

10-01-2002

R SHEET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office



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Tab settings

To the Honorable Commission.

102237549

Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION AS AGENT
9-13-02

Individual(s) Association
 General Partnership Limited Partnership
 Corporation
 Other - California national banking association

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

2. Name and address of receiving party(ies):
CEI SYSTEMS, INC.
18705 Madrone Parkway
Morgan Hill, California 95037

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

3. Nature of Conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other - Court Order of U.S. Bankruptcy Court,
Northern District of California, San Jose Division terminating security
interest
Execution Date: June 25, 2002

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

4. Application number(s) or patent number(s) listed below

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

1,268,968

Additional numbers attached? Yes No

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

Name: **GLENN A. GUNDERSEN**
DECHERT
4000 BELL ATLANTIC TOWER
1717 ARCH STREET
PHILADELPHIA, PA. 19103-2793
TEL. NO. (215) 994-2183

6. Total number of applications and registrations involved: 1

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

Enclosed
 Authorized to be charged to deposit account
(Including any underpayment)

8. Deposit account number: 04-0475

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

DO NOT USE THIS SPACE

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

Matthew T. Smith
Name of Person Signing

Matthew T. Smith
Signature

September 12, 2002
Date

Total number of pages including cover sheet, attachments, and document: [28]

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

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REEL: 002591 FRAME: 0115

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A Professional Corporation
2 PATRICK A. MURPHY (S.B. No. 038832)
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2049 Century Park East, Suite 2100
4 Los Angeles, CA 90067
Telephone Number: (310) 788-3700
5 Facsimile Number: (310) 788-3777

6 Counsel for Debtors and
Debtors in Possession
7

8 UNITED STATES BANKRUPTCY COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN JOSE DIVISION

11 In re:
12 CONDOR SYSTEMS, INC., a California
corporation; CEI SYSTEMS, INC., a
13 Delaware corporation,
14 Debtors.
15
16 Tax I.D. Nos. 94-2623793; and
77-0466448
17
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Chapter 11
Jointly Administered for Administrative
Purposes Only
Case Nos. 01-55472-JRG; and
01-55473-JRG
**NOTICE OF ENTRY OF "ORDER
AUTHORIZING AND APPROVING
(1) ASSET PURCHASE AGREEMENT,
(2) SALE OF SUBSTANTIALLY ALL OF
THE DEBTORS' ASSETS FREE AND
CLEAR OF LIENS, CLAIMS, RIGHTS,
AND INTERESTS TO EDO ACQUISITION
IV, INC., (3) ASSUMPTION AND
ASSIGNMENT TO EDO ACQUISITION
IV, INC. OF CERTAIN EXECUTORY
CONTRACTS AND UNEXPIRED LEASES,
AND (4) CERTAIN RELATED RELIEF"**

Date: June 25, 2002
Time: 10:00 a.m.
Place: Courtroom 3020
280 South First Street
San Jose, CA 95113

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27 JULIAN &
ROGERS

28 A PROFESSIONAL CORPORATION

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In re Condor, Case Nos. 01-55472-JRG and 01-55473-JRG
NOTICE OF ENTRY OF "ORDER AUTHORIZING AND
APPROVING ASSET PURCHASE AGREEMENT...."

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TO ALL PARTIES ENTITLED TO RECEIVE NOTICE:

PLEASE TAKE NOTICE THAT, on June 25, 2002, the Court, the Honorable James R. Grube presiding, entered its "Order Authorizing and Approving (1) Asset Purchase Agreement, (2) Sale of Substantially All of the Debtors' Assets Free and Clear of Liens, Claims, Rights, and Interests to EDO Acquisition IV, Inc., (3) Assumption and Assignment to EDO Acquisition IV, Inc. of Certain Executory Contracts and Unexpired Leases, and (4) Certain Related Relief" (the "Order"). A copy of the Order is attached hereto as Exhibit "A."

