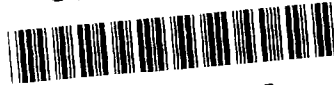


03-14-2002



102011350

HEET

BOX ASSIGNMENTS, Commissioner of Patents and Trademarks, Washington, D.C. 20231  
Please record and index the attached original documents or copy thereof.

1. Name of conveying party(ies): **GIC Acquisition Corp.**  
State of Wisconsin Corporation

215-02

3. Nature of Conveyance: **Asset Purchase Agreement**  
Execution Date: **September 2, 1988**

2. Name and address of receiving party(ies):  
Name: **Everbrite Electric Signs, Inc.**  
Address: 4949 South 110th Street  
City: Greenfield State: WI Zip: 53220  
Type of Company: Corporation  
Corporation-State: Wisconsin

OFFICE OF PUBLIC RELATIONS  
2002 FEB 15 AM 11:02  
FINANCE SECTION

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designation must be a separate document from Assignment)  
Additional name(s) & address(es) attached?  Yes  No

4. A. Trademark Application No.(s)

B. Trademark Registration No.(s) **841,560 and 1,199,435**

Additional numbers attached?  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:  
Casimir F. Laska  
Michael Best & Friedrich LLP  
100 East Wisconsin Avenue  
Milwaukee, Wisconsin 53202-4108

03/13/2002 TDIAZ1 00000137 841560  
01 FC:481 40.00 OP  
02 FC:482 25.00 OP

6. Total number of applications and registrations involved: **\_2**

7. Total fee (37 CFR 3.41):.....\$ **65.00**  
 Enclosed  
 Deficiencies in fee charged to deposit account

8. Deposit account number: **13-3080**

DO NOT USE THIS SPACE

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

Casimir F. Laska  February 15, 2002  
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: **34**

United States Postal Service Express Mail Mailing Label No. EL889334790US  
cc: Docketing

TRADEMARK  
REEL: 002460 FRAME: 0712

## ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made this 2ND day of SEPTEMBER, 1988 by and between COMPUDYNE, INC., a Delaware corporation ("Seller"), COMPUDYNE CORPORATION, a Pennsylvania corporation ("CDC"), GIC ACQUISITION CORP., a Wisconsin corporation ("Purchaser"), and EVERBRITE ELECTRIC SIGNS, INC., a Wisconsin corporation ("Everbrite").

### RECITALS

The parties acknowledge the following:

A. Seller is engaged in the design, manufacture and servicing of quantity production electric signage through its General Indicator Division (the "Division") with its principal product lines as follows: premium outdoor identification and advertising signs for national and large regional companies menuboard, and drive through ordering systems for fast food chains; and All-American scoreboards for use by colleges and schools for indoor and outdoor sports arenas (which shall be referred to herein as the "Business").

B. Seller desires to sell to Purchaser and Purchaser desires to buy and acquire from Seller substantially all of the assets used in or related to the operation of the Business, as described below.

C. CDC is the owner of all the issued and outstanding capital stock of Seller.

D. Everbrite is the owner of all the issued and outstanding capital stock of Purchaser.

### AGREEMENTS

In consideration of the premises and the mutual agreements herein contained, the parties agree as follows:

1. Transfer of Assets. Subject to the terms and conditions of this Agreement, Seller agrees to sell and deliver to Purchaser and Purchaser agrees to purchase and accept from Seller as of the Closing Date (as defined herein) all of the right, title and interest of Seller in and to all assets, whether or not listed on the Seller's balance sheet, utilized by or useable by or in the operation of the Business, including, without limitation, the assets described in this section 1 (collectively, the "Purchased Assets"). The only assets of the Business excluded from the purchase and sale contemplated hereunder are those assets described in section 2 of this Agreement (collectively, the "Excluded Assets").

1.01 Real Estate. The real estate and improvements thereon located at Buena Vista, Virginia. The schedule to this section sets forth the complete legal description of such real estate, all of which are hereafter collectively referred to as the "Real Estate." The sale also includes Seller's transferable rights in all licenses and permits relating to the Real Estate (the "Licenses and Permits"). All material Licenses and Permits are set forth on the schedule to this section.

1.02 Personal Property. All machinery, equipment, leasehold improvements, tools, fixtures, furniture, furnishings and other personal property used in connection with the operation of the Business ("Personal Property"). The schedule to this section lists all Personal Property with an original unit cost in excess of \$5,000.

1.03 Vehicles. All automobiles, trucks, trailers, automotive equipment and other vehicles, owned or leased, used in connection with the operation of the Business, listed on the schedule to this section ("Vehicles").

1.04 Intangible Assets. All of Seller's rights, title and interest in and to all patents, licenses, trade names (including the name "General Indicator" and all variations thereof), trademarks (including "All-American," "Mascot," "KOLUX NPI" and all variations thereof), service marks, copyrights, government approvals, permits, licenses or authorizations (including applications for any of the foregoing), all trade secrets, confidential information, formulas, processes, techniques, causes of action and other similar intangible assets used in connection with the operation of the Business ("Intangible Assets"), including, without limitation, those listed on the schedule to this section.

1.05 Leases. All leases of real property, and tangible personal property used in connection with the operation of the Business that are listed on the schedule to this section (the "Assumed Leases"). The Assumed Leases shall not include, however, those leases listed on the schedule to this section as "Excluded Leases."

1.06 Contracts. All contracts, agreements and commitments with customers, suppliers or others, including, without limitation, the collective bargaining agreements with the hourly employees of the Business (including any employee benefit plans maintained at the time of the Closing pursuant thereto but excluding the Supplementary Defined Benefit Pension Plan maintained for hourly employees of the Business represented by the International Brotherhood of Electrical

Workers Local Union 565, Madison, Wisconsin), Seller's employment contract with Robert J. Harruff, all sales and purchase orders, noncompetition agreements, license agreements, sales representative agreements, dealer and distributorship agreements, security agreements, financing statements and all other contracts that are listed on the schedule to this section (the "Assumed Contracts"). The Assumed Contracts shall not include, however, and Purchaser shall not assume any of the contracts listed on the schedule to this section as "Excluded Contracts."

1.07 Records and Documents. Exclusive and sole possession of all records, computer software and documents, including, without limitation, all books, records, supplier and customer lists, work orders, credit information and correspondence, drawings, financial information, copies of Seller's tax records and all records, and documents used in connection with the operation of the Business ("Documents").

1.08 Accounts Receivable. All of the trade and other accounts and notes receivable relating to the Business listed on the schedule to this Section ("Receivables").

1.09 Inventory. All inventories of raw materials, work-in-process, finished goods, spare parts and supplies manufactured by or used in connection with the Business ("Inventory").

2. Assets Excluded From Sale. Any provisions of this Agreement to the contrary notwithstanding, there shall be excluded from this sale only (a) cash and cash equivalents (other than cash consisting of petty cash amounts at the Buena Vista, Pardeeville and Madison locations and a payroll clearing account in a Montello Bank account); (b) intercompany accounts receivable and receivables from affiliates; (c) any Excluded Contracts, Excluded Leases and any other contracts or leases that are not within the definitions of Assumed Contracts or Assumed Leases under sections 1.06 and 1.05, respectively; (d) those Receivables listed on the schedule to this section; and (e) the real property in Pardeeville, Wisconsin.

3. Assumption of Liability and Obligations.

3.01 Assumed Liabilities. As partial payment for the purchase of the Purchased Assets, Purchaser shall, at Closing, assume and, in due course, pay, perform and discharge only the following liabilities and/or obligations:

(a) Those customer deposits, trade accounts payable, accrued expenses and notes payable of Seller related solely to the Business in the amounts reflected on the schedule to this section (the "Assumed Liabilities").

(b) Those debts, obligations and liabilities of Seller relating solely to the Business arising on and after the Effective Date under the Assumed Contracts and Assumed Leases, but not including any liability or obligation arising on or before the Closing Date or out of the nonperformance or defective performance by Seller prior to Closing of any of the Assumed Contracts or Assumed Leases; and provided further, that Purchaser shall not assume any debts, obligations or liabilities relating to any Excluded Assets, or relating to Seller's operations after the Closing. In the event that an Assumed Contract cannot be assigned by Seller to Purchaser because of the refusal of another party to consent to such assignment, and at Seller's request, Purchaser will reasonably cooperate with Seller, at Seller's cost to enable Seller to perform such Assumed Contracts.

