5, 10, 20, 50 GRAM WEIGHTS	L111
FREQUENCY COUNTER	B+K, DYNASCAN	SN 62-06333 1820	5 Hz - 80 Hz	L112
PIN GAUGE	HEWLETT-PACKARD	M0407	.060 REFERENCE	L113
PIN GAUGE	HEWLETT-PACKARD		.250 REFERENCE	L114
DECADE CAPACITOR	GENRAD	SN 965 1419K	.001 MFD - 11 MFD	L115
DECADE RESISTER	GENRAD	SN 27878 1432-X	.1 OHM - 10 K OHM	L116
PYROMETER	OMEGA	SN 96212336 8020		L117
CAPACITANCE METER	IET	SN 790262 CM500	1 PF - .2 FD	L118
MEG OHM METER	GENRAD	SN 2702 1864	HIGH VOLT MEGOHMMETER	L119
THERMOCOUPLE THERM.	COLEPARMER	SN 229133 9520-40	-60° to +2000° F	L120

EQUIPMENT	MANUFACTURER	MODEL No	DESCRIPTION	MONAGE No.
RF ANALYZER	WILTRON	SN 017029 640	RF ANALYZER	L121
KLYSTRON OSCILLATOR	GENRAD	SN 449 1220-A	MICROWAVE OSCILLATOR	L122
UNIT OSCILLATOR	GENRAD	SN 4200 1209-B	FREQ OSC. 250-920 MHZ	L123
UNIT POWER SUPPLY	GENRAD	SN 8696 1203B	6.3-300V	L124
UNIT OSCILLATOR	GENRAD	SN 2330 1208B	65-500 MHZ	L125
IF AMPLIFIER	GENRAD	SN 2460 1216A	L.O./ATTEN. 30 MHZ	L126
REGULATED POWER SUPPLY	GENRAD	SN 3021 1201B	6.3-300V	L127
UNIT OSCILLATOR	GENRAD	SN 3015 1214A	400 MHZ, 1000 MHZ	L128
ELECTRO STATIC VOLT METER	SINGER	SN 024174 ESH	VOLTAGE REFERENCE 0-30KV	L129
REFLECTOR	GILBERT	SN 1408 75 OHM	75 OHM REFLECTOR	L130
OSC SCOPE w/ MULTIMETER	HEWLETT-PACKARD	SN J133A02731 1715A	MEAS. HIGH FREQ. SIGNALS	L131
LOG TRANSMISSION PLUG-IN	WILTRON	SN 909004 640T-75		L132
SWEEP GENERATOR	WILTRON	SN 914010 640G-75		L133
LOG REFLECTION PLUG IN	WILTRON	SN 807015 640R-75		L134
DIGITAL MULTIMETER	BIK, DYNASEAN	2830	DCV, ACV, DCA, ACA, OHM MEAS.	L135
TENSILE TEST UNIT	SCOTT	SN C6347 X-L	TENSILE ELONGATION 0-10 lbs 0-25 lbs 0-75 lbs	L142
TENSILE TEST UNIT	CHATILLON	MODEL # 1	TENSILE ELONGATION 0-25 lbs 0-500 lbs	L143
FIBER OPTIC TDR	TEXTRONIX	OF 150	FIBER OPTIC TDR	L146
ANALYTICAL BALANCE	CENCO	3620	.1 - 1000 GRAMS SCALE	L136
THERMOSTAT	HARSH		TEMP. MONITOR FOR OVEN (113°)	L137
THERMOSTAT	HARSH		TEMP. MONITOR FOR OVEN (136°)	L138
THERMOSTAT	MARSH			L139
OPTICAL COMPARATOR	R.S. WILDER	8148	OPTICAL MEASUREMENTS	L140
MICROSCOPE	BAUSH & LOEB		40X MICROSCOPE w/SCALE	L141
PIN GAUGES	MEYER	M-1 PLUS	C.O.C. TRACEABLE TO NBS	L144
PIN GAUGES	MEYER	M-0 PLUS	C.O.C. TRADEMARK TRACEABLE TO NBS	L145

Schedule B
to Exhibit 1.1
OCTOBER 26, 1985
PHYSICAL INVENTORY
YEAR-END

<u>Item</u>	<u>Physical @ Standard</u>	<u>Reserve</u>	<u>Net Inventory</u>
<u>Raw Materials</u>			
Copper, wire & alloys	\$ 348,333.20	\$	\$
Compounds	333,750.69		
Concentrates	36,819.02		
Tapes	99,896.31		
Fillers	18,519.35		
Inks & thinners	6,056.25		
Connectors - CC	141,615.05		
Fiberoptic	23,032.87		
Total Raw Materials	\$1,008,022.74	\$ 50,000.00	\$ 958,022.7
<u>Work-In-Process</u>			
Raw Material in WIP	187,734.78		
Bleeder Scrap	3,599.89		
Insulated scrap	1,548.00		
Single ends - in process	111,823.21		
Single ends - stock	101,777.95		
Extrusion - primary & jacket	148,309.32		
Cable & twist	118,155.51		
Braid	8,456.67		
Inspection	11,591.04		
Camera cable	25,779.18		
Fiberoptic	39,547.72		
Total WIP	\$ 758,323.27	\$ -0-	\$ 758,323.
<u>Finished Goods</u>			
Stock - PVC	375,803.21		
Stock - Hi-Temp	479,267.96		
OEM - PVC	199,491.70		
OEM - Hi-Temp	51,838.63		
Camera Cable	2,334.97		
Fiberoptic	17,402.34		
Warehouse: F.M. Nicholas	66,954.67		
Agents West	73,414.31		
Empire Sales	7,861.55		
Monfort	12,949.39		
Total Finished Goods	\$1,287,318.73	\$ 50,000.00	\$1,237,318
TOTAL INVENTORY	\$3,053,664.74	\$ 100,000.00	\$2,953,664

Inventory to be transferred is that existing on **TRADEMARK** te.

Exhibit 1.2
to Asset Purchase Agreement

LIABILITIES

The Liabilities consist of (x) all trade liabilities of the Seller that are liabilities to third parties not affiliated with Seller directly or indirectly, and that relate to the business of Mohawk, were incurred in the normal course of business of Mohawk prior to the Closing, have not been discharged by the Seller prior to the Closing, and are of a nature which, in accordance with generally accepted accounting principles, are required to be disclosed on a balance sheet (the "Trade Liabilities") and (y) except for obligations that are noted to be retained by Seller on Exhibit 2.8 hereto all contractual obligations of the Seller that are obligations to third parties not affiliated with Seller directly or indirectly, and that relate to the business of Mohawk, were incurred in the normal course of business of Mohawk prior to the Closing, have not been discharged by the Seller prior to the Closing, and are disclosed on Exhibit 2.8 hereto or that, if it were not for the \$10,000 threshold of that Exhibit would have been disclosed thereon (the "Contractual Obligations"), provided that: (a) if such Trade Liabilities or Contractual Obligations arose on or before October 26, 1985, they are disclosed on the Audited Balance Sheet set forth at Exhibit 1.2(a) to the Agreement and if such Contractual Obligations arose at any time on or before January 27, 1986, they are disclosed on Exhibit 2.8 to the Agreement (or would have been disclosed thereon if it were not for the \$10,000 threshold of that Exhibit), (b) if such Trade Liabilities arose after October 26, 1985, and on or prior to the date of the Pre-Closing Balance Sheet and if such Contractual Obligations arose after January 27, 1986, and on or prior to the date of the Pre-Closing Balance Sheet, they are to be disclosed on the Pre-Closing Balance Sheet, and (c) if such Trade Liabilities and such Contractual Obligations are not described within (a) or (b) above, then they arose after the date of the Pre-Closing Balance Sheet and prior to Closing; provided, however, that the Purchaser does not assume or agree to pay, perform or discharge, and the Seller shall retain and be responsible for: (i) any liability or contractual commitment of Mohawk not within the definitions of Trade Liabilities or Contractual Obligations set forth in this Exhibit 1.2, (ii) debts, liabilities or obligations arising under any contract which has not been assigned to Purchaser so that Purchaser will enjoy the full benefits thereunder, (iii) any product liability, known or unknown, or other liability not within the definitions of Trade Liabilities or Contractual Obligations set forth in this Exhibit 1.2 arising from any act or

omission of Mohawk or the Seller, (iv) liabilities or obligations of Seller resulting or arising from claims for personal injury or property damage or out of any breach or any non-performance by Seller of any contract, commitment or obligation imposed by law or otherwise, (v) any obligations or liabilities of the Seller to the Purchaser or its assignees under or arising in connection with the Agreement or the Real Property Purchase Agreement or by reason of the transactions contemplated by the Agreement or the Real Property Purchase Agreement, (vi) any obligations or liabilities of the Seller to its stockholders (past or present) as such, (vii) legal, accounting, brokerage, finder's fee, taxes or other expenses incurred by Seller in connection with the Agreement or the Real Property Purchase Agreement or the consummation of the transactions contemplated thereby, or (viii) federal, state or local income, franchise, excise, sales, use, property, payroll or similar taxes imposed on Seller, except as may be otherwise expressly provided in the Agreement.

All of the Trade Liabilities existing as of the date of the Audited Balance Sheet are set forth in detail at Schedule A hereto and an updated detailed list of all such Trade Liabilities outstanding as of the date of the Pre-Closing Balance Sheet (as defined in the Agreement) shall be provided by the Seller pursuant to the Officer's Certificate called for in Section 5.2 of the Agreement.

All Contractual Obligations as of the date of the Agreement, with the exception of those which do not meet the \$10,000 threshold amount, are set forth at Exhibit 2.8 hereto. Exhibit 2.8 will be updated to reflect in detail all Contractual Obligations involving an amount in excess of \$10,000 outstanding as of the date of the Pre-Closing Balance Sheet pursuant to the above described Officer's Certificate.

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Exhibit 1.3(a)
ALL LANGUAGE IN SECTION 9
SUBJECT TO REASONABLE APPROVAL
OF PATRIOT BANK; CHANGES
THERETO SUBJECT TO
REASONABLE APPROVAL
OF CONDUCTRON

MOHAWK WIRE AND CABLE CORPORATION

PROMISSORY NOTE

\$2,600,000

Boston, Massachusetts
March __, 1986

1. Promise to Pay. For value received, MOHAWK WIRE AND CABLE CORPORATION, a Delaware corporation (the "Company"), hereby promises to pay to the order of CONDUCTRON CORPORATION, a Massachusetts corporation ("Conductron"), the principal sum of Two Million Six Hundred Thousand Dollars (\$2,600,000) or such lesser principal amount as may be outstanding from time to time hereunder, in lawful currency of the United States, together with accrued interest on the amount of said principal sum remaining unpaid from time to time from the date of this Note until due and payable, at a per annum simple rate equal to 8.000% (the "Interest Rate"). Interest on any overdue principal and, to the extent permitted by applicable law, any overdue interest for any period during which the same shall be overdue shall accrue for any period at the lesser of (i) the maximum legal rate of interest permitted by applicable law or (ii) the greater of (a) the Interest Rate plus one percent (1%) or (b) the interest rate announced by the Patriot Bank as its prime commercial lending rate at its principal offices in Boston from time to time (such rate, the "Overdue Rate"). The Interest Rate and the Overdue Rate shall each be computed on the basis of the actual number of days elapsed using a year of 365 or 366 days, as the case may be.

2. Installments. This Note shall be paid in three installments (each an "Installment" and collectively the "Installments"). Each of the first two Installments shall be in the amount of \$867,000 of principal and without interest and the third and final shall be in the amount of \$866,000 of principal and such additional amount to pay in full the accrued interest on

this Note. The first Installment shall be paid on March ____, 1989. The second Installment shall be paid on March ____, 1990. The third and final Installment shall be paid on March ____, 1991.

3. Asset Purchase Agreement and Security Agreement. This Note is issued by the Company pursuant and subject to the terms of the Asset Purchase Agreement between the Company and Conductron dated as of March __, 1986 (the "Purchase Agreement") and is secured by perfected security interests in certain collateral pursuant to a Security Agreement between the Company and Conductron dated as of the date hereof (the "Security Agreement"). This Note may not be assigned unless prior to such assignment the assignor delivers a written agreement of the assignee in form and substance reasonably satisfactory to the Company and pursuant to which such assignee agrees to take this Note subject to all defenses and rights (including, without limitation, any rights of setoff that the Company may have, pursuant to law or in equity) of the Company. This Note will inure to the benefit of Conductron and its permitted successors and assigns.

4. Payment. All payments hereunder shall be made by the Company by certified check. For purposes of this Note, a Business Day shall be a day that is not a Saturday, Sunday, legal holiday, or any other day on which commercial banking institutions in Seattle, Washington or Boston, Massachusetts are authorized or required by law to close. In the event that a payment due hereon falls due on a day other than a Business Day, such payment shall be made on the day next following the original due date that is a Business Day.

5. Prepayment. The Company shall have the right at any time, upon at least three days' notice to Conductron, to prepay without premium or penalty all or any portion of the unpaid principal amount which is then outstanding on this Note. In the case of prepayment of all such outstanding principal amount, such prepayment shall be accompanied by payment of all accrued interest on this Note; in all other cases, any prepaid amount shall be applied to the outstanding installments of principal on the Note in order of their maturity.

6. Mandatory Prepayment. The Company shall make mandatory prepayments as and to the extent provided in this Section 6. In the event of a Public Offering (as hereinafter defined), the Company shall make a mandatory prepayment of principal in an amount proportionate to the amount of principal prepaid by the Company under the Senior Debt (as defined in the Security Agreement), whether directly or indirectly, from the proceeds of the Public Offering. Such proportion shall be based on the ratio

of the amounts of principal outstanding under this Note and under the Senior Debt immediately preceding such Public Offering. Any such prepayment shall be applied in equal pro rata portions against each outstanding installment of principal. A Public Offering shall mean any primary offering by the Company of its shares pursuant to Form S-1 or S-3, or on a general purpose form for registration which is substantially the equivalent thereof, with general public distribution. In the event of either (a) the Company's merger or the sale of substantially all of its assets or (b) a Change in Ownership (as hereinafter defined) of the Company or of West Penn Wire (other than a change resulting from a Public Offering), unless in each case the surviving corporation, buyer or new owner, as the case may be, (i) is a United States corporation, partnership, business, trust or person, and (ii) if applicable, assumes all of the obligations under this Note and no Event of Default (as hereinafter defined) under this Note would be created by the consummation of such merger, sale of assets or Change in Ownership, or would exist immediately thereafter, the Company shall make a mandatory prepayment of the outstanding principal and any accrued interest thereon. A "Change in Ownership" shall mean any change or changes (on an aggregate basis) in the composition of the stockholders of the Company, after which the stockholders of the Company as they existed immediately after the consummation of the Purchase, own less than fifty percent (50%) of the total issued and outstanding common stock of the Company. Any mandatory prepayment due under this Section shall be made within five (5) Business Days of the consummation of the transaction (or if more than one, the last transaction) giving rise to such a mandatory prepayment.

7. Default; Remedy. Upon the occurrence of an Event of Default (as hereinafter defined), Conductron may, by written notice to the Company, declare this Note to be in default, whereupon the unpaid balance of the principal of this Note and all accrued interest thereon shall become due and payable. If within three (3) Business Days following such a declaration of default the Company shall fail to pay promptly in full the unpaid balance of this Note and all interest accrued thereon, Conductron shall be entitled to pursue all such remedies as it may have, at law or in equity, for the enforcement and collection thereof, and to receive in addition to such principal and interest reasonable costs of collection incurred (including reasonable attorney's fees).

For the purpose of this Note, any one or more of the following shall constitute an Event of Default:

(a) The Company shall fail to make any payment of principal or interest within three Business Days after it becomes due and payable hereunder.

(b) The Company shall fail to perform or observe any other material covenant or agreement to be performed or observed by it hereunder or under the Purchase Agreement or Security Agreement, and such failure shall continue unremedied for a period of 30 days after the Company has received written notice thereof from Conductron.

(c) Any representation or warranty made by the Company in the Purchase Agreement or Security Agreement (for so long as same may by their terms survive), shall have been untrue in any material respect when made, and such untruth, if then material and continuing, shall continue unremedied for 30 days after the Company has received written notice thereof from Conductron.

(d) Any event of default shall occur that has resulted in the acceleration of the maturity of any indebtedness of the Company for borrowed money aggregating in excess of \$250,000; provided, however, if such event of default is subsequently cured by the Company or waived by the holder or holders of such indebtedness, then, immediately upon such cure or waiver, without further action by Conductron, any Event of Default pursuant to this paragraph shall be cured or waived.

(e) A final judgment for the payment of money in excess of \$125,000 shall be rendered against the Company and such judgment shall continue unsatisfied or unstayed for a period of 60 days.

(f) The Company shall make a general assignment for the benefit of creditors, file a voluntary petition in bankruptcy, be adjudicated insolvent or bankrupt, petition or apply to any tribunal for the appointment of a receiver or any trustee for it or a substantial part of its assets, or shall commence any proceedings under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect providing for the reorganization or winding up of the Company; or there shall have been filed any such petition or application or any such proceeding shall have been commenced against it which remains undismissed for a period of 60 days or more; or the Company shall consent to, approve of or acquiesce in any such petition, application or proceeding or the appointment of a

receiver of or any trustee for it or any substantial part of its properties; or shall suffer any such receivership or trusteeship to continue undischarged for a period of 60 days or more.

8. Certain Waivers. The Company hereby waives diligence, presentment, demand, protest and all other notices to which the Company might otherwise be entitled under applicable law, except as expressly provided in this Note.

[9. Subordination.

[9.1 General. Subject to and on the terms and conditions set forth in this Section 9, Conductron acknowledges and agrees that the indebtedness evidenced by this Note (the "Subordinated Debt") and its security interest pursuant to the Security Agreement (the "Subordinated Security"), are subordinate and junior to any and all indebtedness of the Company to Patriot Bank, N.A. (the "Bank"), incurred or to be incurred by the Company to finance, in part, the transactions contemplated by the Asset Purchase Agreement or to be incurred in any other context (the "Senior Debt"), and any security interest of the Bank in and to the collateral granted in connection with the Senior Debt (the "Senior Security").]

[9.2 Default Under Senior Debt. Upon the occurrence of an event of default under the Senior Debt, as defined in the instruments under which the same is outstanding, permitting the holder of the Senior Debt to accelerate the maturity thereof, or upon demand for repayment of the Senior Debt, unless and until such event of default or demand has been cured or waived or shall have otherwise ceased to exist, no direct or indirect payment (in cash, property, securities, by set-off or otherwise) shall be made on account of the principal of or interest in the Subordinated Debt.]