Dated: June 26 2002

Respectfully submitted,

MURPHY SHENEMAN JULIAN & ROGERS
A Professional Corporation

By 
Eric E. Sagerman
Counsel for Debtors and
Debtors in Possession

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4 Los Angeles, California 90067
Telephone Number: (310) 788-3700
5 Facsimile Number: (310) 788-3777

FILED

JUN 25 2002

CLERK
United States Bankruptcy Court
San Jose, California

6 Counsel for Debtors and Debtors in Possession

7
8 UNITED STATES BANKRUPTCY COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN JOSE DIVISION

11 In re
12 CONDOR SYSTEMS, INC., a California
corporation; CEI SYSTEMS, INC., a
13 Delaware corporation,
14 Debtors.
15 Tax I.D. Nos. 94-2623793; and
16 77-0466448

Chapter 11
Jointly Administered for Administrative
Purposes Only
Case Nos. 01-55472-JRG
01-55473-JRG
**ORDER AUTHORIZING AND
APPROVING (1) ASSET PURCHASE
AGREEMENT, (2) SALE OF
SUBSTANTIALLY ALL OF THE
DEBTORS' ASSETS FREE AND CLEAR
OF LIENS, CLAIMS, RIGHTS, AND
INTERESTS TO EDO ACQUISITION IV,
INC., (3) ASSUMPTION AND
ASSIGNMENT TO EDO ACQUISITION
IV, INC. OF CERTAIN EXECUTORY
CONTRACTS AND UNEXPIRED
LEASES, AND (4) CERTAIN RELATED
RELIEF**
Date: June 25, 2002
Time: 10:00 a.m.
Place: Courtroom 3020
280 S. First Street
San Jose, CA 95113

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In re Condor, Case Nos. 01-55472-JRG and 01-55473-JRG
ORDER AUTHORIZING AND APPROVING ASSET
PURCHASE AGREEMENT

EXHIBIT A

1 This matter having come before the Court on the Motion, dated June 5, 2002
2 (the "Motion")¹ of Condor Systems, Inc. and CEI Systems, Inc., the above-captioned debtors
3 and debtors in possession (collectively, the "Debtors"), for entry of an order authorizing and
4 approving, among other things, (i) the sale (the "Sale") of substantially all of the Debtors'
5 assets free and clear of liens, charges, claims, rights, interests, pledges, security interests,
6 conditional sale agreements or other title retention agreements, leases, tenancies, ground
7 rents, licenses, mortgages, security agreements, covenants, conditions, restrictions, rights-of-
8 way, easements, encroachments, options, judgments or other encumbrances affecting title
9 (including the filing of, or agreement to give, any financing statement under the Uniform
10 Commercial Code of any jurisdiction) (not including Permitted Exceptions, collectively, the
11 "Liens"), to EDO Acquisition IV, Inc. (the "Purchaser"), pursuant to that certain Amended
12 and Restated Asset Purchase Agreement, dated as of May 31, 2002 (including all exhibits and
13 attachments thereto, and as hereafter and heretofore amended, modified and supplemented,
14 the "Purchase Agreement"), among the Debtors, as sellers, and the Purchaser, as purchaser,
15 (ii) the assumption and assignment of certain related contracts and leases, and (iii) notice with
16 respect thereto; and the Court having entered an order on June 4, 2002 (the "Sale Procedures
17 Order") approving, among other things, the proposed notice, sales, and bidding procedures
18 (collectively, the "Sale Procedures") with respect to the Sale, the form of asset purchase
19 agreement for the Sale, and notice of the Sale; and the Debtors, as sellers, having executed the
20 Purchase Agreement with the Purchaser, as purchaser, appended hereto as Exhibit A; and the
21 Purchaser having been determined by the Debtors to have submitted the highest and/or
22 otherwise best bid for the Purchased Assets set forth in Section 2.1 of the Purchase
23 Agreement, and the parties having adequately and properly disclosed in the Motion (i) that,
24 pursuant to Section 6.1(h) of the Purchase Agreement, the Purchaser intends to enter into
25 certain agreements with the individuals listed on Schedule 6.1(h) thereto and (ii) the
26 substance of such agreements; and a hearing to consider the relief requested in the Motion
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28 ¹ All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion or the Purchase Agreement (as defined below), as applicable.

