

03-22-1999

Form PTO-1594 (Rev. 6-93)

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1 SHEET
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U.S. Department of Commerce

Patent and Trademark Office

OMB No. 0651-0011 (exp. 4/94)

100989416

To the Assistant Commissioner of Trademarks, please record and attach original documents or copy thereof.

1. Name of conveying party(ies):
AIRCRAFT PRODUCTS CO.
12807 Lake Drive
Delray Beach, Florida 33444



03-01-1999

U.S. Patent & TMO/TM Mail Rcpt Dt. #26

Name and address of receiving party(ies):
Name: BE AVIONICS, INC.
Internal Address:

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

Street Address: 1601 East Chestnut Avenue
Santa Ana, California 92701

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)

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

MRD 3-1-99

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

3. Nature of conveyance:
- Assignment
 - Security Agreement
 - Other _____
 - Merger
 - Change of Name

Execution Date: January 15, 1992

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 1,813,604

Additional numbers attached? Yes No

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

Name: Robert J. Sacco

Internal Address:

Street Address:

QUARLES & BRADY
222 Lakeview Avenue, 4th Floor
P.O. Box 3188
West Palm Beach, FL 33402-3188

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

8. Deposit account number

17-0055

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

03/19/1999 JSHBAZZ 00000087 1813604

DO NOT USE THIS SPACE

01 FC-481

40.00 DP

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.

Robert J. Sacco
Name of Person Signing

(6175-3)

Signature

2/25/99
Date

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

55

TRADEMARK
REEL: 1870 FRAME: 0941

AGREEMENT OF PURCHASE AND SALE

This Agreement of Purchase and Sale (the "Agreement"), made and entered into this 15th day of January, 1992, by and among The Pullman Company, a Delaware Corporation ("Pullman"), PTC Aerospace, Inc., a Delaware corporation ("PTC"), and Aircraft Products Company, a Delaware corporation and a wholly-owned subsidiary of PTC ("APC") (PTC and APC are referred to collectively herein as the "Sellers" and each separately as a "Seller"), on the one hand, and BE Avionics, Inc., a Delaware corporation ("Buyer").

W I T N E S S E T H:

WHEREAS, each Seller desires to sell to Buyer, and Buyer desires to buy from each Seller, substantially all of the assets, properties and business of such Seller, in each case other than certain excluded assets, subject in each case to the assumption of certain liabilities as set forth herein;

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements, and upon the terms and subject to the conditions, hereinafter set forth, the parties do hereby agree as follows:

ARTICLE ITERMS OF PURCHASE AND SALE

1.01. Sale of the Assets. (a) At the Closing (as defined in Section 1.02), on the terms and subject to the conditions set forth in this Agreement, each Seller shall sell, convey, transfer, assign and deliver to Buyer, and Buyer shall purchase and acquire from each Seller all of such Seller's right, title and interest in and to the assets, properties and business of such Seller, as the same may exist on the Closing Date (as defined in Section 1.02), and whether tangible or intangible, but excluding the Excluded Assets (as defined in Section 1.01(b)) (the assets being acquired from PTC are referred to herein as the "PTC Assets," the assets being acquired from APC are referred to herein as the "APC Assets," and the PTC Assets and the APC Assets are collectively referred to herein as the "Assets"), including, without limitation, all of such Seller's right, title and interest in and to the following (it being understood that each reference made in this

Section 1.01(a) to the Assets shall be limited in the case of PTC to the PTC Assets and in the case of APC to the APC Assets and that each reference made in this Agreement to Assets listed on the Disclosure Schedule (as hereinafter defined) shall be limited in the case of PTC to the disclosure schedule delivered by PTC to Buyer pursuant hereto (the "PTC Disclosure Schedule") and in the case of APC to the disclosure schedule delivered by APC to Buyer pursuant hereto (the "APC Disclosure Schedule") (the PTC Disclosure Schedule and the APC Disclosure Schedule collectively, the "Disclosure Schedule"):

(i) The real property set forth in Schedule 1.01 of the Disclosure Schedule under the caption "Owned Real Property" (the "Owned Real Property");

(ii) The leaseholds set forth in Schedule 1.01 of the Disclosure Schedule under the caption "Leased Real Property";

(iii) All machinery, equipment, vehicles, office furniture, tools and other tangible property;

(iv) All raw materials and inventories, including inventories of work in process and inventories held by customers on a consignment basis, stores and supplies;

(v) All accounts receivable of such Seller;

(vi) Subject to Section 6.08, all of such Seller's rights under its Commitments (as defined in Section 2.06), including, but not limited to, any equipment leases, maintenance agreements, contracts for the purchase of raw materials, contracts for services and supplies, purchase orders, sales orders and permits, licenses and approvals in respect of the Assets;

(vii) All sales and promotional literature, and all books, records, files and data (including customer and supplier lists), or copies thereof, except for personnel records and files, copies of which will be provided to Buyer to the extent permitted by law;

(viii) Subject to Section 1.01(b), all trade names, trademarks, copyrights, patents and trade secrets and any applications for the registration of or renewal of protection for such, including, without limitation, those items identified on Schedule 2.05 of the Disclosure Schedule; and

(ix) the Lockboxes (as defined in Section 6.03).

(b) Notwithstanding anything in Section 1.01(a) to the contrary, specifically excluded from each of the PTC Assets and the APC Assets are the following (in respect of PTC, the "PTC Excluded Assets," in respect of APC, the "APC Excluded Assets," and collectively, the "Excluded Assets"): cash, cash deposits, and other cash equivalent investments; insurance policies; income and franchise tax refunds; the name "Pullman" or any similar name and any trade names, trademarks, service names, service marks or corporate symbols or logos utilized with either such name or any similar name; and the Disbursement Accounts (as defined in Section 6.03); provided, that in addition to the foregoing Excluded Assets, the following shall also be excluded from the PTC Assets and constitute PTC Excluded Assets: PTC's vacant warehouse and storage facilities located in Bantam, Connecticut (the "Bantam Facility") and the capital stock of APC.

(c) At the Closing, each Seller shall deliver to Buyer duly executed instruments of transfer and assignment of its respective Assets sufficient to vest in Buyer the interests in the Assets being conveyed in accordance with the terms of this Agreement, including, but not limited to, bills of sale and quitclaim deeds subject to the Permitted Exceptions (as defined in Section 2.04) applicable thereto (such instruments, "Assignment Instruments"). At the Closing, Buyer shall deliver to each Seller duly executed instruments of assumption evidencing the assumption by Buyer of the Liabilities (as defined in Section 1.04) (such instruments, "Assumption Instruments"). Buyer shall bear the cost (the "Transfer Costs") of any documentary, stamp, sales, excise, transfer, registration, recording or other taxes or fees payable in respect of the sale of the Assets (exclusive of income and franchise taxes constituting Retained Liabilities (as defined in Section 1.04(b))). To the extent that any of the Sellers will be liable for any Transfer Costs, and the amount thereof is known on the Closing Date, Buyer shall pay the amount of such Costs to such Seller at the Closing in the manner set forth in Section 1.03, and Buyer shall thereafter promptly reimburse the Sellers for any additional Transfer Costs incurred by them.

1.02. The Closing. The closing of the transactions contemplated hereby (the "Closing") shall take place at the New York offices of Fried, Frank, Harris, Shriver & Jacobson, commencing (i) at 9:00 a.m. on the later of (a) February 28, 1992 and (b) two business days after the applicable waiting period (and any extension thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder (the "HSR Act"), shall have expired or been terminated or (ii) at such other time and/or place

and/or on such other date as the parties may mutually agree (the "Closing Date").

1.03. Purchase Price and Non-Compete Payment.

(a) The purchase price to be paid by Buyer to PTC shall be \$33,700,000 (the "PTC Purchase Price") and the purchase price to be paid by Buyer to APC shall be \$32,600,000 (the "APC Purchase Price") (the aggregate amount of the PTC Purchase Price and the APC Purchase Price shall be referred to herein as the "Purchase Price") subject to adjustment as provided in Section 1.03(b). In addition, at the Closing, Buyer shall pay to Pullman the amount of \$7,500,000 (the "Non-Compete Payment") in consideration of the Non-Compete Agreement (as defined in Section 6.04). Payment of (i) the Purchase Price, (ii) any amounts payable at the Closing pursuant to Section 6.03 and (iii) the Non-Compete Payment shall be in U.S. dollars, and shall be made no later than 12:00 noon on the Closing Date by wire transfer of immediately available funds to an account or accounts of each Seller (or, in the case of the Non-Compete Payment, an account or accounts designated by Pullman) at a bank or banks specified by each Seller. At the Closing, the Sellers shall deposit the amount of \$3,700,000 (the "Escrow Amount") in escrow pursuant to an escrow agreement substantially in the form of Exhibit I hereto (the "Escrow Agreement").

(b) (i) As used herein, the term "Closing Net Working Capital" shall mean the amount obtained by subtracting (A) (x) the total combined current liabilities of the Sellers (as set forth in the Net Working Capital Statement (as hereinafter defined)) and (y) the amount, if any, by which the amount of capitalized engineering costs included in the inventory of APC exceeds \$1,278,474, from (B) the total combined current assets of the Sellers (as set forth in the Net Working Capital Statement).

(ii) Within 30 days after the Closing Date, the Sellers shall prepare and deliver to Buyer a combined statement (the "Net Working Capital Statement") of net working capital as of the close of business on the Closing Date. For purposes of preparing the Net Working Capital Statement, total current assets shall consist solely of the sum of (A) Accounts Receivable, Net, (B) Inventory, Net (as those terms are used in the Financial Statements) and (C) if APC or any of its affiliates shall have made a payment in respect of the preferential payment claim made by Braniff, Inc. against APC prior to the end of business on the Closing Date, the amount of such payment; and total current liabilities shall consist solely of the sum of (A) Accounts Payable and (B) Accrued Expenses (as those terms are used in the Financial Statements,

except that in computing Accrued Expenses no reserves or accruals shall be made for the preferential payment claim made by Braniff, Inc. against APC or for estimated incurred but not reported medical claims). Subject to the foregoing, the Net Working Capital Statement shall be prepared in accordance with, and be consistent with, the accounting principles (including the practices and valuation and estimation methodologies) utilized in the preparation of the Financial Statements.

(iii) Buyer hereby acknowledges that the cooperation of employees and representatives of Buyer may be required in order that the Sellers and their accountants be able to prepare the Net Working Capital Statement. Buyer shall make such persons available to the Sellers and their accountants and other representatives of the Sellers as may be requested by the Sellers and shall give the Sellers and their accountants and other representatives all necessary access to the Books and Records (as hereinafter defined) of the Sellers and to the Assets, in each case, without charge to the Sellers, as may be requested by the Sellers in order to assist in the preparation of the Net Working Capital Statement.

(iv) Buyer and its representatives and accountants shall have the right to review the Sellers' workpapers used in preparing the Net Working Capital Statement. Buyer shall have the right to have its accountants review the Net Working Capital Statement. The amounts set forth in the Net Working Capital Statement shall be conclusive and binding on Buyer and the Sellers for all purposes unless Buyer gives written notice of disagreement with any of such amounts within 15 days after the receipt by Buyer of the Net Working Capital Statement, specifying in reasonable detail the specific items in the Net Working Capital Statement objected to, the basis for such objection and Buyer's proposed restatement of each such item.

(v) If Buyer raises an objection meeting the conditions set forth in paragraph (iv) of this Section 1.03(b), then, during a period of 10 business days after any such notification has been given, Buyer and the Sellers shall attempt in good faith to resolve in writing any such disputed items, and any such resolution will be conclusive and binding upon the parties.

(vi) If the parties are unable to reach an agreement with respect to any disputed item within the aforesaid 10-day period, the parties shall, promptly after the expiration of such time period, submit all unresolved disputes to a nationally recognized independent accounting firm mutually agreeable to the parties, which firm shall not have had, or

anticipate having, a material relationship with either Buyer or the Sellers or their respective affiliates within the two years preceding, or within one year after, the appointment (the "Arbiter"), for resolution. If the parties cannot agree on the selection of the independent accounting firm to act as Arbiter, either party may request the American Arbitration Association to appoint such a firm, and such appointment shall be conclusive and binding on the parties. Promptly, but no later than 30 days after its acceptance of its appointment as Arbiter, the Arbiter shall determine, based solely on presentations by Buyer and the Sellers, and not by independent review, those items in dispute on the Net Working Capital Statement and shall render a written report as to the resolution of each dispute and the resulting calculation of the Closing Net Working Capital. In resolving any disputed item, the Arbiter may not assign a value to such item greater than the greatest value for such item claimed by either party or less than the smallest value for such item claimed by either party. The Arbiter shall have exclusive jurisdiction over, and resort to the Arbiter as provided in this paragraph (vi) shall be the sole recourse and remedy of the parties against one another or any other person with respect to, any disputes arising out of or relating to the Net Working Capital Statement; and the Arbiter's determination shall be conclusive and binding on the parties and shall be enforceable in a court of law.

