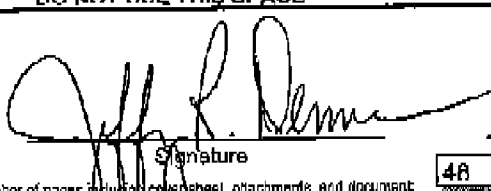


Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005)		RECORDATION FORM COVER SHEET TRADEMARKS ONLY		U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office	
Tab settings <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>					
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.					
1. Name of conveying party(ies): IBI Schröder Bank & Trust Company <input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Corporation-State <input checked="" type="checkbox"/> Other <u>NY Banking Corporation</u> Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			2. Name and address of receiving party(ies) Name: <u>Bridgeport Machines, Inc.</u> Internal Address: _____ Street Address: <u>500 Lindley Street</u> City: <u>Bridgeport</u> State: <u>CT</u> Zip: <u>06606</u> <input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input type="checkbox"/> Limited Partnership _____ <input checked="" type="checkbox"/> Corporation-State <u>Delaware</u> <input type="checkbox"/> Other _____ <small>If assignee is not domiciled in the United States, a domestic representative designation is attached. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Designations must be a separate document from assignment.)</small> Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input checked="" type="checkbox"/> Other <u>Bankruptcy Court Order Release</u> Execution Date: <u>09/04/2002</u>			4. Application number(s) or registration number(s): A. Trademark Application No.(s) _____ B. Trademark Registration No.(s) <u>1424600</u> Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
5. Name and address of party to whom correspondence concerning document should be mailed: Name: <u>Jeffrey R. Denman</u> Internal Address: <u>Arnold & Porter</u> Street Address: <u>555 Twelfth Street, N.W.</u> City: <u>Washington</u> State: <u>DC</u> Zip: <u>20004</u>			6. Total number of applications and registrations involved: 1 7. Total fee (37 CFR 3.41): \$ <u>40.00</u> <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: <u>502387</u>		
DO NOT USE THIS SPACE					
9. Signature. <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> <u>Jeffrey R. Denman</u> Name of Person Signing </div> <div style="text-align: center;">  Signature </div> <div style="text-align: center;"> <u>October 29, 2002</u> Date </div> </div> <div style="text-align: right; margin-top: 10px;"> 48 </div>					

Total number of pages including cover sheet, attachments, and document
 Mail documents to be recorded with required cover sheet information to:
 Commissioner of Patent & Trademarks, Box Assignment
 Washington, D.C. 20231

09/10/02 TUE 09:22 FAX 3102010780

P57Y&J

002

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

GOLDMAN INDUSTRIAL GROUP, INC.,
et al.,

Debtors.

Chapter 11

Case No. 02-10467 (MPW)

Jointly Administered

AMENDED ORDER AUTHORIZING BRIDGEPORT MACHINES, INC. TO SELL
CERTAIN OF ITS ASSETS TO BPT HOLDINGS, INC. OR ITS DESIGNEES FREE
AND CLEAR OF ALL (a) LIENS, CLAIMS AND ENCUMBRANCES PURSUANT TO 11
U.S.C. § 363(b), (d), AND (m) OF THE BANKRUPTCY CODE AND (b) TRANSFER
TAXES PURSUANT TO 11 U.S.C. § 1146

Based upon the Certification of Counsel (the "Certification") to Goldman
Industrial Group, Inc. ("Goldman Industrial"), FC 11 Corporation, formerly Fellows
Corporation ("FC"), BG 11 Corporation, formerly Bryant Grinder Corporation ("BG"),
Bridgeport Machines, Inc. ("Bridgeport" or "Seller"), Hill-Loma, Inc. ("Hill-Loma"), JLV 11,
formerly Jones & Lamson Vermont Corp. ("JLV"), and JLM 11 Corporation, formerly J&L
Micrology Company, Inc. ("JLM") (each a "Debtor" and, collectively, the "Debtors"), debtors
and debtors-in-possession in the above-captioned cases (the "Cases"), the Court has approved
this amended order (the "Amended Sale Order") authorizing Bridgeport to sell all of the capital
stock of its subsidiary Bridgeport Machines, Ltd. ("Bridgeport UK") and its Intellectual
Property (as defined in the Agreement described below) to BPT Holdings, Inc. or its designees,
(the "Buyer") pursuant to the Asset Purchase Agreement substantially in the form attached
herein as Exhibit A (the "Agreement"), free and clear of all (a) liens, claims and encumbrances
and (b) transfer taxes, as such transaction is more fully set forth in and contemplated by the
Agreement (the "Sale Transaction"); and

Purchased
Assets
as
defined
in
the
Agreement
including
all of
the

KOL 09/10/02 09:22

676

09/10/02 TUE 09:23 FAX 3102010700

PSZY&J

003

Upon (i) the evidence submitted in support of the Debtors original Motion for entry of an Order (i) authorizing Bridgeport to sell substantially all of its assets free and clear of all (a) liens, claims and encumbrances pursuant to 11 U.S.C. §363(b), (f) and (m) of the Bankruptcy Code and (b) transfer taxes pursuant to 11 U.S.C. §1146 and (ii) authorizing assumption and assignment of executory contracts pursuant to 11 U.S.C. §365 (the "Sale Motion") and (ii) the Certification (collectively, the "Evidence"); and due notice of the proposed Sale Transaction and the Sale Hearing (as defined below) having been given to all parties entitled therein, as evidenced by the affidavits of service and certificates of service and publication previously filed with this Court; and

A hearing having been held before this Court on July 19, 2002 (the "Sale Hearing"), to consider approval of the Agreement, at which time all parties in interest were afforded an opportunity to be heard; and upon all of the proceedings had before the Court and the evidence received in connection with the Agreement and the transactions contemplated thereby, including, without limitation, the sale of the Purchased Assets;

NOW, THEREFORE, based upon the Court's review of all of the evidence proffered or adduced at, objections filed in connection with, and arguments of counsel made at, the Sale Hearing; and upon the entire record of the Sale Hearing and these cases; and the Certification; and after due deliberation thereon; and good cause appearing therefore;

IT IS HEREBY FOUND AND DETERMINED THAT¹:

1. This Court has jurisdiction to hear and determine the Motion pursuant to 28 U.S.C. §§ 157 and 1334.

¹ Findings of fact shall be supported by conclusions of law and conclusions of law shall be supported by findings of fact when appropriate. See Bankruptcy Rule 7052.

09/10/02 TUE 09:23 FAX 3102010760

P53796J

004

2. Determination of the Motion is a core proceeding under 28 U.S.C. §§ 157(b)(2)(A) and (N). The statutory predicates for the relief requested herein are sections 105, 363, and 1146(e) of the Bankruptcy Code, and Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") 2002 and 6004.
3. Proper, timely, adequate and sufficient notice of the Motion, the Sale Hearing and approval of the Agreement, the Sale Transaction and the transactions contemplated thereby has been provided in accordance with section 102(1) of the Bankruptcy Code and Bankruptcy Rules 2002 and 6004 and the Procedures Order, and no other or further notice of the Motion, the Sale Hearing or the entry of this Amended Sale Order is required.
4. A reasonable opportunity to object or to be heard regarding the relief requested in the Motion has been afforded to all interested persons and entities.
5. Bridgeport has full corporate power and authority upon Bankruptcy Court approval hereunder to execute the Agreement and all other documents contemplated thereby and to consummate the transactions contemplated thereby.
6. The Agreement reflects the exercise of Bridgeport's sound business judgment and constitutes a proper exercise of Bridgeport's fiduciary duties.

JULY 10 2002

09/10/02 TUE 09:23 FAX 3102010760

PSZY&J

005

7. Approval at this time of the Agreement, and the transactions contemplated thereby, is in the best interests of Bridgeport, its creditors and estate. Good and sufficient business justification for consummating the Sale Transaction pursuant to section 363(b) of the Bankruptcy Code has been established in that, among other things: (i) the Buyer has made a substantial, fair and reasonable offer to acquire the Purchased Assets; (ii) the sale process conducted by Bridgeport as required by section 363 of the Bankruptcy Code has been fair, open and reasonable and has permitted the Buyer's offer to be tested against other offers; and (iii) Bridgeport received no higher and better offer through the sale and auction process and the Buyer's offer represents the best offer for the Purchased Assets. (as defined below).
8. The Purchased Assets under the Agreement consist of ^{primarily} (a) the capital stock of Bridgeport UK and; (b) all Intellectual Property of the Seller, provided that Buyer and Seller have agreed to the terms of an intellectual property license substantially in the form of Exhibit B hereto (the "IP License") pursuant to which Seller shall be permitted to license the Intellectual Property for the purposes provided therein. The terms and conditions of the Agreement (and all related agreements, documents and instruments) and the transactions contemplated thereby are fair and reasonable. The Agreement represents the highest and best offer

09/10/02 TUE 09:29 FAX 3102010760

P5776A1

006

for the Purchased Assets, and the purchase price payable thereunder (the "Purchase Price") is fair and reasonable.

9. The Agreement was negotiated, proposed and entered into by the parties without collusion, in good faith, and from arm's length bargaining positions. Buyer is a buyer in good faith of the Purchased Assets under section 363(n) of the Bankruptcy Code and, as such, is entitled to the protections afforded thereby. Neither Bridgeport nor the Buyer has engaged in any conduct that would cause or permit the Agreement and the transactions contemplated thereby to be avoided under section 363(n) of the Bankruptcy Code.
10. Upon consummation of the Sale Transaction, the transfer of title to the Purchased Assets pursuant to the Agreement is in all respects a legal, valid and effective transfer of property of Bridgeport's estate to the Buyer, free and clear of all liens, claims, interests, and encumbrances under section 363(f) of the Bankruptcy Code.
11. The relief requested in the Motion, including approval of the Agreement and the Sale Transaction, is in the best interests of Bridgeport, its creditors and estate.
12. Any transfer or stamp tax that would, if the transfer of the Purchased Assets was consummated pursuant to a plan of reorganization or liquidation, be subject to Section 1146(e) of the Bankruptcy Code, shall be discharged by the Agent if the Purchased Assets shall be deemed not to

P5776A1

03/10/02 TUE 09:24 FAX 3102010760

P3ZY&J

007

have been transferred pursuant to Section 1145(c) of the Bankruptcy Code.