3.02 Exclusion of All Other Liabilities and Obligations. Except as specifically provided in section 3.01 of this Agreement, Purchaser does not assume, shall not be obligated to pay, perform or discharge and Seller shall indemnify and hold Purchaser harmless against any debts, liabilities or obligations relating to the Business or the operations of the Business prior to the Closing Date of any kind or nature, whenever arising, whether actual, contingent or accrued, known or unknown. Liabilities excluded under this section shall include, without limitation, obligations and liabilities relating to or arising from: (a) finished goods manufactured or shipped prior to Closing (except as described in Section 10.04 hereof); (b) workers' compensation, unemployment compensation reserve accounts, unaccrued vacation, deferred compensation or employee benefit plans of any kind, whether qualified or nonqualified under the Code (other than employee benefit plans maintained at the time of Closing pursuant to a collective bargaining agreement between the Seller and a representative of hourly employees of the Business but excluding the Supplementary Defined Benefit Pension Plan maintained for hourly employees of the Business represented by the International Brotherhood of Electrical Workers Local Union 565, Madison, Wisconsin); (c) current or deferred income taxes through Closing; (d) any waste generation, discharge or disposal prior to Closing; (e) any intercompany accounts payable or payable to affiliates; (f) any and all liabilities attributable to the operation or closing of the Kokomo, Indiana facility; or (g) otherwise relating to the conduct of the Business prior to Closing.

3.03 Non Assumed Liabilities. Seller shall furnish to Purchaser, in accordance with the requirements of the Uniform Commercial Code, a list of its existing creditors, signed and sworn to by Seller, and containing the names and

business addresses of all existing creditors of Seller, with the amounts due to each creditor, and also the names of all persons who are known to Seller to assert claims against Seller even though such claims are disputed. A copy of this list is attached hereto as Schedule 3.03.

4. Purchase Price and Post-Effective Date Accounting.

4.01 Amount. In consideration of Seller's sale, assignment and transfer of the Purchased Assets and the performance by it of all the terms, covenants and provisions of this Agreement on its part to be kept and performed, Purchaser shall pay to Seller \$11,890,420 (the "Purchase Price") determined in accordance with the Schedule to this Section.

4.02 Manner of Payment of the Purchase Price. At Closing, Purchaser shall (a) assume the Assumed Liabilities in the amount set forth on Schedule 4.03 subject to the provisions of Section 3.01(c); (b) deliver \$150,000 to the "Escrow Agent" pursuant to an escrow agreement in the form attached as Exhibit A (the "Escrow Agreement"); and (c) pay to Seller, by wire transfer an amount equal to the Purchase Price less the sum of the amounts included in (a) and (b) of this section 4.02 (the "Cash Payment").

4.03 Post Closing Adjustment. The parties agree that for purposes of calculating the amount of the Assumed Liabilities at the Closing, the parties assumed that the Assumed Liabilities will have the values set forth on the schedule to this section as of the Effective Date. This amount shall be adjusted dollar for dollar to reflect any increase or decrease as of the Effective Date in the Assumed Liabilities that is reflected on the schedule to this section (the "Adjustment Amount"). Purchaser shall pay Seller in cash the amount of any resulting increase in the Purchase Price within ten days of the resolution of the amount of the Assumed Liabilities. Seller shall pay Purchaser the amount of any decrease in the Purchase Price within said ten-day period by means of a cash distribution to Purchaser pursuant to the Escrow Agreement and, if the decrease in Purchase Price exceeds \$50,000, Seller shall pay the balance by direct cash payment to Purchaser within said ten-day period. If any part of the Adjustment Amount remains unpaid after such 10-day period, interest shall accrue on the unpaid amount at the annual rate of 15%.

4.04 Allocation of Purchase Price. The Purchase Price shall be assigned and allocated to the Purchased Assets and the noncompetition agreement described in section 10.06 of this Agreement in the manner mutually agreed upon by the parties and in accordance with the estimated allocation described on the schedule to this section.

4.05 Collection of Seller's Accounts Receivable After Closing. From and after the Closing, the Purchaser shall have the right and obligation to collect, in accordance with its then existing regular collection practices and standards, for the account of the Seller, all of the Seller's customer receivables ("accounts receivable") existing and owed the Seller as of the Closing Date and which are not included in the Purchased Assets under this Agreement; provided, however, that nothing contained herein shall obligate the Purchaser to take any affirmative action outside the scope of its regular practices and standards to locate, collect, or otherwise attempt to realize upon any accounts receivable, nor shall anything contained in this Section be construed as an assumption by the Purchaser of any liability of the Seller. Collections made shall be first credited to the oldest outstanding accounts receivable. If any accounts receivable are outstanding for more than 180 days after the later of the initial customer billing date or the deferred billing date, the Purchaser shall either tender such accounts receivable to the Seller or to such collection agency as is designated in writing by the Seller within 20 days thereafter, and thereupon the Purchaser shall be relieved of all obligation whatsoever in connection with the collection of such accounts receivable. The Purchaser shall promptly remit to the Seller, or any bank account of the Seller designated in writing by the Seller, all amounts collected in respect of the accounts receivable. The Purchaser shall not be entitled to compensation in respect of its collection efforts hereunder, but any expenses incurred by it on behalf of the Seller, which are requested by the Seller and outside the scope of the Purchaser's regular collection practices and standards, shall be the obligation of, and promptly paid by, the Seller when and as requested by the Purchaser.

4.06 Effective Date Accounting. Upon the Closing of the transactions pursuant to this Agreement, the transfer of assets and the assumption of liabilities and the operation of the Business shall be deemed to be effective as of the Effective Date (as hereinafter defined), and the Seller shall have operated the Business for the account of the Purchaser from the Effective Date and all profits and losses shall be for the account of Purchaser for such period. As soon as practicable but not later than 10 days after the Closing, Seller shall prepare and deliver to Purchaser a statement showing cash removed and cash added (the "Cash Statement") of the Division for the period from the Effective Date to the Closing Date to determine a net cash result. The Cash Statement shall disclose all cash transactions of the Business for such period. Seller shall permit Purchaser and its accountants to review all Division accounting records and all

work papers and computations used by it in the preparation of the Cash Statement. If Purchaser does not give notice of dispute to Seller within 10 days of receiving the Cash Statement, the Cash Statement shall become the "Closing Cash Statement." If Purchaser gives notice of dispute to Seller within such 10-day period, Seller and Purchaser shall negotiate in good faith to resolve the dispute. If, after 10 days from the date notice of a dispute is given hereunder, Seller and Purchaser cannot agree on the resolution of the dispute, the parties shall designate an independent certified public accounting firm acceptable to Purchaser and Seller to resolve the dispute, whose decision as to the Closing Cash Statement shall be conclusive and binding upon Seller and Purchaser. The expenses pertaining to any dispute resolution hereunder, shall be shared equally by Seller and Purchaser. Upon final resolution of the amount of the net cash result of operations during the period, the Purchaser shall within ten days pay the Seller any net amount of cash addition to the Division, or the Seller shall pay Purchaser the net amount of cash withdrawal from the Division. If Seller fails to pay such amount to Purchaser, Purchaser may file a claim for a cash distribution to Purchaser pursuant to the Escrow Agreement.

5. Closing and Effective Date. (a) The closing (the "Closing") of the transactions pursuant to this Agreement shall take place at 10:00 a.m., September 2, 1988 (the "Closing Date") at the offices of Michael, Best & Friedrich, 250 East Wisconsin Avenue, Suite 2000, Milwaukee, Wisconsin or such other time and place as Seller and Purchaser may agree.

(b) The Effective Date for the transactions pursuant to this Agreement shall be August 12, 1988 (the "Effective Date").

6. Seller's Obligations Prior to or at Closing. Seller hereby agrees that it shall, prior to or at Closing and unless waived by Purchaser, deliver or convey to Purchaser:

6.01 A General Bill of Sale duly executed by Seller, in the form attached as Exhibit B.

6.02 An Assignment and Assumption Agreement duly executed by Seller, in the form attached hereto as Exhibit C.

6.03 The Escrow Agreement, duly executed by Seller, in the form attached hereto as Exhibit A.

6.04 The Real Estate, by good and sufficient general warranty deed(s), free and clear of all liens and encumbrances, except the Assumed Liabilities, municipal and zoning ordinances, real estate taxes for the current year not



yet due and payable and other easements and restrictions of record which do not materially interfere with the conduct of the operations currently conducted on the Real Estate or materially detract from the value of the Real Estate as currently used; current surveys of the Real Estate acceptable to Purchaser; and Title Policies for the Real Estate, at Seller's expense, acceptable to Purchaser.