(vii) Buyer and the Sellers shall bear the fees and expenses of their respective accountants and other representatives. The fees and expenses of the Arbiter shall be borne equally by Buyer, on the one hand, and the Sellers, on the other hand.

(viii) If the Closing Net Working Capital is less than \$15,654,000, the Sellers shall pay Buyer the amount of the difference between \$15,654,000 and the Closing Net Working Capital. Such payment shall be made within three business days after the final determination of the Net Working Capital Statement by wire transfer of immediately available funds to the account designated by Buyer.

1.04. Assumption of Liabilities; Retained Liabilities. (a) Buyer agrees that, effective upon the Closing, Buyer shall assume and be responsible for any liability or obligation (other than the Retained Liabilities) of or arising out of or relating to each Seller, any of its current or past assets or business, or the operation or ownership by each Seller (or any of its predecessors but only to the extent that such liability or obligation is an obligation or liability of such Seller) of any of its current

or past assets or business (including any liability or obligation arising out of or relating to its Commitments or the Specified Assets (as defined in Section 6.08) or any liability or obligation relating thereto arising under Environmental Laws or relating to Environmental Matters or Environmental Costs (each of these terms as defined in Section 1.04(e)), of whatever kind or nature, whether contingent or absolute, whether arising prior to or on or after, and whether determined or indeterminable on, the Closing Date, and whether or not specifically referred to in this Agreement (such liabilities and obligations, except for the Retained Liabilities, being collectively referred to as the "Liabilities" and each as a "Liability"). Without in any way limiting the generality of the foregoing, the Liabilities shall include any liability or obligation arising out of or relating to any of the Sellers or Buyer not obtaining any Third Party Consent (as defined in Section 6.08). Buyer understands and agrees that, from and after the Closing, except for the Retained Liabilities, neither of the Sellers nor any of their respective affiliates shall have any liability or responsibility for any of the Liabilities. Nothing in this Section 1.04 shall be construed as to limit Buyer's rights pursuant to Section 6.05 or Buyer's rights to indemnification for any breaches by Pullman or any Seller of its representations, warranties, covenants or agreements contained herein, to the extent provided in, for the period, if any, set forth in, and otherwise subject to the terms of, Sections 11.01 and 11.02.

Buyer shall indemnify each Seller and its affiliates and hold each of them harmless against any liability, loss, damage, claim, cost or expense (collectively, "Losses") incurred or suffered by any of them arising out of the Liabilities; provided, however, that if Buyer believes in good faith that Pullman is entitled to indemnity against any such Loss under the provisions of the Settlement Agreement made and entered into as of August 31, 1988, by and among Pullman, The Henley Group and Allied-Signal Inc. (the "Settlement Agreement"), Buyer may (in lieu of making an indemnification payment pursuant to the immediately preceding indemnification provision) make a payment in the form of an interest-free loan to the applicable Seller in an amount equal to the amount of the indemnification payment otherwise required to be made pursuant hereto with respect to such Loss, and may, at Buyer's expense, initiate a claim against Allied-Signal Inc. for indemnity under such Settlement Agreement on behalf of Pullman. Pullman and such Seller shall, at Buyer's expense, reasonably cooperate with Buyer in pursuing such claim under such Release Agreement. If and to the extent that Pullman receives any indemnification payment under such Release Agreement in respect of such claim, Pullman on behalf of such

Seller shall be obligated to repay to Buyer a portion of the aforementioned interest-free loan equal to the amount of the indemnification payment received by Pullman under the Settlement Agreement; the excess, if any, of the loan amount over the amount of the indemnification payment received by Pullman shall be deemed converted into an indemnification payment to such Seller and shall not be repaid by such Seller or Pullman to Buyer at any time.

(b) Anything in this Agreement to the contrary notwithstanding, Buyer shall not assume, and each Seller shall be responsible for, and shall indemnify and hold Buyer and its affiliates harmless against, the payment, performance and discharge of, the following liabilities of such Seller (collectively, the "Retained Liabilities"):

(i) Outstanding Checks (as defined in Section 6.03(a));

(ii) Any and all liabilities and obligations retained by such Seller pursuant to Section 9.04;

(iii) Any liabilities or obligation of such Seller for any foreign, federal, state or local income or franchise taxes, or any interest or penalties thereon;

(iv) Any obligation, cost, claim, loss, liability or responsibility relating to Environmental Matters, Environmental Laws or Environmental Costs of whatever kind or nature, whether contingent or absolute, whether arising prior to, on or after, and whether determined or indeterminable on, the Closing Date, arising out of or relating to any real property (including in respect of PTC, without limitation, the Bantam Facility) owned, leased or operated by each Seller or any predecessor thereof at any time prior to the Closing Date and not constituting part of the Assets (collectively, "Former Facilities"), or any operation thereon;

(v) Any liabilities or obligations of each Seller arising under or relating to the Subsidiary Guarantee made by each Seller to Manufacturers Hanover Trust Company, each dated as of March 16, 1990; and

(vi) Any liability of any Seller arising solely out of such Seller's being an affiliate of Pullman or of any affiliate of Pullman (other than the Sellers) and which liability is not related to any of the current or past assets or businesses of such Seller or the operation or ownership by such Seller or any of its predecessors of any of its current or past assets or businesses.

(c) Buyer shall pay each Liability (or reimburse the relevant Seller therefor) on the later of the date on which such Liability is due or within ten days after any Seller advises Buyer of the amount thereof, subject to Buyer's right to dispute such Liability with the third party to whom the Liability is owed, in good faith, by appropriate proceedings; provided, however, that the grant to Buyer of such right to dispute shall not in any way affect the obligation of Buyer, pursuant to Section 11.02(b), to indemnify each Seller and its affiliates against Losses sustained or incurred by any of them arising out of or relating to such Liability, including by reason of Buyer's disputing such Liability. This paragraph (c) shall not apply to Claims (as defined in Section 1.04(d)), which shall instead be governed by paragraph (d) of this Section 1.04.

(d) Buyer acknowledges that the Sellers or affiliates thereof may be making payments after the Closing to their insurers in respect of workers compensation, product liability, general liability, automobile liability, medical and other claims relating to any of the Sellers and related administrative costs ("Claims"), for which Buyer has assumed responsibility pursuant to paragraph (a) of this Section 1.04 and Section 9.04. Without in any way limiting the generality of this Section 1.04 and Section 9.04, Buyer agrees to pay each Claim or reimburse each Seller therefor within five days after any of the Sellers advises Buyer of the amount thereof (the "Advice Date"); provided, that Buyer shall be entitled to be advised of and participate in discussions between any of the Sellers and its insurance carriers in respect of Claims in excess of \$5,000. If Buyer fails to pay any Claim or reimburse any Seller therefor within five days of the Advice Date, Buyer shall pay to such Seller interest on the amount of such Claim or reimbursement at an annual rate equal to the reference rate from time to time of Manufacturers Hanover Trust Company plus 1-1/2% from and including the sixth day following the Advice Date to but not including the date of payment. Buyer understands that neither of the Sellers shall have any responsibility to obtain or maintain any such insurance coverage from and after the Closing Date.

(e) (i) The term "Environmental Matter" means any matter arising out of, relating to, or resulting from protection of the environment, human or employee safety or health, including matters relating to emissions, discharges, disseminations, releases or threatened releases, of Materials of Environmental Concern (as hereinafter defined) into the air, surface water, groundwater, drinking water supply, soil, land surface or subsurface, buildings or facilities, or otherwise arising out of, relating to or resulting from the manufacture,

generation, processing, distribution, use, treatment, storage, abatement, removal, disposal, handling or transportation of any Materials of Environmental Concern or any other claims under any Environmental Law.

The term "Materials of Environmental Concern" means any pollutants, contaminants, hazardous or toxic substances, materials, wastes or constituents (including, without limitation, petroleum and any fractions thereof, petroleum by-products, natural gas, asbestos and asbestos containing materials, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, and radioactive elements) which are regulated by, or form the basis of liability under, any Environmental Laws.

The term "Environmental Laws" shall mean any federal, state or local law, rule or regulation pertaining to Environmental Matters, including, without limitation, 42 U.S.C. §§ 9607 and 9613(f) of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") (42 U.S.C. § 9601 et seq.), as amended, the Hazardous Material Transportation Act (49 U.S.C. § 1801 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Resources Conservation and Recovery Act (42 U.S.C. § 6091 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substance Control Act, as amended (15 U.S.C. § 2601 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 et seq.), the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), the Connecticut Transfer Act, Conn. Gen. Stat. sections 22a-134 et seq. or any other federal, state, local or foreign law relating to Environmental Matters, the rules and regulations promulgated under any thereof, and any provisions of common law providing for any remedy or right of recovery with respect to Environmental Matters, as these laws, rules, regulations and provisions were in the past or are currently in effect, or may in the future be enacted or be in effect.

The term "Environmental Costs" shall mean any clean-up costs, remediation, removal, or other response costs (which without limitation shall include costs to come into compliance with Environmental Laws), investigation costs (including fees of consultants, counsel, and other experts in connection with any environmental investigation, testing, audits or studies), losses, liabilities, obligations, payments, damages (including any actual, punitive or consequential damages under common law (1) of Buyer or third parties for personal injury or property damage, or (2) to natural resources), fines, penalties, judgments, and amounts paid in settlement arising out of or relating to or resulting from any Environmental Matter.

(ii) Buyer (on its own behalf and on behalf of its affiliates) hereby waives any right to seek contribution or other recovery from any Seller or any of its respective affiliates, that it may now or in the future ever have under any Environmental Law other than in respect of violations of Environmental Laws the liabilities with respect to which are Retained Liabilities. Buyer (on its own behalf and on behalf of its affiliates) hereby further unconditionally releases each Seller and its respective affiliates from any and all claims, demands, and causes of action that it may now or in the future ever have against any Seller or any of its respective affiliates for recovery under CERCLA or under any other Environmental Laws other than in respect of violations of CERCLA or any other Environmental Law the liabilities with respect to which violations are Retained Liabilities.

Each Seller (on its behalf and on behalf of its respective affiliates) hereby waives any right to seek contribution or other recovery from Buyer or any of its affiliates, that it may now or in the future have under any Environmental Law for any violation of any Environmental Law the liabilities with respect to which violations are Retained Liabilities. Each Seller (on its own behalf and on behalf of its respective affiliates) hereby further unconditionally releases Buyer and its affiliates from any and all claims, demands, and causes of action that it may now or in the future ever have against Buyer or any of its affiliates for recovery under CERCLA or any other Environmental Laws for any violation thereof the liability with respect to which violation is a Retained Liability.

(iii) Subject to any amounts for which the Sellers are required to reimburse Buyer pursuant to Section 6.05, in addition to and without limitation of all other indemnities in this Agreement, from and after the Closing, the Sellers shall have no liability or responsibility for, and Buyer shall assume and be responsible for, and shall indemnify and hold each Seller harmless against and with respect to, any Environmental Costs which are not Retained Liabilities. In addition to and without limitation of all other indemnities in this Agreement, from and after the Closing, Buyer shall have no liability or responsibility for, and the Sellers shall assume and be responsible for, and shall indemnify and hold Buyer harmless from and against, any Environmental Costs which are Retained Liabilities.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF SELLER

Pullman hereby represents and warrants to Buyer as follows:

2.01. Organization. Each Seller is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to carry on its business as it is now being conducted. Each Seller is duly qualified to do business and is in good standing as a foreign corporation in the jurisdictions listed in the Disclosure Schedule, which are all of the jurisdictions where the nature of the property owned or leased by it, or the nature of the business conducted by it, makes such qualification necessary and the absence of such qualification would have a material adverse effect on the business or financial condition of PTC and APC, taken as a whole (a "Material Adverse Effect"). True and complete copies of each Seller's charter and by-laws have previously been delivered or made available to Buyer.

2.02. Financial Statements. Pullman has delivered to Buyer each Seller's unaudited pro forma balance sheet (the "Balance Sheets") as of September 30, 1991 (the "Balance Sheet Date") and each Seller's unaudited statement of operations for the twelve months ended September 30, 1991 (collectively, the "Financial Statements"), copies of which are included in each Seller's Disclosure Schedule. The Financial Statements fairly present, in all material respects, the Sellers' financial position and results of operations as of the Balance Sheet Date on the basis of accounting described in the notes thereto. All material departures from United States generally accepted accounting principles in the preparation of the Financial Statements are reflected in the notes thereto.