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND
DECREED THAT:**

1. The Motion be, and it hereby is, granted.
2. All objections to the Motion or the relief requested therein that have not been withdrawn, waived or settled, and all reservations of rights included therein, are overruled on the merits. The Committee's objection has been withdrawn based upon an agreement it reached with the Debtors and the Agent, which agreement is hereby approved.
3. The terms and conditions and transactions contemplated by the Agreement are hereby approved in all respects, and the Sale Transaction is hereby approved in all respects and authorized and directed under section 363(b) of the Bankruptcy Code.
4. Pursuant to section 363(b) of the Bankruptcy Code, Bridgeport and its subsidiaries are hereby authorized, directed and empowered to fully assume, perform under, consummate and implement the Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Agreement and the transactions contemplated thereby, and to take all further actions as may reasonably be requested for the purpose of assigning, transferring, granting, conveying and conferring to the Buyer, the Purchased Assets, or as may be necessary or appropriate to the performance of their obligations as contemplated by the Agreement. All payments and other obligations of Bridgeport and its subsidiaries under the Agreement shall constitute administrative expense claims of the Debtors.

APR 10 2002

09/10/02 TUE 09:24 FAX 3102010780

PSZYAJ

006

5. Pursuant to section 363(f) of the Bankruptcy Code, the sale of the Purchased Assets to the Buyer pursuant to the Agreement is and shall be free and clear of all liens, claims, encumbrances and interests of every nature and kind (collectively the "Liens"). All persons and entities (including, without limitation, any federal, state or local governmental agency, department or instrumentality) holding Liens against the Bridgeport estate arising on or before the Closing Date, or out of events occurring before the Closing Date, of any kind and nature with respect to the Purchased Assets hereby are barred from asserting such Liens of any kind and nature against the Buyer, its successors or assigns, or the Purchased Assets except to the extent agreed to by Buyer.

6. On and after the Closing Date, Bridgeport's creditors are directed to execute such documents and take all other actions as may be reasonably necessary to release their Liens, if any, against the Purchased Assets, as such Liens may have been recorded or may otherwise exist provided that failure to do so will not affect the validity of paragraph 5 above.

7. Buyer shall not be liable for any liabilities of or claims against Seller including, without limitation, Taxes owing by Seller, claims of the Pension Benefit Guaranty Corporation, claims relating to any Employee Plan (as defined in the Agreement), liabilities under the Worker Adjustment Retraining and Notification Act or any retiree benefits within the meaning section 1114 of the Bankruptcy Code.

8. This Amended Sale Order (x) is and shall be effective as a determination that, on the Closing Date, all Liens existing against the Purchased Assets before the Closing Date have been unconditionally released, discharged and terminated (with such Liens to attach to the proceeds of the Sale Transaction, or to continue in Bridgeport's other assets that do not comprise

0701100101.ppt(7).doc

09/10/02 TUE 09:24 FAX 3102010760

F57Y6J

009

a part of the Purchased Assets, as provided for herein), and that the conveyance of the Purchased Assets has been effected; and (b) is and shall be binding upon and govern the acts of all entities including without limitation all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, registrars of patents, trademarks or other intellectual property, administrative agencies, governmental departments, secretaries of federal, state and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Purchased Assets.

9. If any person or entity that has filed financing statements or other documents or agreements evidencing Liens on or interests in the Purchased Assets shall not have delivered to Bridgeport before the Closing Date, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all Liens or other interests that the person or entity has with respect to the Purchased Assets, Bridgeport is hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Purchased Assets.

10. This Court retains jurisdiction (a) to enforce and implement the terms and provisions of the Agreement, all amendments thereto, any waivers and consents thereunder, and of any agreements executed in connection therewith; (b) compel delivery of the Purchased Assets to the Buyer; (c) to compel delivery of the Purchase Price and all adjustments to the Purchase Price under the Agreement; (d) to resolve any disputes, controversies or claims arising out of or relating to the Agreement; and (e) to interpret, implement and enforce the provisions of

APL-220495427v1.doc

09/10/02 TUE 09:26 FAX 3102010760

P3ZY&J

010

this Amended Sale Order. Without limiting the foregoing, the Court retains jurisdiction to determine whether, under the terms of the Buyer's accepted offer to purchase the Purchased Assets, Bridgeport UK should pay to the Seller the sum of \$311,417.04 owing from Bridgeport UK to Seller on a post-petition basis as of July 22, 2002. This matter shall be resolved by a motion filed by Seller's senior secured lenders following an evidentiary hearing. If this Court finds that such funds must be paid, Buyer shall promptly direct Bridgeport UK to pay such sum to Seller's senior secured lenders in cash. Seller's senior secured lenders shall be entitled to the benefits of the foregoing provisions and shall be entitled to seek their enforcement.

Notwithstanding anything to the contrary in this Amended Sale Order or the Agreement, the closing of the Sale shall not impair or prejudice the rights of the Seller or its senior secured lenders to seek payment of the funds owed by Bridgeport UK.

11. Nothing contained in any chapter 11 plan confirmed in these cases or the order of confirmation confirming any such chapter 11 plan or any other order entered in these cases shall conflict with or derogate from the provisions of the Agreement or the terms of this Amended Sale Order. No provision of this Amended Sale Order shall release or be construed to release Bridgeport or Buyer from any of its obligations under the Agreement.

12. The Buyer is a purchaser in good faith within the meaning of section 363(m) of the Bankruptcy Code and is entitled to all the protections afforded by such section. Without limiting the foregoing, in the absence of a stay pending appeal, if the Buyer elects or is required to close under the Agreement at any time after entry of this Amended Sale Order, then, the Buyer shall be entitled to the protections of section 363(m) of the Bankruptcy Code if this Amended Sale Order or any authorization contained herein is reversed or modified on appeal.

END-3102010760

00/10/02 TUE 09:25 FAX 3102010760

PSZY&J

011

13. The terms and provisions of the Agreement, together with the terms and provisions of this Amended Sale Order, shall be binding in all respects upon Bridgeport, its estate and creditors, the Buyer and its affiliates, successors and assigns, and any affected third parties, including, all persons asserting a Lien or Claim against or interest in Bridgeport's estate or the Purchased Assets to be sold to the Buyer pursuant to the Agreement. The Agreement and the transactions contemplated thereby shall be enforceable by specific performance against and shall be binding upon, and not subject to rejection or avoidance by, Bridgeport or any chapter 7 or chapter 11 trustee of Bridgeport and their respective estates and the Buyer.

14. The failure specifically to include any particular provisions of the Agreement in this Amended Sale Order shall not diminish or impair the efficacy of such provisions, it being the intent of the Court that the Agreement and any and all related agreements, documents, instruments and actions be approved in their entirety.

15. The Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment or supplement is not material. Bridgeport is specifically authorized to (a) change its name in connection with the Closing of the Sale and (b) take all steps including, without limitation, setting up a new subsidiary to hold the stock of its indirect German subsidiary and execute any and all powers of attorney as required to effect the foreign restructuring provided for in the Agreement.

A:\000\00000000\00000000.doc

09/10/02 TUE 09:25 FAX 3102010700

PSZY&J

012

16. The transfer of the Purchased Assets to the Buyer is not subject to taxation under any state or local law imposing a stamp, transfer or similar tax in accordance with sections 1146(e) and 105(a) of the Bankruptcy Code.

17. At Closing, Debtors shall pay the proceeds of the Sale Transaction to the senior secured lenders in accordance with the DIP Stipulation and the senior secured lenders shall retain the proceeds net of (i) any amounts owed to employees pursuant to retention agreements approved by the Court prior to the filing of the Motion, which shall be paid (or reserved for) from sale proceeds at closing, (ii) any fees previously allowed by the Court of professionals for the Debtors or the Committee, which shall be paid directly from the sale proceeds at closing, (iii) any fees and expenses owed to SSG, which shall be paid directly from the sale proceeds at closing, (iv) all ordinary costs incurred and unpaid wages, payroll, trust taxes and similar items for Bridgeport employees not covered by (i) above, and (v) a reserve of \$150,000 for contingencies, (vi) a reserve of \$1,700,000 (less the amount of any allowed professional fees and expenses from the date the sale motion is filed through the date of closing of the Sale), which shall be used to pay fees and expenses of professionals of the Debtors and the Committee allowed by this Court after the Sale for services rendered before and after the Sale (collectively, the "Sale Proceeds Holdback"). Any proceeds constituting non-cash proceeds shall be payable to the Agent.

18. The proceeds payable to the senior secured lenders pursuant to this Order shall be subject to disgorgement to the extent that a party in interest holds a prior to secured lien on some or all of the Purchased Assets to the liens and security interest of the senior secured lenders in the Purchased Assets. Any such party alleging a prior lien on the Purchased Assets

JES:REVISED-1.0m

**ASSET PURCHASE AGREEMENT
BY AND BETWEEN**

**BRIDGEPORT MACHINES, INC.
AND
BPT HOLDINGS, INC.**

August 8, 2002

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement, dated as of August __, 2002, is entered into among Bridgeport Machines, Inc. ("Seller") and BPT Holdings, Inc., a Delaware corporation, and certain of its wholly-owned subsidiaries ("Buyer").

WITNESSETH:

WHEREAS, Seller, directly and through its wholly-owned subsidiary Bridgeport Machines, Ltd. ("Bridgeport UK") (collectively with its direct and indirect, European based subsidiaries, "Bridgeport Europe"), manufactures and sells machine tools and replacement parts (the "Business");

WHEREAS, Buyer desires to purchase the stock of Bridgeport UK, the Intellectual Property (as defined below) and certain assets used in the Business, all of which are owned by Seller, and Seller desires to sell certain of its assets to Buyer, upon the terms and subject to the conditions set forth below;

WHEREAS, on February 14, 2002 ("Petition Date"), the Seller filed a voluntary petition for relief pursuant to Chapter 11 of The Bankruptcy Reform Act of 1978, as codified in Title 11 of the United States Code §§ 101-1330 (as amended, the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") and such case is presently pending under Case No. 0210470 (the "Bankruptcy Proceedings"); and

WHEREAS, subject to approval of the Bankruptcy Court and issuance of the Sale Order as set forth in this Agreement, and subject to the terms and conditions set forth in this Agreement, Seller shall sell, transfer, assign, convey and deliver the Purchased Assets (as defined below in this Agreement) to Buyer free and clear of all Liens.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged and accepted, the parties agree as follows:

ARTICLE 1

DEFINITIONS

1.01. Definitions. The following terms, as used in this Agreement, have the following meanings:

"Affiliate" of any Person shall mean any Person directly or indirectly controlling, controlled by, or under common control with, such Person; provided, that for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under

common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, membership or partnership interests, election or appointment of directors, by contract or otherwise.