1 having been held on June 25, 2002 (the "Sale Hearing"); and adequate and sufficient notice
2 (including via publication in the Wall Street Journal on or about June 6, 2002) of (a) the Sale
3 Procedures, (b) the proposed Purchase Agreement (and all transactions contemplated
4 thereunder and in this Order, including, but not limited to, the Sale of the Purchased Assets
5 and the assignment of the Assigned Leases, Assigned Contracts, and all other Assigned
6 Documents to the Purchaser (collectively, the "Transactions")), (c) the possibility of an
7 Auction, and (d) the Sale Hearing having been given to all parties-in-interest in these cases as
8 shown on the proofs of service on file with the Court; and all interested parties having been
9 afforded an opportunity to be heard with respect to the Motion and all relief related thereto;
10 and the Court having reviewed and considered (i) the Motion, (ii) the objections thereto, if
11 any, and (iii) the arguments of counsel made, and the evidence proffered or adduced, at or
12 before the Sale Hearing; and it appearing that the relief requested in the Motion, including,
13 but not limited to, the approval of the (i) Sale of the Purchased Assets and (ii) the assumption
14 and assignment of the Assigned Leases, Assigned Contracts, and all other Assigned
15 Documents to the Purchaser, is in the best interests of the Debtors, their estates, creditors, and
16 other parties-in-interest herein; and based on the Motion, the statements of counsel, the record
17 of the Sale Hearing, and the record in these cases, the Court having determined and concluded
18 as follows, it is hereby

19 FOUND AND DETERMINED THAT:²

20 A. The court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157
21 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue
22 of these cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

23 B. The statutory predicates for the relief sought in the Motion are
24 sections 363(b), (f), (m), and (n), 365, and 1146(c) of the United States Bankruptcy Code, 11
25 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"), and Rules 2002, 6004, 6006, and
26 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

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28 ² Findings of fact shall be construed as conclusions of law and conclusions of law shall
be construed as findings of fact when appropriate.

In re Condor, Case Nos. 01-55473-JRG and 01-55473-JRG
ORDER AUTHORIZING AND APPROVING ASSET
PURCHASE AGREEMENT

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1 C. The Sale Procedures Order has become a final and non-appealable
2 Order. Due, proper, timely, adequate, and sufficient notice of the Sale Procedures and sale
3 under sections 363(b) and (f) of the Bankruptcy Code has been given in accordance with
4 Bankruptcy Rules 2002 and 6004, as modified by the Sales Procedures Order. No other or
5 further notice of the Sale Procedures is or shall be required.

6 D As evidenced by the affidavits of service and publication filed with this
7 Court, and based on representations of counsel at the Sale Hearing, (i) due, proper, timely,
8 adequate, and sufficient notice of the Motion, the possibility of an Auction, the Sale Hearing,
9 and the Transactions, including, without limitation, the Sale of the Purchased Assets and the
10 assumption and assignment of the Assigned Leases, Assigned Contracts, and all other
11 Assigned Documents has been provided in accordance with sections 102(1), 105, 363, and
12 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, and 9014 and in
13 compliance with the Sale Procedures Order, (ii) such notice was good, sufficient, and
14 appropriate under the particular circumstances, and (iii) no other or further notice of the
15 Motion, the Sale Hearing, the possibility of an Auction, or the Transactions, including,
16 without limitation, the Sale of the Purchased Assets and the assumption and assignment of the
17 Assigned Leases, Assigned Contracts, and all other Assigned Documents, is or shall be
18 required.

19 E. A reasonable opportunity to object or be heard with respect to the
20 Transactions, the Motion, and the relief requested therein (including, without limitation, the
21 Sale of the Purchased Assets and the assumption and assignment of the Assigned Leases,
22 Assigned Contracts, and all other Assigned Documents) has been afforded to: (a) all creditors
23 in these cases, including without limitation, all secured creditors of record and any other
24 parties of record asserting Liens in any of the Purchased Assets; (b) counsel to, and financial
25 advisors for, the Committee; (c) any party to an Assigned Contract or Assigned Lease that is
26 the subject of the Purchase Agreement or such party's counsel; (d) the Office of the United
27 States Trustee; (e) any party listed on a special notice list authorized by any case management
28 order entered in these cases; (f) the Internal Revenue Service and any other taxing authorities

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1 asserting Liens in the Purchased Assets; (g) necessary parties to governmental approvals or
2 permits; (h) all federal, state, and local regulatory or taxing authorities or recording offices
3 that have a reasonably known interest in the relief requested in the Motion; (i) other potential
4 purchasers known to the Debtors to have expressed an interest in acquiring the Purchased
5 Assets; and (j) the Office of the United States Attorney, the Securities Exchange Commission,
6 and the Pension Benefit Guaranty Corporation.