[9.3 Insolvency. In the event of:

(a) any insolvency, bankruptcy, receivership, liquidation, reorganization, readjustment, composition or other similar proceeding relating to the Company, its creditors or its property;

(b) any proceeding for the dissolution or other winding-up of the Company, voluntary or involuntary, whether or not involving insolvency or bankruptcy proceedings;

(c) any assignment by the Company for the benefit of creditors; or

(d) any other marshalling of the assets of the Company;

all Senior Debt (including any interest thereon accruing after the commencement of any such proceeding) shall be paid in full before any payment or distribution, whether in cash, securities or other property, shall be made to Conductron on account of the Subordinated Debt. Any payment or distribution, whether in cash, securities or other property, which would otherwise (but for the provisions of this Section 9.3) be payable or deliverable to Conductron pursuant to the Subordinated Debt, shall be paid or delivered directly to the holder of the Senior Debt (including any interest thereon accruing after the commencement of any such proceeding) until the Senior Debt has been paid in full (but subject to the power, if any, of a court of competent jurisdiction to make other equitable provision reflecting the rights of the Senior Debt with respect to the Subordinated Debt by a lawful plan of reorganization under applicable law). In furtherance of the foregoing, Conductron irrevocably authorizes and empowers (without imposing any obligation on) the then holder of the Senior Debt to demand, sue for, collect and receive Conductron's ratable share of all such payments and distributions, file and prove all claims therefor, and take all such other action in the name of the Secured Party as such holder of the Senior Debt may determine to be necessary or appropriate. Conductron will execute and deliver to the holder of the Senior Debt all such further instruments confirming the above authorization, and all such powers of attorney, proofs of claim, assignments of claim and other instruments confirming the above authorization, and all such powers of attorney, proofs of claim, assignments of claim and other instruments, and will take all such other action as may be requested by such holder in order to enable such holder to enforce all claims upon or in respect of the Subordinated Debt.]

[9.4 Payment and Distributions Received. If any payment or distribution of any character, whether in cash, securities or other property, shall be received by Conductron with respect to the Subordinated Debt in contravention of any of the terms of this Section 9 and before all of the Senior Debt shall have been paid in full, such payment or distribution shall be received in trust for the benefit of, and shall be paid over or delivered and transferred to, the then holder of the Senior Debt for application to the payment of all Senior Debt remaining unpaid, to the extent necessary to pay all such Senior Debt in full.]

[9.5 Obligations Not Impaired. Nothing contained herein shall impair, as between the Company and Conductron, the obligation of the Company pursuant to the Subordinated Debt to

pay to Conduccion the principal thereof and interest thereon when the same shall become due and payable, in accordance with the terms thereof, or prevent Conduccion from exercising all rights, powers and remedies otherwise permitted by applicable law upon a default or event of default under the Subordinated Debt.]

[9.6 Payment of Senior Debt; Subrogation. Upon the payment in full of all Senior Debt, should any Subordinated Debt be due whether by maturity or acceleration but unpaid, Conduccion (a) shall be entitled to receive from the holder of the Senior Debt any payments or distributions received by such Senior Debt holder in an amount not to exceed due (whether by maturity or acceleration) but unpaid Subordinated Debt, and in excess of the amount sufficient to pay all Senior Debt in full, and (b) shall be subrogated to all rights of any holder of the Senior Debt to receive any further payments or distributions applicable to the Senior Debt until any due but unpaid Subordinated Debt shall have been paid in full.]

[9.7 Subordinated Security Interest. The Senior Security shall have priority in all respects over the Subordinated Security irrespective of the time or order of attachment, perfection or levy thereof, the time or order of filing of financing statements or any other document or instrument, or the giving of or failure to give any notice to any person, including the Bank or Conduccion. Conduccion shall have no right to possess any assets subject to the Subordinated Security or to foreclose upon any such assets, whether by judicial action or otherwise, unless and until all Senior Debt shall have been fully paid and satisfied. Conduccion agrees that regardless of whether the Senior Debt is secured or unsecured, the Bank shall be subrogated to the rights of Conduccion with respect to the Subordinated Debt and the Subordinated Security, until all Senior Debt shall have been fully paid and satisfied.]

[9.8 Intercreditor Agreement between Secured Party and the Bank. Conduccion acknowledges and agrees that it will execute, upon request, an Intercreditor Agreement with the Bank, substantially on the terms and conditions of subordination set forth in this Section 9.]

10. Financial Reports. As long as this Note shall remain unpaid, the Company shall furnish to Conduccion as soon as available, and in any event within 90 days after the end of each fiscal year of the Company and 45 days after the end of each fiscal quarter of the Company, a copy of the audited annual report and unaudited quarterly report, respectively, containing balance sheets of the Company as at the end of such period and statements of income and retained earnings of the Company for

such period, and notes thereto, all such financial statements prepared in accordance with generally accepted accounting principles applied on a basis consistent with prior accounting periods, but subject, in the case of quarterly reports, to year-end adjustments and in the case of the annual report, together with the report thereon of independent certified public accountants. As long as this Note shall remain unpaid, the Company will also furnish to Conduction, promptly after filing (if such filing shall occur) with the Securities and Exchange Commission, copies of any annual reports of the Company on Form 10-K, any quarterly reports on Form 10-Q, any current reports on Form 8-K and any prospectus in respect of any new public offering of securities by the Company.

11. Inspection. So long as this Note shall remain unpaid, the Company, upon reasonable request by Conduction, will (a) permit representatives of Conduction to discuss its affairs, finances and accounts with its officers and (b) make reasonably available the accounting books of the Company for review by representatives of Conduction at the offices of the Company's independent public accountants, each of (a) and (b) at such reasonable times and as often as may reasonably be desired, and will cause each of its subsidiaries to do likewise, provided that Conduction covenants to keep such information confidential and to use such information for no purpose other than the assessment of the Company's creditworthiness under this Note.

12. Unenforceability. If any provision of this Note shall, for any reason, be held to be invalid or unenforceable in any jurisdiction in which it is sought to be enforced, such invalidity and unenforceability shall not affect any other provisions hereof, and this Note shall be construed, for the purposes of such jurisdiction only, as if such invalid or unenforceable provision were omitted.

13. Governing Law. This Note shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Massachusetts. The Company hereby consents to the jurisdiction of the courts of the Commonwealth of Massachusetts in any action or proceeding which may be brought against it in connection with this Note, and in the event any such action or proceeding shall be brought against it, the Company agrees not to raise any objection to such jurisdiction. Service of process in any such action or proceeding shall be valid if sent by registered mail, return receipt requested, and properly addressed to the Company with copies to West Penn Wire Corporation and Perkins Coie addressed pursuant to Section 14 hereof. Such service of process shall be effective upon receipt by the Company.

14. Notices. Any notice, request or other communication pursuant to this Note shall be deemed duly given if mailed by certified or registered mail addressed in the case of notice to the Company, to Mohawk Wire and Cable Corporation, c/o The Northern Group, Inc., 3140 Bank of California Center, Seattle, Washington 98164, Attention: President, with copies to West Penn Wire Corporation, P.O. Box 762, 2833 Chestnut, Washington, Pennsylvania, 15301 and to Stewart Landefeld, Esq., Perkins Coie, 1900 Washington Building, Seattle, Washington, 98101 and, in the case of notice to Conductron, to Conductron Corporation, Hendrix Wire Facility, Old Wilton Road, Milford, New Hampshire 03055, Attention: President, with a copy to Charles W. Robins, P.C., Hutchins & Wheeler, One Boston Place, Boston Massachusetts 02108, or in the case of either party, to such address as it or he may have designated as its or his address for receiving notices hereunder by a notice given to the other party hereto in the manner provided herein.

MOHAWK WIRE AND CABLE CORPORATION

By: _____
 Name: _____
 Title: _____

Execution attested to:

By: _____
 Name: _____
 Title: _____

0343t

Exhibit 1.3(b)

THESE WARRANTS ARE NOT TRANSFERABLE. THE COMMON STOCK ISSUABLE UPON EXERCISE HEREOF HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE LAW, AND NO INTEREST THEREIN MAY BE SOLD, DISTRIBUTED, ASSIGNED, OFFERED, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS COVERING ANY SUCH TRANSACTION INVOLVING SAID SECURITIES OR (B) THE COMPANY RECEIVES AN OPINION OF LEGAL COUNSEL FOR THE HOLDER OF THESE SECURITIES (CONCURRED IN BY LEGAL COUNSEL FOR THE COMPANY) STATING THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION OR THE COMPANY OTHERWISE SATISFIES ITSELF THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION.

No. W-1

10,000 WARRANTS

STOCK PURCHASE WARRANTS

TO PURCHASE SHARES OF COMMON STOCK

MOHAWK WIRE AND CABLE CORPORATION

THIS IS TO CERTIFY that, for value received, CONDUCTRON CORPORATION (the "Holder"), is entitled, at any time after March __, 1991 and not later than 5:00 p.m., Eastern Standard Time on March __, 1992 (the "Expiration Date"), subject to the provisions hereof, to purchase 10,000 nonassessable shares of the Common Stock, \$.01 par value, of MOHAWK WIRE AND CABLE CORPORATION, a Delaware corporation (the "Company"), at a price (the "Purchase Price Per Share") set forth at Section 1 below (such number of shares and the Purchase Price Per Share being subject to adjustment as provided herein).

Except as set forth at Section 5 below, these Warrants may be exercised after first delivering to the Company a written notice 60 days prior to the proposed exercise date (the "Exercise Date"), which notice shall include the form of Election to Purchase annexed hereto duly completed and executed by the Holder. In the event that the Company does not thereafter exercise its right to acquire these Warrants (as described at Section 2 below), on the Exercise Date the Holder shall surrender to the Company this certificate and deliver a bank check payable to the Company, in the amount of the Purchase Price Per Share multiplied by the number of shares for which these Warrants are

being exercised, to the Company at its principal office. Such surrender and payment are hereinafter referred to as the exercise of these Warrants.

The Warrants evidenced hereby shall be void and of no effect and all right hereunder shall cease after 5:00 p.m. Eastern Standard Time on the Expiration Date. The Warrants evidenced hereby are not transferable.

For the purpose of these Warrants, the term "Common Stock" shall mean, subject to the provisions of Section 3 below, shares of the class designated as Common Stock of the Company at March __, 1986 or shares of any class or classes resulting from any reclassification or reclassifications thereof; provided, that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

The Warrants evidenced hereby are subject to the following additional terms and conditions:

1. Exercise Price. "Purchase Price Per Share," except as set forth at Sections 3, 5 and 6 below, shall mean the greater of (a) the difference of five times the earnings before interest and taxes of the Company for the 12 months ending at the conclusion of the last fiscal quarter of the Company to have concluded prior to the date of exercise of these Warrants, less the principal amount of outstanding indebtedness of the Company, all as set forth on the financial reporting books and records of the Company, all of which difference is divided by 90,000, or (b) \$150. In the event of exercise prior to the Expiration Date, pursuant to Section 5 below, the Purchase Price Per Share shall be adjusted as set forth at Section 5 below.

2. Right to Call. The Company may, at any time prior to the exercise by the Holder of these Warrants, acquire the Warrants from the Holder by giving to the Holder 30 days' written notice of its intent to repurchase, and delivering 30 days thereafter to the Holder a bank check payable to the Holder in the amount of \$360,000. The 30-day period shall be shortened pursuant to Section 5 below.

3. Anti-Dilution. In case the Company shall issue any shares of its Common Stock as a stock dividend or subdivide the number of outstanding shares of Common Stock into a greater number of shares, then, in either of such cases, the Purchase

Price Per Share in effect before taking account of such action shall be proportionately reduced and the number of shares of Common Stock at that time purchasable pursuant to these Warrants shall be proportionately increased; and, conversely, in the event the Company shall contract the number of outstanding shares of Common Stock by combining such shares into a smaller number of shares, then, in such case, the Purchase Price Per Share in effect before taking account of such action shall be proportionately increased and the number of shares of Common Stock at that time purchasable pursuant to these Warrants shall be proportionately decreased. Any dividend paid or distributed on the Common Stock in stock of any other class of securities convertible into shares of Common Stock shall be treated as a dividend paid in Common Stock to the extent that shares of Common Stock are issuable upon the conversion thereof.

4. Recapitalization. In case the Company shall be recapitalized by changing its outstanding Common Stock with par value to stock with a different par value, then, as a condition of such recapitalization, lawful and adequate provision shall be made whereby the Holder shall thereafter have the right to purchase, upon the terms and conditions specified in these Warrants, in lieu of the shares of Common Stock theretofore purchasable upon the exercise of these Warrants, the kind and amount of shares of stock and other securities and property receivable upon such recapitalization by the owner of the number of shares of Common Stock which the Holder might have purchased immediately prior to such recapitalization.

5. Exercise Upon Reorganization. Upon a merger, consolidation, acquisition of property or stock, separation, reorganization or liquidation of the Company prior to the Expiration Date, as a result of which the shareholders of the Company receive cash, stock or other property in exchange for their shares of Common Stock, these Warrants shall be cancelled and all rights granted hereunder shall terminate, but the Holder shall have the right immediately prior to any such merger, consolidation, acquisition of property or stock, separation, reorganization or liquidation to exercise its right to exercise. In such event, the Company shall deliver to Holder notice of such reorganization no less than 15 business days before the date scheduled for such reorganization; Holder may exercise the Warrants by delivering to the Company written notice of exercise and bank check no less than 7 days prior to the date scheduled for reorganization; and the Company may acquire the Warrants by delivering notice of repurchase and bank check not less than 3 days prior to the date scheduled for reorganization. The Purchase Price Per Share for any exercise pursuant to this Section 5 shall be the greater of (a) the amount set forth at

Subsection 1(a) above or (b) the following amounts during the following periods:

March 15, 1986 through March 14, 1987	\$50
March 15, 1987 through March 14, 1988	\$70
March 15, 1988 through March 14, 1989	\$90
March 15, 1989 through March 14, 1990	\$110
March 15, 1990 through March 14, 1991	\$130
March 15, 1991 through Expiration Date	\$150

6. Sales Below Fair Market Value. In the event that the Company issues or sells any Common Stock other than (a) pursuant to Section 3 above, (b) upon exercise of the Warrants or other warrants issued to Holder, or (c) up to 15 percent of the Company's outstanding shares of Common Stock pursuant to incentive compensation plans, for consideration less than the fair market price per share, then the Purchase Price Per Share to be in effect after taking account of such action shall be determined by multiplying the Purchase Price Per Share before taking account of such issuance by a fraction:

(i) the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the number of shares of Common Stock which the aggregate consideration received by the Company for the total number of shares of Common Stock so issued would purchase at the Purchase Price Per Share; and

(ii) the denominator of which shall be the number of shares of Common Stock outstanding immediately after the issuance of such shares.

7. Certain Notices. Whenever the Purchase Price Per Share or the kind or amount of securities purchasable under these Warrants shall be adjusted pursuant to any of the provisions hereof, the Company shall forthwith thereafter cause to be sent to the Holder by first-class mail at its address as it appears upon the records of the Company, a certificate setting forth the adjustments in the Purchase Price Per Share and/or in said number of shares, and also setting forth in detail the facts requiring such adjustments including, without limitation, a statement of the consideration received or deemed to have been received by the Company for any additional shares or stock issued by it.

8. Transfer; Legend. These Warrants are not transferable. The Common Stock issuable upon exercise hereof has not been registered under the Securities Act of 1933, as amended (the "Act"), or any applicable state law, and no interest therein may be sold, distributed, assigned, offered, pledged or otherwise

transferred unless (a) there is an effective registration statement under the Act and applicable state securities laws covering any such transaction involving said securities or (b) the Company receives an opinion of legal counsel for the Holder (concurring in by legal counsel for the Company) stating that such transaction is exempt from registration or the Company otherwise satisfies itself that such transaction is exempt from registration.

A legend setting forth or referring to the above restrictions shall be placed on any Warrants and certificates for Common Stock subject to these restrictions and a stop transfer restriction or order shall be placed on the books of the Company and with any transfer agents against the Warrants, and against the shares of Common Stock issuable upon exercise of these Warrants until such shares may be legally sold or otherwise transferred.

9. Holder as Owner. The Company may deem and treat the Holder at all times as the absolute owner of the Warrants evidenced hereby for all purposes regardless of any notice to the contrary.

10. No Shareholder Rights. These Warrants shall not entitle the Holder hereof to any voting rights or any other rights as a shareholder of the Company or to any other rights whatsoever except the rights stated herein; and no dividend or interest shall be payable or shall accrue in respect of these Warrants or the shares purchasable hereunder unless, and until, and except to the extent that, these Warrants shall be exercised.

WITNESS, the signature of the Company's duly authorized officer.

MOHAWK WIRE AND CABLE CORPORATION

By _____
Its _____

0343T

ELECTION TO PURCHASE

To MOHAWK WIRE AND CABLE CORPORATION:

The undersigned hereby irrevocably elects to purchase _____ shares of Common Stock issuable upon the exercise of the within Warrants and requests that certificates for such shares shall be issued in the name of and delivered to the address of the undersigned, at the address stated below and, if said number of shares shall not be all the shares which may be purchased pursuant to the within Warrants, the new Warrants evidencing the right to purchase the balance of such shares shall be registered in the name of, and delivered to, the undersigned at the address stated below. The undersigned hereby agrees with and represents to the Company that said shares of the Common Stock are acquired for investment and not with a view to, or for sale in connection with, any distribution or public offering thereof within the meaning of the Securities Act of 1933, as amended, and agrees that the exercise of the within Warrants and the issuance and transfer of the Common Stock to be purchased is subject to Section 7 of the within Warrants.

Payment enclosed in the amount of \$ _____.

Dated: _____, 19__

CONDUCTRON CORPORATION

By _____
Its _____

Exhibit 1.3(c)

THESE WARRANTS ARE NOT TRANSFERABLE. THE COMMON STOCK ISSUABLE UPON EXERCISE HEREOF HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE LAW, AND NO INTEREST THEREIN MAY BE SOLD, DISTRIBUTED, ASSIGNED, OFFERED, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS COVERING ANY SUCH TRANSACTION INVOLVING SAID SECURITIES OR (B) THE COMPANY RECEIVES AN OPINION OF LEGAL COUNSEL FOR THE HOLDER OF THESE SECURITIES (CONCURRED IN BY LEGAL COUNSEL FOR THE COMPANY) STATING THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION OR THE COMPANY OTHERWISE SATISFIES ITSELF THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION.

No. W-2

5,000 WARRANTS

STOCK PURCHASE WARRANTS

TO PURCHASE SHARES OF COMMON STOCK

MOHAWK WIRE AND CABLE CORPORATION

THIS IS TO CERTIFY that, for value received, CONDUCTRON CORPORATION (the "Holder"), is entitled, at any time after March __, 1991 and not later than 5:00 p.m., Eastern Standard Time on March __, 1992 (the "Expiration Date"), subject to the provisions hereof, to purchase 5,000 nonassessable shares of the Common Stock, \$.01 par value, of MOHAWK WIRE AND CABLE CORPORATION, a Delaware corporation (the "Company"), at a price (the "Purchase Price Per Share") set forth at Section 1 below (such number of shares and the Purchase Price Per Share being subject to adjustment as provided herein).