"Agreement" means this Asset Purchase Agreement and all Schedules and Exhibits attached to this Agreement, as amended, consolidated, supplemented, novated or replaced by the parties from time to time, as the same may be amended from time to time.

"Auction" has the meaning set forth in the Bid Procedures Order.

"Avoidance Action" means any and all claims and causes of action which Seller may assert under or based upon any provision of the Bankruptcy Code, including Seller's rights of setoff, recoupment, contribution, reimbursement, subrogation or indemnity (as those terms are defined by the non-bankruptcy law of any relevant jurisdiction) and any other direct or indirect claim of any kind whatsoever, whenever and wherever arising or asserted.

"Bankruptcy Code" has the meaning provided in the third WHEREAS clause.

"Bankruptcy Court" has the meaning provided in the third WHEREAS clause.

"Bankruptcy Proceedings" has the meaning provided in the third WHEREAS clause.

"Bid Procedures Order" means the order entered by the Bankruptcy Court on or about May 23, 2002 establishing the procedures for the Auction.

"Books and Records" means all books of account and other financial records of the Seller pertaining to the Purchased Assets or the Business and all advertising materials, existing customer lists (including, to the extent included in such lists, the names and addresses of current, past and prospective customers of the Purchased Assets or the Business), price lists, supplier lists, drawings, designs, quality control specifications, cost analyses, flow sheets, equipment and parts lists, process sheets, instruction manuals, the telephone and facsimile numbers and telephone book listings and directories of Seller, and other records of Seller which relate to the Purchased Assets or the Business.

"Bridgeport Europe" shall have the meaning give such term in the first WHEREAS clause.

"Bridgeport UK" shall have the meaning given such term in the Preamble.

"Bridgeport UK Stock" means the issued and outstanding capital stock of Bridgeport UK.

"Business" shall have the meaning given such term in the first WHEREAS clause.

"Business Day" means any day, other than a Saturday, Sunday or a day on which banks located in New York City shall be authorized or required by law to close.

"Buyer" shall have the meaning given such term in the Preamble.

"Closing" shall have the meaning given such term in Section 2.07.

"Closing Date" means the date on or as of which the Closing occurs.

"Confidentiality Agreement" means the confidentiality letter agreement between Buyer and SSG Capital Advisors, LP (on behalf of Seller).

"Conveyance Documents" mean such bills of sale, endorsements, consents, approvals, authorizations, certificates, legal opinions, assignments, powers of attorney (in particular with respect to Seller's assignment of Intellectual Property to Buyer) and other good and sufficient instruments of conveyance and assignment as Buyer's counsel shall deem reasonably necessary or appropriate to vest in Buyer or Buyer's designees all right, title and interest in, to and under the Purchased Assets being acquired by Buyer, or to otherwise fulfill Seller's obligations under this Agreement, in each case as agreed to by Seller.

"Deposit" shall mean \$500,000 delivered to Seller and held in trust pursuant to the Bid Procedures Order.

"DIP Stipulation" means that certain Amended Stipulation and Final Order (I) Authorizing Debtors to (A) Obtain Post-Petition Financing Pursuant to 11 U.S.C. §§105, 361, 364(c)(2), 364(c)(3) and 364(d)(1), And (B) Use Cash Collateral Pursuant to 11 U.S.C. §363(c)(2), (II) Modifying the Automatic Stay Pursuant to 11 U.S.C. §362, And (III) Granting Adequate Protection to Pre-Petition Secured Parties Pursuant to 11 U.S.C. §361 and 363 as amended or modified and approved by the Bankruptcy Court.

"Downsizing Plan" means the plan agreed to by the Seller and its Secured Lenders to downsize and ultimately close the Seller's U.S. based operations, which involves, among other things, (a) significant workforce reductions and (b) reducing in stages the Seller's U.S. based operations.

"Employee Plan" has the meaning set forth in Section 2.04.

"Environmental Law" means any foreign, federal, state or local statute, law, rule, regulation, ordinance, code, policy or rule of common law in effect and in each case as amended as of the date of this Agreement and the Closing Date, and any judicial or administrative interpretation thereof as of the date of this Agreement and the Closing Date, including any judicial or administrative order, consent decree or judgment, relating to pollution or Hazardous Materials or the protection of the environment, natural resources or human health and safety, including, without limitation, (i) Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 *et seq.*, (ii) Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.*, (iii) the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq.*, (iv) the Oil Pollution Act of 1990, 33 U.S.C. § 2701 *et seq.*, (v) the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*, (vi) the Clean Air Act, 42 U.S.C. § 7401 *et*

seq., (vii) the Safe Drinking Water Act, 42 U.S.C. § 3808 *et seq.*, (viii) the Hazardous Materials Transportation Act, and (ix) the Occupational Safety and Health Act, 29 U.S.C. § 651 *et seq.*, and (x) any Connecticut state, United Kingdom, German or Dutch equivalent of any of the foregoing; all as amended from time to time.

"ERISA" has the meaning set forth in Section 2.04.

"Excluded Assets" shall have the meaning given such term in Section 2.02.

"Excluded Liabilities" shall have the meaning given such term in Section 2.04.

"Final Order" means an order or judgment entered and adopted by the Bankruptcy Court as to which (i) the time for appeal has expired and a notice of appeal has not been timely filed, or (ii) any appeal taken has been finally dismissed or determined and is not subject to further review.

"Governmental Entity" means any federal, state, county, municipal, local, foreign, international, regional, or other governmental authority or any court of competent jurisdiction, administrative agency or commission or other governmental authority, board, body or instrumentality, domestic or foreign.

"Hazardous Materials" means those substances defined or classified as hazardous or toxic substances pursuant to present or future applicable Environmental Law, as amended from time to time, including without limitation, the following: (i) those materials included within the definitions of "hazardous substances", "hazardous materials", "toxic substances", or "hazardous wastes" in the Federal Water Pollution Control Act, as amended, Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, the Toxic Substance Control Act or the Resource Conservation and Recovery Act, and (ii) those substances listed from time to time in the United States Department of Transportation's Hazardous Materials Table (49 C.F.R. § 172.101 and amendments thereto) or by the Environmental Protection Agency as hazardous substances (40 C.F.R. Part 302 or 40 C.F.R. Part 116 and amendments thereto).

"Intellectual Property" means all intellectual and proprietary property of the Seller which is used or held for use, or which has been used or held for use, by Seller as it exists in any jurisdiction, including, without limitation, the following:

- (a) Computer software programs and software systems, including, without limitation, all databases, compilations, tool sets, compilers, related source codes, object code, and any other code in human readable form, and all documentation related thereto (collectively, **"Software"**);
- (b) trade secrets, including, without limitation, all confidential designs, research and development information, technical information, specifications, operating and maintenance manuals, methods, technology, engineering data and drawings, ideas, concepts, know-how, processes, proprietary data, formulae, algorithms, customer lists, mailing lists, business plans, mask words, inventions and discoveries, industrial designs and other proprietary information, whether or not patentable or subject to

- copyright, mask work, or other similar protection (collectively, "**Trade Secrets**");
- (c) United States, state and foreign trademarks, service marks, trade dress, trade names, brand names, Internet domain names, websites or web pages, designs, logos, and corporate names (including, in each case, the goodwill associated therewith), whether registered or unregistered, and all registrations and applications for registration thereof (collectively "**Trademarks**");
 - (d) United States and foreign patents, patent applications and other patent rights (including, without limitation, any divisions, continuations, continuations-in-part, renewals, substitutions or reissues thereof, whether or not patents are issued on any such applications and whether or not any such applications are amended, modified, withdrawn or re-filled), and improvements thereto (collectively "**Patents Rights**");
 - (e) United States and foreign copyrights, whether registered or unregistered, including all renewals and extensions thereof, copyright registrations and applications for registration thereof (collectively "**Copyrights**");
 - (f) All licenses, sublicenses, and other agreements or permissions related to the property described in **Clause (a)** through **Clause (e)**; and
 - (g) the rights to sue for, and remedies against, past, present, and future misappropriations and infringements thereof, and the rights of priority and protection of interests therein under applicable laws and all documentation that embodies or relates to the property described in **Clause (a)** through **Clause (f)**.

"**IRC**" means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury regulations promulgated and the rulings issued thereunder.

"**Lien**" means, with respect to any of the Purchased Assets, regardless of whether created or incurred pre- or post- Petition Date, any lien, pledge, charge, option, right of first refusal, license to a third party, lease to a third party, security agreement, security interest, encumbrance or other adverse claim, restriction, interest or limitation of any kind in respect of any of the Purchased Assets or irregularities in title thereto. For the purposes of this Agreement, without limiting the definition of a "Lien", Seller will be deemed to own subject to a Lien any asset which Seller has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"**Material Adverse Effect**" means a material adverse effect on the financial condition, business, assets or results of operations of the Business of Bridgeport UK taken as a whole.

"**Permit**" means any license, permit or other similar authorization issued by a Governmental Entity necessary to the ownership of the Purchased Assets or in the conduct of the Business.

"Person" means and includes an individual, partnership, association, joint venture, corporation, limited liability company, limited liability partnership, trust, trustee, any other entity or organization and any Governmental Entity.

"Petition Date" has the meaning provided in the third WHEREAS clause.

"Purchased Assets" shall have the meaning given such term in Section 2.01.

"Purchase Price" shall have the meaning given such term in Section 2.06.

"Release" means any release, spill, leak, discharge, abandonment, disposal, pumping, pouring, emitting, emptying, injecting, leaching, dumping, depositing, dispersing, escape or migration into or through the environment (including ambient air, surface water, ground water, land surface and subsurface strata or within any building, structure, facility or fixture) of any Hazardous Material, including the abandonment or discarding of Hazardous Materials in barrels, drums, or other containers, regardless of when discovered.

"Sale" means the sale of the Purchased Assets contemplated by this Agreement.