7 F. As demonstrated by (i) the testimony and other evidence proffered or
8 adduced at or prior to the Sale Hearing and (ii) the representations of counsel made on the
9 record at the Sale Hearing, the Debtors and their professionals have (i) explored the potential
10 of a sale with all entities expressing an interest in purchasing the Purchased Assets and the
11 Assigned Leases, Assigned Contracts, and all other Assigned Documents and (ii) conducted
12 the sale process with respect thereto in compliance with the Sale Procedures and the Sale
13 Procedures Order.

14 G. The Debtors have represented, subject to the terms of the Purchase
15 Agreement, that each of the Debtors (i) has full corporate power and authority to execute the
16 Purchase Agreement and all other documents contemplated thereby, and the Sale of the
17 Purchased Assets, the assignment of the Assigned Leases, Assigned Contracts, and all other
18 Assigned Documents by the Debtors, and all of the other Transactions have been duly and
19 validly authorized by all necessary corporate action of each of the Debtors, (ii) has all of the
20 corporate power and authority necessary to consummate the Transactions, (iii) has taken all
21 corporate action necessary to authorize and approve the Purchase Agreement and all other
22 documents contemplated thereby and the consummation by the Debtors of the Transactions,
23 and (iv) other than the consent of this Court, and subject to and except as set forth in the
24 Purchase Agreement or as otherwise required by 11 U.S.C. § 365, no consents or approvals
25 are required for the Debtors or Purchaser to consummate the Transactions.

26 H. The relief requested in the Motion (including, without limitation, the
27 approval of the Purchase Agreement, the Sale pursuant to sections 363(b) and (f) of the
28 Bankruptcy Code, and the other Transactions) is an appropriate step toward enabling the

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1 Debtors to successfully prosecute these Chapter 11 cases and is in the best interests of the
2 Debtors, their creditors, their estates, and all other parties-in-interest in these cases.

3 I. The Sale to the Purchaser and the consummation of the other
4 Transactions will further the Debtors' ability to confirm and consummate a Chapter 11 Plan
5 ("Plan"). The Sale is a sale in contemplation of such a Plan and, accordingly, upon
6 confirmation of a Plan, shall be a transfer pursuant to section 1146(c) of the Bankruptcy
7 Code, which shall not be taxed under any law imposing a stamp tax or similar tax.

8 J. The Debtors have demonstrated and proven to the satisfaction of this
9 Court a good, sufficient, and sound business purpose and justification for the Sale and other
10 Transactions contemplated by the Purchase Agreement and this Order, pursuant to
11 section 363(b) of the Bankruptcy Code. The relief requested in the Motion (including,
12 without limitation, the approval of the Purchase Agreement, the Sale, and the other
13 Transactions) at this time outside of a Plan is further justified by the compelling
14 circumstances described in the Motion. Accordingly, the entry of this Order and the approval
15 of (a) the Sale of the Purchased Assets and the (b) assumption and assignment of the
16 Assigned Leases, Assigned Contracts, and all other Assigned Documents to the Purchaser
17 under the Purchase Agreement, pursuant to sections 363(b), 363(f), and 365 of the
18 Bankruptcy Code, are necessary and appropriate to maximize the value of the Debtors'
19 estates.

20 K. The Purchaser is not an "insider" of any of the Debtors, as that term is
21 defined in section 101 of the Bankruptcy Code, and is unrelated to the Debtors. The sale
22 price under the Purchase Agreement was not controlled by an agreement between potential or
23 actual bidders within the meaning of section 363(n) of the Bankruptcy Code. The Purchase
24 Agreement was negotiated, proposed, and entered into by the Debtors and the Purchaser
25 without collusion, in good faith, and from arm's-length bargaining positions. Neither the
26 Debtors nor the Purchaser have engaged in any conduct that would cause or permit the
27 Purchase Agreement or any part of the Transactions to be avoided under section 363(n) of the
28 Bankruptcy Code.

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1 L. The Purchaser is a good faith purchaser under section 363(m) of the
2 Bankruptcy Code and, as such, is entitled to all of the protections afforded thereby.
3 The Purchaser will be acting in good faith within the meaning of section 363(m) of the
4 Bankruptcy Code in closing the Transactions.

5 M. Due, proper, timely, adequate, and sufficient notice of the agreements
6 referred to in Section 6.1(h) of the Purchase Agreement between the Purchaser and the
7 members of senior management listed on Schedule 6.1(h) thereto has been given, such that no
8 other or further notice is or shall be required.