6.05 Duly executed assignments of all United States patents, patent applications, trademarks and trade names to be transferred in accordance with section 1.04.

6.06 Duly executed titles and registrations to all Vehicles as available.

6.07 At least two days prior to Closing, a consent to assumption or a written estoppel certificate from each creditor and contracting party and lessor listed on the schedule to this section acknowledging and certifying that (a) such party is a creditor of the Business or a party to a contract or lease of a certain date for specified debt, goods, services or real property; (b) an identification of the written instruments and the indebtedness, contract or lease has not been amended or modified, or if it has, reciting the date(s) and substance of such modification(s), (c) the indebtedness, contract or lease is in full force and effect; (d) as of the date of the certificate, Seller is not in default under the indebtedness, contract or lease; (e) the amount of the indebtedness; and (f) that such party consents to the assignment of such indebtedness, contract or lease to Purchaser in conjunction with the transactions contemplated by this Agreement.

6.08 Certified copies of resolutions adopted by the Board of Directors and the Shareholder of Seller and the Board of Directors of CDC authorizing the execution of this Agreement and the sale of the Purchased Assets to Purchaser in accordance with the terms hereof.

6.09 Certificates of good standing of Seller issued by the Secretary of State of the States of Delaware, Wisconsin and Virginia within two weeks of the day of Closing.

6.10 A copy of Seller's letter, executed and dated as of the day of Closing, addressed to the Wisconsin and Virginia Departments of Revenue, directing the cancellation of Seller's sales permit(s) prior to Closing.

6.11 The written opinion letter dated as of the Closing Date of Griffin & Fadden, Ltd., counsel for Seller, addressed to Purchaser in the form of Exhibit D attached hereto.

6.12 A copy of Seller's letter to the First National Bank of Maryland directing the immediate wire transfer of all funds received at Seller's lockbox account on the date of Closing and thereafter to Purchaser's lockbox account at M&I Marshall & Ilsley Bank and cancelling all signature authorizations of Seller for such account.

6.13 The assignment and assumption of the life insurance policy on the life of Robert J. Harruff and any collateral security interest Seller may have in such policy.

6.14 The Lease agreement attached hereto as Exhibit F.

6.15 Such other documents as Purchaser deems necessary or appropriate to vest in it good title to all or any part of the Purchased Assets.

7. Purchaser's Obligations Prior to or at Closing.  
Purchaser hereby agrees that it shall, prior to or at Closing, deliver to Seller:

7.01 Wire transfer to Seller in the amount of the Cash Payment.

7.02 The Escrow Agreement, duly executed by Purchaser, in the form attached hereto as Exhibit A.

7.03 Evidence of the transfer of \$250,000 to the Escrow Agent pursuant to the Escrow Agreement.

7.04 An Assignment and Assumption Agreement, duly executed by Purchaser, in the form attached hereto as Exhibit C.

7.05 Certified copies of the resolutions adopted by the Purchaser and Everbrite authorizing execution of this Agreement and the purchase of the Purchased Assets from Seller in accordance with this Agreement.

7.06 A certificate of good standing for Purchaser issued by the Secretary of State of Wisconsin within two weeks of the day of Closing.

7.07 The written opinion letter dated as of the Closing Date of Michael, Best & Friedrich, counsel for Purchaser, addressed to Seller in the form attached hereto as Exhibit E.

8. Representations and Warranties of Seller and CDC. Seller and CDC hereby jointly and severally represent and warrant to Purchaser the following:

8.01 Corporation Organization. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all corporate power and authority to own, operate and lease its properties and carry on its businesses as now conducted. Seller is duly licensed and qualified to do business in and is in good standing under the laws of all jurisdictions in which the operation of the Business requires Seller to be so qualified.

8.02 Authorization of Agreement. Seller and CDC have all necessary corporate power to execute and deliver this Agreement and to consummate the transactions provided for herein and the execution and delivery of this Agreement by Seller and CDC and the performance by it of the obligations to be performed hereunder have been duly authorized by all necessary and appropriate action by the Board of Directors and Shareholder of Seller and the Board of Directors of CDC. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not and will not conflict with or result in a breach of, or constitute a default under, the terms or conditions of Seller's Articles of Incorporation or By-Laws, any judicial or administrative order or process or any statute or regulation of any governmental agency the violation of which would have a material adverse effect on the Business, and do not and will not result in the breach of, or constitute a default under, any agreement or instrument to which Seller is a party or by which Seller is bound, the breach of or default under which would have a material adverse effect on the Business. This Agreement is, and each other agreement and document to be executed by Seller pursuant hereto will be when so executed, a valid and binding obligation of Seller enforceable in accordance with its terms.

8.03 Financial Statements. The schedule to this section contains copies of the unaudited balance sheets of the Division as of December 31, 1986 and 1987 inclusive and as of June 30, 1988 and unaudited statements of income of the Division for each such period (the June 30, 1988 balance sheet is herein referred to as the "Initial Balance Sheet" and June 30, 1988 is herein referred to as the "Initial Balance Sheet Date"). Each of the financial statements described in this section was prepared based on information derived from the books and records of Seller.

8.04 Liabilities. There are no liabilities, direct or contingent, absolute, known or unknown, or any

outstanding evidence of indebtedness relating to the Business or the Purchased Assets prior to Closing, except (a) as fully reflected or as specifically reserved against on the Initial Balance Sheet; and (b) liabilities incurred in the ordinary course of business after the date of the Initial Balance Sheet which, in the aggregate, do not result in any material adverse changes in the financial condition of the Business or the Purchased Assets from that set forth in the Initial Balance Sheet. Seller has no knowledge of any circumstances which form the basis for the assertion of any other liability or obligation. There are no material defaults under any terms or conditions of any material indebtedness, liability, contract or obligation of Seller with respect to the Business or the Purchased Assets.

8.05 Accounts Receivable. All of the accounts receivable reflected on Schedule 1.08 arose in the ordinary course of business and represent payment for goods actually sold or services actually performed.

8.06 Inventory. The schedule to this section lists all of the Inventory of the Business as of the Effective Date from the books of the Business and valued by the Purchaser and Seller for the purpose of this Agreement as set forth on Schedule 4.01.

8.07 Business Changes. Except as otherwise disclosed on the schedule to this section, since the date of the Initial Balance Sheet there has not been:

(a) any material adverse change in the condition (financial or other) or in the operations, business properties or assets of, or material damage, destruction or loss (whether or not covered by insurance) affecting, the Business or the Purchased Assets;

(b) any sale, lease, abandonment or other disposition of any inventory, machinery, equipment or other operating property used or useable in the Business except for dispositions in the ordinary course of business;

(c) any indebtedness relating to the Business or the Purchased Assets incurred by the Seller for money borrowed,

(d) any significant change in accounting methods or practices followed by Seller with regard to the Business or the Purchased Assets or any change in depreciation or amortization policies or rates adopted therefor, except as disclosed in this Agreement or on the Schedules attached hereto;

(e) any material deviation from the ordinary and usual course by Seller in the conduct of the Business;

(f) any labor dispute or strike or any other occurrence, event or condition which materially affects or may materially affect the Purchased Assets or the Business; or

(g) any discharge or satisfaction of any lien or encumbrance, or payment or satisfaction of any obligation or liability other than (i) liabilities shown or reflected on the Initial Balance Sheet, or (ii) liabilities incurred since the date thereof in the ordinary course of business.

8.08 Real Property; Good Title. Except as shown on the list of Excluded Assets, the Schedule to Section 1.01 sets forth a complete legal description of each parcel of real property (including buildings, structures, improvements thereon and appurtenances thereto) (i) owned by the Seller and used in the operation of the Business, and a statement whether the same is occupied or used by the Seller or leased to, or occupied or used by third persons or (ii) leased by the Seller and used in the operation of the Business. The Seller has good, marketable and insurable title in fee simple absolute to, and is in possession of, all real property which it purports to own (including, but not limited to, that reflected on the Initial Balance Sheet) and to the buildings, structures, and improvements thereon and appurtenances thereto, in each case free and clear of all security interests, including any conditional sale or other title retention agreements, liens, claims, charges, encumbrances, mortgages, pledges, assessments, easements, covenants, restrictions, reservations, defects in title, encroachments and other burdens, whether or not the same, singly or in the aggregate, render the title to such real property uninsurable or unmarketable, except as fully described on the surveys and title policies delivered to Purchaser pursuant to Section 6.04 hereof. None of the parcels of real property owned by the Seller is located within a flood or lakeshore erosion hazard area as determined from federal, state or local maps, reports or other documents. The real property described on the Schedule to Section 1.01 is a complete list of all real property presently in use in the conduct of the Business.