2.03. Absence of Certain Changes or Events. Except as set forth in the Disclosure Schedule or permitted or contemplated by this Agreement, since the Balance Sheet Date, the Sellers have not (a) suffered any damage, destruction or casualty loss to their physical properties which individually or in the aggregate has a Material Adverse Effect; (b) incurred or discharged any obligation or liability or entered into any other transaction except in the ordinary course of business and except for obligations, liabilities and transactions that do not individually or in the aggregate have a Material Adverse Effect; (c) suffered any material adverse change in its business or financial condition; or (d) increased the rate or terms of compensation payable or to become payable by it to any

of its directors, officers or key employees or increased the rate or terms of any bonus, pension or other employee benefit plan covering any of its directors, officers or key employees, except in each case increases occurring in the ordinary course of business in accordance with its customary practices (including normal periodic performance reviews and related compensation and benefit increases) or as required by any pre-existing Commitment.

2.04. Title to Assets. The Sellers have good (and, in the case of the Owned Real Property, marketable) title to all of their respective assets and properties which they purport to own (including those reflected on the Balance Sheets, except for assets and properties sold, consumed or otherwise disposed of in the ordinary course of business since the Balance Sheet Date), free and clear of any lien, security interest or other encumbrance ("Encumbrances"), except (a) as set forth in the Disclosure Schedule, (b) liens of taxes not yet due or being contested in good faith by appropriate proceedings and (c) Encumbrances which individually or in the aggregate do not have a Material Adverse Effect (the matters set forth in the foregoing clauses (a), (b) and (c) being referred to herein as the "Permitted Exceptions").

2.05. Patents, Trademarks, Etc. The Disclosure Schedule sets forth a list, as of the date hereof, of all United States and foreign patents, trademarks, trade names, copyrights, and applications therefor, used by each Seller in, and material to, the conduct of its business (the "Patent and Trademark Rights"). Except as disclosed in the Disclosure Schedule, (a) the Sellers own or possess adequate licenses or other valid rights to use all of their Patent and Trademark Rights; and (b) to Pullman's knowledge, the conduct of the Sellers' businesses as now being conducted does not conflict with any valid patents, trademarks, trade names or copyrights of others in any way which in the aggregate has a Material Adverse Effect.

2.06. Commitments. The Disclosure Schedule contains a list, as of the date hereof, of each contract or agreement, whether written or oral (including any and all amendments thereto), to which each Seller is a party or by which each Seller is bound (each, a "Commitment", and collectively, the "Commitments") and which is material to such Seller's business or such Seller's financial condition. Except as disclosed in the Disclosure Schedule, the Sellers are not in default under any of the Commitments, which defaults in the aggregate have or will have a Material Adverse Effect.

2.07. Litigation. Except as set forth in the Disclosure Schedule, there are no actions or proceedings in any court or before any governmental authority ("Litigation") pending against either Seller (i) an adverse determination of which would have in the aggregate a Material Adverse Effect or (ii) which seek to enjoin or obtain damages in respect of the consummation of the transactions contemplated hereby. To Pullman's knowledge, except as set forth in the Disclosure Schedule, there is no Litigation threatened against either Seller with respect to which there is a reasonable likelihood of a determination which in the aggregate would have a Material Adverse Effect. Except as set forth in the Disclosure Schedule, neither Seller is subject to any outstanding orders, rulings, judgments or decrees that have in the aggregate a Material Adverse Effect.

2.08. Compliance with Laws. Except as set forth in the Disclosure Schedule, each Seller is in compliance with all laws, rules and regulations applicable to such Seller's business (including, without limitation, those relating to occupational safety and health and equal opportunity employment practices and aviation but excluding Environmental Laws as to which all of Pullman's representations and warranties are included in Section 2.12 hereof) currently in effect, except where failures to comply therewith do not in the aggregate have a Material Adverse Effect. Each Seller has all governmental permits, licenses and authorizations necessary for the conduct of such Seller's business as presently conducted, except where the absences thereof in the aggregate do not have a Material Adverse Effect.

2.09. Corporate Power and Authority; Effect of Agreement. Each Seller has all requisite corporate power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by each Seller and the consummation by each Seller of the transactions contemplated hereby have been duly authorized by all necessary corporate action on each Seller's part. This Agreement has been duly and validly executed and delivered by each Seller and constitutes such Seller's valid and binding obligation, enforceable against such Seller in accordance with the terms thereof, except to the extent that such enforceability (i) may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to creditors' rights generally, and (ii) is subject to general principles of equity. The execution, delivery and performance of this Agreement by each Seller and the consummation by such Seller of the transactions contemplated hereby will not, with or without the giving of notice or the lapse of time, or both, (x) violate

any provision of law, rule or regulation to which such Seller is subject, (y) violate any order, judgment or decree applicable to such Seller, or (z) violate any provision of such Seller's Certificate of Incorporation or By-laws; except, in each case, (i) under any Environmental Laws as to which all of Pullman's representations and warranties are included in Section 2.12 hereof and (ii) for violations which in the aggregate would not materially hinder or impair the consummation of the transactions contemplated hereby.

2.10. Employee Benefit Plans. (a) The Disclosure Schedule lists all material Benefit Plans and Benefit Arrangements (as defined in Sections 9.01(b) and (c), respectively). True and complete copies thereof or written descriptions of all material items thereof (including a complete copy of the plan documents for the Pullman Employee Investment Plan, and for the PTC Aerospace Incentive Plan as in effect on December 31, 1988) have previously been delivered or made available to Buyer.

(b) With respect to each of the Benefit Plans intended to qualify under section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), except as set forth on the Disclosure Schedule, (i) a favorable determination letter has been issued by the Internal Revenue Service (the "IRS"), and neither Seller knows of any fact or facts which might adversely affect such qualification, and (ii) neither Seller has engaged in any transaction prohibited by Section 4975 of the Code or Section 406 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which would have a Material Adverse Effect.

(c) Except as set forth in the Disclosure Schedule, the Benefit Plans and the Benefit Arrangements have been maintained in accordance with their terms and all provisions of applicable law, except where the failures to do so in the aggregate do not have a Material Adverse Effect.

(d) There exists no condition or set of circumstances which present risks of termination or partial termination of any Benefit Plan which could result in any liabilities having in the aggregate a Material Adverse Effect. Neither Seller is required to provide security to any Benefit Plan under Section 401(a)(29) of the Code.

2.11. Governmental Consents. Except as set forth in the Disclosure Schedule, no consent, approval or authorization of, or exemption by, or filing with, any governmental authority (other than pursuant to the HSR Act) is required in connection with the execution, delivery and performance by either Seller

of this Agreement or the taking of any other action contemplated hereby, excluding, however, consents, approvals, authorizations, exemptions and filings, if any, which Buyer is required to obtain or make and except for consents to assign or transfer, or novation agreements with respect to, any Commitment or instrument to which either Seller is a party or to which any of the PTC Assets or APC Assets, as applicable, are subject.

2.12. Certain Environmental Matters. (a) Except as set forth in the Disclosure Schedule, none of the Sellers or any of their predecessors has (other than in connection with the ownership, lease or operation of the Former Facilities) disposed of, or arranged for the disposal of, any Material of Environmental Concern offsite in any manner which by virtue of any discharge, release or otherwise could give rise to any liabilities, losses or damages under any Environmental Law, which liabilities, losses or damages would in the aggregate have a Material Adverse Effect.

(b) Each Seller has provided and will provide Buyer access to all the environmental-related documentation kept on file at such Seller's facilities which are part of the Assets.

2.13. Transactions with Affiliates. Except as otherwise set forth in the Disclosure Schedule and except for tax, accounting, auditing, legal, benefits, treasury, cash management and investment administration, and other corporate office activities performed by Pullman for its subsidiaries (such activities, the "Parent Activities"), including the Sellers, (i) no subsidiary of Pullman Holding Corp. (a "Pullman Affiliate") is a competitor, customer or supplier to either Seller or is a party to any Commitment with either Seller and (ii) there are no trademarks, trade names, service marks, copyrights, patents, patent rights, franchises, proprietary knowledge or licenses that any such Pullman Affiliate owns or is licensed or otherwise has the right to use and which is used or useful in, or necessary to the conduct of, either Seller's business, as now being conducted, other than the name "Pullman" or any name or logo incorporating such name. All relationships and Commitments so set forth on the Disclosure Schedule pursuant to this Section 2.13 are referred to herein collectively as "Pullman Affiliate Relationships." Except as set forth in the Disclosure Schedule, none of the Pullman Affiliates will discontinue or terminate any Pullman Affiliate Relationship or adversely alter the terms thereof. Except for the Pullman Affiliate Relationships and the Parent Activities, during the three year period ending on the Closing Date, there have been in effect no relationships or Commitments between

either Seller and any Pullman Affiliate the termination or non-continuation of which could reasonably be expected to result in the aggregate in a Material Adverse Effect.

2.14. Insurance. The Disclosure Schedule sets forth a list describing the categories of coverage of all material policies of insurance and fidelity or surety bonds insuring each Seller or each Seller's Assets.

2.15. Labor Relations. To Pullman's knowledge, none of the Employees (as defined in Section 9.01) is represented by a labor union, and no petition has been filed or proceedings instituted by any Employee or group of Employees with any labor relations board seeking recognition of a bargaining representative. To Pullman's knowledge, there are no controversies or disputes pending between either Seller and its Employees, except for controversies and disputes arising in the ordinary course of business consistent with past experience which do not, individually or in the aggregate, have a Material Adverse Effect.

2.16. No Condemnation Proceedings. Neither Seller has received notice of any condemnation or eminent domain proceeding for any taking of real property or any part thereof or of any negotiations for the purchase of real property or any part thereof in lieu of condemnation and, to Pullman's knowledge, no condemnation or eminent domain proceedings or negotiations have been commenced or threatened in connection with either Seller's real property.

2.17. Undisclosed Liabilities. Except as set forth in the Disclosure Schedule, as of the Balance Sheet Date, none of the Sellers or any of their properties or rights is subject to any liability (absolute, accrued, contingent or otherwise) of any nature whatsoever, other than liabilities under any Environmental Law or with respect to any Environmental Matter or any Environmental Costs (as to which all of Pullman's representations and warranties are included in Section 2.12 hereof), liabilities reflected or provided for in the Balance Sheets (or in the notes thereto) and liabilities which in the aggregate do not have a Material Adverse Effect.

2.18. Disclaimer. EXCEPT AS SET FORTH IN THIS ARTICLE II AND IN SECTION 11.08, NEITHER PULLMAN NOR ANY SELLER MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED (INCLUDING THOSE REFERRED TO IN SECTION 2-312 OF THE N.Y.S. UNIFORM COMMERCIAL CODE). EXCEPT TO THE EXTENT SET FORTH IN PULLMAN'S REPRESENTATIONS AND WARRANTIES, NEITHER PULLMAN NOR THE SELLERS MAKE ANY WARRANTY OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR QUALITY, WITH RESPECT

TO ANY OF THE TANGIBLE ASSETS BEING SO TRANSFERRED, OR AS TO THE CONDITION OR WORKMANSHIP THEREOF OR THE ABSENCE OF ANY DEFECTS THEREIN, WHETHER LATENT OR PATENT.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to each Seller and Pullman as follows:

3.01. Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has all requisite corporate power and authority to carry on its business as it is now being conducted, and to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

3.02. Corporate Power and Authority; Effect of Agreement. The execution, delivery and performance by Buyer of this Agreement and the consummation by Buyer of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Buyer. This Agreement has been duly and validly executed and delivered by Buyer and constitutes the valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except to the extent that such enforceability (i) may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to creditors' rights generally, and (ii) is subject to general principles of equity. The execution, delivery and performance by Buyer of this Agreement and the consummation by Buyer of the transactions contemplated hereby will not, with or without the giving of notice or the lapse of time, or both, (i) violate any provision of law, rule or regulation to which Buyer is subject, (ii) violate any order, judgment or decree applicable to Buyer or (iii) violate any provision of the Certificate of Incorporation or the By-laws of Buyer or any contract or agreement to which the Buyer is a party; except, in each case, for violations which in the aggregate would not materially hinder or impair the consummation of the transactions contemplated hereby.

3.03. Governmental Consents. No consent, approval or authorization of, or exemption by, or filing with, any governmental authority (other than pursuant to the HSR Act) is required in connection with the execution, delivery and performance by Buyer of this Agreement, or the taking of any other action contemplated hereby, excluding, however, consents,

approvals, authorizations, exemptions and filings, if any, which either of the Sellers is required to obtain or make.