Except as set forth at Section 5 below, these Warrants may be exercised after first delivering to the Company a written notice 60 days prior to the proposed exercise date (the "Exercise Date"), which notice shall include the form of Election to Purchase annexed hereto duly completed and executed by the Holder. On the Exercise Date, the Holder shall surrender to the Company this certificate and deliver a bank check payable to the Company, in the amount of the Purchase Price Per Share multiplied by the number of shares for which these Warrants are being exercised, to the Company at its principal office. Such

surrender and payment are hereinafter referred to as the exercise of these Warrants.

The Warrants evidenced hereby shall be void and of no effect and all right hereunder shall cease after 5:00 p.m. Eastern Standard Time on the Expiration Date. The Warrants evidenced hereby are not transferable.

For the purpose of these Warrants, the term "Common Stock" shall mean, subject to the provisions of Section 3 below, shares of the class designated as Common Stock of the Company at March __, 1986 or shares of any class or classes resulting from any reclassification or reclassifications thereof; provided, that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

The Warrants evidenced hereby are subject to the following additional terms and conditions:

1. Exercise Price. "Purchase Price Per Share," except as set forth at Sections 2, 5 and 6 below, shall mean \$10.53.

2. Anti-Dilution. In case the Company shall issue any shares of its Common Stock as a stock dividend or subdivide the number of outstanding shares of Common Stock into a greater number of shares, then, in either of such cases, the Purchase Price Per Share in effect at the time of such action shall be proportionately reduced and the number of shares of Common Stock at that time purchasable pursuant to these Warrants shall be proportionately increased; and, conversely, in the event the Company shall contract the number of outstanding shares of Common Stock by combining such shares into a smaller number of shares, then, in such case, the Purchase Price Per Share in effect at the time of such action shall be proportionately increased and the number of shares of Common Stock at that time purchasable pursuant to these Warrants shall be proportionately decreased. Any dividend paid or distributed on the Common Stock in stock of any other class of securities convertible into shares of Common Stock shall be treated as a dividend paid in Common Stock to the extent that shares of Common Stock are issuable upon the conversion thereof.

3. Recapitalization. In case the Company shall be recapitalized by changing its outstanding Common Stock with par value to stock with a different par value, then, as a condition

of such recapitalization, lawful and adequate provision shall be made whereby the Holder shall thereafter have the right to purchase, upon the terms and conditions specified in these Warrants, in lieu of the shares of Common Stock theretofore purchasable upon the exercise of these Warrants, the kind and amount of shares of stock and other securities and property receivable upon such recapitalization by the owner of the number of shares of Common Stock which the Holder might have purchased immediately prior to such recapitalization.

4. Consolidation, Merger or Sale of Assets. If, at any time when the Warrants are outstanding, the Company shall consolidate or merge with one or more other corporations (other than a merger or consolidation of the Company in which the Company is the continuing corporation and which does not result in any reclassification or change of its outstanding Common Shares), the Holder's right to exercise shall not be accelerated, but, upon the timely exercise of this Warrant in accordance with its terms the Holder will receive the securities or other property to which it would have been entitled had it exercised this Warrant immediately prior to the merger or consolidation, and the Company shall take such steps in connection with such consolidation or merger as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or property thereafter deliverable upon the exercise of the Warrants. A sale of all or substantially all the assets of the company for a consideration (apart from the assumption of obligations) consisting primarily of securities shall be deemed a consolidation or merger for the foregoing purposes. The provisions of this Section 4 shall similarly apply to successive mergers, consolidations, sales or other transfers.

5. Sales Below Fair Market Value. In the event that the Company issues or sells any Common Stock other than (a) pursuant to Section 2 above, (b) upon exercise of the Warrants or other warrants issued to Holder, or (c) up to 15 percent of the Company's outstanding shares of Common Stock pursuant to incentive compensation plans, for consideration less than the lower of (x) fair market price per share or (y) the Purchase Price Per Share to have been in effect before taking account of such issuance, then the Purchase Price Per Share to be in effect after taking account of such issuance shall be determined by multiplying the Purchase Price Per Share before taking account of such issuance by a fraction:

(i) the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the number of shares of Common Stock which the

aggregate consideration received by the Company for the total number of shares of Common Stock so issued would purchase at the Purchase Price Per Share; and

(ii) the denominator of which shall be the number of shares of Common Stock outstanding immediately after the issuance of such shares.

6. Certain Notices. Whenever the Purchase Price Per Share or the kind or amount of securities purchasable under these Warrants shall be adjusted pursuant to any of the provisions hereof, the Company shall forthwith thereafter cause to be sent to the Holder by first-class mail at its address as it appears upon the records of the Company, a certificate setting forth the adjustments in the Purchase Price Per Share and/or in said number of shares, and also setting forth in detail the facts requiring such adjustments including, without limitation, a statement of the consideration received or deemed to have been received by the Company for any additional shares or stock issued by it.

7. Transfer; Legend. These Warrants are not transferable. The Common Stock issuable upon exercise hereof has not been registered under the Securities Act of 1933, as amended (the "Act"), or any applicable state law, and no interest therein may be sold, distributed, assigned, offered, pledged or otherwise transferred unless (a) there is an effective registration statement under the Act and applicable state securities laws covering any such transaction involving said securities or (b) the Company receives an opinion of legal counsel for the Holder (concurring in by legal counsel for the Company) stating that such transaction is exempt from registration or the Company otherwise satisfies itself that such transaction is exempt from registration.

A legend setting forth or referring to the above restrictions shall be placed on any Warrants and certificates for Common Stock subject to these restrictions and a stop transfer restriction or order shall be placed on the books of the Company and with any transfer agents against the Warrants, and against the shares of Common Stock issuable upon exercise of these Warrants until such shares may be legally sold or otherwise transferred.

8. Holder as Owner. The Company may deem and treat the Holder at all times as the absolute owner of the Warrants evidenced hereby for all purposes regardless of any notice to the contrary.

9. No Shareholder Rights. These Warrants shall not entitle the Holder hereof to any voting rights or any other rights as a

shareholder of the Company or to any other rights whatsoever except the rights stated herein; and no dividend or interest shall be payable or shall accrue in respect of these Warrants or the shares purchasable hereunder unless, and until, and except to the extent that, these Warrants shall be exercised.

WITNESS, the signature of the Company's duly authorized officer.

MOHAWK WIRE AND CABLE CORPORATION

By _____
Its _____

0343T

ELECTION TO PURCHASE

To MOHAWK WIRE AND CABLE CORPORATION:

The undersigned hereby irrevocably elects to purchase _____ shares of Common Stock issuable upon the exercise of the within Warrants and requests that certificates for such shares shall be issued in the name of and delivered to the address of the undersigned, at the address stated below and, if said number of shares shall not be all the shares which may be purchased pursuant to the within Warrants, the new Warrants evidencing the right to purchase the balance of such shares shall be registered in the name of, and delivered to, the undersigned at the address stated below. The undersigned hereby agrees with and represents to the Company that said shares of the Common Stock are acquired for investment and not with a view to, or for sale in connection with, any distribution or public offering thereof within the meaning of the Securities Act of 1933, as amended, and agrees that the exercise of the within Warrants and the issuance and transfer of the Common Stock to be purchased is subject to Section 5 of the within Warrants.

Payment enclosed in the amount of \$ _____.

Dated: _____, 19__

CONDUCTRON CORPORATION

By _____
Its _____

Exhibit 1.5(a)
to Asset Purchase Agreement

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

THAT Conductron Corporation ("Seller"), a Massachusetts corporation whose address is 9 Mohawk Drive, Leominster, Massachusetts 01453, covenants that, except as set forth at Section 2.7(f) or Exhibit 2.7(f) to the Asset Purchase Agreement (as hereinafter defined), it is the owner of the full legal and beneficial title to those certain assets, properties, rights, claims, contracts and businesses (together, the "Assets") described at Exhibit 1.1 hereto and which by this reference is incorporated herein as though set forth in full herein.

THAT for and in consideration of the sum of \$1.00 and other valuable consideration pursuant to the Asset Purchase Agreement among Seller, Mohawk Wire and Cable Corporation ("Buyer"), a Delaware corporation, and West Penn Wire Corporation, a Pennsylvania corporation, and dated as of February __, 1986 (the "Asset Purchase Agreement"), Seller does, this ____ day of _____, 1986, grant, assign, transfer, bargain, sell, deliver and set over all Seller's right, title and interest in and to the Assets, and all good will associated therewith or symbolized thereby, unto Buyer, its successors and assigns forever.

THAT Seller hereby covenants and warrants to Buyer, its successors and assigns, that Seller is hereby selling, assigning and transferring to Buyer on the date hereof, good and marketable title to the Assets, free and clear of all liens, security interests, encumbrances and rights of others other than as set forth at Section 2.7(f) or Exhibit 2.7(f) to the Asset Purchase Agreement. Seller further covenants that it will warrant and defend such title forever against all claims and demands whatsoever.

This Bill of Sale is governed by the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, Seller has caused this instrument to be duly executed this ____ day of _____, 1986.

CONDUCTRON CORPORATION

By

Joseph J. Incandela
Its President

0343t

Exhibit 1.5(b)
to Asset Purchase Agreement

ASSIGNMENT OF REGISTERED TRADEMARK

WHEREAS, Conductron Corporation ("Assignor"), a Massachusetts corporation, having its principal place of business at 9 Mohawk Drive, Leominster, Massachusetts 01453, has adopted, used and is presently using the trademark "MOHAWK" (the "Mark"), which is registered in the United States Patent and Trademark Office, Registration No. 1,376,538, dated December 24, 1985; and

WHEREAS, Mohawk Wire and Cable Corporation ("Assignee"), a Delaware corporation, having a principal place of business at 3140 Bank of California Center, Seattle, Washington 98164, desires to acquire the Mark and the registration thereof;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Assignor does hereby assign unto Assignee all right, title and interest in and to the Mark, together with the good will of the business symbolized by the Mark, and the above identified registration thereof.

IT WITNESS WHEREOF, Assignor has executed this instrument this ____ day of _____, 1986.

CONDUCTRON CORPORATION

By _____
Name _____
Title _____

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss.

On this ____ day of _____, 1986, the above-named _____ personally appeared before me and acknowledged that his signing of the foregoing instrument on behalf of Conductron Corporation was his free act and deed and that he had authority to do so.

Notary Public

My Commission Expires: _____

Exhibit 1.5(c)
to Asset Purchase Agreement

INSTRUMENT OF ASSUMPTION

Instrument of Assumption dated _____, 1986 by Mohawk Wire and Cable Corporation ("Purchaser"), a Delaware corporation, in favor of Conduccion Corporation ("Seller"), a Massachusetts corporation.

RECITALS

A. Pursuant to an Asset Purchase Agreement dated as of the date hereof among Purchaser, Seller and West Penn Wire Corporation, a Pennsylvania corporation (the "Asset Agreement"), and a Real Property Purchase Agreement dated as of the date hereof among Purchaser, Seller and Nine Mohawk Realty Associates, a general partnership (the "Real Property Purchase Agreement"), Seller has concurrently herewith sold, assigned, transferred, conveyed and delivered to Purchaser substantially all of the business, assets, properties, goodwill and rights of Seller's Mohawk Wire and Cable division as a going concern (the "Seller's Assets").

B. In partial consideration therefor, the Asset Agreement requires Purchaser to execute and deliver to Seller this Instrument of Assumption.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, Purchaser hereby agrees as follows:

1. Purchaser hereby undertakes, assumes and agrees, subject to the limitations contained herein, to perform, pay or discharge such liabilities and contractual commitments and obligations of Mohawk to nonaffiliated third parties incurred in the normal course of business that are wholly within the definitions of Trade Liabilities and Contractual Obligations set forth in Exhibit 1.2 to the Agreement.

2. Notwithstanding anything to the contrary contained above, Purchaser does not assume and does not agree to pay, perform or discharge, and the Seller shall retain and be responsible for, (a) any liability or contractual commitment of Mohawk not within the definitions of Trade Liabilities or Contractual Obligations set forth in Exhibit 1.2 to the

Agreement, (b) debts, liabilities or obligations arising under any contract which has not been assigned to Purchaser so that Purchaser will enjoy the full benefits thereunder, (c) any product liability, known or unknown, or other liability not within the definitions of Trade Liabilities or Contractual Obligations set forth in Exhibit 1.2 to the Agreement arising from any act or omission of Mohawk or the Seller, (d) liabilities or obligations of Seller resulting or arising from claims for personal injury or property damage or out of any breach or any non-performance by Seller of any contract, commitment or obligation imposed by law or otherwise, (e) any obligations or liabilities of the Seller to the Purchaser or its assignees under or arising in connection with the Asset Agreement or the Real Property Purchase Agreement or by reason of the transactions contemplated by the Asset Agreement or the Real Property Purchase Agreement, (f) any obligations or liabilities of the Seller to its stockholders (past or present) as such, (g) legal, accounting, brokerage, finder's fee, taxes or other expenses incurred by Seller in connection with the Asset Agreement or the Real Property Purchase Agreement or the consummation of the transactions contemplated thereby, or (h) federal, state or local income, franchise, excise, sales, use, property, payroll or similar taxes imposed on Seller, except as may be otherwise expressly provided in the Asset Agreement.

3. Nothing contained herein shall require Purchaser to pay or discharge any debts or obligations expressly assumed hereby so long as Purchaser shall in good faith contest or cause to be contested the amount or validity thereof.

4. Other than as specifically stated above, Purchaser assumes no debt, liability or obligation of Seller by this Instrument of Assumption, and it is expressly understood and agreed that all debts, liabilities and obligations not assumed hereunder by Purchaser shall remain the sole obligation of Seller, its successors and assigns, and no person, firm or corporation other than Seller and the shareholders of Seller shall have any rights under this Instrument of Assumption or the provisions contained herein.

5. This Instrument is subject to the terms and conditions of Section 10.3 of the Asset Agreement.

MOHAWK WIRE AND CABLE CORPORATION

By _____
Its _____

Exhibit 2.1
to Asset Purchase Agreement

FOREIGN QUALIFICATION

1. State of New Hampshire

0343t

1985 10-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended October 26, 1985. Commission File Number 0-10798.

CONDUCTRON CORPORATION

(Exact name of registrant as specified in its charter)

Massachusetts

(State or other jurisdiction of
incorporation or organization)

04-2709276

(I.R.S. Employer
Identification No.)

9 Mohawk Drive, Leominster, Massachusetts
(Address of principal executive offices)

01453
(Zip Code)

Registrant's telephone number, including area code

(617) 534-0040

Securities registered pursuant to Section 12 (b) of the Act: None

Securities registered pursuant to Section 12 (g) of the Act:

Common Stock
(Title of Class)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Act of 1934 during the preceding 12 months (or for such shorter periods that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

The aggregate market value of the voting stock held by nonaffiliates of the Registrant as of February 7, 1986 was \$2,347,068.

The number of shares of the Registrant's common stock outstanding as of October 26, 1985 was 2,011,891 shares.

DOCUMENTS INCORPORATED BY REFERENCE

None

TRADEMARK
REEL: 1861 FRAME: 0120

Item 1. BUSINESS

Conductron Corporation ("Conductron" and "Company") was organized as a Massachusetts corporation on September 24, 1980.

(a) Developments Since October 27, 1984

During the fiscal year ended October 26, 1985, the Company adopted a plan to divest itself of its Mohawk Wire and Cable division, a manufacturer of signal communication cables used primarily in the computer, electronics and telecommunication industries. The Company has reached an agreement in principle to sell Mohawk for approximately \$9,000,000 consisting of approximately \$6,250,000 in cash and a \$2,750,000 note of the buyer. A definitive agreement is expected to be signed in the near future and will be subject to certain contingencies. (See Note 2 to Consolidated Financial Statements.)

On June 18, 1985, the Company sold, in a partially redemptive transaction, all of the outstanding shares of the common stock of its Oxford Precision, Inc. subsidiary, a manufacturer of precision machined metal components for use primarily in the electronics industry and specialty parts for use primarily in the aircraft engine industry, for \$2,950,000 in cash and a \$300,000 note of the buyer (See Note 2 to Consolidated Financial Statements.)

While the above transactions adversely affected the Company's results for the fiscal year ended October 26, 1985, the cash proceeds generated by the sale of Oxford and to be generated by the sale of Mohawk will benefit the Company by reducing senior debt and debt service going forward. Upon the completion of the Mohawk divestiture, the Company will be solely engaged in the design, manufacture, and sale of insulated cable products and accessories (through its Hendrix Wire and Cable division) used in electrical power distribution applications. The strategic restructuring brought about by the sale of Mohawk and Oxford will allow the Company to concentrate its resources upon the power distribution cable business, which has been profitable, and in which the Company believes it has a high market share.

The Company reported a net profit from continuing operations for the fiscal year ended October 26, 1985.

(b) Industry Segments

The Company believes it operates within one industry segment.

CONDUCTRON CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Hendrix, a division of the Company, leases its facility from an affiliate, Newcliff Realty Trust. The lease term is ten years at an annual rental commencing at \$231,000 and increasing annually to \$289,000 in year five and thereafter. Total rental expense was \$289,000, \$280,000, and \$267,000 for the years ending October 26, 1985, October 27, 1984 and October 29, 1983, respectively.

(12) Income Taxes

The provision (benefit) for income taxes, including tax benefit related to discontinued operations of \$74,000 in 1983, consists of the following:

	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
1983:			
Federal	\$ (20,000)	(622,000)	(642,000)
State	<u>(10,000)</u>	<u>(34,000)</u>	<u>(44,000)</u>
	<u>\$ (30,000)</u>	<u>(656,000)</u>	<u>(686,000)</u>

Income tax benefit amounted to \$686,000 (effective rate of 18%) for the year ended October 29, 1983. There was no tax expense or benefit for the years ended October 26, 1985 and October 27, 1984. The actual tax expense differs from the "expected" tax expense for those periods, computed by applying the U.S. Federal corporate rate of 46%, as follows:

	October 26, <u>1985</u>	October 27, <u>1984</u>	October 29, <u>1983</u>
Computed expected tax benefit	\$ (1,506,000)	(761,000)	(1,747,000)
Investment tax credit, net of recapture	-	-	(71,000)
State tax, net of Federal tax benefit	-	-	(24,000)
Operating losses providing no current tax benefit	1,506,000	761,000	1,164,000
Other	<u>-</u>	<u>-</u>	<u>(8,000)</u>
	<u>\$ -</u>	<u>-</u>	<u>(686,000)</u>

The Company has available book and tax investment credit carryforwards of \$500,000 which expire from 1994-2000, and a book net operating loss carryforward of \$5,000,000 (\$7,300,000 for tax purposes) expiring from 1997-2000 which may be used to reduce future taxable income. Capital losses of \$700,000, which may be used to offset future capital gains,

(Continued)

CONDUCTRON CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(14) Contingencies

In June 1985, Hendrix Wire & Cable ("Hendrix") of Milford, New Hampshire, a division of the Company, received notification from the United States Environmental Protection Agency ("EPA") that Hendrix has been identified as a "potentially responsible party" for the costs of investigating and cleaning-up the Savage Municipal Well site (the "Site") in Milford. The Site has been found to contain certain hazardous substances. EPA has identified three other potentially responsible parties who also operate near the Site. Based on the information presently available to Hendrix, which includes the preliminary results of testing done by an environmental consultant, Hendrix has no reason to believe that it contributed to the pollution found at the Site, and has asserted that position to the EPA. The investigation of the Site and the sources of its pollution by the EPA, Hendrix and the other potentially responsible parties is continuing. Accordingly, no prediction as to the outcome of the matter can be made at this time.