8.09 Leases and Other Agreements. The Schedule to Section 1.01 lists and fully describes all leases, contracts, agreements, options and commitments which either extend beyond September 30, 1988 or involve payment or expenditures to any single person of more than \$5,000 (except

for those which are terminable by the Seller without cost or penalty upon 30 days notice) relating to or affecting the real property used in the operation of the Business and described on said Schedule, or any interests therein to which the Seller is a party or by which it or any property owned by it is otherwise bound or affected. The Seller heretofore has delivered to the Purchaser true and complete copies of all such leases, contracts, agreements, options and commitments. All such leases, contracts, agreements, options and commitments are legally valid and binding and in full force and effect, and there are no defaults or breaches by the Seller other than immaterial defaults or breaches which may be remedied without material cost, and, except as described on said Schedule, will continue in full force and effect on the same terms as currently exist, notwithstanding the consummation of the sale contemplated by this Agreement.

8.10 Easements; Condemnations. The Seller has all easements and rights, including, but not limited to, easements for all utilities, service, roadways and other means of ingress and egress, necessary to conduct the Business which it presently conducts. Neither the whole nor any portion of any real property owned, leased or occupied by the Seller and used in the Business has been condemned, requisitioned or otherwise taken by any public authority, and no notice of any such condemnation, requisition or taking has been received. To the best of the Seller's knowledge and belief, no such condemnation, requisition or taking is threatened or contemplated.

8.11 Personal Property; Good Title. Except for such personal property as has been disposed of in the ordinary course of business since the date of the Initial Balance Sheet, the Seller owns good and marketable title to all of the machinery, equipment, inventories, supplies, work-in-process, fixtures, and all other personal property which it purports to own used in the operation of the Business (including but not limited to that reflected on the Initial Balance Sheet), as well as all personal property acquired by the Seller since the date of the Initial Balance Sheet which it purports to own. All of such personal property reflected on the Initial Balance Sheet is actually on hand, in the hands of its subcontractors or in transit to such subcontractors, increased and decreased, respectively, by acquisitions and dispositions of such property in the ordinary course of business since the date of the Initial Balance Sheet. All such property is owned by the Seller free and clear of all security interests, including any conditional sale or other title retention agreements, liens, claims, charges, pledges, exceptions, and defects of title and other encumbrances of any kind, except as are fully described on the Schedule to Section 3.01(a).

8.12 Personal Property Leased. The schedule to section 1.05 sets forth a complete list of all machinery, equipment, vehicles and other tangible personal property used in the Business which is covered by a lease to which Seller is a party or is in any way bound or affected. Seller has heretofore delivered to Purchaser true and complete copies of all such leases. All of the Assumed Leases are legally valid and binding and in full force and effect and there are no material defaults by Seller thereunder. No event has occurred which, with the giving of notice or passing of time or both, would constitute a material default by Seller or, to Seller's knowledge, any other party under any Assumed Lease. All of Seller's rights under the Assumed Leases will be enforceable in all material respects by Purchaser after Closing without the consent or agreement of any other party.

8.13 Condition of Purchased Assets. The Purchased Assets include all real property, personal property and leasehold interests used in the Business. None of the Purchased Assets or other assets owned, leased, occupied or operated by Seller in connection with the Business, or the ownership, leasing, occupancy or operation thereof, is in violation of any law or any zoning, or other ordinance, code, rule or regulation, the violation of which would have a material adverse effect on the Business, and no notice from any governmental body or other person has been served upon Seller or upon any of the Purchased Assets claiming any violation of any such law, ordinance, code, rule or regulation or requiring, or calling attention to the need for, any work, repairs, construction, alterations or installation on or in connection with such property with which Seller has not complied.

8.14 Contracts. Seller does not have any material, oral or written commitments or contracts with respect to the Business not in the normal course of business other than the Assumed Contracts and the Excluded Contracts. All the Assumed Contracts are legally valid and binding and in full force and effect with respect to the parties thereto and neither Seller nor, to Seller's knowledge, any of the other parties to any of the Contracts is in material default thereof. Seller has no notice or knowledge of any claimed breach of any of the Assumed Contracts or of the occurrence of any event which after the passage of time or the giving of notice or both would constitute a material default by Seller or any other party to any Assumed Contract. None of the Assumed Contracts are to sell products or to provide services to third parties which (i) Seller knows, or has reason to believe based upon its estimating procedures, is at a price which would result in a net loss on the sale of such products or providing of such services if sold or provided by Seller; or (ii) which

is pursuant to terms or conditions Seller cannot reasonably expect to satisfy or fulfill in their entirety. None of the rights of Seller under the Assumed Contracts will be impaired in any material respect by the consummation of the transactions contemplated by this Agreement, and all of the rights of Seller thereunder will be enforceable by Purchaser after Closing without the consent or agreement of any other party. Copies or descriptions of all the Assumed Contracts have heretofore been delivered by Seller to Purchaser and are true and complete and include all amendments and supplements thereto and modifications thereof.

8.15 Insurance. All policies of insurance owned by the Seller or CDC in connection with the operation of the Business (hereinafter referred to as the "Insurance") is in full force and effect. The Seller or CDC in connection with the Business has not been denied any application for insurance coverage, or had any policy of insurance cancelled or unrenewed, within the past three years.

8.16 Litigation. Except as described on the Schedule to this Section there is no litigation, proceeding or governmental investigation pending, or to the best of the Seller's knowledge and belief, threatened against or relating to the Business or the Purchased Assets, or the transactions contemplated herein. All litigation described on this Schedule is fully covered by Seller's insurance. Said Schedule discloses, with respect to each item described thereon, the name or title of the action (and parties thereto) and a description of the nature of the action. Except as so described, the Seller knows of no state of facts or circumstances which reasonably could be expected to ripen into litigation, proceeding or investigation or adversely affect the Business or the Purchased Assets. Except as described on said Schedule, there is no outstanding order, decree or stipulation issued by any federal, state or local authority to which the Seller is a party which adversely affects or may adversely affect the Business or the Purchased Assets.

8.17 Compliance with Environmental Laws.

(a) The term "Environmental Laws" shall mean all federal, state and local laws including statutes, regulations, ordinances, codes, rules and other governmental restrictions and requirements relating to the discharge of air pollutants, water pollutants or process waste water or otherwise relating to the environment or hazardous substances including, but not limited to, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Responsibility, Cleanup and



Liability Act of 1980, regulations of the Environmental Protection Agency, regulations of the Nuclear Regulatory Agency, and regulations of any state department of natural resources or state environmental protection agency or any local agency (including local sewerage districts) now or at any time hereafter in effect.

(b) Except as disclosed in the environmental report conducted by Enviropact, Inc. attached hereto as Exhibit 8.17 (the "Environmental Report") and any subsequent Environmental Law violations which may be disclosed in completion of the Environment Report, the Seller is not a party to any litigation or administrative proceeding, nor so far as is known by the Seller is any litigation or administrative proceeding threatened against it, which in either case (i) asserts or alleges the Business violated Environmental Laws, (ii) asserts or alleges that the Business is required to clean up, remove, or take remedial or other response action due to the disposal, depositing, discharge, leaking or other release of any hazardous substances or materials, (iii) asserts or alleges that the Business is required to pay all or a portion of the cost of any past, present or future cleanup, removal or remedial or other response action which arises out of or is related to the disposal, depositing, discharge, leaking or other release of any hazardous substances or materials by the Business.

(c) Except as disclosed in the Environmental Report, with respect to the period during which the Seller owned or occupied its real estate, and to the Seller's knowledge after reasonable investigation, with respect to the time before the Seller owned or occupied its real estate, no person or entity has caused or permitted materials to be stored, deposited, treated, recycled or disposed of on, under or at any real estate owned or occupied by the Business, which materials, if known to be present, would require cleanup, removal or some other remedial action under Environmental Laws.