"Sale Order" means an order issued by the Bankruptcy Court agreed upon by Buyer and Seller each in their discretion authorizing (i) the sale, transfer, assignment, conveyance and delivery of the Purchased Assets to Buyer (or its successors or permitted assigns) free and clear of all Liens, and (ii) the assumption by Buyer of the Assumed Contracts. The Sale Order shall contain, among others, the following provisions:

- (a) The Bankruptcy Court will retain jurisdiction for the purpose of enforcing the provisions of the Sale Order and to determine disputes;
- (b) The Seller is authorized to proceed with the Sale pursuant to 11 U.S.C. §§ 363(b), (f) and (m) free and clear of any and all Liens;
- (c) Neither the Seller nor creditors of the Seller have any surviving Liens against the Purchased Assets;
- (d) The Buyer has acted in "good faith" in connection with the Sale;
- (e) Buyer was the successful bidder at the Auction;
- (f) The Purchase Price represents the fair value of the Purchased Assets;
- (g) The Sale is in the best interests of the Seller's estate and its creditors;
- (h) Due and adequate notice and an opportunity to be heard in accordance with all applicable law were given to all necessary parties in the Bankruptcy Proceedings, including without limitation, all federal and state environmental and taxing authorities;

- (i) Buyer and the Seller are authorized to close the Sale immediately upon entry of the Sale Order;
- (j) Upon failure to consummate a Sale because of a breach or failure on the part of the Buyer, the Seller may select in its business judgment the next highest or otherwise best qualified bid(s) to be the successful bid(s) without further order of the Bankruptcy Court;
- (k) The Seller is authorized to cause the proceeds of the Sale, net the holdback provided for in the Sale Order, if any, to be paid to the Agent to be applied in accordance with the DIP Stipulation;
- (l) Waiving the requirements of Bankruptcy Rule 6004(g);
- (m) Providing that Buyer shall not be liable for any liabilities of or claims whatsoever against Seller, whether fixed, contingent or otherwise, and whether known or unknown, including; without limitation, taxes owing by Seller, claims of the Pension Benefit Guarantee Corporation, claims relating to any Employee Plan or any retiree benefits within the meaning of 29 U.S.C. § 1114; and claims relating to Environmental Laws;
- (n) Buyer is not and shall not be a successor to Seller by reason of any theory of law or equity, and Buyer shall have no successor or transferee liability of any kind or character except as expressly provided in this Agreement; and
- (o) Affirmatively releasing any obligations owing by any company comprising Bridgeport Europe to Seller or any of Seller's United States based affiliate debtors in possession under joint administration with Seller.

"Secured Lenders" has the meaning provided in Section 8.01(h).

"Seller" has the meaning provided therefore in the Preamble.

"Seller Parties" means, collectively, Seller and Bridgeport UK.

"Tax" or "Taxes" means all taxes, assessments, charges, duties, fees, levies or other governmental charges levied or assessed by any country or any political subdivision or taxing authority thereof, against, or collectible from, or subject to a filing obligation upon, the Seller, Bridgeport UK or the Business, including, without limitation, all U.S. federal, U.S. state, U.S. local, foreign and other net or gross income, gross receipts, alternative or add-on minimum tax, franchise, profits, capital gains, capital, transfer, sales, use, *ad valorem*, value-added occupation, premium, property, excise, severance, environmental (including taxes under IRC §59A) or windfall profits tax, stamp, license, payroll, employment, withholding and other taxes, assessments, charges, customs, duties, fees, levies or other governmental assessments or charges of any kind whatsoever (whether payable directly or by withholding and whether or not requiring the filing of a return), all estimated taxes, deficiency assessments, additions to tax, penalties and interest, whether disputed or not.

"**Vertrelbs Transaction**" has the meaning provided in **Section 8.01(f)**.

ARTICLE 2

PURCHASE AND SALE

2.01. Purchase and Sale. Upon the terms and subject to the conditions of this Agreement, Buyer agrees to purchase from Seller and Seller agrees to sell, transfer, convey, assign and deliver, or cause to be sold, transferred, conveyed, assigned and delivered, to Buyer or its designees at Closing, free and clear of all Liens, all of Seller's right, title and interest in, to and under the following (collectively, the "**Purchased Assets**"):

- (a) all of Seller's rights, title and interests in and to the Intellectual Property other than the Intellectual Property used in conjunction with the Harig division set forth on **Schedule 2.01**;
- (b) the Bridgeport UK Stock;
- (c) copies of supplier lists;
- (d) all Books and Records, files and papers, whether in hard copy or computer format, relating to the Purchased Assets; and
- (e) all goodwill associated with the Purchased Assets.

2.02. Excluded Assets. Notwithstanding anything to the contrary in this Agreement or otherwise, Buyer expressly understands and agrees that the following assets and properties of Seller (the "**Excluded Assets**") shall be excluded from the Purchased Assets:

- (a) all of Seller's cash and cash equivalents on hand and in banks;
- (b) all letters of credit for which a liability has attached that has not been assumed by Buyer;
- (c) insurance policies and payments related thereto;
- (d) all executory contracts;
- (e) the Avoidance Actions and any rights, defenses, crossclaims or counterclaims with respect to any Avoidance Actions (expressly exclusive of litigation rights relating to title to the Purchased Assets); and
- (f) all real and personal property including, without limitation, all machinery, equipment, inventory, contracts and contract rights, licenses, permits, Books and Records that do not constitute Purchased Assets.

2.03. Intentionally Omitted.

2.04. Excluded Liabilities. All of Seller's liabilities and obligations shall be retained by and remain the obligations and liabilities of Seller and Buyer shall not assume, or be responsible or liable with respect to, any and all of the liabilities and obligations of Seller, whether fixed, contingent or otherwise, and whether known or unknown, including without limitation, the following (collectively, the "**Excluded Liabilities**"):

- (a) Any liability, claim or obligation of Seller for any federal, state or local Taxes.
- (b) Any liability, claim or obligation relating to, or based in whole or in part on events or conditions occurring or existing in connection with, or arising out of, the Purchased Assets, the Business or the actions of Seller as operated by Seller prior to the Closing, including but not limited to any liability or obligation in connection with any defaults or failure of performance by Seller which have accrued or occurred prior to the Closing under or in respect of any purchase orders or sales orders or the ownership, possession, use or sale of the Purchased Assets prior to the Closing.
- (c) Any liability, claim or obligation with respect to any litigation or legal proceeding pending on the date of this Agreement, or instituted hereafter, in connection with, or arising out of, the Purchase Assets, the Business or the actions of Seller prior to the Closing.
- (d) Any liability, claim or obligation in connection with, or arising out of any claim or dispute for services rendered or products, systems or goods manufactured, designed, configured, engineered, assembled, compiled, distributed or sold prior to the Closing, including, without limitation, product liability claims.
- (e) Any liability, claim or obligation in connection with, or arising out of, any claims relating to Environmental Laws or based on harm to the environment or the disposal of Hazardous Materials allegedly in connection with the Purchased Assets, the Business or the actions of Seller prior to the Closing, whether or not in connection with the Purchased Assets, the Business or the actions of Seller, including the obligation to pay any and all fines, penalties, liabilities, consequential damages, whether foreseeable or unforeseeable, any other damages, costs, losses and duties including remedial, removal, response, abatement, clean-up, investigative and monitoring costs and duties, and any other related costs, expenses, losses, damages and reasonable attorneys' fees, including without limitation, such liabilities, claims or obligations arising from or in connection with (a) any violation of the requirements of any Environmental Laws, (b) claims under any Environmental Laws based on acts, omissions or occurrences prior to the Closing, and (c) any Release or threatened Release into the environment of any Hazardous Materials in

connection with the Purchased Assets, the Business or the actions of Seller prior to the Closing.

- (f) Any liability, claim or obligation in connection with, or arising out of, the Excluded Assets.
- (g) Any trade accounts and other payables of Seller due to suppliers and vendors and others of or other accounts payable.
- (h) Any liability, claim or obligation arising from or in connection with (a) wages, benefits, bonuses or commissions due to any employee or independent contractor of Seller, (b) contributions by Seller under any Employee Plans (as defined below), (c) accrued vacation and any other benefits due to or for the benefit of any employee or independent contractor of Seller, (d) workers' compensation or other occupational health or injury claims of Seller on or prior to the date of this Agreement, (e) notices regarding plant closings, including without limitation, notices under the federal "WARN Act" laws, and (f) notices regarding continuation of health care coverage and rights of conversion for insured benefits.
- (i) Any sponsorship or responsibility for the maintenance of or termination of any Employee Plan (as hereinafter defined) maintained by Seller. For purposes of this Agreement, the term "Employee Plan" shall mean any employee benefit plans, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and any "multi-employer plan" as defined in Section 3(37) of ERISA, or any other severance, bonus, stock option, stock appreciation, stock purchase, retirement, insurance, health, welfare, vacation, severance pay, retired employee benefits, pension, profit-sharing or deferred compensation plans, agreements or arrangements providing benefits for employees or former employees of Seller.
- (j) Any liability, claim or obligation (including with respect to sales Tax and other Taxes) which Buyer may become subject to or as a result of or in connection with the failure of the parties to comply with bulk sales or bulk transfer laws.

2.05. Intentionally Omitted.

2.06. Purchase Price. In consideration for the sale of the Purchased Assets by Seller to Buyer, Buyer agrees to pay Seller (a) the sum of \$16.5 million by certified or official bank check payable as directed by Seller or by wire transfer of such funds to an account designated by Seller acceptable to the Bankruptcy Court and incorporated within such sum shall be an amount as indicated on the relevant Stock Transfer Form Purchase Agreement to be entered into between the Buyer and the Seller executed in order to effect the transfer in accordance with the terms

hereunder, which shall be the consideration for the Bridgeport UK Stock¹; (b) the Deposit and (c) the assumption by Buyer of \$30 million of secured subordinated debt (plus accrued and unpaid interest thereon) owed by Seller to American Capital Strategies, LTD ("ACS") and the release of such debt by ACS (the "Purchase Price").

2.07. Closing. Subject to the terms and conditions of this Agreement, the sale and purchase of the Purchased Assets shall take place at a closing (the "Closing") to be held at the offices of Greenberg Traurig LLP located at One International Place, 3rd Floor, Boston, MA 02110, or at such other location as the parties shall agree in writing, at 10:00 A.M., as soon as practicable, but in any event on the later to occur of (i) the date on which the conditions to Closing set forth in Article 8 shall have been satisfied or waived, (ii) the first Business Day following the entry of the Sale Order, or at such other time or place as Buyer and Seller may agree in writing. In any event, the Closing shall occur by August 31, 2002.