3.04. Litigation. There is no Litigation pending or, to Buyer's knowledge, threatened (i) against Buyer or any of its affiliates with respect to which there is a reasonable likelihood of a determination which would have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement, or (ii) which seeks to enjoin or obtain damages in respect of the consummation of the transactions contemplated hereby. Neither Buyer nor any of its affiliates is subject to any outstanding orders, rulings, judgments or decrees which would have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement.

3.05. Financing. Buyer has available and will have available on the Closing Date \$30,000,000, which funds together with the funds obtained by it pursuant to the Commitment Letters (as hereinafter defined) shall be sufficient to enable Buyer to consummate the transactions contemplated hereby.

ARTICLE IV

COVENANTS OF THE SELLERS

Each Seller hereby covenants and agrees with Buyer with respect to itself as follows:

4.01. Conduct of Business. Except as may be otherwise contemplated by this Agreement or required by any of the documents listed in the Disclosure Schedule or except as Buyer may otherwise consent to in writing (which consent shall not be unreasonably withheld), from the date hereof and prior to the Closing, such Seller will (i) in all material respects, operate its business only in the ordinary course and in a manner consistent with past practice; (ii) use its reasonable efforts to preserve intact its business organization; (iii) maintain its properties, machinery and equipment in sufficient operating condition and repair to enable it to operate its business in all material respects in the manner in which the business is currently operated, except for maintenance required by reason of fire, flood, earthquake or other acts of God; (iv) continue all its material existing insurance policies (or comparable insurance) or those relating to it in full force and effect; (v) use its reasonable efforts to keep available until the Closing the services of its present officers, employees and agents (as a group); (vi) use its reasonable efforts to preserve its relationship with its

material lenders, suppliers, customers, licensors and licensees and others having material business dealings with such Seller such that its business will not be materially impaired; (vii) refrain from making any non-cash distributions or paying any non-cash dividends to its stockholders and incurring any indebtedness for borrowed money except as described in Section 6.03; and (viii) refrain from making any investments or transacting any business with affiliates, except for transactions in the ordinary course of business consistent with past practice.

4.02. Access. From the date hereof and prior to the Closing, such Seller shall provide Buyer with such information as Buyer may from time to time reasonably request with respect to such Seller and the transactions contemplated by this Agreement, and shall provide Buyer and its representatives reasonable access during regular business hours and upon reasonable notice to such Seller's properties, books and records as Buyer may from time to time reasonably request; provided that such Seller shall not be obligated to provide Buyer with any information relating to trade secrets or which would violate any law, rule or regulation or term of any of such Seller's Commitments, or if the provision thereof would adversely affect such Seller's ability, or that of any of its affiliates, to assert attorney-client, attorney work product or other similar privilege. Any disclosure whatsoever during such investigation by Buyer shall not constitute an enlargement of or additional representations or warranties made by Pullman beyond those specifically set forth in this Agreement and in any supplemental written representations and warranties which according to the explicit terms thereof are made part of this Agreement in accordance with the procedures set forth therefor in this Agreement. All such information and access shall be subject to the terms and conditions of the confidentiality letter agreement previously executed and delivered by a representative of Buyer (the "Confidentiality Agreement").

4.03. Further Assurances. At any time or from time to time after the Closing, such Seller shall, at the request of Buyer and at Buyer's expense, execute and deliver any further instruments or documents and take all such further action as Buyer may reasonably request in order to evidence the consummation of the transactions contemplated hereby.

4.04. Change of Name. At or prior to the Closing, each Seller shall take all corporate action necessary for it to cease using the name PTC Aerospace, Inc. or Aircraft Products Company, as the case may be, and adopt a dissimilar name.

ARTICLE V

COVENANTS OF BUYER

Buyer hereby covenants and agrees with each Seller as follows:

5.01. Books and Records; Personnel. For a period of seven years from the Closing Date:

(a) Buyer shall not dispose of or destroy any of the books and records of any Seller relating to periods prior to the Closing ("Books and Records") without first offering to turn over possession thereof to such Seller by written notice to such Seller at least 30 days prior to the proposed date of such disposition or destruction.

(b) Buyer shall allow each Seller and its respective agents access to all Books and Records at reasonable times during normal working hours on reasonable notice at Buyer's principal place of business or at any location where any Books and Records are stored, and each Seller shall have the right, at its own expense, to make copies of any Books and Records; provided, however, that any such access or copying shall be had or done in such a manner so as not to interfere with the normal conduct of Buyer's business.

(c) Buyer shall make available to each Seller upon written request (i) copies of any Books and Records, (ii) Buyer's personnel to assist each Seller in locating and obtaining any Books and Records, and (iii) any of Buyer's personnel whose assistance or participation is reasonably required by any Seller or any of its respective affiliates in anticipation of, or preparation for, existing or future litigation, tax returns or other matters in which any Seller or any of its affiliates is involved. The Sellers shall reimburse Buyer for the reasonable out-of-pocket expenses incurred by it in performing the covenants contained in this Section 5.01(c).

(d) The foregoing provisions of this Section 5.01 shall be in addition to the obligations of Buyer under Sections 6.01 and 11.02(c)(ii).

5.02. Buyer's Knowledge of Business; Sellers' Representations Modified by Buyer's Knowledge. Buyer hereby agrees that to the extent any representation or warranty of Pullman or any Seller made herein or in any Ancillary Document is, to the knowledge of Buyer acquired prior to the date hereof, untrue or incorrect, (i) Buyer shall have no rights thereunder by reason of such untruth or inaccuracy, and

(ii) any such representation or warranty by Pullman or any Seller shall be deemed to be amended to the extent necessary to render it consistent with such knowledge of Buyer. In addition, between the date hereof and the Closing, Buyer may acquire additional knowledge concerning the matters covered by Pullman's representations and warranties. Accordingly, Buyer agrees that, if the Closing occurs, then to the extent any representation or warranty of Pullman or the Sellers made herein or in any Ancillary Document entered into at or prior to the Closing, to the knowledge of Buyer acquired from and after the date hereof and prior to the Closing, is untrue or incorrect, (x) Buyer shall have no rights thereunder by reason of such untruth or inaccuracy, and (y) any such representation or warranty by Pullman or any Seller shall be deemed to be amended to the extent necessary to render it consistent with such knowledge of Buyer.

5.03. Performance Bonds. At the Closing, Buyer will deliver to Pullman replacement (or, if the beneficiary thereof will not permit replacement, back-up) performance bonds and/or letters of credit, in an aggregate principal amount and with terms and from banks or other financial institutions or surety companies in each case satisfactory to Pullman, to replace (or, to the extent required as described above, to collateralize) any performance bonds of Pullman and any letters of credit securing any performance bonds of Pullman (in each case, or portions thereof) remaining outstanding on the Closing Date with respect to which Pullman or any affiliate thereof will have any liability after the Closing. The Sellers' Disclosure Schedules list all performance bonds and letters of credit in effect as of the date hereof. Pullman shall promptly give notice to Buyer of the incurrence after the date hereof of any obligation for letters of credit or performance bonds; provided, that prior to incurring any such obligation in excess of \$200,000 in the aggregate (including those outstanding on the date hereof), Pullman will give Buyer the opportunity to consent to such incurrence, which consent shall not be unreasonably withheld.

5.04. Further Assurances. Subject to the provisions of Section 6.08, at any time or from time to time after the Closing, Buyer shall, at the request of any Seller and at such Seller's expense, execute and deliver any further instruments or documents and take all such further action as such Seller may reasonably request in order to evidence the consummation of the transactions contemplated hereby.

5.05. Commitment Letters. Buyer shall use its best efforts to deliver to the Sellers no later than 5:00 PM New York City time on February 7, 1992, true and complete

Copies of written commitments (the "Commitment Letters"), in form and substance satisfactory to the Sellers, of one or more persons satisfactory to the Sellers, to provide on or prior to the Closing Date, sufficient funds to consummate the transactions contemplated herein. On or prior to January 31, 1992, Buyer shall identify in writing to the Sellers the financial instructions from which Buyer expects to obtain the Commitment Letters (the "Financial Institutions").

ARTICLE VI

ADDITIONAL COVENANTS

6.01. Income Tax Cooperation. After the Closing, Buyer and each Seller shall make available to each other, as reasonably requested, and to any taxing authority, all information, records or documents relating to tax liabilities or potential tax liabilities of or relating to each Seller for all periods prior to or including the Closing Date and shall preserve all such information, records and documents until the expiration of any applicable statute of limitations or extensions thereof. Buyer shall prepare and provide to each Seller any federal, state, local or foreign tax information packages requested by each Seller (which shall be substantially the same as those prepared by each Seller in the most recent year) for such Seller's use in preparing its tax returns. Such tax information packages shall be completed by Buyer and provided to each Seller within 45 days after such Seller's request therefor. Each party shall bear its own expenses in complying with the foregoing provisions. Buyer shall promptly notify the relevant Seller in writing upon receipt by Buyer or any affiliate of Buyer of notice of any pending or threatened federal, state, local or foreign income or franchise tax audits or assessments of or relating to such Seller for taxable periods ending prior to or including the Closing Date. Each Seller shall have the sole right to represent its interests in any tax audit or administrative or court proceeding relating to taxable periods for which such Seller is responsible for the payment of taxes, and to employ counsel of its choice at its expense. Buyer agrees that it will cooperate fully with such Seller and its counsel in the defense against or compromise of any claim in any said proceeding.

6.02. Corporate Name. (a) Buyer acknowledges that, as between Buyer and the Sellers, the Sellers have the absolute and exclusive proprietary right to all names, marks, trade names, trademarks, service names and service marks (collectively, "Names") incorporating "Pullman" and to all corporate symbols or logos (collectively, "Logos") incorporating "Pullman," all right to which and the goodwill

represented thereby and pertaining thereto are being retained by the Sellers and are not included in the Assets. Buyer agrees that it will not use the Name "Pullman" or any Logo incorporating such Name in connection with the sale of any products or services or otherwise in the conduct of its business, except as expressly permitted by paragraph (b) of this Section 6.02.

(b) Buyer shall have the right for a period of six months after the Closing Date to use any molds or castings included in the equipment or machinery included in the Assets despite the appearance thereon and on the products manufactured therewith of the Name "Pullman" or any Logo incorporating such Name, and for a period of twelve months after the Closing Date to (i) sell all such products, as well as any products which were produced by the Sellers prior to the Closing Date despite the appearance thereon of the Name "Pullman" or any Logo incorporating such Name, and (ii) use any other assets included in the Assets on hand at any of the Sellers, including without limitation, any catalogs, invoices, blueprints, sketches or packaging material, bearing any such Name or Logo, in each case without having to remove or obliterate any such Name or Logo thereon; provided that any new items ordered or reordered shall not bear such Name or Logo, even if the period during which the use by Buyer of such Assets is permitted as provided herein has not expired. Immediately upon the expiration of the applicable period, Buyer shall remove such Name or Logo therefrom or clearly and prominently mark the Buyer's name thereon and indicate that Buyer is not affiliated with Pullman Holding Corp. or any Pullman Affiliate.

(c) Buyer shall ensure that any products bearing the Name "Pullman" or any similar name or any Logo incorporating such Name or any similar name sold by Buyer pursuant to paragraph (b) of this Section 6.02 shall meet the quality standards of the relevant Seller as such standards exist on the date hereof, and such Seller shall have access to the premises of Buyer during normal working hours at reasonable times and on reasonable notice to satisfy itself as to such quality.

(d) Buyer shall indemnify each Seller and its respective affiliates and hold them harmless against any and all Losses incurred or suffered by any of them arising out of or resulting from the use of the Name "Pullman" or any similar name or any Logos incorporating such Name or any similar name by Buyer after the Closing.

6.03. Cash Management; Intercompany Accounts.

(a) Each Seller maintains separate controlled disbursement

checking accounts (with respect to PTC and APC collectively, the "Disbursement Accounts") on which checks and drafts in respect of each Seller are drawn and which are funded by each Seller or an affiliate of such Seller. Each Seller shall fund the Disbursement Accounts in amounts sufficient to pay all checks and drafts which are presented for payment on such accounts on or prior to the day immediately preceding the Closing Date. No later than one business day prior to the Closing Date, each Seller shall supply Buyer with an estimate (the "Estimated Overdraft") of the checks and drafts that will be written by it but not presented for payment as of the date immediately preceding the Closing Date (the "Outstanding Checks"). At the Closing, Buyer shall pay to each Seller, together with and in the same manner as the Purchase Price, an amount equal to its respective Estimated Overdraft. Within 10 days after the Closing, each Seller shall advise Buyer in writing as to the actual amount of its Outstanding Checks (the "Actual Overdraft"). If in respect of any Seller the Actual Overdraft exceeds the Estimated Overdraft, Buyer shall pay to such Seller, within two days of receipt of such advice, the amount of such excess. If in respect of any Seller the Estimated Overdraft exceeds the Actual Overdraft, such Seller's written advice shall be accompanied by a check in the amount of the excess. Each Seller shall retain its Disbursement Accounts and the obligation to fund such Disbursement Accounts in amounts sufficient to pay all its respective Outstanding Checks.