(d) Except as disclosed in the Environmental Report, there are not now, or to the Seller's knowledge after reasonable investigation have there ever been, tanks or other facilities on, under, or at any real estate owned or occupied by the Business which contained materials which, if known to be present in soils or ground water, would require cleanup, removal or some other remedial action under Environmental Laws.

(e) Except as disclosed in the Environmental Report, to the Seller's knowledge after reasonable investigation, there are no conditions existing currently or likely to exist which would subject the Business or the Purchaser to damages, penalties, injunctive relief or cleanup costs under any Environmental Laws or which require or

are likely to require cleanup, removal, remedial action or other response pursuant to Environmental Laws by the Business or the Purchaser.

(f) The Seller is not subject to any judgment, decree, order or citation related to or arising out of Environmental Laws and has not been named or listed as a potentially responsible party by any governmental body or agency in a matter arising under any Environmental Laws.

(g) To the Seller's knowledge, the Company has all permits, licenses and approvals required under Environmental Laws, all of which are listed on the schedule to this section.

8.18 Government License and Regulation. To the best of Seller's knowledge, Seller has all governmental licenses and permits necessary to conduct the Business and own and use the Purchased Assets and such licenses and permits are in full force and effect. All the rights of Seller under such licenses and permits are transferable to Purchaser under applicable law solely upon the assignment of such licenses and permits by Seller to Purchaser hereunder and will be exercisable by Purchaser after the consummation of the transactions contemplated by this Agreement. No proceeding is pending or, to the best of Seller's knowledge, threatened regarding the revocation or limitation of any such governmental license or permit and to the best of Seller's knowledge there is no basis or grounds for any such revocation or limitation.

8.19 Restrictions on Personnel. To Seller's knowledge, no employee of Seller has entered into any agreement which is now in effect with any person, corporation, partnership or business organization requiring such person to assign any interest in any invention or trade secrets related to the electric signage business or to keep confidential any such trade secrets or containing any prohibition or restriction on competition or solicitation of customers other than agreements with the Seller, with Seller's rights thereunder being assigned to Purchaser.

8.20 Taxes. All foreign, federal, state, county and local income, excise, sales, use, gross receipts, ad valorem, payroll and other taxes, fees and assessments imposed on Seller and all federal and state payroll taxes required to be withheld by Seller, all in relation to the Business, have been or will be duly, timely and fully reported, paid and discharged except to the extent such obligations are assumed by Purchaser hereunder.

8.21 Employee Benefit Plans.

(a) The schedule to this section lists all (i) "employee benefit plans" as such term is defined in section 3(3) of the Employee Retirement Income Security Act of 1974, as amended and regulations thereunder ("ERISA") maintained, sponsored or contributed to by Seller (collectively the "Benefit Plans"); and (ii) any plan providing for "fringe benefits" to Seller's employees, including, but not limited to vacation, sick leave, medical, hospitalization, life insurance and other insurance plans or related benefits (collectively, the "Fringe Benefit Plans"). No Benefit Plan is a multiemployer plan, as defined in section 4001(a)(3) of ERISA, except for the Sheet Metal Workers' National Pension Trust Fund and the Sheet Metal Workers' National Pension Fund COLA Trust Fund.

(b) For each of the Benefit Plans which are "employee pension benefit plans," as such term is defined in section 3(2) of ERISA ("Pension Plans"), the Internal Revenue Service has previously issued a favorable determination letter concerning the qualification of each such plan under the Internal Revenue Code of 1986, as amended, a copy of which letters have previously been delivered to Purchaser. No circumstances exist that would adversely affect the continued applicability of such determination letters. Except for any multiemployer plans as defined in section 4001(a)(3) of ERISA and the Supplementary Defined Benefit Pension Plan maintained for hourly employees of the Business represented by the International Brotherhood of Electrical Workers Local Union 565, complete copies of all Pension Plans have been previously made available to Purchaser, together with the most recent annual report for each Pension Plan, to the extent such reports are required to be prepared by federal law.

(c) Complete copies of each of the Benefit Plans which are "employee welfare benefit plans," as such term is defined in section 3(1) of ERISA ("Welfare Plans"), have been made available to Purchaser.

(d) All Benefit Plans and related trusts comply with and have been administered to date in compliance with the requirements of federal and state law and the plan documents.

(e) Since December 31, 1974, no fiduciary of nor any party in interest to any Benefit Plan has engaged in any "prohibited transaction" (as defined in ERISA) nor has any fiduciary breached any fiduciary responsibility with respect to any such Benefit Plan, which transaction or breach would cause liability to any such Benefit Plan or Seller. No

representations or communications with respect to any Benefit Plan have been made to Seller's employees other than those which are in accordance with the terms of such Benefit Plan in effect immediately prior to the Closing Date.

(f) Since December 31, 1974, there has been no (i) prohibited transaction (as defined in section 406 of ERISA or section 4975(c) of the Internal Revenue Code of 1986, as amended) with respect to any Benefit Plan; (ii) "reportable event" (as defined in section 4043 of ERISA) with respect to any Pension Plan; (iii) event described in section 4041(c), 4142 or 4063(a) of ERISA with respect to any Pension Plan; (iv) termination or partial termination, or commencement of proceedings seeking termination with respect to any Pension Plan; (v) any complete or partial withdrawal as described in section 4203 or section 4205 of ERISA with respect to any Pension Plan which would result in any liability of any kind to Purchaser; (vi) any contribution decline which, if continued, will give rise to partial withdrawal liability under section 4205(a)(1) of ERISA, with respect to any Pension Plan; (vii) request for waiver of minimum funding standards filed with the Internal Revenue Service, with respect to any Pension Plan; or (viii) any accumulated funding deficiency, as defined in ERISA section 102(a)(2), with respect to any Pension Plan nor will the transactions contemplated hereby result in any such events, nor does Seller have knowledge of any events that are threatened or about to occur which would result in any such events.

(g) No defined benefit Pension Plan is being assumed by Purchaser pursuant to this Agreement and Seller shall retain and continue to have any and all responsibility, obligation and liability for any defined benefit Pension Plan covering any employees of the Business.

(h) No delinquencies exist with respect to any contributions which Seller is obligated to make to any Pension Plan or Welfare Plan that is maintained pursuant to any collective bargaining agreement covering any employees of the Business.

#### 8.22 Labor Matters.

(a) There are no union collective bargaining agreements or other labor contracts relating to the Business, except as otherwise disclosed on the schedule to this section. Except as set out on the schedule to this section, Seller is not, with respect to the Business, a party to any pending arbitration or grievance proceeding or other claim relating to any contract which, together with all other such claims, is material nor, to Seller's knowledge, is any such

action threatened and Seller has no knowledge of any set of facts which would constitute a basis for any such action.

(b) Seller is not bound by any court, administrative agency, tribunal, commission or board decree, judgment, decision, arbitration agreement or settlement relating to collective bargaining agreements, conditions of employment, employment discrimination or attempts to organize a collective bargaining unit which in any case may materially and adversely affect the Business or the Purchased Assets. Except as set forth on the schedule to this section, Seller has no notice or knowledge of any employment discrimination or unfair labor practice investigation, claim or allegation against the Seller with respect to the Business.

8.23 Intangible Assets. The schedule to section 1.04 contains a true and complete list of all patents, trademarks, trade names, service marks and licenses relating to the Business and all pending applications and applications to be filed therefor used in the operation of the Business, all of which are fully assignable and are being transferred hereunder free and clear of any adverse interests. All other material trade secrets, confidential information and formulas used in the Business are fully assignable and are being transferred hereunder free and clear of any adverse claims or interests. No licenses, sublicenses, covenants or agreements have been granted or entered into by Seller relating to any such patents, trademarks, trade names, service marks, licenses, applications trade secrets, formulas and other confidential information. No other patents, trademarks, trade names, service marks, copyrights, licenses, or applications therefor are necessary for the operation of the Business as presently operated. Seller's operation of the Business and the use of its products by customers have not involved any infringement, and Seller has no notice or knowledge of, or reason to believe that there exists any basis for, any claim of infringement, of any patents, trademarks, trade names, service marks, copyrights or licenses of others.

8.24 Unlawful Payments. To Seller's knowledge, no payments of cash or other consideration have been made to any person, entity or government by any agent, employee, officer, director, shareholder or other person or entity of or on behalf of Seller which were unlawful under the laws of the United States or any state or other government having appropriate jurisdiction or which were in violation of any customer's business ethics or other policy statement acknowledged in writing by Seller.