2.08. Deposit. Buyer has made for the benefit of Seller a deposit in the amount of \$500,000 (the "Deposit"). The Deposit has been transferred by Buyer to Greenberg Traurig, P.C. At the Closing, the Deposit shall be credited against the Purchase Price; provided, however, that (a) except as provided in Clause (b) of this Section 2.08, the Deposit shall be returned to Buyer in full in the event that this Agreement is terminated, and (b) the Deposit shall be retained by Seller in full in the event that Seller's sale of the Purchased Assets to Buyer fails to close due to Buyer's breach of this Agreement.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLER

Subject to the entry of the Sale Order, Seller hereby represents warrants and covenants to Buyer as follows:

3.01 Organization and Standing; Authority. Seller is organized, validly existing and in good standing under the laws of the State of Delaware. Subject to the approval of the Bankruptcy Court, Seller has all requisite corporate power and authority to enter into this Agreement, to perform its obligations under this Agreement and to consummate the transactions contemplated by this Agreement. Subject to the approval of the Bankruptcy Court, all corporate acts and other proceedings required to be taken by Seller to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly and properly taken. This Agreement has been duly executed and delivered by Seller. Upon approval by the Bankruptcy Court, this Agreement and all instruments and agreements under this Agreement to which Seller is or becomes a party are (or upon

¹ A portion of the foregoing \$16.5 million in cash will be payable to Bridgeport UK in an amount sufficient to retire the obligations owing by Bridgeport UK to the Secured Lenders, which payment will reduce the Seller's obligations owing to the Secured Lenders on a dollar for dollar basis, and \$500,000 of which will be payable to Bridgeport Machines GmbH in consideration for the purchase of the stock of Bridgeport Machines Vertriebs GmbH.

execution will be) the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their terms.

3.02 Sufficiency of Title to and Ownership of the Purchased Assets. Seller owns and will own at all times prior to transfer of the Purchased Assets to Buyer, good and marketable title to all of the Purchased Assets, including, without limitation, the Bridgeport UK Stock, free and clear of all Liens, except for Liens that, pursuant to the Sale Order, shall be released upon payment of the Purchase Price at the Closing.

3.03 Insurance. Until the Closing, the Seller Parties shall maintain in full force all insurance related to the Purchased Assets and the Business that is currently in effect.

3.04 Intellectual Property.

- (a) **Schedule 3.04(a)** contains a list and description (showing in each case any product, device, process, service (or class of goods or services) business or publication covered thereby, the expiration date and registration and/or serial number, if any) of all Copyrights, Patent Rights, Trademarks of Seller (including all assumed or fictitious names under which Seller conducts its business).
- (b) **Schedule 3.04(b)** contains a list (showing in each case the parties thereto) of all material agreements, contracts, licenses, sublicenses, assignments and indemnities of Seller which relate in any way to (i) any Copyrights, Patent Rights, Trademarks or Software of Seller listed in **Schedule 3.04(a)**, and (ii) any Trade Secrets owned by, licensed to or used by the Seller in connection with the conduct of the business.
- (c) Except as disclosed on Schedule 3.04(c), the Seller has all rights necessary to use its Intellectual Property in the manner presently used by Bridgeport UK in its Business and the Seller Parties either: (i) own the entire right, title and interest in and to the Intellectual Property, including, without limitation all Intellectual Property listed in **Schedule 3.04(a)**, free and clear of any lien, claim or encumbrance; or (ii) has the perpetual, irrevocable worldwide royalty-free right to use the same. To Seller's knowledge, none of the Intellectual Property infringes or violates the intellectual property rights of any third parties or is being infringed upon by third parties. Consummation of the transactions contemplated hereby shall not impair any rights of Seller or impose any obligations on Seller with respect to any Intellectual Property, except for any notices, recordings or filings that are required to be given or made by applicable law as a result of the transfer of the Intellectual Property to Buyer. To the Seller's knowledge, none of the Intellectual Property is subject to any outstanding order, decree, judgment, stipulation, injunction, material written restriction or material agreement restricting the scope of use thereof by the Seller anywhere in the world, and there are no agreements

or arrangements in effect with respect to the marketing, distribution, licensing or promotion of the Intellectual Property by any third party.

- (d) Except as set forth on **Schedule 3.04(d)**, there is no pending or, to Seller's knowledge, threatened claim against the Seller, nor has Seller received any written notice of any claim (i) asserting that any of the Intellectual Property as used in Seller Parties' Business, or any other conduct or operations of the Business, misappropriates, infringes or violates the intellectual property rights of any third parties, (ii) asserting that any of the Intellectual Property is being misappropriated, infringed upon or diluted by others, or (iii) asserting that any third parties have any rights to use any of the Intellectual Property.
- (e) Except as disclosed in **Schedule 3.04(e)**: (i) all registrations for Copyrights, Patent Rights and Trademarks identified in **Schedule 3.04(a)** as being owned by Seller are valid and in force, all without challenge of any kind; (ii) the Intellectual Property owned by Seller is valid and enforceable in all material respects; and (iii) Seller has the sole and exclusive right to bring actions for infringement or unauthorized use of the Intellectual Property and Software owned by Seller and included in the Purchased Assets.

3.05 Authorized Capital Stock. The authorized capital stock of Bridgeport UK consists of 5,000,000 shares of common stock, 3,817,000 shares of which are issued and outstanding. All of the issued and outstanding shares of capital stock of Bridgeport UK are held by Seller and have been duly authorized, fully paid and are nonassessable.

3.06 Intentionally Omitted.

3.07 Chapter 11 Proceeding. To the Seller's knowledge, the filings made by Seller with the Bankruptcy Court in its pending Chapter 11 proceeding in conjunction with the Sale contain a true, accurate and complete listing of all secured creditors and all Liens on the Purchased Assets, and are otherwise true, accurate and complete in all material respects with respect to the Purchased Assets.

3.08 Notice. The Seller has sent notice to all creditors of the Seller holding a Lien in any of the Purchased Assets in respect of this Agreement, Seller's request that the Bankruptcy Court approve this Agreement, and the transactions contemplated hereby.

3.09 Schedules. To the Seller's knowledge, all of the information contained on the Schedules to this Agreement with respect to the Purchased Assets is complete, accurate and correct in all material respects.

3.10 Intentionally Omitted.

3.11 Organization. Bridgeport UK is organized, validly existing and is in good standing under the laws of its jurisdiction of organization. Each corporation comprising Bridgeport Europe is duly qualified to do business as a foreign corporation and is in good

standing in all jurisdictions where the conduct of its Business renders such qualification necessary, except where failure to do so would not have a Material Adverse Effect.

3.12 Intellectual Property.

- (a) To the best of Seller's knowledge, **Schedule 3.12(a)** contains a list and description (showing in each case any product, device, process, service (or class of goods or services) business or publication covered thereby, the expiration date and registration and/or serial number, if any) of all Copyrights, Patent Rights, Trademarks (including all assumed or fictitious names under which Bridgeport Europe conducts its Business).
- (b) To the best of Seller's knowledge, **Schedule 3.12(b)** contains a list (showing in each case the parties thereto) of all agreements, contracts, licenses, sublicenses, assignments and indemnities which relate in any way to (i) any Copyrights, Patent Rights, Trademarks or Software listed in **Schedule 3.12(a)**, and (ii) any Trade Secrets owned by, licensed to or used by Bridgeport Europe in connection with the conduct of its Business or operations of the Systems.
- (c) To the best of Seller's knowledge, Bridgeport Europe has all rights necessary to use the Intellectual Property in the manner presently used in its Business and, except as disclosed in **Schedule 3.12(c)**, Bridgeport Europe to its best knowledge either: (i) owns all material right, title and interest in and to the Intellectual Property, including, without limitation all Intellectual Property listed in **Schedule 3.12(a)**, free and clear of any lien, claim or encumbrance; or (ii) has the perpetual, irrevocable worldwide royalty-free right to use the same. To its best knowledge, none of the Intellectual Property infringes or violates the intellectual property rights of any third parties in any material respect or, to Bridgeport UK's knowledge, is being infringed upon in any material respect by third parties. Consummation of the transactions contemplated hereby shall not impair any rights or impose any obligations with respect to any Intellectual Property. None of the Intellectual Property is subject to any outstanding order, decree, judgment, stipulation, injunction, written restriction or agreement materially restricting the scope of use thereof by Bridgeport Europe anywhere in the world, and there are no agreements or arrangements in effect with respect to the marketing, distribution, licensing or promotion of the Intellectual Property by any third party; provided, that Bridgeport UK's use of certain Intellectual Property is subject to the Trademark License and Sales Marketing Agreement dated July 1, 2002 with Seller (the "UK License Agreement").
- (d) There is no pending or, to Seller's knowledge, material threatened claim against Bridgeport Europe, nor has Bridgeport Europe received any written notice of any claim (i) asserting that any of the Intellectual Property as used in Bridgeport Europe's Business, or any other conduct or

operations of its Business, misappropriates, infringes or violates the intellectual property rights of any third parties in any material respect, (ii) asserting that any of the Intellectual Property is being misappropriated, infringed upon or diluted by others in any material respect, or (iii) asserting that any third parties have any rights to use any of the Intellectual Property in any material respect.

- (e) Except as disclosed in **Schedule 3.12(e)**, to Seller's knowledge: (i) all registrations for Copyrights, Patent Rights and Trademarks identified in **Schedule 3.12(c)** as being owned by Bridgeport Europe are valid and in force, and all applications to register any unregistered Copyrights, Patent Rights and Trademarks so identified are pending and in good standing, all without material challenge of any kind; (ii) the Intellectual Property owned by Bridgeport Europe is valid and enforceable; and (iii) Bridgeport Europe has the sole and exclusive right to bring actions for infringement or unauthorized use of the Intellectual Property and Software owned by Bridgeport Europe and included in the Purchased Assets.

3.13 Litigation. Except as set forth on **Schedule 3.13**, to the knowledge of the Seller, there is no litigation pending or threatened (a) against Bridgeport Europe, its Business, or any of its Intellectual Property or other assets which, if adversely determined, would have a Material Adverse Effect, or (b) which seeks to enjoin or obtain damages in respect of the consummation of the transaction contemplated hereby.