(b) As part of the cash management program of the Seller, each Seller maintains a lockbox and lockbox collection account (with respect to PTC and APC collectively, the "Lockboxes") from which the available cash balances are transferred daily to a central account maintained by such Seller or an affiliate thereof. Each Seller shall be entitled to collect and retain all cash received by it in the Lockboxes or otherwise through the close of business on the day immediately preceding the Closing Date; provided, however, that each Seller may at its option leave in the Lockboxes or at such Seller's other locations the cash balances at the close of business on the day immediately preceding the Closing Date, and the aggregate amount of such cash balances shall be paid together with and in the same manner as the Purchase Price (in which event they shall constitute Assets). At the Closing, each Seller shall assign its respective Lockbox to Buyer and Buyer shall be entitled to all cash collected in the Lockboxes on or after the Closing Date.

(c) Buyer shall promptly remit to each Seller any amounts received by Buyer on or after the Closing Date representing an Excluded Asset. Each Seller shall promptly remit to Buyer any amounts received by such Seller on or after

the Closing Date in respect of the Assets other than amounts in respect of Excluded Assets. From and after the Closing Date, Buyer shall have the right to endorse, without recourse, the names of the Sellers on any check or any other evidence of indebtedness received by Buyer and to which it is entitled on account of any Asset transferred by the Sellers pursuant hereto, and the Sellers shall deliver to Buyer at the Closing documents sufficient to permit Buyer to deposit such checks or other evidences of indebtedness in bank accounts in the name of Buyer. If any check or other evidence of indebtedness endorsed by Buyer represents a payment not on account of an Asset, Buyer shall pay the Sellers on the date of such endorsement the amount of such payment.

(d) All intercompany accounts with respect to each Seller reflecting the collection of cash receipts or funding of the Disbursement Accounts shall be cancelled on the Closing Date.

6.04. Non-Compete. At the Closing, Pullman shall enter into a non-compete agreement with Buyer substantially in the form of Exhibit II hereto (the "Non-Compete Agreement").

6.05. Environmental Audit. (a) The Sellers acknowledge that Buyer has retained I.C.F. Kaiser (the "Consultant") to conduct a review (the "Environmental Audit") of Environmental Matters with respect to the real properties of the Sellers included in the Assets. The Consultant shall act at the direction of Buyer; provided that the Consultant shall report upon its activities under this Section 6.05 to the Sellers simultaneously with and to the same extent as any such report (whether oral or written, or preliminary or final) by it to Buyer and provide written copies thereof to the Sellers. The Consultant, after conducting an assessment and investigation of each such property, including sampling of soil and groundwater and/or such other tests as either the Consultant or Buyer determines to be necessary or desirable, will render to Buyer a report (the "Report"). The Report shall contain (i) a list or description of (x) releases or threats of release of Materials of Environmental Concern on or from such properties, which release would be required to be reported, removed or remediated under an Environmental Law or (y) instances of noncompliance with any Environmental Law (any matter referred to in (x) or (y) of this clause (i) being referred to as "Environmental Non-Compliance"), (ii) a list of the types of measures reasonably required to be implemented to remedy each such Environmental Non-Compliance in a reasonably cost effective manner (the measures listed in the Report being referred to as "Remedial Measures") and (iii) the Consultant's estimate of the cost (including any necessary capital

expenditures) associated with each such Remedial Measure (such costs being referred to in the aggregate as "Cleanup Costs"). The inclusion of any item as a Remedial Measure in the Report shall be subject to the Seller's consent that such Remedial Measures are a reasonably cost effective means of remedying the instance of Environmental Non-Compliance to which any such Remedial Measure relates (which consent shall not be unreasonably withheld). Subject to the provisions of Section 6.07 hereof, the cost of the Consultant's review (the "Consultant's Costs") and the Report shall be paid by Buyer. The Sellers shall cooperate in the preparation of the Environmental Audit, and shall make their respective premises, employees and relevant corporate records reasonably available to Buyer and the Consultant.

(b) Buyer shall be solely responsible for further investigating and initiating the remediation or correction, if any, of any of the instances of Environmental Non-Compliance. Subject to the conditions set forth in paragraph (c) of this Section, the first \$1 million of the Cleanup Costs shall be borne equally by Buyer, on the one hand, and Pullman, on the other hand, any Cleanup Costs in excess of \$1 million but not in excess of \$2 million shall be borne solely by Pullman, and any Cleanup Costs in excess of \$2 million shall be borne solely by Buyer; provided, however, that Seller shall not be responsible for (i) any Cleanup Costs relating to Remedial Measures (other than long-term ongoing operation and maintenance activities commenced within 5 years after the Closing Date) which are not completed within five years from the Closing Date or (ii) with respect to any Remedial Measure, any Cleanup Costs (other than as required by an Administrative Consent Order entered into between Buyer and a state or federal governmental environmental agency after full consultation with Pullman (an "ACO")) which are in excess of the cost of a reasonably cost effective means of effecting such Remedial Measure.

(c) Buyer, upon its expenditure of Cleanup Costs, shall be entitled to seek reimbursement from Pullman for the portion of any such expenditure for which Pullman is responsible pursuant to Section 6.05(b), so long as the activity for which the funds were expended was listed in the Report as a Remedial Measure. Any reimbursement by Pullman pursuant to this Section 6.05(c) shall be made within 15 business days after receipt of a request for payment of Cleanup Costs (a "Payment Request") from Buyer by Pullman. Each Payment Request shall include a copy of the invoice(s) to which Buyer's claim for payment relates (in each case addressed to Buyer and setting forth in reasonable detail all work performed for which payment is claimed) and proof of Buyer's payment of

such invoice(s), and state the amount claimed by Buyer pursuant to the provisions of Section 6.05(b). If, in Pullman's reasonable judgment, any claim contained in a Payment Request (i) was not for a Remedial Measure or (ii) is in excess (an "Excessive Cost") of the cost of (x) a reasonably cost effective means of effecting a Remedial Measure or (y) with respect to a matter covered by an ACO, an activity required by the ACO, Pullman shall notify Buyer in writing (the "Dispute Notice"), within 15 business days of receiving the Payment Request, that Pullman is disputing a claim for payment included in the Payment Request. Pullman shall not be obligated to pay such disputed claim until a final determination of the amount of such claim is made in accordance with the procedures set forth below in this paragraph. Following the delivery of the Dispute Notice to Buyer, if Pullman and Buyer shall fail to agree on the proper amount of the disputed claim within 15 business days after Buyer's receipt of the Dispute Notice, Buyer may refer the dispute to an environmental consultant of national reknown (which consultant shall not have performed any work for Buyer or Pullman in the preceding five years and shall be otherwise independent of Buyer and Pullman); the choice of consultant shall be subject to Pullman's consent (which shall not be unreasonably withheld), and Pullman and Buyer shall share equally the fees and expenses of such consultant. The consultant shall determine whether the disputed claim was for a Remedial Measure or was an Excessive Cost and either confirm the amount of the claim asserted by Buyer or assign to such claim another value, or no value, as it shall deem appropriate under the circumstances. The consultant's determination shall be made in writing, delivered to the parties and binding upon Pullman and Buyer. Pullman shall be obligated to pay to Buyer Pullman's share (as specified in Section 6.05(b)) of the amount of reimbursable costs, if any, determined by the consultant for such claim within five business days after the date on which Pullman shall have been advised in writing of the consultant's determination.

(d) Any reports or filings that are required to be made under or pursuant to the Connecticut Transfer Act, Conn. Gen. Stat. sections 22a-134 et seq., shall be made by the Sellers if a negative declaration, as described in that Act, can appropriately be made. If the Sellers determine that a negative declaration cannot appropriately be made, then any report or filing required to be made under that Act shall be made by Buyer.

6.06. Supplemental Disclosure Schedule. Pullman may, from time to time prior to the Closing (but not later than two days prior to the Closing (or such shorter time prior to the Closing as to matters as to which such shorter time is

reasonably adequate to evaluate such matter)), by written notice in accordance with this Agreement, supplement or amend the Disclosure Schedule to correct any matter which would constitute a breach of any representation and warranty herein contained. Except with respect to information included in the Disclosure Schedule pursuant to the last sentence of this Section 6.06, no supplemental or amended Disclosure Schedule shall be deemed to cure any breach of such representation or warranty for purposes of Sections 7.01 or 10.01(c) or for any other purpose if the Closing does not occur, and Buyer shall continue to have all of its rights and remedies hereunder. If, however, the Closing occurs, any supplement or amendment of the Disclosure Schedule will be effective to cure and correct for all purposes any breach of any representation or warranty which would have existed by reason of Pullman not having made such supplement or amendment. Notwithstanding any of the foregoing, Pullman shall supplement the Disclosure Schedule as provided above by including therein copies of documents or other materials required to be included therein pursuant to the provisions of this Agreement that were not available on the date of this Agreement.

6.07. Costs of Environmental and Financial Audits.

Buyer shall be responsible for the Consultant's Costs in connection with the Environmental Audit and for the Accountant's Costs (as hereinafter defined) in connection with preparation, at Buyer's direction, of audited financial statements for the business of the Sellers being acquired hereby. For purposes of this Agreement, "Accountants' Costs" shall mean all out-of-pocket expenses incurred, including the fees and expenses payable to Buyer's accountants, in connection with the preparation of the aforementioned audited financial statements. No later than five days prior to the Closing Date, Buyer shall submit to the Sellers invoices and other evidence of the Consultant's Costs and the Accountants' Costs. At the Closing, the Sellers shall reimburse Buyer for the Consultant's Costs and the Accountants' Costs up to an aggregate amount of \$100,000 (or such lesser amount as shall constitute the entire aggregate amount of such costs). If this Agreement is terminated as a result of the breach by any Seller of this Agreement, then the Sellers shall be obligated to reimburse Buyer for its Consultant's Costs and Accountants' Costs incurred to date (as evidenced by invoices or other appropriate documents) up to an aggregate amount of \$100,000.

6.08. Cooperation by Seller and Buyer; Third Party Consents. (a) From the date hereof and prior to the Closing, each Seller and Buyer will use its best efforts, and will cooperate with the others, to secure all consents, approvals, authorizations, exemptions and waivers from third parties and

any novation agreement with any governmental entity as shall be required in order to effect the transactions contemplated hereby (each a "Third Party Consent"), and will otherwise use its best efforts to cause the consummation of such transactions in accordance with the terms and conditions hereof; provided, however, that neither of the Sellers shall be required to use its best efforts to obtain any Third Party Consent if, as a condition to obtaining such Third Party Consent, such Seller is required to agree to any material amendment to the terms of any Commitment which would become effective prior to Closing; and provided further, that neither of the Sellers shall be required to commence or participate in any Litigation in connection with the obtaining of any Third Party Consent or pay any material penalty or fee to obtain any such Consent. Each Seller shall be reimbursed promptly by Buyer for any of its costs and expenses incurred in connection with obtaining any Third-Party Consent.

(b) Notwithstanding anything herein to the contrary, to the extent that any Commitment or any license, permit, instrument or approval included in the Assets is not capable of being assigned, transferred, subleased or sublicensed without obtaining a Third Party Consent and such Third Party Consent cannot be obtained, or if such assignment, transfer, sublease or sublicense would constitute a violation of any law (any such Asset being hereinafter referred to as a "Specified Asset"), this Agreement shall not constitute an assignment, transfer, sublease or sublicense thereof. The Sellers and Buyer agree to make or complete the transfer of all Specified Assets to be transferred to Buyer pursuant to this Agreement on or as soon as reasonably possible after the Closing Date and to cooperate with each other (at Buyer's expense) in any other reasonable arrangement designed to provide for Buyer the benefits and burdens of and to such Specified Assets and to provide for the discharge of any liability or obligation of the Sellers thereunder (including, to the extent permissible under the terms of any Specified Asset, providing for Buyer to pay, perform and discharge obligations under specified Commitments as agent for any Seller and for any Seller to act as agent for Buyer in the receipt of benefits, rights or interests under such Commitments). With respect to any Commitment with the United States or any other governmental entity, to the extent applicable, Buyer and the relevant Seller shall cooperate with each other, in any reasonable manner and at the expense of Buyer, in seeking to enter into novation agreements with each other and the applicable governmental entity pursuant to which Buyer or any of its affiliates is substituted for such Seller thereunder and such Seller is discharged from all obligations and liabilities under such Commitment. The execution and delivery by Buyer or

any Seller of any novation or other agreement in respect of any Commitment hereunder shall not impair any rights of Buyer or any Seller to indemnification under this Agreement in respect of such Commitment. Buyer shall not interfere with or delay obtaining any Third Party Consent with respect to any Specified Asset by seeking any amendments or changes to the terms or conditions of any Commitment relating thereto.