CONDUCTRON CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

expire through 1990. For book purposes the Company has partially recognized the tax effect of the operating loss in 1983 by the elimination of \$656,000 in deferred tax credits. Additionally, deferred income tax credits were not recognized on 1985, 1984 and 1983 timing differences. To the extent the Company recognizes book taxable income in excess of the book net operating loss carryforward in future years, the deferred tax credits will be reinstated.

(13) Quarterly Financial Data (unaudited)

The results for fiscal 1985, fiscal 1984, and fiscal 1983 have been restated for the divestiture of Mohawk and Oxford. In addition, the results for fiscal 1983 have been restated for the divestiture of Jamestown and Middco.

	<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>
	In Thousands except per share data (Unaudited)			
1985:				
Net sales from continuing operations	\$ 8,117	\$ 8,607	\$ 8,911	\$ 9,5
Cost of goods sold from continuing operations	6,492	6,962	7,097	7,6
Earnings (loss) from continuing operations before income tax	61	121	167	2
Net earnings (loss)	(195)	(939)	41	(2,18)
Net earnings (loss) available for common stock	(207)	(950)	31	(2,18)
Net earnings (loss) per common share	(.10)	(.47)	.02	(1.0)
1984:				
Net sales from continuing operations	\$ 7,812	\$ 9,623	\$ 9,250	\$ 9,0
Cost of goods sold from continuing operations	6,664	7,769	7,418	7,2
Earnings (loss) from continuing operations before income tax	(305)	111	(1,372)	
Net earnings (loss)	(249)	(314)	(1,143)	
Net earnings (loss) available for common stock	(266)	(330)	(1,157)	
Net earnings (loss) per common share	(.13)	(.16)	(.57)	
1983:				
Net sales from continuing operations	\$ 4,629	\$ 5,404	\$ 6,664	\$ 7,7
Cost of goods sold from continuing operations	4,236	4,832	5,996	6,9
Loss from continuing operations before income tax benefit	(1,304)	(886)	(1,036)	(7)
Net loss	(703)	(472)	(1,293)	(5)
Net loss attributable to common stock	(725)	(495)	(1,312)	(5)
Net loss per common share	(.36)	(.25)	(.65)	(.2)

Item 9. DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

<u>Name</u>	<u>Age</u>	<u>Position</u>
Joseph J. Incandela	39	President and Chief Executive Officer, Director
Joseph F. Banafato	43	Vice President, Treasurer and Chief Financial Officer
Frank W. Miller	40	Executive Vice President, Director
Thomas H. Lee	41	Chairman of the Board of Directors
George M. Middlemas	39	Director
J. Christopher Clifford	40	Director
Scott G. Fossil	33	Director
Charles W. Robins	46	Clerk

Each director is elected to hold office until the next annual meeting of stockholders and until his successor is elected and qualified. Officers are elected at the first Board of Directors meeting following the Annual Meeting of Stockholders to serve until the first meeting of the Board following the next Annual Meeting of Stockholders and until their successors are elected and qualified.

Joseph J. Incandela was elected President and Chief Executive Officer in February, 1983, and has also served as a Director since that time. Previously, Mr. Incandela held various positions with Thomas & Betts Corporation, a manufacturer of electrical and electronic components, where he served most recently as General Manager of its IDC Products Division.

Joseph F. Banafato was elected Vice President, Finance and Treasurer in April, 1983. From 1969 to 1983, Mr. Banafato held various positions with Millipore Corporation, where he served most recently as Vice President, Finance and Treasurer of Continental Water Systems Corporation, a subsidiary.

Frank W. Miller was elected Executive Vice President of Conduccion and President of the Company's Hendrix Wire and Cable Division in November, 1985. Previously, Mr. Miller served as Vice President, Operations from April 1983 to November 1985, and Executive Vice President, Finance and Administration of Conduccion from May, 1981, to April, 1983. From June, 1980, until he joined Conduccion, he was Senior Vice President of Thomas H. Lee Company. Previously, he was Executive Vice President of Reading Industries, Inc. and, earlier, a Partner at Touche Ross & Company.

Thomas H. Lee has served as Chairman of the Board of Directors of Conduccion since its formation. He has served as President of Thomas H. Lee Company since it was formed in 1974. Thomas H. Lee Company is a proprietorship engaged in acquiring or making control investments in established operating companies in conjunction with other institutional investors. Mr. Lee also serves as a Director of Guilford Industries, Incorporated.

George M. Middlemas is Senior Vice President and Principal of INCO Venture Management. From April, 1979 to 1985, Mr. Middlemas was Senior Investment Manager of Citicorp Venture Capital, Ltd. From 1977 to April, 1979, he was associated with Kekst & Co., a financial consulting firm.

J. Christopher Clifford has served as a Director of Conductron since its formation. He is Managing Director of Thomas H. Lee Company, where he has been employed since 1974. Prior to that time, Mr. Clifford was associated with the investment banking firm of Clark, Dodge & Co., Incorporated.

Scott G. Fossel is Senior Investment Manager of Citicorp Venture Capital, Ltd. Prior to March, 1984, Mr. Fossel held various positions at Continental Illinois National Bank and Trust Co., where he served most recently as Vice President. Mr. Fossel serves as a Director pursuant to an agreement between certain stockholders of Conductron and Citicorp Venture Capital, Ltd., one of Conductron's principal stockholders, which grants Citicorp the right of representation on the Board as long as it maintains a specified level of investment in Conductron.

Charles W. Robins has been Clerk of Conductron since its formation. Mr. Robins is sole stockholder of a professional corporation which is a partner in the law firm of Hutchins & Wheeler, which is general counsel to Conductron.

Item 11. EXECUTIVE COMPENSATION

(A) Cash Compensation

The following table sets forth the aggregate cash compensation paid or accrued by the Company during the fiscal year ended October 26, 1985 to each of the five most highly compensated Executive Officers whose cash compensation required to be disclosed exceeded \$60,000 and to the Executive Officers of the Company as a group.

<u>NAME OF INDIVIDUAL OR NUMBER IN GROUP</u>	<u>CAPACITIES IN WHICH SERVED</u>	<u>CASH COMPENSATION</u>
Joseph J. Incandela	President, Chief Executive Officer	\$124,200 (1)
Joseph F. Banafato	Vice President, Treasurer and Chief Financial Officer	\$ 80,000
Frank W. Miller	Executive Vice President, Vice President, Operations	\$113,400 (2)
All Executive Officers as a Group (5 persons)		\$386,500

(1) Includes performance bonus granted to Mr. Incandela in the amount of \$20,000.

(2) Includes cash bonus awarded under the management incentive plan in the amount of \$20,000. For information concerning management incentive plan, see "Compensation Pursuant to Plans."

Under an agreement dated January 26, 1983, the Company has employed Joseph J. Incandela as its President and Chief Executive Officer. The agreement expired on February 8, 1986 and provided for a base salary of \$100,000, incentive and performance bonuses, as well as certain insurance, pension, relocation, and other benefits. Mr. Incandela's base salary was increased to \$105,000, effective January 1, 1985. Mr. Incandela received a non-refundable hiring bonus in the amount of \$100,000, 50% of which was paid upon commencement of employment, 25% of which was paid on the first anniversary of the agreement and 25% which was paid on the second anniversary of the agreement. Mr. Incandela may be granted an incentive bonus equal to as much as 50% of his base salary based on the attainment of certain quantitative performance related goals and certain qualitative criteria established annually by the Board of Directors. Mr. Incandela was granted a performance bonus of \$20,000 during the fiscal year ended October 26, 1985, to be paid monthly during calendar 1985.

Mr. Incandela is entitled, under the employment agreement, to receive payments with respect to so-called stock appreciation rights based on 25,000 shares of common stock of the Company. Pursuant to these stock appreciation rights, Mr. Incandela will receive quarterly, commencing with the quarter ended April, 1983, credits of an amount equal to 25,000 times the increase in the fair market value of the Company's common stock in excess of \$3.50 per share, subject to certain limitations. In no quarter may the amount of compensation credited under the stock appreciation right exceed \$25,000, but any such excess may be carried over to the next quarter. At the end of four consecutive quarters (any four consecutive quarters so ending hereafter being referred to as a "Computation Year"), all credited amounts (not in excess of \$100,000) shall become fully vested. Payment of amounts due with respect to the stock appreciation rights may be made in cash or, at the request of Mr. Incandela, in shares of the Company's common stock. For each of the first three computation years, Mr. Incandela shall have the right, if he timely elects, to receive not more than 25% of the amounts credited to his account for each such year. For the next two computation years, Mr. Incandela may similarly receive not more than 50% of such credited amounts. The remainder of the amounts standing to Mr. Incandela's credit shall be paid to him within 30 days of cessation of employment under the agreement. Declines in the fair market value of the Company's common stock may reduce the credits in Mr. Incandela's account, but may not reduce the balance below zero or reduce previously vested credits. At October 26, 1985, the Company was liable to Mr. Incandela in the amount of \$24,375, for credited amounts fully vested for the first computation year. During the fiscal year, Mr. Incandela received \$3,750 in partial payment of such credited amounts.

Pursuant to the employment agreement, Mr. Incandela purchased 25,000 shares of the Company's common stock on an installment purchase basis at a price of \$3.50 per share. Mr. Incandela paid \$17,500 in cash and the balance of the purchase price is due in four equal annual installments of \$17,500 commencing in February, 1984. Mr. Incandela's obligation of \$35,000 at October 26, 1985 is evidenced by a promissory note which bears interest at a rate of 9%.

(B) Compensation Pursuant to Plans

The Company has a management incentive plan in which its officers and certain key employees in its operating units may participate. The plan is designed to provide performance bonuses in cash when the Company achieves and/or exceeds its fiscal year financial goals as approved by the Board of Directors. The performance bonuses could range up to 40% of base salary for such participants. The plan is administered by the Board of Directors, which must approve the criteria used in awarding bonuses. Performance bonuses totaling \$85,500 were awarded to employees for the fiscal year ended October 26, 1985.

The Company has a 1981 Stock Option Plan and a 1983 Stock Option Plan (collectively referred to as the "Plans") which provide for the grant of options to key employees of Conductron and subsidiaries selected by the Stock Option Committee of the Board of Directors. Options may be non-qualified stock options or incentive stock options and the provisions of the Plans are similar. The Stock Option Committee is charged with administering the Plans and no member thereof may receive options under the Plans.

The exercise price of options granted under the Plans is determined by the Stock Option Committee when the option is granted and is in no event less than 100% of the fair market value of the shares subject to the option on the date of grant. Upon exercise of an option, full payments (in cash or shares of the Company's stock) must be made for the shares being acquired. The options are not transferable other than by will or the laws of descent and distribution. The Stock Option Committee determines the rate at which the options can be exercised except that all options will expire if not exercised within ten years after the date of grant. In addition, if not exercised, options will expire three months after the optionee's employment with the Company terminates, unless termination is by reason of the death or disability of the optionee, in which case options will expire twelve months after termination of employment.

No option can be granted to an individual who would by virtue of the option become the owner of more than ten percent of the Company's outstanding common stock.

During the fiscal year ended October 26, 1985, options were granted to Executive Officers of the Company, under the Plans, for the purchase of the following shares of common stock at the average price indicated: Joseph J. Incandela (10,000 shares) (\$3.88).

(C) Compensation to Directors

Thomas H. Lee received a salary of \$60,000 as Chairman of the Board of Directors during the fiscal year ended October 26, 1985. For information concerning fees paid to Thomas H. Lee Company, see "Certain Relationships and Related Transactions."

Mr. George M. Middlemas is reimbursed for his expenses incurred in attending meetings of the Board of Directors.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows as of February 7, 1986, the number and percentage of outstanding shares of the Company's common stock and preferred stock beneficially owned (i) by all persons known by the Company to own beneficially more than 5% of the Company's common stock or preferred stock, (ii) by each present director of the Company who is a stockholder, and (iii) by all present officers and directors of the Company as a group. By reason of their holdings, some of the named persons may be deemed to be in control of the Company, and Thomas H. Lee and Citicorp Venture Capital, Ltd. may be deemed to be parents of the Company. Except as otherwise indicated, the persons named held sole voting and investment power with respect to the shares of the Company's common stock listed below.

<u>NAME AND ADDRESS OF BENEFICIAL OWNER</u>	<u>TITLE OF CLASS</u>	<u>AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP</u>	<u>PERCENT OF CLASS</u>
Thomas H. Lee Old Farm Road Lincoln, MA 01773	Common Stock	791,500	39.3% (1)
Citicorp Venture Capital, Ltd. Citicorp Center, 28th Floor New York, NY 10043	Common Stock	330,000	16.4%
	Preferred Stock	3,000	100.0%
Stein Roe & Farnham 150 South Wacker Drive Chicago, IL 60606	Common Stock	101,500	5.0% (2)
J. Christopher Clifford 104 Lincoln Road Wayland, MA 01778	Common Stock	90,000	4.5%
Joseph J. Incandela 37 Boulder Road Wellesley, MA 02181	Common Stock	42,500	2.1% (3)
Frank W. Miller 791 Andover Street Lowell, MA 01852	Common Stock	30,000	1.5% (3)
All Directors and Officers as a Group	Common Stock	1,293,750	62.9% (3)(4)
	Preferred Stock	3,000	100.0% (4)

(1) Does not include 12,000 shares held by Mr. Lee as custodian for a minor child, as to which shares Mr. Lee disclaims beneficial ownership.

- (2) Based upon Schedule 13G filed with the Securities and Exchange Commission on February 1, 1985. Stein Roe & Farnham has sole investment power with respect to the shares of the Company's common stock listed above.
- (3) Includes as to Mr. Incandela, 17,500 shares and as to Mr. Miller, 20,000 shares and as to all directors and officers as a group, 46,250 shares issuable within 60 days upon the exercise of options.
- (4) Includes 330,000 shares of common stock and 3,000 shares of mandatory redeemable preferred stock held by Citicorp Venture Capital, Ltd. Scott G. Fossel serves as a director of the Company pursuant to an agreement between certain of the Company's stockholders and Citicorp Venture Capital, Ltd.

The registrant knows of no contractual arrangements which may at a subsequent date result in a change in control of the Company.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company has leased equipment from Federal Street Leasing Company, a partnership owned by Mr. Lee and Mr. Clifford. Total expense was \$124,000 for the year ended October 26, 1985. The leases can be cancelled by either party upon 10 days notice. As of June 18, 1985, in accordance with the agreement to sell its Oxford Precision subsidiary, the Company paid a lease in full for \$103,000 and title to equipment passed to the Oxford Precision subsidiary. At October 26, 1985, as part of the proposed agreement to sell its Mohawk Wire and Cable Division, the Company has accrued \$60,000 to pay a lease in full and title to the equipment will pass to the purchaser of Mohawk Wire and Cable Division.

Fees for management and consulting services provided to the Company and its subsidiaries, aggregating \$78,000 for the year ended October 26, 1985, were paid to Thomas H. Lee Company, a private investment company owned by Mr. Lee who is a principal stockholder of the Company.

The Company's Hendrix manufacturing facility is leased to Newcliff Reality Trust ("Newcliff") by the principal stockholders of the company which formerly operated the Hendrix business. The beneficial interest in Newcliff is held by Mr. Lee (70%) and Citicorp (30%). The lease is for a term of 10 years at an annual rental commencing at \$231,000 and increasing annually to \$289,000 in 1985 and thereafter. Newcliff in turn subleases the facility to the Company's Hendrix division on the same financial terms. Total rental expense paid to Newcliff by Hendrix under the sublease amounted to \$289,000 for the period ended October 26, 1985.

Citicorp Venture Capital, Ltd., one of the Company's principal stockholders, is the holder of a \$397,000 subordinated note with interest at 15% and 3,000 shares of 9% \$100 par value mandatory redeemable preferred stock of the Company. Interest and dividend payments during fiscal 1985 amounted to \$77,000 and \$42,000, respectively.

The Company paid \$200,000 to Citicorp Venture Capital, Ltd. during fiscal 1985 and \$100,000 in December, 1985 in redemption of 3,000 shares of mandatory redeemable preferred stock of the Company held by Citicorp Venture Capital, Ltd.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial Statements

Included in Part II of this report:

Report of Independent Certified Public Accountants.
Consolidated Statements of Operations for the three years
ended October 26, 1985.
Consolidated Balance Sheets at October 26, 1985 and October
27, 1984.
Consolidated Statements of Changes in Common Stockholders'
Equity for the three years ended October 26, 1985.
Consolidated Statements of Changes in Financial Position for
the three years ended October 26, 1985.
Notes to Financial Statements.

(a) 2. Financial Statements Schedules

Included in Part IV of this report:

Report of Independent Certified Public Accountants on
Financial Statement Schedules.
For the two years ended October 26, 1985:

Schedule V - Property and Equipment
Schedule VI - Accumulated Depreciation and Amortization of
Property and Equipment

Other schedules are omitted because of the absence of conditions under which they are required or because the required information is given in the financial statements or notes thereto.

Separate financial statements and supplemental schedules of the Company are omitted since the Company is primarily an operating company and its subsidiary, included in the consolidated financial statements being filed, does not have a minority equity interest or indebtedness to any person other than the Company in an amount which exceeds five percent of the total assets as shown by the consolidated financial statements as filed herein.

(a) 3. Exhibits

I. The following exhibits are incorporated herein by reference:

3A - Articles of Organization of the Registrant effective September 26, 1980 (filed as Exhibit 3A to the Registration Statement on Form S-1 [Registration No. 2-70430]).