3.14 Compliance with Laws. Except as set forth on **Schedule 3.14**, to the knowledge of Seller, Bridgeport UK is not in violation of any applicable statute, ordinance, code, restriction, regulation, or other governmental requirements, which violation would have a Material Adverse Effect.

3.15 Tax and Other Returns and Reports. Except as set forth on **Schedule 3.15**, to the knowledge of Seller, all material foreign tax returns, reports, statements and other similar filings required to be filed by Bridgeport Europe in connection with its operation of its Business (the "Tax Returns") with respect to any taxes, assessments, interests, penalties, deficiencies, fees and other governmental charges or impositions, as well as all transfer taxes, sales taxes (including retail sales taxes), duties and customs fees, stamp taxes, withholding taxes, and other similar taxes have been filed with the appropriate governmental agencies in all jurisdictions in which such Tax Returns are required to be filed. Except as set forth on **Schedule 3.15**, to the knowledge of Seller, all taxes, including those which are called for by the Tax Returns, or heretofore or hereafter claimed to be due by any taxing authority from Bridgeport Europe, have been properly accrued or paid.

3.16 Environmental Matters.

- (a) To the knowledge of Seller and except as set forth on **Schedule 3.16**, there has not been a Release or threatened Release of Hazardous Materials on the real property of Bridgeport Europe, or for which the foregoing may be liable, that: (i) constitutes an unremedied violation of any Environmental

Law; (ii) currently imposes or may impose in the future any Release-reporting obligations under any Environmental Law that have not been or are not being complied with; or (iii) currently imposes or may impose in the future any investigation, clean-up, remedial or other obligations under any Environmental Law in each case where such violation or obligations could have a Material Adverse Effect;

- (b) To the knowledge of Seller, Bridgeport Europe and its Business are not in violation of any applicable Environmental Law, which violation would have a Material Adverse Effect and to the best knowledge of Seller, no material expenditures are or will be required in order to comply with any existing Environmental Laws. Except as set forth on **Schedule 3.16**, no written notice or claim has been received by Bridgeport Europe from any governmental authority or third party alleging that Bridgeport Europe or its Business are not in compliance in any material respect with any Environmental Law.
- (c) To the knowledge of Seller, Bridgeport Europe and its Business have all licenses, permits and other authorizations required by any Environmental Law for the operation and existence of Bridgeport Europe and its Business, except where failure to obtain such license, permit or authorization could not be expected to have a Material Adverse Effect and all such licenses, permits and other authorizations are current and in full force and effect. To the knowledge of Seller, Bridgeport Europe has not received any written notice that: (i) any existing such license, permit or other authorization will be revoked or modified; (ii) any pending application for any new such license, permit or other authorization or renewal of any existing such license, permit or other authorization will be denied; or (iii) any new such license, permit or other authorization will be issued with any condition or requirement materially adverse to Bridgeport Europe or its Business;

3.17 Accounts Receivable: Collection. **Schedule 3.17** sets forth a listing showing aging by customer of Bridgeport Europe's accounts receivable that are outstanding as of the date hereof (the "**Accounts Receivable**"). Except where indicated on **Schedule 3.17**, to the knowledge of Seller, the Accounts Receivable are not subject to any written or oral agreement or understanding providing for any credit, chargeback, counterclaim, setoff, discount, returns or co-operative marketing payments in respect thereof, except for any such credits, chargebacks, counterclaims, setoffs, discounts, returns or co-operative marketing payments that have been estimated and reserved for based on historical experience (either generally or specifically) on the books and records of Bridgeport Europe.

3.18 Changes in Accounting Method. Since June 30, 2001 and, except for changes diminishing the value of the assets of Bridgeport UK due to the Chapter 11, Bridgeport Europe has not made any material change in any method of accounting or accounting practice related to its inventory or the Accounts Receivable.

3.19 Absence of Undisclosed Liabilities. To the best knowledge of Seller, there are no material liabilities with respect to Bridgeport Europe other than as described in the financial statements dated as of May 31, 2002 or as otherwise disclosed in writing to Buyer prior to the date hereof.

3.20 Employment Agreements; Employee Benefits. Except as set forth on **Schedule 3.20**, to the knowledge of Seller, Bridgeport Europe is in material compliance with any employment contract, deferred compensation agreement, bonus plan, incentive plan, profit sharing plan, retirement agreement, or other employee compensation agreement to which it may be a party, and is in compliance with all applicable labor laws.

3.21 Assets. Except as set forth on **Schedule 3.21**, to the knowledge of Seller, Bridgeport Europe owns or leases all buildings, machinery, equipment, and other tangible and intangible assets necessary for the conduct of its Business as presently conducted. All such assets taken as a whole are in good operating condition and repair (subject to normal wear and tear), and are suitable for the purposes for which they presently are used.

3.22 No Warranties. Except as set forth herein, neither Seller nor any other Person makes any express or implied representation or warranty on behalf of Seller. ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXCLUDED FROM THE SALE AND TRANSFER OF THE PURCHASED ASSETS AND THE ASSUMED LIABILITIES.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

4.01. Organization and Standing; Authority. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has all requisite power and authority to enter into this Agreement, to perform its obligations under this Agreement and to consummate the transactions contemplated by this Agreement to be consummated by Buyer. All corporate acts and other proceedings required to be taken by Buyer to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement to be consummated by Buyer have been duly and properly taken. This Agreement has been duly executed and delivered by Buyer and constitutes a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

4.02. No Conflicts; Consents.

The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated by this Agreement to be consummated by Buyer and compliance with the terms of this Agreement to be complied with by Buyer shall not, conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, (i) the certificate of incorporation or bylaws of Buyer, (ii) any agreement or obligation to which Buyer

is a party or by which any of its assets are bound, or (iii) any judgment, injunction, order, or decree, or statute, law, ordinance, rule or regulation applicable to Buyer or its assets, in each case other than such as in the aggregate would not have a material adverse effect on the ability of Buyer to consummate the transactions contemplated by this Agreement to be consummated by Buyer.

No material consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required to be obtained or made by or with respect to Buyer or its Affiliates in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated by this Agreement, other than (i) compliance with and filings and notifications under applicable Environmental Laws, (ii) any notices, motions, orders or approvals required by the Bankruptcy Court or the Bankruptcy Code and the rules thereunder, and (iii) those that may be required solely by reason of Seller's participation in the transactions contemplated by this Agreement.

4.03. Actions and Proceedings, etc. There are no (a) outstanding judgments, orders, injunctions or decrees of any Governmental Entity or arbitration tribunal against Buyer or any of its Affiliates, (b) lawsuits, actions or proceedings pending or, to the knowledge of Buyer, threatened against Buyer or any of its Affiliates, or (c) investigations by any Governmental Entity which are, to the knowledge of Buyer, pending or threatened against Buyer or any of its Affiliates, and which, in the case of each of **Clauses (a), (b) and (c)**, have a material adverse effect on the ability of Buyer to consummate the transactions contemplated by this Agreement to be consummated by Buyer.

4.04. Availability of Funds. Buyer has cash available which is sufficient to enable Buyer to purchase the Purchased Assets and otherwise consummate the transactions contemplated by this Agreement. Buyer's obligations to proceed to the Closing shall not be subject to any financing contingency.

4.05. Binding Agreement. This Agreement and all instruments and agreements under this Agreement to which Buyer is or becomes a party are (or upon execution will be) valid and legally binding obligations of Buyer enforceable against Buyer in accordance with the respective terms hereof and thereof, except as enforceability against Buyer may be restricted, limited or delayed by applicable bankruptcy or other laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity.

4.06. Brokers and Finders. Neither Buyer, nor any Affiliate of Buyer, nor any officer, director, employee or agent thereof, has engaged any finder or broker in connection with the transactions contemplated by this Agreement.

4.07. Payments. Neither Buyer, nor any Affiliate of Buyer, nor any officer, director, employee or agent thereof, has, directly or indirectly, paid or delivered, offered to pay or deliver, or agreed to pay or deliver any fee, commission or other sum of money or item of property, however characterized, to any Person which is now or was previously an Affiliate or insider (as those terms are defined in the Bankruptcy Code) of Seller in connection with the consummation of the transactions contemplated by this Agreement.

ARTICLE 5

COVENANTS OF SELLER

Seller covenants with Buyer as follows:

5.01 Conduct of the Business. Except as listed on **Schedule 5.01**, for the time period commencing March 1, 2002 and ending on the Closing Date, subject to the requirements and restrictions of the Bankruptcy Court proceedings, Seller covenants with Buyer that (a) Seller has and will continue to use its commercially reasonable efforts to preserve and safeguard the Purchased Assets and the assets and business of Bridgeport UK, (b) Seller has not and will not sell, transfer, convey or otherwise dispose of any of the Purchased Assets, or permit Bridgeport UK to dispose of any material assets, other than inventory in the ordinary course of business and (c) Bridgeport UK shall carry on the Business only in the ordinary course substantially in the same manner as heretofore conducted and shall not make or institute, without receiving the prior written consent of the Buyer, any unusual or novel methods of manufacture, purchase, sale, lease, management, accounting or operation.

5.02 Access to Information. Subject to the restrictions contained in the Confidentiality Agreement, until the Closing Date, Seller (i) will give Buyer, its counsel, financial advisors, auditors and other authorized representatives direct and prompt access to the offices, properties, Books and Records of the Seller Parties relating to the Purchased Assets, (ii) will furnish to Buyer, its counsel, financial advisors, auditors and other authorized representatives such financial and operating data and other information relating to the Business as such Persons may reasonably request, and (iii) will instruct the agents, counsel and financial advisors of Seller to cooperate with Buyer in its investigation of the Purchased Assets. The Seller shall have the right to reasonable monitoring and observance of Buyer's inquiries, provided that such monitoring shall not interfere with Buyer's direct access set forth above. Any investigation pursuant to this **Section 5.02** shall be conducted in such manner as not to interfere unreasonably with the conduct of the Business of the Seller Parties. Notwithstanding the foregoing, Buyer shall not have access to personnel records of Seller relating to individual performance or evaluation records, medical histories or other information which in Seller's good faith opinion is sensitive or the disclosure of which could subject Seller to risk of liability.