9 N. Prompt approval and consummation of the Purchase Agreement and
10 Transactions will preserve the value of the Business.

11 O. Through a competitive sale process, including seeking higher and better
12 offers for the Purchased Assets and the Assigned Leases, Assigned Contracts, and all other
13 Assigned Documents through notice of the Motion, the possibility of an Auction, and
14 pursuant to the overbid procedures set forth in the Sale Procedures Order, the Debtors and
15 their professionals afforded interested potential purchasers a full, fair, and reasonable
16 opportunity to make a higher and better offer to purchase the Purchased Assets and the
17 Assigned Leases, Assigned Contracts, and all other Assigned Documents.

18 P. The Debtors have, to the extent necessary, satisfied the requirements of
19 sections 365(b)(1) and 365(f) of the Bankruptcy Code in connection with the sale,
20 assumption, and assignment of the Assigned Leases, Assigned Contracts, and all other
21 Assigned Documents.

22 Q. The aggregate consideration provided by the Purchaser for the
23 Purchased Assets pursuant to the Purchase Agreement and the assignment of the Assigned
24 Leases, Assigned Contracts, and all other Assigned Documents thereunder (i) is fair and
25 reasonable, (ii) is the highest and best offer for the Purchased Assets and the Assigned
26 Leases, Assigned Contracts, and all other Assigned Documents, (iii) will provide the greatest
27 recovery for the Debtors' creditors as among all known available alternatives, and
28 (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code

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1 and under the laws of the United States, any state, territory, possession thereof, or the District
2 of Columbia. The terms and conditions of the Purchase Agreement are also fair and
3 reasonable.

4 R. Each entity with a Lien in the Purchased Assets, the Assigned Leases,
5 Assigned Contracts, and all other Assigned Documents has consented to its sale and/or
6 assignment (as applicable), is deemed to have consented to its sale and/or assignment (as
7 applicable), or could be compelled in a legal or equitable proceeding to accept a money
8 satisfaction of such Lien, or the Sale otherwise satisfies the requirements of section 363(f) of
9 the Bankruptcy Code. Therefore, the Debtors may sell the Purchased Assets and assign the
10 Assigned Leases, Assigned Contracts, and all other Assigned Documents free and clear of all
11 Liens of any kind or nature whatsoever because, in each case, one or more of the standards set
12 forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Those non-debtor
13 parties with Liens in the Purchased Assets who did not object, or who withdrew their
14 objections, to the Purchase Agreement or the Motion are deemed to have consented to such
15 sale pursuant to sections 363(f)(2) and 365 of the Bankruptcy Code. Those non-debtor parties
16 with claims or interests in the Purchased Assets who initially objected to the Motion have
17 consented to the Sale.

18 S. The Purchaser represents that it would not have entered into the
19 Purchase Agreement and would not consummate the Transactions, if the Sale of the
20 Purchased Assets and the assignment of the Assigned Leases, Assigned Contracts, and all
21 other Assigned Documents to the Purchaser were not free and clear of all Liens of any kind or
22 nature whatsoever, or if the Purchaser would, or in the future could, be liable for any of the
23 Liens, including, without limitation, the Retained Liabilities.

24 T. The Debtors have demonstrated that it is an exercise of their sound
25 business judgment to assume and assign the Assigned Leases, Assigned Contracts, and all
26 other Assigned Documents to the Purchaser in connection with the consummation of the
27 Transactions, and the assumption and assignment of the Assigned Leases, Assigned
28 Contracts, and all other Assigned Documents to the Purchaser is in the best interests of the

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1 Debtors, their estates, and their creditors. The Assigned Leases, Assigned Contracts, and all
2 other Assigned Documents being assigned to the Purchaser are an integral part of the
3 Purchased Assets purchased by the Purchaser and, accordingly, the assumption and
4 assignment of the Assigned Leases, Assigned Contracts, and all other Assigned Documents to
5 the Purchaser is reasonable, enhances the value of the Debtors' estates, and does not
6 constitute unfair discrimination.