- 3B - By-Laws of the Registrant adopted February 10, 1981 (filed as Exhibit 3C to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 4A - Indenture dated as of February 15, 1981 between Conductron Corporation and Boston Safe Deposit and Trust Company, as Trustees relating to 9 1/2% Convertible Senior Subordinated Debentures Due 1996 (filed as Exhibit 4C to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10A - Acquisition Agreement by and among Northcliff Corporation and the Stockholders of Mohawk Wire and Cable Corp. dated December 28, 1979 (filed as Exhibit 10A to the Registration Statement on Form S-1 [Registration Statement No. 2-70430]).
- 10B - Acquisition Agreement by and among Newcliff Corporation and the Stockholders of Hendrix Wire and Cable Corp. dated May 29, 1980 (filed as Exhibit 10B to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10C - Non-negotiable Promissory Note in the principal amount of \$7,718,584.57 dated December 28, 1979 (filed as Exhibit 10C to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10D - Stock Purchase Agreement between Northcliff Corporation and FNCB Capital Corporation dated as of December 28, 1979 (filed as Exhibit 10D to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10E - Subordinated Loan Agreement between Northcliff Corporation and the FNCB Capital Corporation dated as of December 28, 1979 (filed as Exhibit 10E to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10F - Inventory and Accounts Receivable Security Agreement and Supplemental Security Interest in goods and chattels between Mohawk Wire & Cable Corp. and New England Merchants Bank dated December 28, 1979 (filed as Exhibit 10F to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10G - Sublease between Trustees of Newcliff Realty Trust and Hendrix Wire and Cable Corp. dated May 29, 1980 (filed as Exhibit 10G to the Registration Statement on Form S-1 [Registration No. 2-70430]).

- 10H - Purchase and Sale Agreement between Trustees of Hendrix Real Estate Trust and Trustees of Newcliff Realty Trust dated May 29, 1980 (filed as Exhibit 10H to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10I - Stock Purchase Agreement between Newcliff Corporation and FNCB Capital Corporation dated as of May 29, 1980 (filed as Exhibit 10I to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10J - Subordinated Loan Agreement between Newcliff Corporation and FNCB Capital Corporation dated as of May 29, 1980 (filed as Exhibit 10J to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10K - Revolving and Term Loan and Security Agreement between Hendrix Wire & Cable Corp. and Citicorp Industrial Credit, Inc. dated May 29, 1980 (filed as Exhibit 10K to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10L - Option Agreement between Conductron Corporation and Robert R. Langer dated October 8, 1980 (filed as Exhibit 10L to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10M - Lease between Mohawk Wire & Cable Corp. and Federal Street Leasing Company (filed as Exhibit 10M to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10N - Agreement to be executed among Citicorp Venture Capital, Ltd. (formerly FNCB Capital Corporation), the Company, and Thomas H. Lee (filed as Exhibit 10N to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 100 - Subordinated Loan Agreement to be executed between the Company and Citicorp Venture Capital, Ltd (filed as Exhibit 100 to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10P - Agreement between Newcliff Realty Trust and Hendrix Wire & Cable Corp. (filed as Exhibit 10P to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10Q - Employment Contract between the Company and Peter H. Trotter (filed as Exhibit 10Q to the Registration Statement on Form S-1 [Registration No. 2-70430]).

- 10R - Agreement dated June 11, 1981 among Conductron Corporation, Conductron Components, Inc., and American Precision Industries, Inc. (filed as Exhibit 10R to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10S - Agreement of Merger dated June 11, 1981 between Conductron Components, Inc. and American Precision Industries, Inc. (filed as Exhibit 10S to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10T - Agreement dated June 15, 1981 between Jamescliff Corporation and the Stockholders of Jamestown Metal Manufacturing Corporation (filed as Exhibit 10T to the Registration Statement on Form S-1 [Registration No. 2-70430]).
- 10U - Non-Qualified Stock Option Plan dated as of July 28, 1981 of Conductron Corporation (filed as Exhibit 10U to the Registration Statement on Form S-14 [Registration No. 2-73518]).
- 10V - Credit Agreement dated as of June 15, 1981 among Conductron Corporation, State Street Bank and Trust Company, New England Merchants National Bank, and Brown Brothers Harriman & Co.
- 10W - Loan and Trust Agreement dated as of July 1, 1981 among the Industrial Development Authority of the State of New Hampshire, Conductron Corporation, and State Street Bank and Trust Company, as Trustees.
- 10X - Bond Purchase and Guaranty Agreement dated as of July 1, 1981 among Conductron Corporation, State Street Bank and Trust Company, New England Merchants National Bank and Brown Brothers Harriman & Co.
- 10Y - Acquisition Agreement dated July 31, 1981 by and among Conductron Corporation, Middleburg Corporation, Conductron Components, Inc., and Roy W. Fox, Sr. (filed as Exhibit 2 to the Registration Statement on Form S-1 [Registration No. 2-73518]).
- 10Z - Plan and Agreement of Merger dated July 31, 1981 between Middleburg Corporation and Conductron Components, Inc. (filed as Exhibit 2A to the Registration Statement on Form S-14 [Registration No. 2-73518]).

- 10AA - Form of Agreement between Conductron Corporation and Roy W. Fox, Sr. given pursuant to Section 7.5 of the Acquisition Agreement (filed as Exhibit 2D to the Registration Statement on Form S-14 [Registration No. 2-73518]).
- 10BB - Form of Agreement between Conductron Corporation and certain shareholders of Middleburg Corporation given pursuant to Section 7.5 of the Acquisition Agreement (filed as Exhibit 2E to the Registration Statement on Form S-14 [Registration No. 2-73518]).
- 10CC - Conductron 1981 Stock Option Plan (amendment and restatement of Non-Qualified Stock Option Plan dated as of July 28, 1981 (filed as Exhibit 10Y to the Registration Statement on Form S-14 [Registration No. 2-73518]).
- 10DD - Form of option under Conductron 1981 Stock Option Plan (filed as Exhibit 10Z to the Registration Statement on Form S-14 [Registration No. 2-73518]).
- 10EE - Trust and Security Agreement dated as of August 11, 1981, by and among the Massachusetts Industrial Finance Agency, New England Merchants National Bank, as Trustee, and Conductron Corporation (filed as Exhibit 10AA to the Registration Statement on Form S-14 [Registration No. 2-73518]).
- 10FF - Purchase Agreement dated August 11, 1981 between the Massachusetts Industrial Finance Agency, Conductron Corporation, State Street Bank & Trust Company, New England Merchants National Bank, and Brown Brothers Harriman & Co. (filed as Exhibit 10BB to the Registration Statement on Form S-14 [Registration No. 2-73518]).
- 10GG - Employment Agreement dated April 27, 1981 between Conductron Corporation and Frank W. Miller (filed as Exhibit 10GG to the 1981 Annual Report on Form 10-K).
- 10HH - Employment Agreement dated April 15, 1981 between Conductron Corporation and William LaVelle (filed as Exhibit 10HH to the 1981 Annual Report on Form 10-K).
- 10II - Agreement dated as of August 1, 1982 between Combined Optical Industries Limited and Conductron Corporation (filed as Exhibit 10II to the 1982 Annual Report on Form 10-K).

- 10JJ - Consulting Services Agreement between Conductron Corporation and Howard E. Oakes (filed as Exhibit 10JJ to the 1982 Annual Report on Form 10-K).
- 10KK - Letter amending Credit Agreement dated as of June 15, 1981 among Conductron Corporation, State Street Bank and Trust Company, New England Merchants National Bank, and Brown Brothers Harriman & Co. (filed as Exhibit 10KK to the 1982 Annual Report on Form 10-K).
- 10LL - Purchase Agreement dated as of June 30, 1983 between Conductron Corporation and Child Enterprises, Inc. (filed as Exhibit 2A on Form 8-K dated October 13, 1983).
- 10MM - Option Agreement dated as of July 29, 1983 between Conductron Corporation and Child Enterprises, Inc. (filed as Exhibit 2B on Form 8-K dated October 13, 1983).
- 10NN - Executive Employment Agreement dated January 26, 1983 between Conductron Corporation and Joseph J. Incandela (filed as Exhibit 10NN to the 1983 Annual Report on Form 10-K).
- 1000 - Severance Agreement dated as of March 1, 1983 between Conductron Corporation and Peter H. Trotter (filed as Exhibit 1000 to the 1983 Annual Report on Form 10-K).
- 10PP - Asset Purchase Agreement among Conductron Corporation, Conductron Components, Inc., and Middleburg Corporation (filed as Exhibit 10PP to the 1983 Annual Report on Form 10-K).
- 10QQ - Credit Agreement dated as of March 2, 1984 among Conductron Corporation, State Street Bank and Trust Company, and Bank of New England, N.A. (filed as Exhibit 10QQ to the 1984 Annual Report on Form 10-K).
- 10RR - Security Agreement dated as of March 2, 1984 among Conductron Corporation, the Banks which are parties to a Credit Agreement dated March 2, 1984, and State Street Bank and Trust Company, as trustees (filed as Exhibit 10RR to the 1984 Annual Report on Form 10-K).
- 10SS - Mortgage Agreement dated as of March 2, 1984 among Conductron Corporation, State Street Bank and Trust Company, and Bank of New England, N.A. (filed as Exhibit 10SS to the 1984 Annual Report on Form 10-K).

10TT - Security Agreement dated as of March 1, 1984 among Oxford Precision, Inc. and Conduccion Corporation (filed as Exhibit 10TT to the 1984 Annual Report on Form 10-K).

10UU - Agreement dated as of June 17, 1985 among National Aerospace Corporation, Conduccion Corporation, Conduccion Components, Inc.; and Oxford Precision, Inc. (filed as Exhibit 1 on Form 8-K dated June 18, 1985).

10VV - Form 10-Q dated as of June 11, 1985 for the quarter ended April 27, 1985 (filed as Exhibit 2 on Form 8-K dated June 18, 1985).

II. The following exhibits are filed herewith:

10WW - Amendment No. 1 to the Credit Agreement dated as of March 2, 1984 among Conduccion Corporation, State Street Bank and Trust Company, and Bank of New England, N.A.

22 - Subsidiaries of the Registrant

(b) Reports on Form 8-K

No reports on Form 8-K have been filed by the Company during the last quarter of the period covered by this report.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON SCHEDULES

The Board of Directors
Conduccion Corporation:

Under date of February 11, 1986, we have reported on the consolidated balance sheets of Conduccion Corporation and subsidiaries as of October 26, 1985 and October 27, 1984 and the related consolidated statements of earnings, changes in common stockholders' equity and changes in financial position for each of the years in the three year period then ended.

In connection with our examination of the aforementioned consolidated financial statements, we also examined the related supporting schedules listed in the accompanying index.

In our opinion, such schedules, when considered in relation to the consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

Peat, Marwick, Mitchell & Co.

PEAT, MARWICK, MITCHELL & CO.

Boston, Massachusetts
February 11, 1986

CONDUCTRON CORPORATION AND SUBSIDIARIES

Property and Equipment

Description	Property and Equipment				Discontinued businesses	Balance at end of year
	Balance at beginning of year	Additions	Retirement or sales	Construction in progress transfer		
Year ended October 26, 1985:						
Land and land improvements	\$ 356	3	-	-	359	-
Buildings and improvement	3,868	206	-	-	2,913	1,161
Machinery and equipment	10,822	1,079	110	-	6,446	5,345
Total	\$ 15,046	1,288	110	-	9,718	6,506
Year ended October 27, 1984:						
Land and land improvements	\$ 356	-	-	-	-	356
Buildings and improvement	3,846	22	-	-	-	3,868
Machinery and equipment	10,729	447	354	-	-	10,822
Total	\$ 14,931	469	354	-	-	15,046
Year ended October 29, 1983:						
Land and land improvements	\$ 466	-	-	-	110	356
Buildings and improvement	5,237	98	47	-	1,442	3,846
Machinery and equipment	12,687	1,113	578	109	2,602	10,729
Construction in progress	507	101	186	(109)	313	-
Total	\$ 18,897	1,312	811	-	4,467	14,931

Schedule VI

CONDUCTRON CORPORATION AND SUBSIDIARIES

Accumulated Depreciation and Amortization of
Property and Equipment

Description	Balance at beginning of year	Additions charged to costs and expenses	Retirements	Discontinued businesses	Balance at end of period
Year ended October 26, 1985:					
Land and land improvements	\$ 40	8	-	48	-
Buildings and improvements	479	135	-	513	101
Machinery and equipment	<u>3,345</u>	<u>1,002</u>	<u>59</u>	<u>2,862</u>	<u>1,426</u>
Total	\$ <u>3,864</u>	<u>1,145</u>	<u>59</u>	<u>3,423</u>	<u>1,527</u>
Year ended October 27, 1984:					
Land and land improvements	\$ 31	9	-	-	40
Buildings and improvements	345	134	-	-	479
Machinery and equipment	<u>2,344</u>	<u>1,080</u>	<u>79</u>	-	<u>3,345</u>
Total	\$ <u>2,720</u>	<u>1,223</u>	<u>79</u>	-	<u>3,864</u>
Year ended October 29, 1983:					
Land and land improvements	\$ 25	10	-	4	31
Buildings and improvements	321	191	8	159	345
Machinery and equipment	<u>2,075</u>	<u>1,275</u>	<u>196</u>	<u>810</u>	<u>2,344</u>
Total	\$ <u>2,421</u>	<u>1,476</u>	<u>204</u>	<u>973</u>	<u>2,720</u>

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CONDUCTRON CORPORATION

Date: February 11, 1986

By Joseph J. Incandela
Joseph J. Incandela
President and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following named on behalf of the Registrant and in the capacities and on the dates indicated.

Principal Executive Officer:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>Joseph J. Incandela</u> Joseph J. Incandela	President and Chief Executive Officer	February 11, 1986

Principal Financial Officer:

<u>Joseph F. Banafato</u> Joseph F. Banafato	Vice President, Treasurer, and Chief Financial Officer	February 11, 1986
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Directors:

<u>Thomas H. Lee</u> Thomas H. Lee	Director	February 11, 1986
<u>George M. Middlemas</u> George M. Middlemas	Director	February 11, 1986
<u>Frank W. Miller</u> Frank W. Miller	Director	February 11, 1986
<u>J. Christopher Clifford</u> J. Christopher Clifford	Director	February 11, 1986
<u>Scott Fossel</u> Scott Fossel	Director	February 11, 1986

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
Conductron Corporation:

We consent to incorporation by reference in the Registration Statement (No. 2-84240) on Form S-8 of Conductron Corporation of our report dated February 11, 1986, relating to the consolidated balance sheets of Conductron Corporation and subsidiaries as of October 26, 1985 and October 27, 1984 and the related consolidated statements of operations, stockholders' equity and changes in financial position and related schedules for each of the years in the three-year period ended October 26, 1985 which report appears in the October 26, 1985 annual report on Form 10-K of Conductron Corporation.

Peat, Marwick, Mitchell & Co.

PEAT, MARWICK, MITCHELL & CO.

Boston, Massachusetts
February 11, 1986

Exhibit 2.3
to Asset Purchase Agreement

CONFLICTS WITH INSTRUMENTS

1. The consummation of the transactions contemplated by this Agreement (the "Asset Sale") will result in Seller's default under the following agreements, unless the other parties to each such agreement either consent to the Asset Sale or waive such default:

1.1 Loan and Trust Agreement dated as of July 1, 1981, entered into by and among Seller, The Industrial Development Authority of the State of New Hampshire and State Street Bank and Trust Company ("State Street"), as trustee (the "NHIDA Trustee") for certain bondholders (the "NHIDA Bondholders").

1.2 Bond Purchase and Guaranty Agreement dated as of July 1, 1981, entered into by and among Seller and the NHIDA Bondholders.

1.3 Trust and Security Agreement dated as of August 11, 1981, entered into by and among Seller, Massachusetts Industrial Finance Agency and Bank of New England, N.A. ("BNE," formerly New England Merchants National Bank), as trustee (the "MIFA Trustee") for certain bondholders.

1.4 Mortgage Agreement dated as of March 30, 1983, entered into by and between Seller and State Street, as agent for the NHIDA Trustee and the MIFA Trustee.

1.5 Credit Agreement dated as of March 2, 1984, entered into by and among Seller, State Street and BNE.

1.6 Security Agreement dated as of March 2, 1984, entered into by and among Seller, State Street, on its own behalf and as agent, and BNE.

1.7 Mortgage Agreement dated as of March 2, 1984, entered into by and among Seller, State Street, on its own behalf and as agent, and BNE.

1.8 Promissory Note, Security Agreement and Disclosure Statement dated September 5, 1985, entered into by and between Seller and Patriot Bank, N.A. It is not clear from the documentation whether Seller has title to the property covered by the foregoing agreement or is, instead, a lessee thereof.

1.9 Subordinated Loan Agreement dated as of February 19, 1981, entered into by and between Seller and Citicorp Venture Capital Ltd.

2. The following lease agreements, pursuant to which Seller is lessee, expressly prohibits Seller's assignment thereof (copies of all of the following agreements have been furnished to Purchaser):

2.1 Lease Agreement dated January 28, 1985, entered into by and between Seller and General Motors Acceptance Corporation, relating to a certain 1985 GMC K2500 Pick-Up Truck.

2.2 Lease Agreement and Disclosure Statement dated December 10, 1984, entered into by and between Seller and Talarico Leasing Company, relating to a certain 1985 Pontiac Parisiene.

2.3 Equipment Lease Agreements dated May 20 and August 15, 1980, entered into by and between Seller and Federal Street Leasing Company, relating to certain machinery and equipment.

2.4 Equipment Lease dated March 28, 1985, entered into by and between Seller and Northland Industrial Truck Co., Inc., relating to three Yale industrial trucks (Model No. GLC030CBE077).

2.5 Master Lease Agreement dated June 20, 1985, entered into by and between Seller and Compusales, Inc., relating to five International Business Machines computer terminals (Model No. 5251).

3. Without the prior written consent of the customer, some or all of the customer purchase orders set forth at Schedule A to Exhibit 2.8 to this Agreement and some or all of the written blanket purchase order agreements set forth at paragraph 1.8 of that same Exhibit prohibit Seller's assignment of its rights and delegation of its obligations thereunder.