5.03. Notices of Certain Events. (a) Seller shall promptly notify Buyer of:

- (i) any notice or communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;
- (ii) any notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement;
- (iii) any actions, suits, claims, investigations or proceedings commenced or, to its knowledge threatened against, relating to or involving or otherwise affecting Seller or the Purchased Assets that relate to the consummation of the transactions contemplated by this Agreement; and

- (iv) the damage or destruction by fire or other casualty of any material Purchased Asset or any material part thereof or if any material Purchased Asset or any material part thereof becomes the subject of any proceeding or, to the knowledge of Seller, threatened proceeding, for the taking thereof or any part thereof or of any right relating thereto by condemnation, eminent domain or other similar action by a Governmental Entity.

(b) Seller shall promptly notify Buyer of, and furnish Buyer any information which Buyer may reasonably request with respect to, the occurrence to Seller's knowledge of any event or condition or the existence to Seller's knowledge of any fact that would cause any of the conditions to Buyer's obligations to consummate the purchase and sale of the Purchased Assets not to be fulfilled.

5.04 Existing Insurance Policies. Bridgeport Europe shall maintain insurance with respect to the Purchased Assets and the Business in full force and effect with responsible companies, comparable in amount, scope and coverage to that in effect on the date of this Agreement.

5.05 Employment Matters. Prior to the Closing and except in accordance with the Downsizing Plan, Bridgeport Europe shall not: (a) grant any significant increase in the rate of pay of any of the employees; (b) enter into or modify any employment arrangement with any Person who is, or thereby becomes, an employee of the Seller Parties other than in the ordinary course of business; or (c) institute or amend any Employee Benefit Plan or new Employee Benefit Plan.

5.06 Contracts and Commitments. Prior to the Closing, Bridgeport Europe shall not enter into any material contract or commitment or engage in any transaction other than in the usual and ordinary course of business in accordance with the normal business practices of the Business, and the Seller Parties shall not purchase, lease, sell or dispose of any capital asset.

ARTICLE 6

COVENANTS OF BUYER

Buyer agrees that:

6.01. Confidentiality. Buyer acknowledges that the information being provided to it in connection with the purchase and sale of the Purchased Assets and the consummation of the other transactions contemplated by this Agreement is subject to the terms of the Confidentiality Agreement, the terms of which are incorporated into this Agreement by reference. Effective upon, and only upon, the Closing, the Confidentiality Agreement shall terminate.

6.02. No Additional Representations. Buyer acknowledges and agrees that, except as expressly set forth in this Agreement, neither Seller nor any other Person has made any representation or warranty, expressed or implied, with respect to (i) the transactions contemplated by this Agreement, (ii) Seller or Seller's assets, liabilities or businesses, or (iii) the

accuracy or completeness of any information regarding Seller furnished or made available to Buyer and its representatives.

6.03. Access to Information. On and after the Closing Date, Buyer will afford promptly to Seller and its agents reasonable access to Seller's former properties, books, records, employees and auditors to the extent necessary to permit Seller to determine any matter relating to its rights and obligations hereunder or relating to the continuing administration of Seller's Chapter 11 case, or to any period ending on or before the Closing Date; provided that any such access by Seller shall not unreasonably interfere with the conduct of the business of Buyer. Seller will hold, and will use its best efforts to cause its officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law, all confidential documents and information concerning the Business provided to Buyer pursuant to this Section 6.03.

6.04. Buyer's Cooperation. Buyer shall cooperate in providing such information and evidence as is reasonably necessary to obtain the orders of the Bankruptcy Court as described in this Agreement.

6.05. Post-Closing Issues. Following the Closing, Buyer shall direct Bridgeport UK to turn over to Seller any proceeds received in respect of certain letters of credit posted by Taegutec.

ARTICLE 7

COVENANTS OF ALL PARTIES

Buyer and Seller agree that:

7.01. Best Efforts; Further Assurances.

- (a) Subject to the terms and conditions of this Agreement, Buyer and Seller will each use their best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable laws and regulations to consummate the transactions contemplated by this Agreement. Seller and Buyer each agree to execute and deliver (both before and after the Closing and without charge to the requesting party) such other documents, certificates, agreements and other writings and to take such other actions as may be reasonably necessary in order to consummate or implement expeditiously the transactions contemplated by this Agreement and to vest in Buyer good and marketable title to the Purchased Assets.
- (b) Subject to the terms and conditions of this Agreement, Buyer and Seller will each use their best efforts to take all action and to do all things necessary, proper, or advisable to consummate and make effective the transactions contemplated by this Agreement and to obtain approval and entry of the Sale Order.

7.02. Certain Filings. Seller and Buyer shall cooperate with one another (a) in determining whether any action by or in respect of, or filing with, any Governmental Entity is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in connection with the consummation of the transactions contemplated by this Agreement, and (b) in taking such actions or making any such filings, furnishing information required in connection therewith and seeking timely to obtain any such actions, consents, approvals or waivers.

7.03. Public Announcements. The parties agree to consult with each other before issuing any press release or making any public statement with respect to this Agreement or the transactions contemplated by this Agreement and, except as may be required by applicable law, will not issue any such press release or make any such public statement prior to such consultation.

7.04. Post-Closing Access to Books and Records. After the Closing Date, the parties agree that they will each cooperate with and make available to the other party, during normal business hours, all Books and Records, information (without substantial disruption of employment) retained and remaining in existence after the Closing Date which are necessary or useful in connection with any inquiry relating to Taxes or any audit, investigation or dispute, any litigation or investigation or any other matter requiring any such Books and Records, information or employees for any reasonable business purpose. The party requesting any such Books and Records or other information shall bear all of the out-of-pocket costs and expenses (including, without limitation, attorneys' fees, but excluding reimbursement for general overhead, salaries and employee benefits) reasonably incurred in connection with providing such Books and Records, information or employees. Seller may require certain financial information relating to the Business for periods prior to the Closing Date for the purpose of filing federal, state, local and foreign Tax Returns and other governmental reports, and Buyer agrees to furnish such information to Seller at Seller's request and expense.

ARTICLE 8

CONDITIONS TO CLOSING

8.01. Conditions to Buyer's Obligations. The obligation of Buyer to consummate the Closing is subject to the satisfaction (or waiver by Buyer, without further notice to parties in interest or approval by the Bankruptcy Court) of the following conditions:

- (a) The representations and warranties of the Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date as though made as of such time, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date).
- (b) Seller shall have complied in all material respects with all of its pre-Closing covenants, including without limitation, the provisions set forth in Article 5.

- (c) No provision of any applicable statute, rule, regulation, executive order, decree, temporary restraining order, judgment, preliminary or permanent injunction or other order enacted, entered, promulgated, enforced or issued by any Governmental Entity shall be in effect that (i) prevents the sale and purchase of the Purchased Assets or any of the other transactions contemplated by this Agreement, (ii) would adversely affect or interfere with the operation of the Business as previously conducted after the Closing, or (iii) would require Buyer or any of its Affiliates to sell or otherwise dispose of, hold separate or otherwise divest itself of, or operate in any particular manner, any of the Purchased Assets or any of the assets, properties or business of Buyer or any of its Affiliates.
- (d) There shall not be pending or threatened by any Governmental Entity any suit, action or proceeding, (i) challenging or seeking to restrain, prohibit, alter or materially delay the sale and purchase of the Purchased Assets or any of the other transactions contemplated by this Agreement, or seeking to obtain from Buyer or any of its Affiliates in connection with the sale and purchase of the Purchased Assets any material damages, or (ii) seeking to prohibit Buyer or any of its Affiliates from effectively controlling or operating a material portion of the Business or the Purchased Assets.
- (e) The Sale Order shall not be subject to any stay.
- (f) The Conveyance Documents shall have been delivered by Seller in form and substance satisfactory to Buyer.
- (g) No event having a Material Adverse Effect shall have occurred.
- (h) The senior secured lenders holding liens on the assets of Bridgeport UK and Bridgeport Machines Vertriebs GmbH (the "Secured Lenders") shall have (a) released any obligations remaining by such entities to the Secured Lenders following payment of the Purchase Price and (b) terminated that certain Subordination Agreement between Fleet Capital Corporation, as agent, and American Capital Strategies, LTD, dated as of April 24, 2000 relating to obligations owing by Seller and Bridgeport UK.
- (i) Title to the outstanding capital stock of Bridgeport Machines GmbH owned by Bridgeport UK shall have been assigned to Seller and the outstanding capital stock of Bridgeport Machines Vertriebs GmbH owned by Bridgeport Machines GmbH shall have been assigned to Bridgeport UK or other satisfactory arrangements shall have been made (collectively, the "Vertreibe Transaction").

8.02. Conditions to Obligation of Seller. The obligation of Seller to consummate the Closing is subject to the satisfaction (or waiver by Seller, without further notice to parties in interest or approval by the Bankruptcy Court) of the following conditions:

- (a) The representations and warranties of Buyer shall be true and correct in all material respects as of the time of the Closing as though made as of such time, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date). Buyer shall have performed or complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by Buyer by the Closing Date. Buyer shall have delivered to Seller a certificate dated the Closing Date and signed by an authorized agent of Buyer confirming the foregoing.
- (b) No provision of any applicable statute, rule, regulation, executive order, decree, temporary restraining order, judgment, preliminary or permanent injunction or other order enacted, entered, promulgated, enforced or issued by any Governmental Entity shall be in effect that prevents the sale and purchase of the Purchased Assets or any of the transactions contemplated by this Agreement.
- (c) There shall not be pending or threatened by any Governmental Entity any suit, action or proceeding, challenging or seeking to restrain, prohibit, alter or materially delay the sale and purchase of the Purchased Assets or any of the other transactions contemplated by this Agreement or seeking to obtain from Seller in connection with the sale and purchase of the Purchased Assets any material damages.
- (d) The Sale Order shall not be subject to any stay.
- (e) Buyer shall have paid the Purchase Price.
- (f) The Conveyance Documents shall have been negotiated in form and substance satisfactory to Seller.
- (g) Unless the condition for a Vertreiba Transaction is waived in total by Buyer, the form and substance of the Vertreiba Transaction shall be satisfactory to Seller.

8.03. Frustration of Conditions. Neither Buyer nor Seller may rely on the failure of any condition set forth in Section 8.01 or 8.02, respectively, to be satisfied if such failure was caused by such party's failure to act in good faith or to use its reasonable efforts to cause the Closing to occur, as provided in this Agreement.