7 U. As set forth in the Purchase Agreement, the Debtors and the Purchaser
8 have (i) cured, or have provided adequate assurance of cure, of defaults existing prior to the
9 date hereof under each executory contract or unexpired lease included in the Assigned Leases,
10 Assigned Contracts, and all other Assigned Documents, to the extent required by
11 section 365(b)(1)(A) of the Bankruptcy Code, (ii) provided compensation or adequate
12 assurance of compensation to any party for any actual pecuniary loss to such party resulting
13 from a default prior to the date hereof under any of the executory contracts or unexpired
14 leases included in the Assigned Leases, Assigned Contracts, and all other Assigned
15 Documents, to the extent required by section 365(b)(1)(B) of the Bankruptcy Code, and
16 (iii) have provided adequate assurance of the Purchaser's future performance of and under the
17 executory contracts and unexpired leases included in the Assigned Leases. Assigned
18 Contracts, and all other Assigned Documents, to the extent required by sections 365(b)(1)(C)
19 and 365(f)(2)(B) of the Bankruptcy Code.

20 V. Time is of the essence in closing the Transactions, and the Debtors and
21 the Purchaser intend to close the Sale and other Transactions as soon as possible.

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

24 General Provisions

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- 25 1 The Motion is GRANTED.
26 2. All objections to the entry of this Order or the relief provided herein and
27 in the Motion have, as far as the Court is aware, been withdrawn, waived, or settled, and to
28

1 the extent that any other objections remain, such objections are hereby denied and overruled
2 on the merits with prejudice.

3 Approval of the Purchase Agreement

4 3 The Purchase Agreement, and all of the terms and conditions thereof,
5 the Sale, and all other Transactions are hereby approved in all respects.

6 4. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors
7 (including, but not limited to, their respective officers, employees, and agents) are authorized
8 to consummate the Transactions pursuant to, and in accordance with, the terms and conditions
9 of the Purchase Agreement. Without limiting the generality of the foregoing, the Purchaser
10 shall pay to the Debtors' estate all amounts due under the Purchase Agreement as, when, and
11 to the extent due, including the Purchase Price, and the Debtors shall convey the Purchased
12 Assets to the Purchaser. The Debtors shall hold the net proceeds of the Sale in a segregated
13 account pending further Order or Orders of the Court in accordance with the investment
14 policy approved by the Court by Order entered on November 30, 2001; provided, the Debtors
15 shall be permitted to use unencumbered funds (i) to pay expenses of administration and wind-
16 down, including professional fees, and (ii) to perform in accordance with the Purchase
17 Agreement, including the making of Cure Payments to the extent required thereunder.

18 5. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors
19 (including, but not limited to, their respective officers, employees, and agents) are further
20 authorized to execute and deliver, and empowered to perform under, consummate, and
21 implement the Purchase Agreement, together with all additional instruments and documents
22 that may be reasonable to implement the Purchase Agreement, and to take all further actions
23 as may be reasonable to the performance of the obligations and to implement more effectively
24 the Transactions as contemplated by the Purchase Agreement.

25 Transfer of the Purchased Assets

26 6. Pursuant to section 363(f) of the Bankruptcy Code, the Purchased
27 Assets (and good, clear, and marketable title thereto) shall be transferred, conveyed, and
28 assigned to the Purchaser upon consummation of the Transactions (the "Closing") as set forth

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1 in the Purchase Agreement free and clear of all Liens, other than the Assumed Liabilities,
2 with all such Liens to attach to the net cash proceeds of the Sale to the same extent and with
3 the same validity, force, effect and priority that such Liens attached to the Purchased Assets,
4 subject to any claims and defenses the Debtors may possess with respect thereto. Without in
5 any way limiting the generality of the foregoing but subject to the limitations thereof, other
6 than as set forth in the Purchase Agreement with respect to the Assumed Liabilities and the
7 Permitted Exceptions, the Purchased Assets and the Assigned Leases, Assigned Contracts,
8 and all other Assigned Documents transferred under the Purchase Agreement shall be, to the
9 fullest extent permissible by law, transferred, conveyed, and assigned to the Purchaser free
10 and clear of any and all claims, liens, pledges, offsets, set-offs, recoupments, charges,
11 product, environmental, tax, and other liabilities (whether secured or unsecured, contingent,
12 or absolute, liquidated or unliquidated, perfected or unperfected, choate or inchoate, filed or
13 unfiled, scheduled or unscheduled, recorded or unrecorded), taxes, security interests,
14 mortgages, restrictions, indentures, loans, credit agreements, other agreements, instruments,
15 contracts, judgments, and orders of any court or governmental department, commission,
16 board, agency, or instrumentality, domestic or foreign, and any actions and proceedings of
17 any kind or nature, and any claim by any person or entity asserting any rights or interests
18 except as specifically reserved within the Purchase Agreement.