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Exhibit 2.4
to Asset Purchase Agreement

AUDITED BALANCE SHEET

MOHAWK WIRE AND CABLE

(A Division of Conduccion Corporation)

Statement of Assets and Liabilities

October 26, 1985

(With Auditors' Report Thereon)

MOHAWK WIRE AND CABLE

(A Division of Conductron Corporation)

Statement of Assets and Liabilities

October 26, 1985

(With Auditors' Report Thereon)



Peat, Marwick, Mitchell & Co.
Certified Public Accountants
One Boston Place
Boston, Massachusetts 02108
617-723-7700

The Board of Directors
Conduccion Corporation:

We have examined the statement of assets and liabilities of Mohawk Wire and Cable (a division of Conduccion Corporation) as of October 26, 1985. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned statement presents fairly the assets and liabilities of Mohawk Wire and Cable at October 26, 1985 in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

December 20, 1985

Mohawk Wire and Cable

(A division of Conductron Corporation)

Statement of Assets and Liabilities

October 26, 1985

Assets

Current assets:

Cash	\$ (10,000)
Trade accounts receivable, less allowance for doubtful accounts of \$38,000 (note 6)	3,013,000
Inventories (note 6):	
Raw materials	1,196,000
Work in process	570,000
Finished goods	<u>1,188,000</u>
Total inventories	2,954,000
Notes receivable	66,000
Other current assets	<u>215,000</u>
Total current assets	<u>6,238,000</u>

Property, plant and equipment (notes 2 and 6)	7,025,000
Less accumulated depreciation	<u>2,406,000</u>
Net property, plant and equipment	<u>4,619,000</u>

Other assets	19,000
Cost in excess of net assets acquired	<u>551,000</u>

Total Assets \$ 11,427,000

Liabilities

Current liabilities:

Short term debt	1,000
Accounts payable, trade	1,401,000
Accrued expenses	<u>138,000</u>
Total current liabilities	<u>1,540,000</u>

Due to Conductron Corporation 9,887,000

\$ 11,427,000

(See Accompanying Notes to Statement of Assets and Liabilities)

Mohawk Wire and Cable

(A division of Conductron Corporation)

Notes to Statement of Assets and Liabilities

October 26, 1985

(1) Summary of Significant Accounting Policies

(a) Basis of Presentation

Mohawk Wire and Cable ("Mohawk") is a division of Conductron Corporation. Certain expenses incurred by Conductron Corporation are not allocated to its operating divisions. Such expenses consist primarily of interest expense (and related debt), salaries and fringe benefits of certain corporate officers and employees, professional services and other general and administrative expenses.

(b) Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

(c) Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets.

(d) Intangible Assets

Cost in excess of net assets acquired (\$644,779) is being amortized over a 40 year period.

(e) Income Taxes

As of October 26, 1985, Mohawk was a division of Conductron Corporation and will be included as part of Conductron Corporation's consolidated Federal and state income tax returns. All income taxes and benefits flow through to Conductron Corporation; therefore, no income tax provision or benefit has been recorded for Mohawk.

Mohawk Wire and Cable

(A division of Conductron Corporation)

Notes to Statement of Assets and Liabilities

October 26, 1985

(2) Property, Plant and Equipment

Property, plant and equipment are summarized by major classification as follows:

Land and improvements	\$ 284,000
Building and improvements	2,261,000
Machinery and equipment	3,991,000
Furniture and fixtures	469,000
Motor vehicles	20,000
	<u>7,025,000</u>
Less accumulated depreciation	<u>2,406,000</u>
	\$ <u>4,619,000</u>

(3) Profit Sharing Plan

Mohawk has a qualified noncontributory profit sharing plan covering substantially all full-time employees. Mohawk, at its discretion, may contribute any amount not in excess of the maximum permitted by the Internal Revenue Code.

(4) Sale of the Division

Conduction Corporation is currently engaged in negotiations to sell the Mohawk Wire and Cable division.

(5) Related Parties

During the period October 28, 1984 to October 26, 1985, Mohawk leased certain equipment from Federal Street Leasing, a related party. The total expense pertaining to this operating lease was \$68,000.

(6) Pledged Assets

Mohawk's accounts receivable, inventory and fixed assets are pledged as collateral to secure Conductron Corporation loans.

(7) Commitments

Conductron Corporation and Mohawk have entered into consulting contracts with two of Mohawk's previous owners. Each of the two owners receives \$4,167 per month for services provided. The contracts expire in December 1985 and June 1986.

Exhibit 2.7(a)
to Asset Purchase Agreement

REAL PROPERTY DESCRIPTION

That certain parcel of land, together with the buildings and improvements thereon, situated in Leominster, Worcester County, Massachusetts, as shown on a plan of land entitled "Plan of Land in Leominster, Mass." dated December 8, 1979, by Hayes Engineering, Inc., Civil Engineers and Land Surveyors, recorded with Worcester Northern District Registry of Deeds in Plan Book 238, page 16, bounded and described as follows:

Commencing at a point at the intersection of Nashua Street and Mohawk Drive as shown on said plan, thence

South 53° 15' 47" West	by Mohawk Drive as shown on said plan four hundred and eight and 32/100 (408.32) feet; thence
by a curve to the right with a radius of twenty or thirty feet	by Scott Drive as shown on said plan an arc distance and 56/100 (30.56) feet; thence
North 39° 10' 29" West	by said Scott Drive and by other land of owners unknown, as shown on said plan, seven hundred eighty seven and 94/100 (787.94) feet and eighty nine and 73/100 (89.73) feet, respectively; thence
North 50° 49' 31" East	by land of owners unknown four hundred and fifty and 00/100 (450.00) feet; thence
South 39° 10' 29" East	by State Highway Route 2 four hundred eighty nine and 73/100 (489.73) feet; thence
South 77° 40' 07" East	by said State Highway Route 2 one hundred seventy seven and 14/100 (177.14) feet; thence

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by a curve to the left
with a radius of eight
hundred and fifty feet

South 24° 10' 19" West

South 31° 48' 13" East

by Nashua Street ninety nine
and 39/100 (99.39) feet;
thence

by said Nashua Street sixty
and 88/100 (60.88) feet;
thence

by said Nashua Street one
hundred seventy eight and
67/100 (178.67) feet to the
point of beginning.

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Exhibit 2.7(d)
to Asset Purchase Agreement

LEASES, ETC.

No exceptions.

0343t

Exhibit 2.7(f)
to Asset Purchase Agreement

PERSONAL PROPERTY ENCUMBRANCES

I. TO BE DISCHARGED PRIOR TO CLOSING

1. State Street Bank and Trust Company ("State Street"), as agent for the Trustees (as that term is defined at Exhibit 2.3 hereto), has a security interest in and to certain equipment and other goods pursuant to a Mortgage Agreement dated March 30, 1983 entered into by and between State Street, as agent, and Seller.

2. State Street, as agent for itself and Bank of New England, N.A. ("BNE"), has a security interest in and to substantially all of the Assets pursuant to a Security Agreement dated March 2, 1984, entered into by and among Seller, State Street, on its own behalf and as agent, and BNE.

3. The following lessor under the indicated lease agreements has filed Forms UCC-1 with the Secretary of State of the Commonwealth of Massachusetts and with the City Clerk of Leominster, Massachusetts (a copy of the following agreements has been furnished to Purchaser):

3.1 BNE, as assignee of Federal Street Leasing Company ("Federal"), pursuant to Equipment Lease Agreements dated May 20 and August 15, 1980, entered into by and between Seller and Federal, relating to certain machinery and equipment.

II. NOT TO BE DISCHARGED PRIOR TO CLOSING

1. The following lessors under the indicated lease agreements have filed Forms UCC-1 with the Secretary of State of the Commonwealth of Massachusetts and with the City Clerk of Leominster, Massachusetts (copies of the following agreements have been furnished to Purchaser):

1.1 Eaton Corporation, as assignee of Northland Industrial Truck Co., Inc. ("Northland"), pursuant to an Equipment Lease dated March 28, 1985, entered into by and between Seller and Northland, relating to three Yale industrial trucks (Model No. GLC030CBE077).

1.2 Compusales, Inc. ("Compusales") pursuant to a Master Lease Agreement dated June 20, 1985, entered into by and between Seller and Compusales, relating to five International Business Machines computer terminals (Model No. 5251).

2. Patriot Bank, N.A. ("Patriot") has a security interest in and to certain International Business Machines computer hardware and software pursuant to a Note and Security Agreement dated September 5, 1985, entered into by and between Seller and Patriot (a copy of which has been furnished to Purchaser). It is unclear from the documentation whether Seller has title to the property covered by the foregoing agreement or is, instead, a lessee thereof.

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Exhibit 2.7(g)
to Asset Purchase Agreement
PHYSICAL DEFECTS IN REAL PROPERTY

No exceptions

0343t

Exhibit 2.7(h)
to Asset Purchase Agreement

HAZARDOUS WASTES

- (i) Massachusetts Environmental Policy Act, as amended, Massachusetts General Laws, c.30, Section 62 ("MEPA") and the MEPA Regulations at 301 CMR Section 10.00 et seq.
- (ii) National Environmental Policy Act (NEPA), 42 U.S.C. § 4321 et seq. and applicable regulations.
- (iii) Massachusetts Clean Waters Act, Massachusetts General Laws, c.21, Sections 26-53, and Regulations at 314 CMR Sections 1.00-7.00.
- (iv) 33 U.S.C. § 1344 and regulations at 33 CFR 323 (permits for construction, dredging or filling in navigable waters of U.S.).
- (v) Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq. (regulating discharge of pollutants into waters of U.S.).
- (vi) Massachusetts Wetlands Statutes, Massachusetts General Laws, c.131, Sections 40 and 40A, and regulation at 310 CMR 10.00 et seq. and 302 CMR and c.130, Section 4.00 et seq.
- (vii) Massachusetts General Laws c.91 (Waterways Licenses for work affecting certain bodies of water).
- (viii) Massachusetts General Laws, chapter 83, Sections 5 and 7 (sewage).
- (ix) Title 5 of the State Environmental Code (10 CMR 15.00 et seq.) (on-site sewage disposal).
- (x) Drinking water regulations found at 310 CMR 22.22 (prohibiting cross connections between public water supply and unimproved water supply).
- (xi) Massachusetts General Laws, chapter 92, App., and Massachusetts Water Resources Authority Sewer Division (formerly MDC Sewer Division) regulation found at 350 CMR 11.00 et seq.

- (xii) Massachusetts General Laws, c.111, c.150A and regulations at 310 CMR 19.00 et seq. (regulating on-site disposal of solid wastes other than sewage).
- (xiii) Massachusetts Clean Air Act, Massachusetts General Laws c.111, §§ 142A-J and regulations found at 310 CMR 6.00 et seq. and 7.00 et seq.
- (xiv) Massachusetts Hazardous Waste Management Act, Massachusetts General Laws c.21C and regulations found at 310 CMR 30.000 et seq. (regulating generation, treatment, storage and disposal of hazardous wastes), and G.L. c.21E (State "Superfund" Law).
- (xv) Massachusetts General Laws c.81, § 21 (permits for curb cuts into state highways).
- (xvi) Massachusetts General laws c.9, § 27C and regulations at 950 CMR 71.00 et seq. (protecting historic structures).
- (xvii) Zoning Ordinance of City of Leominster.
- (xviii) Massachusetts State Building Code.

0343t

Exhibit 2.8
to Asset Purchase Agreement

CERTAIN CONTRACTS

I. Contracts to Be Assumed by Purchaser

1.1 Set forth at Schedule A hereto is a list, determined as of January 27, 1986, of all open customer purchase orders for Mohawk products which exceed, in each case, \$10,000 (copies of the purchase orders set forth at Schedule A hereto have been furnished to Purchaser except for those marked with an asterisk). Customer purchase orders which are not open (i.e., for which there is no established shipping date) are not listed herein, notwithstanding the fact that Seller may have sent acknowledgment with respect thereto.

1.2 Set forth at Schedule B hereto is a list, determined as of January 27, 1986, of all open orders for the purchase by Seller of materials and goods for use by Mohawk which exceed, in each case, \$10,000.

1.3 Centralized Purchase Agreement dated August 1, 1983, as amended on January 16, 1985, entered into by and between Seller and Summers Electric Company ("Summers"), pursuant to which Summers has agreed to purchase a majority of its requirements for certain types of Mohawk cable products from Seller (a copy of which has been furnished to Purchaser).

1.4 Purchase and Distributor Agreements dated September 21 and 23, 1985, entered into by and between Seller and W. B. Allen Supply Co., Inc. ("Allen"), pursuant to which Allen has agreed to purchase its requirements for certain types of Mohawk cable products from Seller and Seller has granted to Allen certain distributor rights (copies of which have been furnished to Purchaser).

1.5 Seller's obligations under each of the following lease agreements relating to the business of Mohawk will exceed \$10,000 over the remaining term of the lease (copies of the following agreements have been furnished to Purchaser):

1.5.1 Equipment Lease Agreements dated May 20 and August 15, 1980, entered into by and between Seller and Federal Street Leasing Company, relating to certain machinery and equipment.

1.5.2 Equipment Lease dated March 28, 1985, entered into by and between Seller and Northland Industrial Truck Co.,

Inc., relating to three Yale industrial trucks (Model No. GLC030CBE077).

1.5.3 Master Lease Agreement dated June 20, 1985, entered into by and between Seller and Compusales, Inc., relating to five International Business Machines computer terminals (Model No. 5251).

1.5.4 Promissory Note, Security Agreement and Disclosure Statement dated September 5, 1985, entered into by and between Seller and Patriot Bank, N.A., relating to certain International Business Machines computer hardware and software. It is not clear from the documentation whether Seller has title to the property covered by the foregoing agreement or, instead, is a lessee thereof.

1.6 Seller has entered into Sales Representative Agreements with the following parties and, in each case, their annualized sales commissions may exceed \$10,000 (copies of the following agreements have been furnished to Purchaser):

Sales Representative	Date of Agreement
Action Electrical Sales, Inc.	04/11/85
Adtek, Inc.	11/15/84
Agents West, Inc.	04/11/85
Buffa Company	
Car-Nap	05/02/85
Cushman-Whiting, Inc.	04/12/85
Douglas T. Ewing & Associates, Inc.	04/11/85
Dyno Rep	06/01/82
Electronic Component Systems, Inc.	05/02/85
Empire Electrical Sales	05/02/85
F.M. Nicholas Company, Inc.	
G.T. Joyce Electrical Sales, Inc.	10/22/84
Howard Benjamin Associates	
J.D. Martin Company, Inc.	08/01/85
J.H. Williams & Associates	10/01/85
The Jim Erlinger Company	11/09/84
Kunz, Powell & Associates	05/02/85
L & R Electric Company	
Lee-Tronics, Inc.	10/30/84
The Mackenroth Company	
M-2 Marketing Group	05/02/85
Monteiro Associates, Inc.	10/19/84
Polsinelli & Associates	
Quality Component Sales	05/02/85
Scott Electronic Sales	05/02/85
Shaffer & Nelson, Inc.	04/11/85
Tech-Mark, Inc.	10/19/84
Willagen Electronic Assoc., Inc.	10/19/84
The Zonneville Company	04/18/85

Schedule A
to Exhibit 2.8

OPEN CUSTOMER ORDERS WITH VALUE OF \$10,000 OR MORE
AS OF JANUARY 27, 1986

<u>Customer</u>	<u>P.O. Number</u>	<u>Remaining Amount</u>
Tevelec	3560	\$68,242.19
Visions Data Cable	9207	18,080.00
Foxboro Company	922006F19	12,250.00
Omega Electronics	4552 REL #4	54,870.00
	6555-XXE	15,820.00
	65521841	13,200.00
	*4552	73,750.00
Mountain Cable	30859	10,260.00
K. L. Tannehill	020771	16,832.00
State Electric Supply	20054	19,470.00
United Airlines	26386	41,800.00
Clifford of Vermont	13977	56,505.00
	14062	56,505.00
Ikegami	CD-4404	11,896.00
Ace Electric Supply	JG13017	10,201.13
National Electric Control	E04252	96,678.00
	E04252 ADON	68,616.00
Manhattan Electric	01007232-H	16,600.00
	01007229-LA	33,925.00
	01007225-B	16,600.00
Technical Services for Electronics	51361	10,386.00
MPI	14868	26,770.83
National Semiconductor	24997-23	67,275.00
Gateway Wire & Cable	3150	26,230.00

*Copies of Purchase Orders marked with an asterisk have not
been provided to Purchaser.

0470:

78-A

TRADEMARK
REEL: 1861 FRAME: 0164

Schedule B
to Exhibit 2.8

OPEN PURCHASE ORDERS AS OF JANUARY 27, 1986

<u>Vendor</u>	<u>P.O. Number</u>	<u>Remaining Amount</u>
Camden Wire	0725-15	\$69,000.00
	1213-01	12,200.00
	0108-08	18,400.00
	0102-10	49,100.00
Nesor	0725-14	55,400.00
	0102-09	35,200.00
	1202-03	6,800.00
Dupont	0108-13	18,000.00
Gunze	1106-03	138,300.00
Union Carbide	0102-13	16,600.00
Gary Chemical	0102-14	24,800.00
	1108-05	11,600.00
Teknor Apex	1122-08	13,400.00
	1024-07	19,700.00
	0102-15	13,000.00
Neptco Inventory	1227-01	1,200.00
	1211-09	28,500.00

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Exhibit 2.9
to Asset Purchase Agreement

PENDING OR THREATENED CLAIMS

1. George H. Gannon, d/b/a Gannon Associates v. Mohawk Wire and Cable Corp. An action commenced in the Superior Court for Worcester County in the Commonwealth of Massachusetts by a former sales representative of Mohawk Wire & Cable Corp., now the Mohawk Division of the Seller, for sales commissions allegedly due under a sales representative agreement. The plaintiff maintains that there is \$16,292.18 in commissions due and payable to him with respect to sales contracts executed by the Seller as a result of his efforts. The Seller contends that no commissions are due because the contracts were not executed in accordance with the terms of the sales representative agreement. Suit was filed in April of 1983 and the litigation is currently in the discovery stage. The Seller intends to continue to contest this matter and defend the suit.

2. ITT Business Communications Corporation v. Conductron Corporation (Civil Action No. 84-28156). On April 15, 1984, ITT Business Communications Corporation ("ITT") filed a complaint against the Seller in the Superior Court for Worcester County in the Commonwealth of Massachusetts. The suit arises out of the sale and delivery by Conductron to ITT of 970,000 feet of "three pair communications conductor cable for use in air plenums" (the "Cable"), for a total purchase price of \$237,650. In five separate counts for relief, including a claim under Chapter 93A of the General Laws of the Commonwealth of Massachusetts, ITT alleges that 516,940 feet of the total shipment does not conform to specification and has demanded reimbursement from the Seller in the amount of \$126,540 (and treble that amount pursuant to its claim under 93A). The Seller has denied each of the ITT allegations and has assumed a vigorous defense thereof. The litigation is currently in the discovery stage, and the Seller intends to continue to contest the matter and to defend the suit.

3. Eby Energy Products. By letter from its counsel ("Counsel") dated November 15, 1985, Eby Energy Products ("Eby"), a former sales representative for Mohawk products, has informed the Seller of its claim to \$13,221.43 in earned but unpaid commissions. Counsel has indicated that he will recommend the commencement of suit if the foregoing claim is not satisfied by the Seller. The Seller intends to defend any suit that may be commenced and believes that it has setoffs and/or counterclaims with respect thereto in the amount of \$6,365.05.