8.25 Compliance with Law. Seller's operation of the Business and use of the Purchased Assets, are not in

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violation of any applicable federal or state laws or ordinances or any order, rule or regulation of any federal or state agency or body, including, without limitation, all energy, safety, health, anti-discrimination, antitrust, wage and hour and price and wage control laws, orders, rules or regulations, applicable to the Business and the Purchased Assets which violations would have a material adverse effect on the Business.

#### 8.26 Warranties and Product Liability.

(a) Attached as a Schedule to this Section is a Quotation form of the Seller containing the only standard product warranties and guarantees given by the Seller now in effect with respect to products manufactured or sold by the Business. Except as fully described on the Schedule to this Section, there are no pending claims or actions against the Seller for breach of warranty or based upon product liability (whether based on tort or contract principles) and, to the best of the Seller's knowledge no such claims or actions are threatened. The Seller knows of no defects in craftsmanship, design or engineering with respect to any products now or heretofore sold or manufactured by the Seller which may constitute the basis for any such claim against the Seller other than for ordinary reworking of products which do not exceed \$40,000 in labor and material costs in the aggregate.

(b) The schedule to this section sets forth a true and complete listing of all product liability insurance coverage purchased by Seller with respect to the Business since January 1, 1982, setting forth (a) the type of policy, whether claims made or occurrence; (b) the amount of coverage; (c) any deductible amount; (d) any claims paid by Seller or the insurance company for each applicable policy year; and (e) any claims against such policies.

8.27 Customer Relations. The Seller knows of no communications which would indicate that (a) any current customer of the Business which accounted for more than 5% of its total net sales for the fiscal year ending December 31, 1987, or (b) any current supplier of the Business (if such suppliers could not be replaced by the Seller at comparable cost), will terminate or substantially alter its business relations or the amount of business with the Seller.

8.28 Disclosure and Reliance. Seller has no knowledge of any development, fact or condition or threatened development of any nature not otherwise disclosed on the schedules to this Agreement that would be materially adverse to the operation of the Business other than general business conditions affecting similarly situated businesses generally, and has confirmed to Purchaser that all representations and

warranties of Seller made herein are, to its knowledge, true and correct. To the best of Seller's knowledge, the representations and warranties contained herein, and all statements or information disclosed in any of the Schedules, do not include any untrue statement of a material fact or omit to state a material fact required to be stated herein or therein or necessary in order to make the statements herein or therein, in light of the circumstances under which they are made, not misleading. Seller acknowledges that the warranties and representations made herein by Seller are a material inducement to Purchaser entering into this Agreement and that Purchaser is entitled to rely on these warranties and representations despite independent investigation undertaken by Purchaser.

9. Representations and Warranties of Purchaser and Everbrite. Purchaser and Everbrite hereby represents and warrants to Seller that:

9.01 Corporate Organization. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Wisconsin and has the power to own its property and carry on its business.

9.02 Authorization of Agreement. Purchaser has all necessary power to execute and deliver this Agreement and to consummate the transactions provided for herein and the execution and delivery of this Agreement by Purchaser and the performance by it of the obligations to be performed hereunder have been duly authorized by all necessary and appropriate action of the Board of Directors of Purchaser. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not and will not conflict with or result in a breach of, or constitute a default under, the terms or conditions of Purchaser's Articles of Incorporation or By-Laws, any judicial or administrative order or process or any statute or regulation of any governmental agency the violation of which would have a material adverse effect on Purchaser's business, and do not and will not result in the breach of, or constitute a default under any agreement or instrument to which Purchaser is a party or by which Purchaser is bound, the breach or default of which would have a material adverse effect on the business of Purchaser. This Agreement is, and each other agreement and document to be executed by Purchaser pursuant hereto will be when so executed, a valid and binding obligation of Purchaser enforceable in accordance with its terms.

10. Covenants and Agreements of Seller and CDC. Seller and CDC hereby covenant and agree that:

10.01 Change of Names. Simultaneously with the Closing, Seller shall immediately cease to use, and thereafter

refrain from using, the name "General Indicator Corporation" or any variation thereof, in connection with its business.

10.02 Liens and Encumbrances. Upon Purchaser's request, Seller shall promptly take all necessary action, including, but not limited to, the posting of appropriate bonds, to secure the removal of all liens on the Purchased Assets arising prior to Closing if the obligation secured by the lien is not a liability assumed by Purchaser hereunder.

10.03 Reimbursement for Environmental Cleanup. Seller and CDC agree to hold Purchaser harmless, on a dollar-for-dollar basis, for the amount of costs, expenses and any other charges incurred in effecting compliance with any cleanup, removal or other remedial action required by the Environmental Laws.

10.04 Returns and Allowances. In the event that the aggregate cost to Purchaser of repairs, replacements, refunds or invoice or account receivable adjustments resulting from any products manufactured or shipped by Seller prior to the Closing Date which are returned to Purchaser because of product defects or failure to meet specifications exceeds the amount of \$40,000, Seller shall reimburse and hold Purchaser harmless for the amount of such excess, first from the funds retained pursuant to the Escrow Agreement and, if such funds are insufficient to reimburse Purchaser, Seller shall pay Purchaser the balance of the shortfall within ten days following notice to Seller of the amount of the shortfall.

10.05 Transfer of Unemployment Compensation Account. Seller shall deliver to the Wisconsin Employment Security Division (the "WESD") written notification of the transfer of Seller's assets to Purchaser pursuant to this Agreement within 30 days after Closing. Seller shall thereafter execute and deliver to Purchaser for filing with the WESD all forms required by the WESD for the transfer of Seller's unemployment account balance to Purchaser. Similar procedures and documentation shall be implemented with respect to the State of Virginia.

10.06 Covenant Not to Compete. Seller and CDC hereby agree as follows:

(a) Seller and CDC shall not, for a period of three years from the Closing Date, directly or indirectly by ownership of interests in other corporate or business enterprises or as an agent, consultant or any similar capacity, engage directly or indirectly in the United States in any business that manufactures or sells products or provides services that are substantially similar to the products



manufactured or services provided by the Division as of the Closing Date and Seller agrees during such period to refer all business inquiries for the products of the Business to Purchaser. The ownership of a less than 2% interest in a corporation whose shares are traded on a recognized stock exchange or traded on the over-the-counter market even though such Corporation is a competitor of Purchaser, shall not be a violation of this subsection 10.06(a).

(b) Seller shall not, at any time after the Closing Date, divulge, transmit or otherwise disclose or cause to be divulged, transmitted or otherwise disclosed or otherwise use any trade secrets or confidential information of the Business or of Purchaser, whether or not originally acquired from Seller.

(c) Seller and CDC agree that the agreements under this section 10.06 are reasonable and necessary for the protection of the interests of Purchaser in the Business and the Purchased Assets being acquired hereunder. Seller and CDC acknowledges that Purchaser would be irreparably damaged if the Seller and CDC violate any of their agreements under this section and therefore agrees that this section 10.06 shall be enforceable by specific performance as provided in section 16.09.

10.07 Consents. Seller agrees to use its best efforts to obtain the consents required pursuant to Section 6.07.

11. Covenants and Agreements of Purchaser. Purchaser hereby covenants and agrees that:

11.01 Access to Certain Information. As soon as practicable following a request by Seller, but in no event later than 15 days thereafter, Purchaser shall make available to Seller such information and data as Seller may reasonably request, including that required by Seller's customary tax and accounting questionnaires, in order to enable Seller to complete and file all federal and state forms which may be required to be filed by it and to otherwise enable Seller to satisfy its internal accounting, tax and other requirements. For a period of one year after Closing, Seller and its agents, upon reasonable notice to Purchaser, may have access during regular business hours to the Business and Purchased Assets for appraisal purposes.

11.02 Record Retention. For a period of seven years following the Closing Date, Purchaser agrees to maintain in a reasonably accessible place the books and records, including magnetic tape files, if any, delivered by Seller

hereunder relating to the Business prior to the Closing Date, to provide Seller and its representatives reasonable access to such books and records during normal business hours and to provide copies of such books and records to Seller or its representatives at Seller's expense. Prior to the end of the period Purchaser shall give Seller 60 days notice of its intent to destroy the books and records and Seller may, during such 60 days, remove the books and records at its expense.