19 7. *Except as expressly permitted or otherwise specifically provided by the*
20 *Purchase Agreement or this Order, including the provisions hereof providing for the*
21 *attachment of Liens to the proceeds of the Sale, all persons and entities, including, but not*
22 *limited to, all debt security holders, equity security holders, federal, state, or local*
23 *governmental, tax, environmental, and regulatory authorities or agencies, lenders, trade, and*
24 *other creditors, holding Liens of any kind or nature whatsoever against or in the Debtors, the*
25 *Purchased Assets, the Assigned Leases, Assigned Contracts, or any and all other Assigned*
26 *Documents (whether legal or equitable, secured or unsecured, matured or unmatured,*
27 *contingent or non-contingent, senior or subordinated), arising under or out of, in connection*
28 *with, or in any way relating to, the Debtors, the Purchased Assets, the Assigned Leases,*

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1 *Assigned Contracts, all other Assigned Documents, the Retained Liabilities, the operation of*
2 *the Business prior to the Closing Date, or the transfer of the Purchased Assets or the*
3 *Assigned Leases, Assigned Contracts, and all other Assigned Documents to the Purchaser,*
4 *excluding in all cases Liens with respect to Excluded Assets (including the proceeds of the*
5 *Sale), hereby are forever barred, estopped, and permanently enjoined from asserting against*
6 *the Purchaser, its successors or assigns, property, or assets, such persons' or entities'*
7 *respective Liens. No such persons or entities shall assert against the Purchaser or its*
8 *successors in interest any liability, debt, claim, or obligation relating to, or arising from, the*
9 *ownership or operation of the Purchased Assets or any liabilities calculable by reference to*
10 *the Debtors or the Debtors' assets or operations.*

11 8. The transfer of the Purchased Assets and the Assigned Leases, Assigned
12 Contracts, and all other Assigned Documents to the Purchaser pursuant to the Purchase
13 Agreement constitutes a legal, valid, and effective transfer, assignment, and conveyance of
14 such assets, leases, contracts, and documents, and shall, to the fullest extent permissible by
15 law, vest the Purchaser with all right, title (which title shall be good, clear, and marketable),
16 and interest of the Debtors in and to such assets, leases, contracts, and documents free and
17 clear of all Liens of any kind or nature whatsoever. Without limiting the generality of the
18 foregoing, but subject to the limitations thereof and to the terms of the Purchase Agreement,
19 the Debtors shall transfer to the Purchaser all licenses and Permits and any other Assigned
20 Document held by each Debtor or issued or granted by any Authority or any other Person
21 with respect to the operation of the Business or the use or ownership of any of the Purchased
22 Assets, and all Persons and Authorities shall, to the fullest extent permissible by law, honor
23 such transfers.

24 9. Upon confirmation of a Plan, the transfer of the Purchased Assets, the
25 Assigned Leases, Assigned Contracts, and all other Assigned Documents pursuant to the
26 Transactions is a transfer pursuant to section 1146(c) of the Bankruptcy Code, and
27 accordingly shall not be taxed under any federal, state, local municipal, or other law
28 imposing, or claiming to impose, a stamp tax or a sale, transfer, or any other similar tax on

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PATENTED CORPORATION

In re Condor, Case Nos. 01-55472-JRG and 01-55473-JRG
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1 any of the Debtors' transfers or sales of real estate, personal property, or other assets owned
2 by it. Pending confirmation of a Plan, the Debtors shall hold in a segregated account the
3 amount of such taxes, which funds shall be released to the Debtors' estates upon entry of an
4 Order confirming a Plan.

5 Assumption and Assignment to the Purchaser of the Assigned
6 Leases, Assigned Contracts, and the other Assigned Documents

7 10. Pursuant to section 365 of the Bankruptcy Code, and subject to, and
8 conditioned upon, the Closing, the Debtors' assumption and/or assignment to the Purchaser,
9 and the Purchaser's assumption on the terms set forth in the Purchase Agreement, of the
10 Assigned Leases, Assigned Contracts, and all other Assigned Documents, is hereby approved,
11 and the requirements of section 365(b)(1) of the Bankruptcy Code with respect thereto are
12 hereby deemed satisfied to the extent such section is applicable.