ARTICLE 9

SURVIVAL

9.01. Survival. Except as expressly set forth herein, the covenants, agreements, representations, warranties and indemnities of the parties contained in this Agreement or in any

certificate or other writing delivered pursuant hereto or in connection herewith shall survive the Closing.

ARTICLE 10

TERMINATION

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

- (i) by mutual written agreement of Seller and Buyer;
- (ii) by Buyer if the Closing shall not have been consummated on or before August 31, 2002; and
- (iii) by Buyer, or Seller as the case may be, in the event that a condition to Closing has not been satisfied or waived by Buyer (under **Section 8.01**) or by Seller (under **Section 8.02**) by August 31, 2002.

The party desiring to terminate this Agreement pursuant to **Clauses (ii) or (iii)** shall give notice of such termination to the other party prior to the Closing.

10.02. Effect of Termination. If this Agreement is terminated as permitted by **Section 10.01**, such termination shall be without liability of any party (or any stockholder, director, officer, employee, agent, consultant or representative of such party) to the other party to this Agreement; provided that if such termination shall result from the willful failure of any party to fulfill a condition to the performance of the obligations of another party, failure to perform a covenant of this Agreement or breach by any party to this Agreement of any representation or warranty or agreement contained in this Agreement, such failing or breaching party shall be fully liable for any and all losses incurred or suffered by the other party as a result of such failure or breach. The provisions of **Sections 6.01 and 11.03** shall survive any termination of this Agreement pursuant to **Section 10.01**.

ARTICLE 11

MISCELLANEOUS

11.01. Notices. All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be delivered by hand, sent by confirmed fax or sent, postage prepaid, by registered, certified or express mail or reputable overnight courier service and shall be deemed given when so delivered by hand, confirmed faxed or if mailed, three days after mailing (one Business Day in the case of express mail or overnight courier service), as follows (or to such other address or telecopy number as the applicable party shall have notified the other party in writing in accordance with this **Section 11.01**):

(i) if to Buyer,

L. Thomas Gregory
American Capital Strategies, Ltd.
5775 Sears Tower
233 South Wacker Drive
Chicago, Illinois 60606
Telephone: 312-681-7400
Telecopy: 312-454-0600

with a copy to:

Brad R. Godshall, Esq.
Pachulski, Stang, Ziehl, Young & Jones, P.C.
10100 Santa Monica Boulevard
Suite 1100
Los Angeles, California 90067
Telephone: 310-277-6910
Telecopy: 310-201-0760

(ii) if to Seller,

Bridgeport Machines, Inc.
c/o Goldman Industrial Group, Inc.
462 Boston Street, Unit 1
Topsfield, MA 01983
Attention: Dan Dooley
Telephone: (978) 887-0393
Telecopy: (978) 887-1950

with a copy (which shall not constitute notice) to:

Greenberg Traurig LLP
77 W. Wacker Drive, Suite 2500
Chicago, IL 60601
Attention: Nancy A. Mitchell, Esq.
Telephone: (312) 456-5107
Telecopy: (312) 456-8435

11.02. Amendments and Waivers. (a) Any provision of this Agreement may be amended or waived prior to the Closing Date if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(h) No failure or delay by any party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or

privilege. The rights and remedies provided in this Agreement shall be cumulative and not exclusive of any rights or remedies provided by law.

11.03. Fees and Expenses.

(a) Except as otherwise provided in this Agreement, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense. All transfer taxes, if any, shall be paid by Seller.

(b) Seller shall pay all fees or commissions of any investment banker, broker or finder retained by Seller and approved by the Bankruptcy Court that has acted for Seller in connection with this Agreement or the transactions contemplated by this Agreement.

11.04. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns; *provided* that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other party except that Buyer may assign rights hereunder to any direct or indirect, wholly-owned subsidiary.

11.05. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law rules of such State.

11.06. Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party shall have received a counterpart hereof signed by the other parties.

11.07. Entire Agreement; Third Party Beneficiaries. This Agreement, the Confidentiality Agreement and the documents referred to in this Agreement and therein constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, between the parties with respect to such subject matter. No representation, inducement, promise, understanding, condition or warranty not set forth in this Agreement has been made or relied upon by any party hereto. Neither this Agreement nor any provision of this Agreement is intended to confer upon any Person other than the parties any rights or remedies under this Agreement.

11.08. Bulk Sales Laws. Buyer and Seller each waive compliance by Seller with the provision of the "bulk sales", "bulk transfer" or similar laws of any State.

11.09. Captions. The captions in this Agreement are included for convenience of reference only and shall be ignored in the construction or interpretation of this Agreement.

11.10. Severability. If any provision of this Agreement (or any portion of this Agreement) or the application of any such provision (or any portion thereof) to any Person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other

provision of this Agreement (or the remaining portion thereof) or the application of such provision to any other Persons or circumstances.

11.11. Consent to Jurisdiction. Each party irrevocably submits to the exclusive jurisdiction of (a) the Courts of the State of Delaware, (b) the United States District Court for Delaware, and (c) to the extent applicable, the United States Bankruptcy Court for the District of Delaware for the purposes of any action, suit or other proceeding arising out of or related to this Agreement, or any transaction contemplated by this Agreement but for no other purpose. Each party agrees to commence any action, suit or proceeding relating to this Agreement either in the United States District Court for Delaware or if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the Courts of the State of Delaware or, to the extent applicable, the United States Bankruptcy Court for the District of Delaware. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth above shall be effective service of process for any action, suit or proceeding in Delaware with respect to any matters to which it has submitted to jurisdiction in this Section 11.11. Each party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated by this Agreement in (i) the Courts of the State of Delaware, (ii) the United States District Court for Delaware, or (iii) to the extent applicable, the United States Bankruptcy Court for the District of Delaware, and each party further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

11.12. WAIVER OF JURY TRIAL. EACH OF THE PARTIES IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY OTHER DOCUMENT REFERRED TO IN THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR THEREBY.

11.13. Incorporation by Reference. The Preamble and WHEREAS clauses set forth above and the Schedules and the Exhibit referred to above are incorporated into this Agreement as if the same were fully set forth in this Agreement.

10/26/2002 12:14 FAX 312 456 8433
10/26/2002 17:01 FAX 312 456 8433

GREENBERG TRAURIG
GREENBERG TRAURIG

002
002/002

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed
by their respective authorized officers as of the date first above written.

"Seller":

Bridgeport Machines, Inc.,
a Delaware corporation

By: Richard E. Chinn
Name: Richard E. Chinn
Title: President

"Buyer":

BPT Holdings, Inc.,
a Delaware corporation

By: _____
Name:
Title:

❖ 考法 2

Dr. L. Thomas Gough
Name: L. Thomas Gough
Title: President

TABLE OF CONTENTS

	Page
ARTICLE 1 DEFINITIONS.....	1
1.01. Definitions.....	1
ARTICLE 2 PURCHASE AND SALE.....	8
2.01. Purchase and Sale.....	8
2.02. Excluded Assets.....	8
2.03. Intentionally Omitted.....	9
2.04. Excluded Liabilities.....	9
2.05. Intentionally Omitted.....	10
2.06. Purchase Price.....	10
2.07. Closing.....	11
2.08. Deposit.....	11
ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF SELLER.....	11
3.01 Organization and Standing; Authority.....	11
3.02 Sufficiency of, Title to and Ownership of the Purchased Assets.....	12
3.03 Insurance.....	12
3.04 Intellectual Property.....	12
3.05 Authorized Capital Stock.....	13
3.06 Intentionally Omitted.....	13
3.07 Chapter 11 Proceeding.....	13
3.08 Notice.....	13
3.09 Schedules.....	13
3.10 Intentionally Omitted.....	13
3.11 Organization.....	13
3.12 Intellectual Property.....	14
3.13 Litigation.....	15
3.14 Compliance with Laws.....	15
3.15 Tax and Other Returns and Reports.....	15
3.16 Environmental Matters.....	15
3.17 Accounts Receivable; Collection.....	16

TABLE OF CONTENTS

(continued)

	Page
3.18 Changes in Accounting Method.....	16
3.19 Absence of Undisclosed Liabilities	17
3.20 Employment Agreements; Employee Benefits.....	17
3.21 Assets	17
3.22 No Warranties	17
ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF BUYER.....	17
4.01. Organization and Standing; Authority	17
4.02. No Conflicts; Consents	17
4.03. Actions and Proceedings, etc.	18
4.04. Availability of Funds	18
4.05. Binding Agreement	18
4.06. Brokers and Finders	18
4.07. Payments	18
ARTICLE 5 COVENANTS OF SELLER.....	19
5.01 Conduct of the Business.....	19
5.02 Access to Information	19
5.03. Notices of Certain Events	19
5.04 Existing Insurance Policies	20
5.05 Employment Matters.....	20
5.06 Contracts and Commitments.....	20
ARTICLE 6 COVENANTS OF BUYER.....	20
6.01. Confidentiality	20
6.02. No Additional Representations	20
6.03. Access to Information	21
6.04. Buyer's Cooperation	21
6.05. Post-Closing Issues	21
ARTICLE 7 COVENANTS OF ALL PARTIES	21
7.01. Best Efforts; Further Assurances	21

TABLE OF CONTENTS
(continued)

	Page
7.02. Certain Filings.....	22
7.03. Public Announcements	22
7.04. Post-Closing Access to Books and Records	22
ARTICLE 8 CONDITIONS TO CLOSING.....	22
8.01. Conditions to Buyer's Obligations.....	22
8.02. Conditions to Obligation of Seller	23
8.03. Frustration of Conditions	24
ARTICLE 9 SURVIVAL.....	24
9.01. Survival.....	24
ARTICLE 10 TERMINATION.....	25
10.01. Grounds for Termination	25
10.02. Effect of Termination.....	25
ARTICLE 11 MISCELLANEOUS	25
11.01. Notices	25
11.02. Amendments and Waivers	26
11.03. Fees and Expenses	26
11.04. Successors and Assigns.....	27
11.05. Governing Law	27
11.06. Counterparts; Effectiveness	27
11.07. Entire Agreement; Third Party Beneficiaries	27
11.08. Bulk Sales Laws.....	27
11.09. Captions	27
11.10. Severability	27
11.11. Consent to Jurisdiction.....	27
11.12. WAIVER OF JURY TRIAL.....	28
11.13. Incorporation by Reference.....	28