4. Internal Revenue Service. The Internal Revenue Service ("IRS") has assessed penalties and interest against Seller in the amount of \$26,267.99 for its alleged failure to make deposits of certain employee withholding taxes and to make timely deposits of certain other employee withholding taxes. Seller has contested such assessments and the matters are presently before the Problem Resolution Group of the IRS. Seller anticipates a favorable determination with respect to all but approximately \$1,000.00 of such penalties and interest thereto.

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2.3 Consulting Service Agreement dated September 13, 1982, entered into by and between Seller and Ian Pasco (a copy of which has been furnished to Purchaser).

2.4 A letter agreement by and between Seller and Brian Keane dated March 8, 1984 regarding employment and relocation (a copy of which has been furnished to Purchaser).

0343t

Those Sales Representatives for whom a Date of Agreement is not indicated have not executed a written agreement with Seller.

1.7 Seller has entered into finders fee arrangements with FJC Electronics and R & D pursuant to letter agreements dated August 20, 1984 and November 1, 1985, respectively (copies of which have been furnished to Purchaser).

1.8 The following customers have blanket purchase order arrangements and/or written agreements with Seller which obligate Seller to sell Mohawk products on certain specified terms (copies of the following written agreements have been furnished to Purchaser):

Sperry
Control Data
Digital (no existing written agreement)
Wang
National Semiconductor (no existing written agreement)
Bunker Ramo
NCR

1.9 Seller has blanket purchase order arrangements with the following suppliers:

Pennwalt
Gunze
Dupont
Camden Wire Company
Nesor Alloy Corporation

1.10 Seller has entered into an oral agreement with Flourtek, which is terminable at will, pursuant to which Seller has agreed to sell and Flourtek has agreed to buy all hi-temp bleeder stock which is not reprocessed by Mohawk.

1.11 Seller has entered into an oral agreement with Plastic Compounders, which is terminable at will, pursuant to which Plastic Compounders provides reprocessing for all Mohawk M-black and M-gray PVC.

II. Contracts NOT to Be Assumed by Purchaser

2.1 Consulting Services Agreement dated December 27, 1979, entered into by and between Mohawk Wire & Cable Corp. and John W. Resseguie (a copy of which has been furnished to Purchaser).

2.2 Consulting Service Agreement dated September 13, 1982, entered into by and between Seller and Robert J. Roote (a copy of which has been furnished to Purchaser).

Exhibit 2.10
to Asset Purchase Agreement

OBLIGATIONS TO EMPLOYEES

1. Employee Benefit Program with Connecticut General Life Insurance Company (a copy of which has been furnished to Purchaser) consisting of the following group insurance coverage:

<u>Type of Coverage</u>	<u>Group Policy No.</u>
Life Insurance	0506373-01
Accidental Death & Dismemberment	0506373-02
Short Term Disability	0506373-03
Medical Expense	0506373-04

2. Mohawk Wire & Cable Division Employee Profit Sharing Plan and Trust Agreement, as amended through June 18, 1985 (a copy of which has been furnished to Purchaser).

3. Conduction Corporation 1981 Stock Option Plan and 1983 Stock Option Plan, the provisions of which are similar, pursuant to which the Stock Option Committee of the Seller's Board of Directors may grant incentive and/or nonqualified stock options to key employees of the Seller.

4. A publication entitled "Conduction Corporation Wire & Cable Group Employee Relations Update," in which Seller sets forth policies and procedures with respect to various aspects of the employer-employee relationship. The foregoing material is amended and/or supplemented periodically by Seller to reflect new or different policies (a copy of which has been furnished to Purchaser).

5. A letter agreement by and between Seller and Brian Keane dated March 8, 1984, which provides for certain relocation payments to be made by Seller to Mr. Keane through 1986 (a copy of which has been furnished to Purchaser).

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Exhibit 2.11
to Asset Purchase Agreement

TRADEMARKS, PATENTS, INTELLECTUAL PROPERTY

1. Seller is the registered owner of the trademark "MOHAWK" (U.S. Reg. No. 1,376,538, issued December 24, 1985) for the limited purpose of using same in connection with the marketing and sale of electrical and electronic cables and wires.

2. Seller conducts the business of Mohawk under the trade name "Mohawk Wire & Cable Company."

3. Seller owns all of the issued and outstanding stock of Mohawk Wire & Cable Corp., a corporation established under the laws of the Commonwealth of Massachusetts.

4. Seller possesses certain drawings, blueprints, manufacturing know-how, processes, formulas, specifications, designs and methods used in the conduct of the business of Mohawk, some or all of which may be proprietary in nature.

0343t

Exhibit 2.16
to Asset Purchase Agreement

INSURANCE

<u>Company</u>	<u>Policy Number</u>	<u>Coverage</u>	<u>Amount</u>	<u>Expires</u>
1. Kemper Group 150 Newport Avenue North Quincy, MA 02171 (617) 328-2000	3ZG002606-00	"All Risk" Property Insurance Replacement Cost Valuation, Blanket Property Damage, Business Interruption In- cluding EDP Coverages and Boiler & Machinery Rental Value, Valuable Papers, Extra Expense, EDP Extra Expense, Media, Demolition, Increased Cost of Construction	\$ 45,800,000	7-1-87
		Unnamed Locations	\$ 200,000	
		Newly Acquired Locations	\$ 1,000,000	
		Transit	\$ 200,000	
		Flood & Earthquake	\$ 25,000,000	
		Travel Accident	\$ 300,000	2-6-88
			per individual	
			\$ 2,000,000	
			per accident	
2. Insurance Company of North America 3 Center Plaza Boston, MA 02105 (617) 227-7300	ABL644876			

1001

Assigned Risk Pool	Workers Compensation	Statutory	12-31-86
3. Hartford Group 2 Center Plaza Boston, MA 02108 (617) 726-7400	08WZV68919		
4. Hartford Group	08CMB1262E	\$ 500,000	12-31-86
5. Hartford Group	08HUKM7906	\$ 5,000,000	12-31-86
6. National Union 10 Post Office Sq. Boston, MA 02108 (617) 956-4600	Binder	\$ 1,000,000	12-31-86
7. Hartford Group	08ABMB1263	\$ 500,000	12-31-86
8. Federal Insurance Co. 2 Center Plaza Boston, MA 02108 (617) 367-5840	Binder	\$ 2,000,000	12-31-86
9. Aetna Casualty 40 Broad Street Boston, MA 02109 (617) 423-1300	06BZ100169343	\$ 250,000	7-1-88

Seller uses Johnson & Higgins of Massachusetts, Inc., 3 Center Plaza, Boston, MA 02108 ((617) 742-5300) as broker with respect to all of the foregoing insurance policies.

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Exhibit 4.10
to Asset Purchase Agreement

MOHAWK WIRE & CABLE CO.

PRO FORMA BALANCE SHEET
(\$000)

	Pro forma -----
Net assets:	
Cash	0
Accounts receivable	3013
Inventories	2954
Other current assets	280

Total current assets	6247
Short term debt	1
Accounts payable	1401
Other current liabilities	138

Total current liabilities	1540

Net working capital	4707

Property and plant	1900
Machinery and equipment	1758

Net fixed assets	3658

Other assets	19
Goodwill	-458
Other liabilities	0
Deferred taxes	0

Total net assets	7950
	=====

Capitalization:	
Senior long term debt	2450
Subordinated long term debt	2600
Long-term lease	1900

Total long term debt	6950
Shareholder's equity	1000

Total capitalization	7950
	=====

Note: This pro forma balance sheet may be adjusted to reflect actual current asset and liabilities values as set forth at the Pre-Closing Balance Sheet. These values are derived as of the October 26, 1985 Balance Sheet.

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Exhibit 4.13
to Asset Purchase Agreement

TERMS OF SECURITY AGREEMENT

Subject to reasonable approval of Purchaser's senior lender (the "Bank"), Purchaser and Seller shall enter into a Security Agreement on substantially the following terms.

1. Security Interest. Purchaser will grant to Seller a security interest in all personal property and trade fixtures of Purchaser, including, without limitation:

(a) Inventory, equipment, tangible goods and trade fixtures owned by Purchaser (if any);

(b) Receivables, contract rights and other intangible assets;

(c) Cash equivalents, securities, instruments and insurance; and

(d) Any additions, substitutions, improvements or proceeds.

2. Filings. Purchaser shall make reasonable and customary filings, and shall make reasonable and customary representations, warranties and covenants.

3. Events of Default. The Events of Default under the terms of the Note shall be the events of default under the Security Agreement.

4. Etc. The Security Agreement shall contain such other reasonable and customary terms as the parties shall reasonably agree upon.

0343t

Exhibit 4.14
to Asset Purchase Agreement

REMOVABLE PROPERTY NOT PART OF ASSETS

PERSONAL PROPERTY TO BE REMOVED FROM 9 MOHAWK DRIVE, LEOMINSTER,
MASS. PRIOR TO SALE OR REASONABLY SOON THEREAFTER--BEING
CONDUCTRON CORPORATION PROPERTY.

Office Equipment

Royal Copier
Apple III Computer/Printer with table
IBM 2300 Computer/Printer
Kroy Lettering Machine
Overhead Projector/Screen
IBM Typewriter (Joan Ogg)
3M Transparency Machine

Office Furniture

Kimball Walnut Desk (JFB)
Kimball Walnut Credenza (JFB)
Judge's Chair - Black/Walnut (JFB)
Side Chairs (2) - Black/Walnut (JFB)
Delta Oak Desk (FST)
Delta Oak Credenza (JJI)
Delta Oak Table (60 x 60) (JJI)
Delta Oak Cubes (3) (JJI)
Delta Oak Side Chairs (4) (JJI)
Delta Oak Desk Chair (Blue) (JJI)
N.Y. Love Seat (Blue) (JJI)
N.Y. Lounge Chair (Blue) (JJI)
Delta Side Chairs (2-Blue) (JJI)
Kimball Secretary Desk with Return (Walnut) (JEO)
Filing Cabinets - 4-drawer (5) (JEO)
Filing Cabinets - 2-drawer (2) (JEO)
Coffee Stand (JEO)

Miscellaneous

Assorted plants & wall hangings, decorations
Corporate books and records
Various office supplies specific to listed equipment

Exhibit 5.3
to Asset Purchase Agreement

Opinion of Hutchins & Wheeler

March __, 1986

Mohawk Wire and Cable Corporation
3140 Bank of California Center
Seattle, Washington 98164

Attention: Mr. Glenn Kalnasy

Gentlemen:

This opinion is being furnished to you in accordance with Section 5.3 of a certain Asset Purchase Agreement (the "Agreement") dated as of _____, 1986, entered into by and among Mohawk Wire and Cable Corporation (the "Purchaser"), Conductron Corporation ("Conductron"), and West Penn Wire Corporation. All capitalized terms used in this opinion and not otherwise defined herein shall have the respective meanings set forth in the Agreement.

We are general counsel to Conductron and, as such, are familiar with its Articles of Organization and by-laws. We have represented Conductron in connection with the negotiation, execution and delivery of the Agreement, which provides for the sale of the Assets to the Purchaser.

For purposes of this opinion, we have examined the originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments as we have deemed necessary and, when the facts were not independently established, we have relied upon representations as to matters of facts from officers of Conductron and have reviewed such other documents and questions of law as in our judgment are necessary to enable us to render the opinions expressed below. In connection with the foregoing examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with the originals of all documents submitted to us as copies. We have assumed the due authorization and execution of the Agreement and the Security Agreement by, the validity and binding effect of such agreements with respect to, and the enforceability of such agreements against all parties thereto other than Conductron.

We have also examined the results of the searches (the "Searches") for filings with respect to Conductron which are described below. The Searches were made as of the close of business on the day preceding the Closing:

(a) Commonwealth of Massachusetts tax liens, suits and judgments recorded in the office of the Worcester County Northern District Registry of Deeds.

(b) Uniform Commercial Code filings recorded in the office of the Secretary of the Commonwealth of Massachusetts.

(c) Uniform Commercial Code filings recorded in the office of the Clerk of the City of Leominster, Massachusetts.

We have not caused any searches other than the Searches to be made and have relied upon the advice of officers of Conductron that no filings, liens, suits or judgments applicable to our opinion would have been revealed by such other searches and that no filings have been made in any offices specified above since such searches with respect to such offices. We would also advise you that, with respect to the office of the Secretary of the Commonwealth, we are aware of instances when filings in that office have not been current. Based upon the Officer's Certificate annexed hereto as Exhibit A, we believe that the Searches have been conducted in all jurisdictions in which filings, liens, suits (in which service of process has been made against Conductron) or judgments applicable to this opinion would be recorded and that the Searches constitute reasonable investigation for purposes of Paragraph 8 hereof.

We express no opinion as to any laws other than the laws of the Commonwealth of Massachusetts and the federal laws of the United States.

Based upon and subject to the foregoing, we are of the opinion that:

1. Conductron is a corporation duly organized, validly existing and in corporate good standing under the laws of the Commonwealth of Massachusetts, with full corporate power and authority to own, operate and lease its properties and to conduct its business as and how presently conducted by it, and to enter into and perform the transactions contemplated by the Agreement, the Security Agreement, the Bill of Sale and the Assignment of Registered Trademark (the "Operative Documents").

2. Conductron has obtained effective consents and approvals as required as set forth at Exhibit 2.3 to the Agreement except

for those in connection with purchase orders described at paragraph 3 in such Exhibit 2.3 (the "Purchase Orders") and with such consents and approvals, but except for the Purchase Orders, Conduccion has the power, right and authority to sell and transfer the Assets without the consent or approval of any other person or authority. [Assuming that such consents and approvals are obtained]

3. The execution and delivery by Conduccion of the Operative Documents and the consummation of the transactions contemplated thereunder, subject to the respective terms of the Operative Documents, have been duly authorized by all requisite corporate action on behalf of Conduccion, and each of the Operative Documents constitutes the legal, valid and binding obligation of Conduccion in accordance with its terms, and will be enforceable against Conduccion in accordance with its respective terms.

4. Each of the instruments executed by Conduccion which purports to transfer title to the Purchaser of one or more of the Assets (i) is properly executed, (ii) is good and sufficient to convey all right, title and interest that Conduccion has in such Assets, and (iii) assuming, with your express permission, that Conduccion has good and merchantable title to the Assets, transfers good and merchantable title to the Assets.

5. All approvals, authorizations, consents, licenses and orders of, and notifications to and filings with, any governmental body or authority which are required to be obtained or made in order to permit Conduccion to perform its obligations under the Operative Documents, have been duly obtained or made.

6. The execution, delivery and performance of the Operative Documents by Conduccion and the consummation by Conduccion of the transactions contemplated by the Operative Documents, will not (i) violate any provision of law, or rule or regulation thereunder, (ii) conflict with or result in a breach of any of the terms of the Articles of Organization or by-laws of Conduccion or of any order, injunction or decree known to us (other than decrees or orders of general application to which Conduccion is not a party) of any court or other governmental body, or (iii) except for the Purchase Orders conflict with, terminate or result in the breach of any provision or constitute, with or without the giving of notice or passage of time or both, a default under or result in the right to terminate or to accelerate performance under, or result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature upon any assets or properties of Conduccion or upon any of the properties or assets of Conduccion, pursuant to any lien, lease, indenture, mortgage, deed of trust or other agreement,

instrument or restriction known to us to which Conduction or its assets or properties are bound.

7. To the best of our knowledge, there is not now pending or threatened against Conduction any action, suit, claim or proceeding which, assuming that Conduction and Purchaser has complied in all material respects with the terms of Chapter 106 of the General Laws of the Commonwealth of Massachusetts, might result in any material and adverse affect upon the Assets, the business operations of Mohawk as presently conducted, or the transactions contemplated by the Operative Documents.

8. Except as set forth at Schedule B annexed hereto, the Assets are free and clear of all liens, encumbrances, mortgages and security interests and rights of others of a type which would have been disclosed by the Searches, except for liens for taxes, payment of which is not yet due.

Our opinion that each of the Operative Documents is enforceable against Conduction in accordance with its terms is qualified to the extent that such enforceability may be limited by or subject to (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, (ii) the availability of the remedies of specific performance or injunctive relief as subject to the discretion of the court before which a proceeding for such remedies may be brought, and (iii) the exercise by any court before which any proceeding may be brought of equitable judicial discretion.

The opinions set forth herein are expressed solely for your benefit, and no other party shall be entitled to rely upon such opinions. This letter is not to be referred to or copied, with or without specific reference to our firm, in any other connection, and may not be delivered to any other person or entity without our prior written consent.

Very truly yours,

HUTCHINS & WHEELER

Exhibit 6.4
to Asset Purchase Agreement

Opinion of Perkins Coie

March __, 1986

To: Conduccion Corporation, party
to the Asset Purchase Agreement
dated as of March __, 1986 among
Mohawk Wire and Cable Corporation,
Conduccion Corporation and West
Penn Wire Corporation.

Gentlemen:

This opinion is furnished to you in connection with (i) the Asset Purchase Agreement dated as of March __, 1986 (the "Agreement") among Conduccion Corporation, a Massachusetts corporation ("Seller"), Mohawk Wire and Cable Corporation, a Delaware corporation ("Purchaser") and West Penn Wire Corporation, a Pennsylvania corporation ("West Penn"), (ii) the Promissory Note dated March __, 1986 (the "Note") by Purchaser, (iii) the Security Agreement dated as of March __, 1986 (the "Security Agreement") between Purchaser and Seller, (iv) two warrants issued by Purchaser to Seller dated March __, 1986, one to acquire 5,000 shares of common stock of Purchaser, one to acquire 10,000 shares of common stock of Purchaser (together the "Warrants"), and (v) an instrument of assumption (the "Assumption") dated March __, 1986 pursuant to which Purchaser assumed certain liabilities of Seller. The Agreement, the Note, the Security Agreement, the Warrants, and the Assumption are together referred to herein as the "Operative Documents." Terms not defined herein and defined in the Agreement are used herein as therein defined.

We have acted as counsel for Purchaser in connection with the preparation, execution and delivery of the Operative Documents. In that connection we have examined the Operative Documents and we have also examined the originals, photocopies or certified copies of such other corporate records of Purchaser, certificates of public officials and of officers of Purchaser, and agreements, instruments and documents, as we have deemed necessary as a basis for the opinions hereinafter expressed. In such examination we have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals and

the conformity to original documents of all documents submitted to us as photocopies or certified copies. As to various questions of fact material to such opinions we have relied upon certificates and assurances of officers and representatives of Purchaser and statements contained in the Operative Documents. We have assumed that the Operative Documents have been duly authorized, executed, and delivered by, and constitute legal, valid and binding obligations of Seller, enforceable in accordance with their respective terms.