(c) Until a Third Party Consent releasing a Seller from its obligations in respect of any Specified Asset is obtained, Buyer shall not amend or otherwise modify any provision of such Specified Asset, except for amendments or modifications which do not (x) increase in any respect any obligation or liability of such Seller or any of its affiliates thereunder or (y) extend the period of time during which such Seller or any of its affiliates will be obligated or liable thereunder. Buyer shall endeavor to enter into new contracts with its customers rather than amending or otherwise modifying in any material manner any Commitment to be assumed by Buyer hereunder and with respect to which any Seller remains obligated or liable.

6.09. APC Acquisition Corp. Indemnification. Whether or not the Closing shall occur, Buyer shall indemnify each Seller and its respective affiliates, and hold each of them harmless from and against all Losses, including without limitation, the fees and expenses of counsel and all litigation and settlement expenses, which are incurred or suffered by any of them arising out of or relating to any claim or assertion by any person in connection with the Sellers' negotiation of or entry into that certain Agreement of Purchase and Sale, dated January 8, 1992, between Pullman, the Sellers and APC Acquisition Corp. or the termination on the date hereof of such agreement.

6.10. Braniff Preference Claim. APC and Buyer acknowledge that APC has disclosed to Buyer the existence of the preferential payment claim listed as item 1 on Schedule 2.07 of APC's Disclosure Schedule and that, in consideration for Buyer's assumption of that specific liability, APC has agreed to reduce the purchase price for the Assets being transferred pursuant hereto by \$200,000 (which reduction is already reflected in the Purchase Price stated in Section 1.03). (i) To the extent that Braniff, Inc. ("Braniff") shall recover less than \$400,000 from Buyer in respect of such claim, Buyer shall, promptly after the final determination of the amount, if any, which Braniff is entitled to recover in respect of such claim, pay to APC one-half of the difference between \$400,000 and the amount of such recovery by Braniff (less all attorneys' fees and expenses and other reasonable out-of-pocket

costs incurred by Buyer in connection with the proceeding referred to in Item 1 of Schedule 2.07 to the APC Disclosure Schedule), and (ii) if Buyer shall be required to make any payment to Braniff in respect of such claim and shall then or thereafter receive any payment or distribution from Braniff in respect of such payment made by Buyer to Braniff, Buyer shall pay to APC one-half of such payment or distribution from Braniff (less all attorneys' fees and expenses and other reasonable out-of-pocket costs incurred in connection with the proceeding referred to in Item 1 of Schedule 2.07 to the APC Disclosure Schedule, other than fees and expenses deducted from amounts otherwise payable to APC pursuant to clause (i) of this Section) promptly after Buyer's receipt thereof.

ARTICLE VII

CONDITIONS TO BUYER'S OBLIGATIONS

The obligations of Buyer to consummate the transactions contemplated herein shall be subject to the satisfaction (or waiver) on or prior to the Closing Date of all of the following conditions:

7.01. Representations, Warranties and Covenants of Pullman and the Sellers. Pullman and each Seller shall have complied in all material respects with each of their agreements and covenants contained herein to be performed on or prior to the Closing Date, and all the representations and warranties of Pullman and each Seller contained herein shall be true on and as of the Closing Date with the same effect as though made on and as of the Closing Date, except (a) as otherwise contemplated hereby, (b) to the extent that such representations and warranties were made as of a specified date and as to such representations and warranties the same shall continue on the Closing Date to have been true as of the specified date, and (c) to the extent that any failure of such representations and warranties to be true as aforesaid, individually or in the aggregate, does not have a Material Adverse Effect. Buyer shall have received a certificate of Pullman and the Sellers, dated as of the Closing Date and signed by an officer of Pullman and each Seller, certifying as to the fulfillment of the condition set forth in this Section 7.01.

7.02. No Prohibition. No statute, rule or regulation or order of any court or administrative agency shall be in effect which prohibits Buyer from consummating the transaction contemplated hereby.

7.03. Governmental Consents. The applicable waiting period under the HSR Act shall have expired or been terminated and all other consents, approvals, authorizations, exemptions and waivers from governmental agencies that shall be required in order to enable Buyer to consummate the transactions contemplated hereby shall have been obtained (except for such consents, approvals, authorizations, exemptions and waivers, the absence of which would not prohibit consummation of such transactions or render such consummation illegal, and consents to assign or transfer, or novation agreements with respect to, any of the Commitments, permits, or other instruments to which any Seller is a party or to which any of the PTC Assets or APC Assets, as applicable, are subject).

7.04. Financing. Buyer shall have available on the Closing Date out of its corporate treasury and pursuant to the Commitment Letters sufficient funds to enable it to consummate the transactions contemplated by this Agreement.

7.05. Opinion of Counsel; Subsidiary Guarantee. The Sellers and Pullman shall have delivered to Buyer (i) an opinion of D. Craig Bowman, Esq., Associate General Counsel to the Sellers and Pullman, substantially in the form of Exhibit III attached hereto and (ii) either (a) evidence reasonably satisfactory to Buyer that the Subsidiary Guarantee dated March 16, 1990 made by each Seller to Manufacturers Hanover Trust Company (the "Subsidiary Guarantees") shall have been discharged or released or (b) an opinion of Fried, Frank, Harris, Shriver & Jacobson, special counsel to the Sellers and Pullman, in form reasonably satisfactory to Ropes & Gray, counsel to Buyer or its permitted assignee to the effect that Buyer and its permitted assignees have acquired the Assets being sold to Buyer or its permitted assignees pursuant to this Agreement free and clear of the rights of the bank creditors of Pullman which are beneficiaries of the Subsidiary Guarantees under such Subsidiary Guarantees and neither Buyer nor its permitted assignees have any liability under such Subsidiary Guarantees by reason of such sale.

7.06. Non-Compete. Pullman shall have entered into the Non-Compete Agreement.

7.07. Escrow Agreement. The Sellers shall have entered into the Escrow Agreement and deposited the Escrow Amount with the escrow agent.

7.08. Cancellation of Note. The Buyer shall have received from each Seller evidence reasonably satisfactory to Buyer that the Promissory Note described in Schedule 2.13.1 of the Disclosure Schedule of the Sellers has been cancelled.

ARTICLE VIII

CONDITIONS TO THE SELLERS' OBLIGATIONS

The obligations of each Seller to consummate the transactions contemplated herein shall be subject to the satisfaction (or waiver) on or prior to the Closing Date of all of the following conditions:

8.01. Representations, Warranties and Covenants of Buyer. Buyer shall have complied in all material respects with each of its agreements and covenants contained herein to be performed on or prior to the Closing Date, and all of the representations and warranties of Buyer contained herein shall be true on and as of the Closing Date with the same effect as though made on and as of the Closing Date, except (a) as otherwise contemplated hereby, (b) to the extent that such representations and warranties were made as of a specified date and as to such representations and warranties the same shall continue on the Closing Date to have been true as of the specified date, and (c) to the extent that any failure of such representations and warranties to be true as aforesaid, individually or in the aggregate, does not have a material adverse effect on Buyer's ability to perform its obligations under this Agreement. The Sellers shall have received a certificate of Buyer, dated as of the Closing Date and signed by an officer of Buyer, certifying as to the fulfillment of the condition set forth in this Section 8.01.

8.02. No Prohibition. No statute, rule or regulation or order of any court or administrative agency shall be in effect which prohibits any Seller from consummating the transactions contemplated hereby.

8.03. Letters of Credit. Buyer shall have delivered to the Sellers evidence (reasonably satisfactory to the Sellers) of cancellation of, and replacement by Buyer of, the performance bonds and/or letters of credit referred to in Section 5.03 up to the aggregate principal amount specified in Section 5.03.

8.04. Governmental Consents. The applicable waiting period under the HSR Act shall have expired or been terminated and all other consents, approvals, authorizations, exemptions and waivers from governmental agencies that shall be required in order to enable the Sellers to consummate the transactions contemplated hereby shall have been obtained (except for such consents, approvals, authorizations, exemptions and waivers, the absence of which would not prohibit consummation of such transactions or render such consummation illegal, and consents

to assign or transfer, or novation agreements with respect to, any of the Commitments, permits, or other instruments to which any Seller is a party or to which any of the PTC Assets or APC Assets, as applicable, are subject).

8.05. Opinion of Counsel. Buyer shall have delivered to the Sellers an opinion of Ropes & Gray, Counsel to Buyer, substantially in the form of Exhibit IV attached hereto.

8.06. Non-Compete. Buyer shall have entered into the Non-Compete Agreement and made the Non-Compete Payment to Pullman required thereby.

8.07. Escrow Agreement. Buyer shall have entered into the Escrow Agreement.

8.08. Third Party Consents. The Sellers shall be reasonably satisfied that all material Third Party Consents have been obtained.

ARTICLE IX

EMPLOYMENT AND EMPLOYEE BENEFITS ARRANGEMENTS

9.01. Definitions. (a) The term "Employees" shall mean all current employees (including those on layoff, disability or leave of absence, whether paid or unpaid), former employees and retired employees of each Seller, and the term "Employee" shall mean any of the Employees.

(b) The term "Benefit Plans" shall mean each and all "employee benefit plans" as defined in Section 3(3) of ERISA, maintained or contributed to by any Seller or in which any Seller participates or participated and which provides benefits to Employees, including (i) any such plans that are "employee welfare benefit plans" as defined in Section 3(1) of ERISA and (ii) any such plans that are "employee pension benefit plans" as defined in Section 3(2) of ERISA.

(c) The term "Benefit Arrangements" shall mean each and all pension, supplemental pension, accidental death and dismemberment, life and health insurance and benefits (including medical, dental, vision and hospitalization), savings, bonus, deferred compensation, incentive compensation, holiday, vacation, severance pay, salary continuation, sick pay, sick leave, short and long term disability, tuition refund, service award, company car, scholarship, relocation, patent award, fringe benefit and other employee benefit arrangements, plans, contracts (other than individual

employment, consulting or severance contracts), policies or practices of each Seller providing employee or executive compensation or benefits to Employees, other than the Benefit Plans.

9.02. Employment. As of the Closing Date, Buyer shall offer to employ all current Employees at substantially the same salaries and wages (including, bonus, commission and sales incentive programs) and in comparable positions (including level of responsibilities and authority and location) as those in effect immediately prior to the Closing Date. Except as otherwise provided in Section 9.04, Buyer shall honor and continue to perform all obligations of the Sellers and their affiliates under all agreements (including, but not limited to, employment and consulting agreements) with any Employee or Employees which relate to employment or compensation or benefits. Nothing contained in this Section 9.02 or in Section 9.04 shall be construed as to limit Buyer's rights to indemnification for any breaches by Pullman or any Seller of its representations, warranties, covenants or agreements contained herein, to the extent provided in, for the period, if any, set forth in, and otherwise subject to the terms of Sections 11.01 and 11.02.

9.03. Pension and Other Plans. (a) (1) As of the Closing Date, each Seller shall cease to be a participating employer under the Pullman Employee Investment Plan (the "Pullman Investment Plan") and each Seller shall take, or cause to be taken, all such action as may be necessary to effect such cessation of participation. As soon as practicable after the Closing Date, Buyer shall establish or designate a defined contribution plan (the "Buyer's Investment Plan") to provide benefits to the Employees who, on the Closing Date, are participants in the Pullman Investment Plan ("Investment Plan Participants") pursuant to the terms of the Buyer's Investment Plan as in effect from time to time. The Buyer's Investment Plan shall be qualified under section 401(a) of the Code and shall provide the Investment Plan Participants credit for service with the relevant Seller and its affiliates and their respective predecessors prior to the Closing Date.

(2) (i) As soon as practicable after the receipt by Seller of the opinions described in subparagraph (ii) below, Seller shall cause the trustee of the Pullman Investment Plan to transfer to the trust forming a part of the Buyer's Investment Plan cash (or with respect to participant loans granted prior to the Closing Date, if any, such loans and any promissory notes or other documents evidencing such loans) in an amount equal to the account balances of Investment Plan Participants as of a valuation date not more than 60 days

preceding the date of transfer, reduced by any benefits paid to and increased by any contribution made on behalf of Investment Plan Participants during the period following such valuation date to the date of transfer and not reflected in such Valuation Date account balances (the "Account Balances").