11.03 Assumed Liabilities. Purchaser shall promptly notify Seller of the date and amounts of payment of the Assumed Liabilities.

11.04 Lockbox Receipts. Any amounts received in Seller's lockbox and forwarded to Purchaser pursuant to Section 6.12 which are not part of the Purchased Assets shall be promptly delivered by Purchaser to Seller.

12. Indemnification by Seller and CDC.

12.01 Scope of Indemnification. Notwithstanding the Closing, and regardless of any investigation made at any time by or on behalf of Purchaser or any information Purchaser may have, Seller and CDC hereby jointly and severally agree to indemnify, defend and hold Purchaser harmless from and against any and all demands, claims, actions or causes of action, assessments, losses (including diminution of value), damages, liabilities, costs and expenses, including, without limitation, interest, penalties, attorneys' fees, expert witness fees and expenses (collectively, "Damages"), asserted against, resulting to, imposed upon or incurred by Purchaser directly or indirectly, in connection with any proceedings or investigations or the defense or settlement of any claim or litigation, arising out of, resulting from or relating to:

(a) any inaccuracy in or breach of any representation or warranty of Seller pursuant to this Agreement, including schedules and documents delivered pursuant hereto;

(b) any failure of Seller to duly perform or observe any term, provision, covenant or agreement to be performed or observed by Seller pursuant to this Agreement or documents delivered pursuant to this Agreement;

(c) any act or failure to act by Seller or its agents with respect to any Benefit Plan, Pension Plan, Welfare Plan or Fringe Benefit Plan, including but not limited to any and all violations of or noncompliance with ERISA or any other laws applicable to such Benefit Plan, Pension Plan or Fringe Benefit Plan (other than any claims or liabilities

arising after Closing with respect to any employee benefit plans assumed by Purchaser pursuant to Section 1.06 but excluding any multiemployer plans as defined in section 4001(a)(3) of ERISA);

(d) any and all liabilities or obligations of Seller which are not specifically assumed by Purchaser pursuant to this Agreement, including, without limitation liabilities asserted against Purchaser or Seller arising out of noncompliance prior to Closing with the Environmental Regulations or any other laws, rules or regulations, any liabilities related to products manufactured prior to Closing (except as provided in Section 10.04 hereof), any costs, expenses and other charges relating to cleanup, removal or other remedial actions in compliance with the Environmental Report, and the bulk transfer liabilities referred to in section 16.07 hereof;

(e) any and all liabilities resulting from or related to any audit or penalty assessed by the Internal Revenue Service or any state taxing authority with respect to the operation of the Business prior to Closing;

(f) any and all liabilities and obligations arising out of (i) any violation or breach by Seller on or Prior to the Closing Date of Title VII of the Civil Rights Act of 1964, any other employment discrimination laws the National Labor Relations Act or under any collective bargaining agreements; or (ii) any grievance or unfair labor practice proceeding awards arising out of occurrences on or prior to the Closing Date;

(g) any damage incurred by Purchaser as the result of any breach by Seller, of section 10.06;

(h) Any unfunded pension liability to the former employees at the Kokomo, Indiana facility or any and all liabilities attributable to the operation or closing of such facility; or

(i) Any complete or partial withdrawal liability arising under section 4203 or 4205 of ERISA with respect to any multiemployer plan (as defined in section 4001(a)(3) of ERISA) and any liability for delinquent contributions incurred before the Closing Date with respect to any Pension Plan or Welfare Plan that is maintained pursuant to any collective bargaining agreement covering any employees of the Business.

The obligation of Seller and CDC to indemnify and hold Purchaser harmless as described herein shall survive

Closing and the consummation of the transactions contemplated by this Agreement. Purchaser shall not assert any claim for indemnification until Damages incurred by Purchaser exceed in the aggregate \$17,500; provided, however, that the foregoing \$17,500 threshold shall not apply to claims of Purchaser under Section 10.04 in excess of the \$40,000 reserve established therein or to claims under the Escrow Agreement, Section 4.03, Section 4.06 or Section 10.03.

12.02 Indemnification Procedure. (a) Purchaser shall give Seller prompt notice of any written claim, demand, assessment, action, suit or proceeding to which the indemnity set forth in this section 12 applies. If the document evidencing such claim or demand is a court pleading, Purchaser shall give such notice within 10 days of receipt of such pleading, otherwise, Purchaser shall give such notice within 30 days of the date it receives written notice of such claim. Failure to give prompt notice as required hereunder shall not negate or reduce Purchaser's right to indemnification except to the extent that Purchaser's rights with respect to such claim are actually prejudiced as a result of such delay.

(b) If Purchaser's request for indemnification arises from the claim of a third party, the written notice shall permit Seller to assume control of the defense of any such claim, or any litigation resulting from such claim. Failure by Seller to notify Purchaser of its election to defend any such claim or action by such third Party within ten days after notice thereof shall be a waiver by Seller of its right to assume control of the defense of such claim or action. If Seller assumes control of the defense of such claim or litigation resulting therefrom, Seller shall take all reasonable steps necessary in the defense or settlement of such claim or litigation resulting therefrom and Seller shall hold Purchaser, to the extent provided in this section 12, harmless from and against all Damages arising out of or resulting from any settlement approved by Seller or any judgment in connection with such claim or litigation. Notwithstanding Seller's assumption of the defense of such third-party claim or demand, Purchaser shall have the right to participate in the defense of such third-party claim or demand at its own expense. Seller shall not, in the defense of such claim or litigation, consent to entry of any judgment or enter into any settlement, except in either case with written consent of Purchaser, which consent shall not be unreasonably withheld. Purchaser shall furnish Seller in reasonable detail all information Purchaser may have with respect to any such third-party claim and shall make available to Seller and its representatives all records and other similar materials which are reasonably required in the defense of such third-party claim and shall otherwise cooperate with and assist Seller in the defense of such third-party claim.

(c) If Seller does not assume control of the defense of any such third-party claim or litigation resulting therefrom, Purchaser may defend against such claim or litigation in such manner as it may reasonably deem appropriate, and Seller and CDC shall indemnify Purchaser from any Damages incurred in connection therewith. Seller shall have the right to participate in such defense at its own expense. The parties shall cooperate in any such defense; provided, however, that Purchaser shall in all events retain ultimate control and authority over the conduct of any litigation or other proceedings. Purchaser shall not, however, consent to entry of any judgment or enter into a settlement, except in either case with the written consent of Seller, which consent shall not be unreasonably withheld.

(d) Seller and CDC shall pay Purchaser any amounts due under this Section 12.02 within ten days following notice to Seller of such amount.

### 13. Indemnification by Purchaser.

13.01 Scope of Indemnification. Purchaser hereby covenants and agrees to indemnify, defend and hold Seller harmless from and against any and all demands, claims, actions or causes of action, assessments, losses (including diminution of value), damages, liabilities, costs and expenses, including, without limitation, interest, penalties, attorneys' fees, expert witness fees and expenses (collectively, "Damages"), asserted against, resulting to, imposed upon or incurred by Seller directly or indirectly, in connection with any proceedings or investigations or the defense or settlement of any claim or litigation arising out of, resulting from or relating to: (a) the operation of the Business by Purchaser after the Closing Date; (b) any inaccuracy in, or breach of, any representation or warranty of Purchaser pursuant to this Agreement, including schedules and documents delivered pursuant hereto, or any failure of Purchaser to perform the Assumed Liabilities; or (c) any failure of Purchaser to duly perform or observe any term, provision, covenant or agreement to be performed or observed by Purchaser pursuant to this Agreement.

The obligations of Purchaser to indemnify and hold Seller harmless as described herein shall survive Closing and the consummation of the transactions contemplated by this Agreement.

13.02 Indemnification Procedure. (a) Seller shall give Purchaser prompt notice of any written claim, demand, assessment, action, suit or proceeding to which the indemnity set forth in this section 13 applies. If the

document evidencing such claim or demand is a court pleading, Seller shall give such notice within 10 days of receipt of such pleading; otherwise, Seller shall give such notice within 30 days of the date they receive written notice of such claim. Failure to give prompt notice as required hereunder shall not negate or reduce Seller's right to indemnification except to the extent that Seller's rights with respect to such claim are actually prejudiced as a result of such delay.