Based upon the foregoing and upon such investigation as we have deemed necessary, we are of the opinion that:

1. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

2. The execution and delivery of the Operative Documents and the performance by Purchaser of the terms of each of the Operative Documents are within Purchaser's corporate powers and authority and have been duly and effectively authorized by all necessary corporate action.

3. Each of the Operative Documents, upon due execution and delivery by Purchaser, constitutes the legal, valid and binding obligations of Purchaser enforceable against Purchaser in accordance with its respective terms.

4. Neither the execution and delivery of any one of the Operative Documents by Purchaser, nor the consummation of the transactions thereby contemplated, nor the assumption by Purchaser of the continuing obligations imposed thereby will contravene or violate:

(a) any law, ordinance or governmental rule or regulation to which Purchaser is subject;

(b) any judgment, order, writ, injunction or decree known to us of any court or of any governmental official, agency or instrumentality which is applicable to Purchaser; and

(c) any term, condition or provision of any note, agreement, instrument, indenture, contract, lease or other document or understanding (written or oral) known to us to which Purchaser is a party or by which Purchaser is otherwise bound or affected or by which the assets of Purchaser may be bound or affected.

5. To the best of our knowledge and belief, there are no actions, suits or proceedings in progress, filed or threatened against or affecting Purchaser, at law or in equity or before or by any federal, state, municipal or other governmental department, board, commission, bureau, agency or instrumentality, which would affect the ability of Purchaser to fulfill any of its continuing obligations under the Operative Documents.

6. The authorized capital stock of Purchaser consists of _____ shares of common stock ("Common Stock"). At the date hereof, 95,000 shares of Common Stock have been issued and are outstanding. The 15,000 shares of Common Stock issuable upon exercise of the Warrants have been authorized, have been duly reserved for issuance upon such exercise, and, when duly issued upon exercise of the Warrants in accordance with their terms, and upon receipt of the consideration required therein, will be validly issued, fully paid and nonassessable.

The opinions set forth above are subject to the following qualifications:

(a) The enforceability of Purchaser's obligations under the Operative Documents are subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or other law relating to or affecting creditors' rights generally, including but not limited to the effect of statutory and other laws regarding fraudulent conveyances, preferential transfers and limitations on dividends and redemptions.

(b) The enforceability of Purchaser's obligations under the Operative Documents are subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), including those relating to the availability of the remedy of specific performance.

(c) Our opinion is limited to matters governed by the laws of the State of Washington, the federal laws of the United States and the corporate laws of the State of Delaware. For the purpose of this opinion we have relied upon the Uniform Commercial Code of the State of Washington, and have assumed that the Uniform Commercial Code applicable in the Commonwealth of Massachusetts is identical to that applicable in the State of Washington.

(d) The unavailability of the right to accelerate any obligation and certain remedies provided for in any of the Operative Documents in the event of a nonmaterial default. [Same language to be included in opinion to Patriot.]

(e) Any right, remedy or action of or by Seller, or the purported waiver of any right, remedy or action of or by Purchaser, to the extent that Seller shall not have acted in good faith or in a commercially reasonable manner, may be deemed by a court or tribunal to be unenforceable against Purchaser by Seller.

(f) [Any other qualifications, depending upon the final terms of the Security Agreement.]

This opinion is given as of the date hereof. We assume no obligation to update or supplement this opinion to reflect any facts or circumstances which may hereafter come to our attention or any changes in any laws which may hereafter occur.

This opinion is not intended to be relied upon by any individual or entity other than you, or to be distributed or disclosed except to your directors, offices and counsel without our prior written consent.

Very truly yours,

0343t

EXHIBIT 5

88571205

Commonwealth of Pennsylvania



Department of State

To All to Whom These Presents Shall Come, Greeting:

Whereas, Under the provisions of Article IX of the Business Corporation Law (Act of May 5, 1933, P. L. 364), as amended, the Department of State is authorized and required to issue a

CERTIFICATE OF MERGER

evidencing the merger of any one or more domestic corporations, and any one or more foreign corporations into one of such corporations under the provisions of that law; and

Whereas, The stipulations and conditions of that law relating to the merger of such corporations have been fully complied with by MOHAWK WIRE & CABLE CORPORATION, a Delaware corporation and WEST PENN WIRE CORPORATION, a Pennsylvania corporation

It is, Therefore, Certified, That from the Articles of Merger filed with the Department of State, it appears that MOHAWK WIRE & CABLE CORPORATION, the Delaware corporation has been merged into and with WEST PENN WIRE CORPORATION, the Pennsylvania corporation

Wherefore, Know Ye, That subject to the Constitution of this Commonwealth, and under authority of the Business Corporation Law, I DO BY THESE PRESENTS, which I have caused to be sealed with the Great Seal of the Commonwealth, hereby declare that WEST PENN WIRE CORPORATION, the Pennsylvania corporation shall be the surviving corporation.

Given under my Hand and the Great Seal of the Commonwealth, at the City of Harrisburg, this 14th day of July In the year of our Lord one thousand nine hundred and eighty-eight and of the Commonwealth the two hundred thirteenth.

A handwritten signature in cursive script, reading "James J. Hoyt".

Secretary of the Commonwealth

pjd

DCB-24-B-7-731

AUG 19 1988

OPTIONAL FORM NO.

FD-302 (REV. 5-72)

Print on this form only for each party corporation in process of the merger.

Articles of Merger—Business Corporation

88680159

(Line for numbering)

105132P

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
CORPORATION BUREAU

Filed this _____ day of _____
AUG 19 1988 19____
Commonwealth of Pennsylvania
Department of State

James J. Blaylock
Secretary of the Commonwealth

(Box for Certification)

In compliance with the requirements of section 803 of the Business Corporation Law, act of May 8, 1933 (P. L. 363) (15 P. S. 31903), the undersigned corporations, desiring to effect a merger, hereby certify that:

1. The name of the corporation surviving the merger is:

Intercole Inc.

2. (Check and complete one of the following).

The surviving corporation is a domestic corporation and the location of its registered office in this Commonwealth is (the Department of State is hereby authorized to correct the following statement to conform to the records of the Department)

NUMBER: _____ STREET: _____
CITY: _____ STATE: Pennsylvania ZIP CODE: _____

The surviving corporation is a foreign corporation incorporated under the laws of Washington and the location of its office registered with such domiciliary jurisdiction is c/o LAWCO of Washington Inc.

1900 Washington Building
NUMBER: _____ STREET: _____
CITY: Seattle, Washington STATE: _____ ZIP CODE: _____

The location of its registered office in this Commonwealth is:

100 Pine Street, c/o The Prentice-Hall Corporation System, Inc.
NUMBER: _____ STREET: _____
CITY: Harrisburg STATE: Pennsylvania ZIP CODE: 17108

3. The name and the location of the registered office of each other domestic business corporation and qualified foreign business corporation which is a party to the plan of merger are as follows:

West Penn Wire Corporation
2833-W. Chestnut Street, P.O. Box 762
Washington, PA 15301

The name and the location of the registered office of each other foreign business corporation, not qualified in Pennsylvania and party to the merger are as follows:

None

88680161

DSCD BCL-903 (Rev. 8-72)-3

IN TESTIMONY WHEREOF, each undersigned corporation has caused these Articles of Merger to be signed by a duly authorized officer and its corporate seal, duly attested by another such officer, to be hereunto affixed this 12th day of August, 1988.

Interco, Inc.

(NAME OF CORPORATION)

By:

Paul Olson
(SIGNATURE)

Paul Olson, President

(TITLE: PRESIDENT, VICE PRESIDENT, ETC.)

Attest:

Kenneth Hale
(SIGNATURE)

Kenneth Hale, Secretary

(TITLE: SECRETARY, ASSISTANT SECRETARY, ETC.)

(CORPORATE SEAL)

West Penn Wire Corporation

(NAME OF CORPORATION)

By:

Paul Olson
(SIGNATURE)

Paul Olson, President

(TITLE: PRESIDENT, VICE PRESIDENT, ETC.)

Attest:

Kenneth Hale
(SIGNATURE)

Kenneth Hale, Secretary

(TITLE: SECRETARY, ASSISTANT SECRETARY, ETC.)

(CORPORATE SEAL)



EXHIBIT 6



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF STATE

JULY 25, 1997

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

WEST PENN WIRE CORPORATION

I, Yvette Kane, Secretary of the Commonwealth of Pennsylvania do hereby certify that the foregoing and annexed is a true and correct photocopy of Articles of Incorporation and all Amendments

which appear of record in this department



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed, the day and year above written.

Secretary of the Commonwealth

DPOS

88680167

Commonwealth of Pennsylvania



Department of State

To All to Whom These Presents Shall Come, Greeting:

Whereas, Under the provisions of Article IX of the Business Corporation Law (Act of May 5, 1933, P. L. 364), as amended, the Department of State is authorized and required to issue a

CERTIFICATE OF MERGER

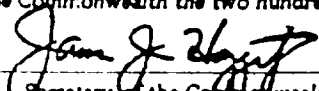
evidencing the merger of any one or more domestic corporations, and any one or more foreign corporations into one of such corporations under the provisions of that law; and

Whereas, The stipulations and conditions of that law relating to the merger of such corporations have been fully complied with by WEST PENN WIRE CORPORATION, a Pennsylvania corporation and INTERCOLE INC., a Washington corporation

It is, Therefore, Certified, That from the Articles of Merger filed with the Department of State, it appears that WEST PENN WIRE CORPORATION, the Pennsylvania corporation has been merged into and with INTERCOLE INC., the Washington corporation

Therefore, Know Ye, That subject to the Constitution of this Commonwealth, and under authority of the Business Corporation Law, I DO BY THESE PRESENTS, which I have caused to be sealed with the Great Seal of the Commonwealth, hereby declare that INTERCOLE INC., the Washington corporation shall be the surviving corporation.

Given under my Hand and the Great Seal of the Commonwealth, at the City of Harrisburg, this 19th day of August in the year of our Lord one thousand nine hundred and eighty-eight and of the Commonwealth the two hundred thirteenth.


Secretary of the Commonwealth

pjd

AUG 19 1988

Filed this _____ day of _____
AUG 19 1988 19____
Commonwealth of Pennsylvania
Department of State

OPTIONAL FORM NO. 10

88680159

REG. NO. 1-003 (REV. 5-72)

(Line for numbering)

Price Per 50 (the 100
for each party corporation
in excess of the
100-)

105132P

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
CORPORATION BUREAU

STATE OF MERGER—
BUSINESS CORPORATION

James J. Blaylock
Secretary of the Commonwealth

(Box for Certification)

In compliance with the requirements of section 803 of the Business Corporation Law, act of May 5, 1933 (P. L. 361) (15 P. S. 31903), the undersigned corporations, desiring to effect a merger, hereby certify that:

1. The name of the corporation surviving the merger is:

Intercole Inc.

2. (Check and complete one of the following):

The surviving corporation is a domestic corporation and the location of its registered office in this Commonwealth is (the Department of State is hereby authorized to correct the following statement to conform to the records of the Department)

NUMBER

STREET

Pennsylvania

CITY

ZIP CODE

The surviving corporation is a foreign corporation incorporated under the laws of Washington and the location of its office registered with such domiciliary jurisdiction is c/o LANCO of Washington, Inc.

NUMBER

STREET

1900 Washington Building

CITY

STATE

ZIP CODE

Seattle, Washington 98101

The location of its registered office in this Commonwealth is:

100 Pine Street, c/o The Prentice-Hall Corporation System, Inc.

NUMBER

STREET

HARRISBURG

Pennsylvania

17108

CITY

ZIP CODE

3. The name and the location of the registered office of each other domestic business corporation and qualified foreign business corporation which is a party to the plan of merger are as follows:

West Penn Wire Corporation
2833-W, Chestnut Street, P.O. Box 762
Washington, PA 15301

The name and the location of the registered office of each other foreign business corporation, not qualified in Pennsylvania and party to the merger are as follows:

None

88680161

DSCB BCL-903 (Rev. 4-72)-3

IN TESTIMONY WHEREOF, each undersigned corporation has caused these Articles of Merger to be signed by a duly authorized officer and its corporate seal, duly attested by another such officer, to be hereunto affixed this 12th day of August, 1988.

Interpina, Inc.

(NAME OF CORPORATION)

By:

Paul Olson

(SIGNATURE)

Paul Olson, President

(TITLE PRESIDENT VICE PRESIDENT, ETC.)

Attest:

Kenneth Hale

(SIGNATURE)

Kenneth Hale, Secretary

(TITLE SECRETARY ASSISTANT SECRETARY, ETC.)

(CORPORATE SEAL)

West Penn Wire Corporation

(NAME OF CORPORATION)

By:

Paul Olson

(SIGNATURE)

Paul Olson, President

(TITLE PRESIDENT VICE PRESIDENT, ETC.)

Attest:

Kenneth Hale

(SIGNATURE)

Kenneth Hale, Secretary

(TITLE SECRETARY ASSISTANT SECRETARY, ETC.)

(CORPORATE SEAL)



(PA. - 1983)

PLAN OF MERGER
MERGING
WEST PENN WIRE CORPORATION
WITH AND INTO
INTERCOLE INC.

ARTICLE FIRST

The names of the corporations proposing to merge are:

1.1 Intercole, a Washington Corporation (hereinafter referred to as "Intercole" or as the "Surviving Corporation").

1.2 West Penn Wire Corporation, a Pennsylvania corporation and wholly-owned subsidiary of Intercole (the "Subsidiary"), with authorized capital stock consisting of 100 shares of Common Stock, par value \$.01 per share, of which 1 share is issued to Intercole.

ARTICLE SECOND

On the Effective Date (as such term is hereinafter defined), the Subsidiary shall merge with and into Intercole which shall survive and shall continue after such merger to exist under and by virtue of the laws of the State of Washington. The corporate identity, existence, powers, franchises, rights and immunities of Intercole shall continue unaffected and unimpaired by the merger, and the corporate identity, existence, powers,

franchisees, rights and immunities of the Subsidiary shall be merged with and into the Surviving Corporation, and the Surviving Corporation shall be fully vested therewith. The separate existence of the Subsidiary, except insofar as it may be continued by reason of the laws of the State of Pennsylvania, shall cease upon the Effective Date of this Plan of Merger and thereupon the Subsidiary and the Surviving Corporation shall become a single corporation.

ARTICLE THIRD

The Articles of Incorporation of Intercole as the same shall exist immediately prior to the Effective Date shall be the Articles of Incorporation of the Surviving Corporation.

ARTICLE FOURTH

All of the issued and outstanding shares of stock of the Subsidiary are owned by Intercole. On the Effective Date, the issued and outstanding shares of the Subsidiary shall be deemed cancelled. The issued and outstanding shares of Intercole shall remain outstanding and unchanged and shall represent issued shares of the Surviving Corporation.

ARTICLE FIFTH

The By-Laws of Intercole as the same shall exist immediately prior to the Effective Date shall be the By-Laws of the Surviving Corporation.

ARTICLE SIXTH

The board of directors of Intercole immediately prior to the Effective Date shall be the board of directors of the Surviving Corporation.

ARTICLE SEVENTH

The officers of Intercole immediately prior to the Effective Date shall be the officers of the Surviving Corporation.

ARTICLE EIGHTH

The first annual meetings of the shareholders and board of directors of the Surviving Corporation held after the Effective Date shall be as provided in the By-Laws of Intercole.

ARTICLE NINTH

This Plan of Merger shall become effective on the date Articles of Merger are filed with the Washington Secretary of State (the "Effective Date").

ARTICLE TENTH

Notwithstanding anything contained herein to the contrary, this Plan of Merger may be terminated and the proposed merger may be abandoned by the board of directors of Intercole or the board of directors of the Subsidiary at any time prior to the filing of the Articles of Merger, if any such board of directors should decide that the proposed merger would not be in the best interests of such corporation.

ARTICLE ELEVENTH

This Plan of Merger may be amended by agreement of the respective boards of directors of Intercole and the Subsidiary at any time prior to the filing of the Articles of Merger.

ARTICLES TWELFTH

On the Effective Date, the Surviving Corporation shall, without further act or transfer, succeed to and have all the assets, rights, privileges, immunities, powers, franchises, patents, trademarks, licenses, registrations and all property, real, personal and mixed, subject to all the debts, restrictions, disabilities, duties and other liabilities of the Subsidiary.

EXHIBIT 7



STATE of WASHINGTON SECRETARY of STATE

I, Ralph Munro, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF AMENDMENT

to

INTERCOLE INC

a Washington Profit corporation. Articles of Amendment were filed for record in this office on the date indicated below.

Changing name to CABLE DESIGN TECHNOLOGIES INC.

U.B.I. Number: 601 124 888

Date: September 28, 1992

Given under my hand and the seal of the State of Washington, at Olympia, the State Capital

RALPH MUNRO

Ralph Munro, Secretary of State

SEP 28 1992

RALPH MUNRO
SECRETARY OF STATE

ARTICLES OF AMENDMENT
OF THE
ARTICLES OF INCORPORATION
OF
INTERCOLE INC.

Adopted in accordance with the provisions
of Sections 23B.10.010 and 23B.10.060
of the Washington Business Corporation Act

Paul M. Olson and Kenneth O. Hale, being the President and Secretary respectively of Intercole Inc., a corporation existing under the laws of the State of Washington (the "Corporation"), do hereby certify as follows:

FIRST: The Articles of Incorporation of the Corporation (the "Articles of Incorporation") is hereby amended by amending Article 1. in its entirety to read as follows:

"ARTICLE 1. NAME

The name of the Corporation is Cable Design Technologies Inc."

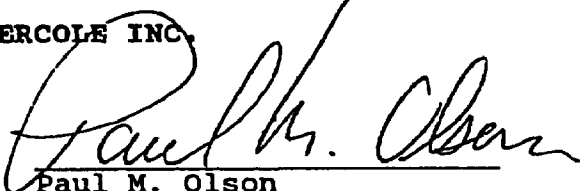
SECOND: That the Board of Directors of the Corporation approved the foregoing amendment in accordance with Section 23B.10.030 of the Washington Business Corporation Act on September 14th, 1992. The foregoing amendment does not require shareholder action.

IN WITNESS WHEREOF, the undersigned, being the President and Secretary hereinabove named, for the purpose of amending the Articles of Incorporation of the Corporation pursuant to the

Washington Business Corporation Act, under penalties of perjury do each hereby declare and certify that this is the act and deed of the Corporation and the facts stated herein are true, and accordingly have hereunto signed this Articles of Amendment of Articles of Incorporation this 14th day of September, 1992.

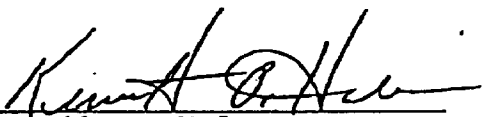
INTERCOLE INC.

By:


Paul M. Olson
President

ATTEST:

By:


Kenneth O. Hale
Secretary