(ii) Within 60 days after the Closing Date, Buyer shall provide each Seller with an opinion letter of counsel reasonably acceptable to such Seller that the Buyer's Investment Plan and related trust satisfy the requirements for qualification under section 401(a) of the Code as of the later of its effective date or the Closing Date, and the Sellers shall provide Buyer with an opinion letter of counsel reasonably acceptable to Buyer that the Pullman Investment Plan and related trust satisfy the requirements for qualification under section 401(a) of the Code as of the Closing. No transfer shall be made unless Buyer provides each Seller with the opinion letter or determination letter referred to in this subparagraph (ii).

(3) In consideration for the transfer by the Pullman Investment Plan of the Account Balances to the trust forming a part of the Buyer's Investment Plan, Buyer shall, effective as of the Closing Date and except as provided in the following sentence, assume all of the liabilities and obligations of each Seller and its respective affiliates in respect of the Investment Plan Participants and their beneficiaries under the Pullman Investment Plan, and each Seller and its respective affiliates and the Pullman Investment Plan shall be relieved of all liabilities and obligations to the Investment Plan Participants and their beneficiaries arising out of the Pullman Investment Plan. Notwithstanding the foregoing, the Seller and its affiliates shall be solely liable for amounts paid or payable in connection with the Pullman Investment Plan and its related trust with respect to (i) prohibited transactions (within the meaning of the Code and ERISA) engaged in by the Seller or its affiliates, (ii) any liability for fiduciary or co-fiduciary breaches by Seller or its affiliates, and (iii) any penalties for failure to properly comply with any reporting or disclosure requirement under the Code or ERISA.

(b) (1) As of the Closing Date, each Seller shall cease to be a participating employer under the Pullman Company Retirement Plan (the "Pullman Plan"), and each Seller shall take, or cause to be taken, all such action as may be necessary to effect such cessation of participation. The Pullman Plan shall pay benefits to Employees in accordance with its terms.

(2) There shall be no transfer of assets or liabilities of the Pullman Plan to any benefit plan of Buyer or any of its affiliates and Buyer and Seller acknowledge that Buyer and its affiliates shall have no liabilities with respect to, or right, title or interest in respect of the assets of the Pullman Plan.

9.04. Other Benefit Plans. As of the Closing Date, Buyer shall establish or designate such plans ("Buyer's Benefit Plans") as Buyer, in its discretion, shall determine. Buyer shall grant all Employees from and after the Closing Date credit for all service with Seller and its affiliates and their respective predecessors prior to the Closing Date for purposes of eligibility to participate, vesting and eligibility for benefits under Buyer's Benefit Plans. Without in any way limiting the generality of Section 1.04, Buyer shall assume all liabilities and obligations of Seller and its affiliates under the Benefit Plans and Benefit Arrangements (other than (x) those Benefit Plans which are covered by Section 9.03 and (y) liabilities and obligations to provide post-retirement health and life insurance benefits to Employees) and workers' compensation arrangements with respect to the Employees and their dependents and beneficiaries, including, but not limited to, (i) liabilities and obligations for benefits, compensation, contributions, insurance and health maintenance organization premiums, reserves and administrative expenses whether incurred or accrued before, on or after the Closing Date and whether or not reported as of the Closing Date and (ii) liabilities and obligations arising under the continuation coverage requirements of Sections 162(k) and 4980B of the Code and Section 601 of ERISA with respect to all Employees (or any beneficiary or dependent of any Employee) who, as of the Closing Date, have exercised or are eligible to exercise their right to such continuation coverage, and Buyer shall indemnify Seller and its affiliates and hold each of them harmless from and against any Losses which any of them may incur or suffer in respect of any of the foregoing liabilities and obligations.

9.05. Severance. Buyer shall indemnify Seller and its affiliates and hold each of them harmless from and against any Losses which may be incurred or suffered by any of them under (i) the Worker Adjustment and Retraining Notification Act or (ii) in connection with any claim (including any claim for severance pay or other compensation or benefit entitlement) made by any Employee including by reason of (A) Buyer's failure to continue to employ such Employee on or after the Closing Date on substantially the same terms and conditions as those in effect immediately prior to the Closing Date (including any claim made by reason of the Employee not receiving benefits under any Benefit Plan or Benefit Arrangement or not receiving

any other benefit or level of benefit, including without limitation, comparable retirement benefits or post-retirement health and life insurance benefits) or (B) any Employee's termination of employment by Buyer or deemed termination of employment by reason of the transaction contemplated hereby or otherwise; provided, however, that Seller shall bear (and not be indemnified with respect to) 50% (up to a maximum of \$500,000) of all Losses arising out of any claims by Employees under Sellers' severance policy in effect at the Closing Date by reason of such Employees' alleging that they have not received benefits comparable to those afforded such Employees under the Benefit Plans and Benefit Arrangements in effect at the Closing Date.

9.06. W-2 Matters. Pursuant to IRS Revenue Procedure 84-77, Buyer shall assume the obligation of each Seller to furnish Forms W-2 to Employees for the calendar year in which the Closing Date occurs. Each Seller will provide Buyer with any information not available to Buyer relating to periods ending on the Closing Date necessary for Buyer to prepare and distribute Forms W-2 to Employees for the calendar year in which the Closing Date occurs, which Forms W-2 will include all remuneration earned by Employees from both Buyer and such Seller during such year, and Buyer will prepare and distribute such forms.

9.07. Multi-Employer Plans. Pullman and each Seller shall indemnify Buyer and its affiliates and hold each of them harmless from and against any assessment of withdrawal liability resulting from the complete or partial withdrawal, within the meaning of Title IV of ERISA, by the Sellers or their affiliates with respect to any multi-employer plan.

ARTICLE X

TERMINATION PRIOR TO CLOSING

10.01. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) By the mutual written consent of Buyer and each Seller; or

(b) By any of the Sellers or Buyer in writing, without liability to the terminating party on account of such termination (provided the terminating party is not otherwise in default or in breach of this Agreement), if the Closing shall not have occurred on or before February 28, 1992 (or if all waiting periods under the HSR Act have not expired or been

terminated on or before February 26, 1992, on or before March 15, 1992; or

(c) By any of the Sellers or Buyer in writing, without liability to the terminating party on account of such termination (provided the terminating party is not otherwise in default or in breach of this Agreement), if there shall have been a material breach by Buyer, Pullman or any of the Sellers, respectively of any of its representations, warranties, covenants or agreements contained herein and such breach results in a failure to satisfy a condition to the terminating party's obligation to consummate the transactions provided herein; or

(d) By Buyer if the aggregate amount payable for Clean-Up Costs for Remedial Measures exceeds \$3 million, unless Pullman elects (as its sole option) to perform such Remedial Measures in excess of such \$3 million ("Excess Remedial Measures") at its sole expense; or

(e) By any of the Sellers, at any time after January 31, 1992, if, based upon conversations with the Financial Institutions, the Sellers conclude in good faith that the Commitment Letter Event (as hereinafter defined) is not likely to occur and that the expected financing for the transaction contemplated hereby by each such Financial Institution is not likely to occur prior to or on February 28, 1992.

(f) By any of the Sellers, at any time after February 7, 1992 and prior to delivery of the same, if Buyer shall have failed to deliver true and complete copies of the Commitment Letters, in form and substance, and from parties, satisfactory to the Sellers, prior to 5:00 P.M. New York City time on February 7, 1992 (the "Commitment Letter Event").

10.02. Effect on Obligations. Termination of this Agreement pursuant to this Article X shall terminate all obligations of the parties hereunder, except for the obligations under Sections 6.09, 11.08, 11.09 and 11.12 and the last sentence of Section 4.02; provided, however, that, subject to the provisions of Section 11.02(f), termination pursuant to clause (c) of Section 10.01 shall not relieve the defaulting or breaching party from any liability to the other party hereto.

ARTICLE XI

MISCELLANEOUS

11.01. Survival. The representations and warranties made in this Agreement (other than those contained in Section 2.04 (under the circumstances described below) and 2.12 (as provided below)) or in any agreement, certificate or other document executed in connection herewith (an "Ancillary Document") shall survive the Closing until the first anniversary of the date hereof and shall thereupon expire together with any right to indemnification for breach thereof (except to the extent a written notice asserting a claim for breach of any such representation or warranty shall have been given prior to such date to the party which made such representation or warranty, in which case such representation and warranty shall survive, to the extent of such claim only, until such claim is resolved. The representations and warranties contained in Section 2.04, insofar as they relate to any property constituting Owned Real Property, shall expire at the Closing if Buyer obtains title insurance with respect to such property. The representations and warranties contained in Section 2.12 shall survive the Closing until the third anniversary of the date hereof. The covenants and agreements contained herein to be performed or complied with prior to the Closing shall expire at the Closing. The covenants and agreements contained herein to be performed or complied with at or after the Closing (other than the covenant and agreement to indemnify against breaches of representations and warranties) shall survive the Closing until the expiration of the applicable statute of limitations.

11.02. Indemnification. (a) If the Closing shall occur, Pullman and each Seller shall indemnify Buyer and its affiliates and hold each of them harmless from and against all Losses which are incurred or suffered by any of them (i) by reason of the breach of any of the representations or warranties made by Pullman herein or in any Ancillary Document (and for the purposes of this Section 11.02 treating Section 2.12(a) as if no matters referred to therein were set forth in the Disclosure Schedule) or (ii) by reason of the failure by Pullman or any Seller to perform or comply with any of the covenants or agreements contained herein or in any Ancillary Document to be performed or complied with by Pullman or any such Seller at or after the Closing or (iii) by reason of Buyer's or any of its affiliates being held responsible for any Retained Liabilities (or any attempt to so hold any of them). Any recovery by Buyer and its affiliates for indemnification shall be limited as follows: (1) Buyer and its affiliates shall not be entitled to any recovery unless a claim for

indemnification is made in accordance with paragraph (c)(i) of this Section 11.02 and within the time period of survival set forth in Section 11.01; (2) Buyer and its affiliates shall not be entitled to recover any amount for indemnification claims under clause (i) of this Section 11.02(a) (other than indemnification pursuant to such Section 11.02(a)(i) arising out of a breach of Section 11.08) unless and until the amount which Buyer and its affiliates are entitled to recover in respect of such claims exceeds, in the aggregate, \$500,000 (the "Deductible"), in which event (subject to clause (3) below) the entire amount which Buyer and its affiliates are entitled to recover in respect of such claims less the Deductible shall be payable; and (3) the maximum amount recoverable by Buyer and its affiliates for indemnification claims under clause (i) of this Section 11.02(a) shall in the aggregate be equal to the Escrow Amount (and such claims shall be recoverable only from the Escrow Amount), provided, however, that the maximum amount recoverable by Buyer and its affiliates for indemnification claims for breach of the representations and warranties made by Pullman in Section 2.12 shall not exceed \$18,500,000 less any amounts paid (i) pursuant to Section 6.05(b) and (ii) out of the Escrow Amount. It is also understood by the parties hereto that Pullman and the Sellers shall have joint and several liability for any indemnification obligation arising under this Section 11.02, provided, that in no event shall Buyer be entitled to multiple recoveries of any indemnification amount hereunder. Buyer and its affiliates shall first satisfy their claims pursuant to this Section 11.02 from the Escrow Amount.

(b) If the Closing shall occur, in addition to the indemnifications otherwise set forth in Section 1.04 or elsewhere in this Agreement, Buyer shall indemnify Pullman and each Seller and its respective affiliates and hold each of them harmless from and against all Losses which are incurred or suffered by any of them (i) by reason of the breach by Buyer of any of the representations or warranties made by Buyer herein or in any Ancillary Document or (ii) by reason of the failure by Buyer to perform or comply with any of the covenants or agreements contained herein or in any Ancillary Document to be performed or complied with by Buyer at or after the Closing; provided, however, that the Sellers and their affiliates shall not be entitled to any recovery unless a claim for indemnification is made in accordance with paragraph (c)(i) of this Section 11.02 and within the time period set forth in Section 11.01; and (iii) Pullman and the Sellers and their affiliates shall not be entitled to recover any amount for indemnification claims under clause (i) of this Section 11.02(b) (other than indemnification pursuant to such Section 11.02(b)(i) arising out of a breach of Section 11.08 or 11.09) unless and until the amount which Pullman and the Sellers and

their affiliates are entitled to recover in respect of such claims exceeds, in the aggregate, the Deductible, in which case the entire amount which Pullman and the Sellers and their affiliates are entitled to recover in respect of such claims shall be payable.