(b) If Seller's request for indemnification arises from the claim of a third party, the written notice shall permit Purchaser to assume control of the defense of any such claim, or any litigation resulting from such claim. Failure by Purchaser to notify Seller of its election to defend any such claim or action by such third party within ten days after notice thereof shall be a waiver by Purchaser of its right to assume control of the defense of such claim or action. If Purchaser assumes control of the defense of such claim or litigation resulting therefrom, Purchaser shall take all reasonable steps necessary in the defense or settlement of such claim or litigation resulting therefrom and Purchaser shall hold Seller, to the extent provided in this section 13, harmless from and against all Damages arising out of or resulting from any settlement approved by Purchaser or any judgment in connection with such claim or litigation. Notwithstanding Purchaser's assumption of the defense of such third-party claim or demand, Seller shall have the right to participate in the defense of such third-party claim or demand at its own expense. Purchaser shall not, in the defense of such claim or litigation, consent to entry of any judgment or enter into any settlement, except in either case with written consent of Seller, which consent shall not be unreasonably withheld. Seller shall furnish Purchaser in reasonable detail all information Seller may have with respect to any such third-party claim and shall make available to Purchaser and its representatives all records and other similar materials which are reasonably required in the defense of such third-party claim and shall otherwise cooperate with and assist Purchaser in the defense of such third-party claim.

(c) If Purchaser does not assume the defense of any such third-party claim or litigation resulting therefrom, Seller may defend against such claim or litigation in such manner as it may reasonably deem appropriate, and Purchaser shall indemnify Seller from any Damages incurred in connection therewith. Purchaser shall have the right to participate in such defense at its own expense. The parties shall cooperate in any such defense; provided, however, that Seller shall in all events retain ultimate control and authority over the conduct of any litigation or other proceedings. Seller shall not, however, consent to entry of

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any judgment or enter into a settlement, except in either case with the written consent of Purchaser, which consent shall not be unreasonably withheld.

(d) Purchaser shall pay Seller any amounts due under this Section 13.02 within ten days following notice to Purchaser of such amount.

14. Brokers. Purchaser and Seller represent and warrant to each other that there are no brokerage or finders' fees in connection with the transactions contemplated hereby resulting from any actions taken by them except fees payable to Legg Mason Wood Walker Incorporated, which shall be the sole obligation of Seller, and they hereby indemnify, save and hold each other harmless from and against claims by any other broker or finder for a fee or expense which is based in any way on an agreement, arrangement or understanding made or alleged to have been made by them relating to the transactions contemplated hereby.

15. Nature and Survival of Representations and Warranties. All statements contained in this Agreement and any certificate, exhibit, schedule, list or other instrument delivered by or on behalf of Seller or Purchaser pursuant hereto, or in connection with the transactions contemplated hereby, shall be deemed material representations and warranties by Seller or Purchaser, as the case may be. All representations and warranties contained herein and therein shall survive the Closing for a period of two years after Closing except for representations and warranties contained in Sections 8.08, 8.11 and 8.20 which shall survive for the applicable statute of limitations period.

16. Miscellaneous.

16.01 Further Assurances. Upon reasonable request, from time to time, Seller shall (or direct its employees to, if appropriate) execute and deliver all documents, make all rightful oaths, testify in any proceedings and do all other acts which may be necessary or desirable in the opinion of Purchaser to protect, defend or record the right, title or interest of Purchaser in and to the Purchased Assets or to aid in the prosecution, defense or other litigation of such rights arising therefrom, all without further consideration.

16.02 Amendment and Severability. This Agreement may only be amended by a written agreement of Seller and Purchaser. If any provision, clause or part of this Agreement or the application thereof under certain circumstances, is held invalid, the remainder of this

Agreement, or the applications of each provision, clause or part under other circumstances, shall not be affected thereby.

16.03 Waiver. The failure of Seller or Purchaser to insist, in any one or more instances, upon performance of any of the terms or conditions of this Agreement, shall not be construed as a waiver or relinquishment of any rights granted hereunder or the future performance of any such term, covenant or condition.

16.04 Notices. Any notice to be given hereunder shall be deemed given and sufficient if in writing and delivered or mailed by registered or certified mail, in the case of Purchaser, to:

GIC Acquisition Corp.  
c/o Everbrite Electric Signs, Inc.  
4949 S. 110th Street  
Greenfield, WI 53220  
Attention: Charles Trame, President

with a copy to:

Michael, Best & Friedrich  
250 East Wisconsin Avenue  
Milwaukee, WI 53202  
Attn: Jerome H. Kringel, Esq.

and, in the case of Seller, to:

David W. Stevens, President  
CompuDyne, Inc.  
2024 West Street  
Suite 306  
Annapolis, MD 21401-3029

with a copy to:

Kenneth P. Griffin  
Griffin & Fadden, Ltd.  
150 South Wacker Drive  
Suite 500  
Chicago, IL 60606

or to such other address as Seller or Purchaser may designate by notice in writing to the other.

16.05 Benefit. This Agreement shall be binding upon and inure to the benefit and burden of and shall be enforceable by and against Purchaser, its successors and assigns, and Seller, its successors, assigns and any



distributee of the assets of Seller whether in liquidation, as a dividend or otherwise. This Agreement may not be assigned by either party without the written consent of the other; provided that Purchaser's rights under section 10.06 may be assigned to a purchaser or successor to substantially all of Purchaser's assets or stock and provided further that Purchaser's right to purchase the Real Estate (or any part thereof) may be assigned by Purchaser provided that no such assignment shall in any way relieve Purchaser of any liability or obligation hereunder.

16.06 Expenses. All expenses incurred by Seller or Purchaser in connection with the transactions contemplated hereby, including, without limitation, legal and accounting fees shall be the responsibility of and for the account of the party who ordered the particular service or incurred the particular expense, except (a) as otherwise provided herein; and (b) any and all federal, state or local income taxes arising out of, resulting from or relating to Seller's sale of the Purchased Assets, shall be paid by Seller and (c) any and all state or local sales, use or other taxes or transfer fees arising out of, resulting from or relating to Seller's sale of the Purchased Assets shall be borne by the appropriate party in accordance with law.

16.07 Bulk Transfer. The parties hereby waive compliance with the Wisconsin and Virginia Bulk Transfer provisions of the Uniform Commercial Code and all similar laws. Except for the liabilities and obligations assumed by Purchaser pursuant to this Agreement, Seller shall promptly pay and discharge when due all liabilities and obligations arising out of or relating to Seller's ownership, operation and sale of the Business and its properties. Except for the liabilities and obligations assumed by Purchaser pursuant to this Agreement, Seller hereby agrees to indemnify, defend and hold Purchaser, and its institutional lenders, harmless from and against any and all liabilities, losses, costs, damages or expenses (including, without limitation, reasonable attorneys' fees) arising out of or relating to claims asserted against Purchaser under the Wisconsin and Virginia Bulk Transfer Act listed above or any similar law.

16.08 Public Announcement. Except as required by law, no public announcement at Closing of the transactions contemplated hereby shall be made by way of press release, disclosure to the trade or otherwise except with the mutual approval of the parties.

16.09 Specific Performance. In the event of any controversy concerning the rights or obligations under this Agreement, such rights or obligations shall be enforceable in a court of equity by a decree of specific performance. Such

remedy shall, however, be cumulative and nonexclusive and shall be in addition to any other remedy which the parties may have.

16.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin.

16.11 Counterparts. This Agreement may be executed in counterparts.

16.12 Entire Agreement. This Agreement and the schedules and other documents to be delivered Pursuant hereto constitute the entire agreement among the parties hereto and there are no agreements, representations or warranties which are not set forth herein. All prior negotiations, agreements and understandings are superseded hereby. This Agreement may not be amended or revised except be a writing signed by the parties hereto.

COMPUDYNE CORPORATION

COMPUDYNE, INC.

By: *David W. [Signature]*  
Title: Chairman

BY *David W. [Signature]*  
Title: Chairman

Attest:

Attest:

*[Signature]*  
Title: SECRETARY

*[Signature]*  
Title: SECRETARY

EVERBRITE ELECTRIC SIGNS, INC.

GIC ACQUISITION CORP.

By: *Charles E. [Signature]*  
Title: PRESIDENT

BY *Charles E. [Signature]*  
Title: PRESIDENT

Attest:

Attest:

*[Signature]*  
Title: EXECUTIVE VP-TREASURER

*[Signature]*  
Title: SECRETARY