(c) (i) In the event that any party shall incur or suffer any Losses in respect of which indemnification may be sought by such party pursuant to the provisions of this Section 11.02, the party seeking to be indemnified hereunder (the "Indemnitee") shall assert a claim for indemnification by written notice (a "Notice") to the party from whom indemnification is sought (the "Indemnitor") stating the nature and basis of such claim. In the case of Losses arising by reason of any third party claim, the Notice shall be given within 30 days of the filing or other written assertion of any such claim against the Indemnitee, but the failure of the Indemnitee to give the Notice within such time period shall not relieve the Indemnitor of any liability that the Indemnitor may have to the Indemnitee except to the extent that the Indemnitor is prejudiced thereby.

(ii) The Indemnitee shall provide to the Indemnitor on request all information and documentation reasonably necessary to support and verify any Losses which the Indemnitee believes give rise to a claim for indemnification hereunder and shall give the Indemnitor reasonable access to all books, records and personnel in the possession or under the control of the Indemnitee which would have bearing on such claim.

(iii) In the case of third party claims for which indemnification is sought, the Indemnitor shall have the option (x) to conduct any proceedings or negotiations in connection therewith, (y) to take all other steps to settle or defend any such claim (provided that the Indemnitor shall not settle any such claim without the consent of the Indemnitee (which consent shall not be unreasonably withheld)) and (z) to employ counsel to contest any such claim or liability in the name of the Indemnitee or otherwise. In any event, the Indemnitee shall be entitled to participate at its own expense and by its own counsel in any proceedings relating to any third party claim. The Indemnitor shall, within 30 days of receipt of the Notice, notify the Indemnitee of its intention to assume the defense of such claim. Until the Indemnitee has received notice of the Indemnitor's election whether to defend any claim, the Indemnitee shall take reasonable steps to defend (but may not settle) such claim. If the Indemnitor shall decline to assume the defense of any such claim, or shall fail to notify the Indemnitee within 30 days after receipt of the

Notice of the Indemnitor's election to defend such claim, the Indemnatee shall defend against such claim (provided that the Indemnatee shall not settle such claim without the consent of the Indemnitor, which consent shall not be unreasonably withheld).

(iv) The expenses of all proceedings, contests or lawsuits in respect of such claims shall be borne by the Indemnitor but only if the Indemnitor is responsible pursuant hereto to indemnify the Indemnatee in respect of the third party claim and, if applicable, only to the extent required by the second sentence of Section 11.02(a). Regardless of which party shall assume the defense of the claim, the parties agree to cooperate fully with one another in connection therewith. In the case of a claim for indemnification made under Section 11.02(a)(i) or 11.02(b)(i), (a) if (and to the extent) the Indemnitor is responsible pursuant hereto to indemnify the Indemnatee in respect of the third party claim, then within ten days after the occurrence of a final non-appealable determination with respect to such third party claim, the Indemnitor shall pay the Indemnatee, in immediately available funds, the amount of any Losses (or such portion thereof as the Indemnitor shall be responsible for pursuant to the provisions hereof, including, without limitation, the second sentence of Section 11.02(a) and the proviso in Section 11.02(b)), and (b) in the event that any Losses incurred by the Indemnatee do not involve payment by the Indemnatee of a third party claim, then, if (and to the extent) the Indemnitor is responsible pursuant hereto to indemnify the Indemnatee against such Losses, the Indemnitor shall within ten days after agreement on the amount of Losses or the occurrence of a final non-appealable determination of such amount pay to the Indemnatee, in immediately available funds, the amount of such Losses (or such portion thereof as the Indemnitor shall be responsible for pursuant to the provisions hereof, including, without limitation, the second sentence of Section 11.02(a)).

(d) The provisions of paragraph (c) of this Section 11.02 shall apply to all claims for indemnification under this Agreement, except that the provisions of Sections 1.04(d) and 6.01, where applicable, shall prevail to the extent inconsistent with paragraph (c) of this Section 11.02.

(e) If the Closing shall occur, the indemnification provided in this Section 11.02 shall be the sole and exclusive remedy for any inaccuracy or breach of any representation or warranty made by any of Pullman, each Seller or Buyer in this Agreement or in any Ancillary Document. Nothing contained herein shall preclude Buyer from asserting a cause of action for fraud.

(f) The parties agree that Buyer's sole remedy against Pullman or any Seller, should the transactions contemplated hereby not be consummated by reason of the breach of the representations and warranties made by Pullman or such Seller herein or in any Ancillary Document, shall be the reimbursement by Pullman or the Sellers of Buyer's out-of-pocket expenses incurred in connection with the transactions contemplated hereby (provided that in no event shall Buyer be entitled to multiple recoveries of such costs).

(g) Notwithstanding anything in this Agreement to the contrary, none of Pullman or any Seller shall be responsible for any liability or obligation as a result of Buyer's failure to comply with the applicable law after the Closing even if the Assets are owned or operated after the Closing in the manner owned or operated prior to Closing; provided, however, that this provision shall not be construed to relieve Pullman or any Seller of any breach of its representations and warranties hereunder.

11.03. Interpretive Provisions. Whenever made or used in this Agreement, "to Pullman's knowledge" or "to the knowledge of Pullman" shall mean the actual knowledge of those persons who are listed in Schedule 11.03A of the Disclosure Schedule and shall only include their actual knowledge obtained in their respective capacities as such, and "to Buyer's knowledge" or "to the knowledge of Buyer" shall mean the actual knowledge of those persons who are listed in Schedule 11.03B of the Disclosure Schedule.

11.04. Entire Agreement. This Agreement (including the Disclosure Schedule delivered by each Seller and all Exhibits hereto) and the Confidentiality Agreement constitute the sole understanding of the parties with respect to the subject matter hereof. Matters disclosed by Pullman or any Seller to Buyer pursuant to any Section of this Agreement shall be deemed to be disclosed with respect to all Sections of this Agreement.

11.05. Successors and Assigns. (a) The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto; provided, however, that this Agreement may not be assigned by Buyer without the prior written consent of the Sellers, except that Buyer may, at its election, assign the right to purchase any of the Assets under this Agreement to any direct or indirect wholly-owned subsidiary of Buyer so long as (a) the representations and warranties of Buyer made herein are equally true of such assignee and (b) such assignment does not have any adverse consequences to the Sellers or any of their

affiliates (including, without limitation, any adverse tax consequences or any adverse effect on the ability of Buyer to timely consummate the transactions contemplated hereby), but no such assignment shall relieve Buyer of its obligations under this Agreement. Such assignee shall execute a counterpart of this Agreement agreeing to be bound by the provisions hereof as "Buyer", and, if there is more than one assignee, agreeing to be jointly and severally liable for all of the obligations of the assignor hereunder.

(b) If the Closing shall occur, unless the prior written consent (which shall not be unreasonably withheld) of the Sellers shall have been obtained, none of the Buyer, any assignees thereof pursuant to paragraph (a) of this Section 11.05 or any subsequent buyer or transferee permitted hereunder of all or substantially all of the Assets of any Seller or division of any Seller acquired pursuant hereto (each, a "Transferor") shall sell, transfer or convey all or substantially all of the Assets of any Seller or division of Seller acquired pursuant hereto by a Transferor, unless the party to which such Assets are proposed to be Transferred expressly agrees in writing in connection with such transaction to assume all of the Transferor's liabilities, and perform all of the Transferor's obligations, under this Agreement. In any event, no such transfer would operate to release the Transferor from any obligation to the Sellers under this Agreement unless the Sellers shall have agreed in writing to such release in connection with such Transfer.

11.06. Headings. The headings of the Articles, Sections and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof.

11.07. Modification and Waiver. No amendment, modification or alteration of the terms or provisions of this Agreement shall be binding unless the same shall be in writing and duly executed by the parties hereto, except that any of the terms or provisions of this Agreement may be waived in writing at any time by the party which is entitled to the benefits of such waived terms or provisions. No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provision hereof (whether or not similar). No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

11.08. Broker's Fees. Each of the parties hereto (i) represents and warrants that it has not taken and will not take any action that would cause any other party hereto to have any obligation or liability to any person for a finder's or broker's fee, and (ii) agrees to indemnify any other party hereto for breach of the foregoing representation and warranty, whether or not the Closing occurs.

11.09. Expenses. Except as otherwise provided herein, each of Pullman, each Seller and Buyer shall pay all costs and expenses incurred by it or on its behalf in connection with this Agreement and the transactions contemplated hereby, including, without limiting the generality of the foregoing, fees and expenses of its own financial consultants, accountants and counsel.

11.10. Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to any other party shall be in writing and shall be given (and will be deemed to have been duly given upon receipt) by delivery in person, by electronic facsimile transmission, cable, telegram, telex or other standard forms of written telecommunications, by overnight courier or by registered or certified mail, postage prepaid,

if to Pullman or the Sellers to:

The Pullman Company
220 South Orange Avenue
Livingston, New Jersey 07039
Attention: General Counsel
Telecopy: (201) 535-0549

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
Attention: Paul M. Reinstein, Esq.
Telecopy: (212) 747-1526

if to Buyer to:

BE Avionics, Inc.
c/o The K.A.D. Companies, Inc.
36 Washington Street, Suite 190
Wellesley, Massachusetts 02181
Telecopy: (617) 235-0944

with a copy to:

Ropes & Gray
One International Place
Boston, Massachusetts 02110
Attention: C. Dean Dusseault, Esq.
Telecopy: (617) 951-7050

or at such other address for a party as shall be specified by like notice.

11.11. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of New York applicable to agreements made and to be performed wholly within such jurisdiction.

11.12. Public Announcements. Neither of the Sellers or Buyer shall make any public statements, including, without limitation, any press releases, with respect to this Agreement and the transactions contemplated hereby without the prior written consent of the other party (which consent shall not be unreasonably withheld) except as may be required by law. If a public statement is required to be made by law, the parties shall consult with each other in advance as to the contents and timing thereof.

11.13. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original and all of which shall constitute the same instrument.

11.14. Bulk Transfer Laws. Buyer hereby waives compliance by any Seller with the provisions of any so called bulk transfer law in any jurisdiction in connection with the sale of the Assets to Buyer.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

THE PULLMAN COMPANY

By: 

Title: *Vice-President*

with a copy to:

Ropes & Gray
One International Place
Boston, Massachusetts 02110
Attention: C. Dean Dusseault, Esq.
Telecopy: (617) 951-7050

or at such other address for a party as shall be specified by like notice.

11.11. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of New York applicable to agreements made and to be performed wholly within such jurisdiction.

11.12. Public Announcements. Neither of the Sellers or Buyer shall make any public statements, including, without limitation, any press releases, with respect to this Agreement and the transactions contemplated hereby without the prior written consent of the other party (which consent shall not be unreasonably withheld) except as may be required by law. If a public statement is required to be made by law, the parties shall consult with each other in advance as to the contents and timing thereof.

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11.14. Bulk Transfer Laws. Buyer hereby waives compliance by any Seller with the provisions of any so called bulk transfer law in any jurisdiction in connection with the sale of the Assets to Buyer.


IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

THE PULLMAN COMPANY


By: 

Title: Vice-President

PTC AEROSPACE, INC.

By: 
Title: Vice-President

AIRCRAFT PRODUCTS COMPANY

By: 
Title: Vice-President

BE AVIONICS, INC.

By: _____
Title: _____

4759a

PTC AEROSPACE, INC.

By: _____
Title:

AIRCRAFT PRODUCTS COMPANY

By: _____
Title:

BE AVIONICS, INC.

By: Amin J. Browne
Title:

4759a

SCHEDULE 2.05

PATENTS, TRADEMARKS, ETC.

U.S. and FOREIGN PATENTS

<u>CBBG File No.</u>	<u>Title</u>	<u>STATUS</u>
574259-1	Coffee/Tea Maker	APPLICATION BEING PREPARED
574259-11	Auto Retractable Step II	APPLICATION BEING PREPARED
574259-12	Auto Retractable Step I	APPLICATION BEING PREPARED

Certain of the agreements listed in Schedule 2.06 include license agreements to use Patent and Trademark Rights used in the business of Seller.



03-01-1999

U.S. Patent & TMO/c/TM Mail Rcpt D.: #26

4759a

AGREEMENT OF PURCHASE AND SALE

Dated January 15, 1992

By and Among

THE PULLMAN COMPANY,

PTC AEROSPACE, INC.,

AIRCRAFT PRODUCTS COMPANY,

and

BE AVIONICS, INC.

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Exhibits

- Exhibit I Escrow Agreement
- Exhibit II Non-Compete Agreement
- Exhibit III Form of Sellers' Counsel Opinion
- Exhibit IV Form of Buyer's Counsel Opinion