13 11. The Debtors are hereby authorized in accordance with section 365 of the
14 Bankruptcy Code to (a) assume and/or assign to the Purchaser, subject to and effective upon
15 the Closing, the Assigned Leases, Assigned Contracts, and all other Assigned Documents free
16 and clear (to the fullest extent permissible by law) of all Liens, and (b) as set forth in the
17 Purchase Agreement, execute and deliver to the Purchaser such documents or other
18 instruments and take all further actions as may be necessary or appropriate to assign and
19 transfer the Assigned Leases, Assigned Contracts, and all other Assigned Documents to the
20 Purchaser.

21 12. The Assigned Leases, Assigned Contracts, and all other Assigned
22 Documents shall be transferred to, and remain in full force and effect for the benefit of, the
23 Purchaser in accordance with their respective terms, notwithstanding any provision in any
24 such Assigned Lease, Assigned Contract, or other Assigned Document (including those of the
25 type described in sections 365(b)(2) and (f)(1) of the Bankruptcy Code) that prohibits,
26 precludes, restricts, or conditions such assignment or transfer.

27 13. All defaults or other obligations of the Debtors under any executory
28 contract or unexpired lease included in the Assigned Lease, Assigned Contract, or other

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1 Assigned Document arising or accruing prior to the date of this Order (without giving effect
2 to any acceleration clauses or any default provisions of the kind specified in section 365(b)(2)
3 of the Bankruptcy Code) shall be deemed cured by the Debtors upon payment by the Debtors
4 (or by the Purchaser, to the extent set forth in the Purchase Agreement) by or at the Closing of
5 the Transactions or as soon thereafter as practicable of the required cure amounts with respect
6 to those Assigned Leases, Assigned Contracts, and other Assigned Documents (the "Cure
7 Amounts") as set forth in the schedule attached to the "Declaration of Frederic Bassett..."
8 dated June 5, 2002, and the Purchaser shall have no other liability or obligation arising or
9 accruing prior to the Closing Date, except as otherwise expressly provided in the Purchase
10 Agreement.

11 14. *Except for the Debtors' obligation, if any, to pay the Cure Amounts*
12 *(other than as may be set forth in the Purchase Agreement), and without limiting the*
13 *provisions hereof providing for the attachment of Liens to the proceeds of the Sale, each non-*
14 *debtor party to an Assigned Lease, Assigned Contract, or other Assigned Document is forever*
15 *barred, precluded, estopped, and permanently enjoined from asserting against the Debtors or*
16 *the Purchaser, or the property of any of them, any default existing as of the date of the Sale*
17 *Hearing; or, against the Purchaser, any counterclaim, defense, setoff, or any other claim*
18 *asserted or assertable against the Debtors.*

19 15. Any provision in any Assigned Lease, Assigned Contract, other
20 Assigned Document, or any other agreement to which any of the Debtors is a party that
21 purports to declare a breach or default as a result of a change in control of the Business or
22 requires the consent of a non-Debtor party is hereby deemed unenforceable under section
23 365(f) of the Bankruptcy Code, and all such Assigned Leases, Assigned Contracts, other
24 Assigned Documents, and other agreements shall remain in full force and effect and shall be
25 valid, binding, and enforceable upon all non-debtor parties thereto to the same extent they
26 were prior to the transfer thereof by the applicable Debtors.

27 16. The failure of the Debtors or the Purchaser to enforce at any time one or
28 more terms or conditions of any Assigned Lease, Assigned Contract, or other Assigned

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MEMORANDUM

1 Document shall not be a waiver of (i) such terms or conditions or (ii) the Debtors' and the
2 Purchaser's rights to enforce every term and condition of such Assigned Leases, Assigned
3 Contracts, and other Assigned Documents.

4 17. On or prior to the Closing Date, Purchaser shall, with respect to each of
5 the Existing LC's set forth on Schedule 2.12(b)(vii) of the Purchase Agreement, either
6 (a) cause each such Existing LC to be released and returned to the issuing bank thereof (in
7 each case, the "Issuing Bank") with a copy to Debtors, or (b) deliver to the relevant Issuing
8 Bank a standby letter of credit issued by Mellon Bank, N.A. (or another bank reasonably
9 acceptable to such Issuing Bank) in form and substance reasonably acceptable to such Issuing
10 Bank, naming such Issuing Bank as the beneficiary thereunder (each, a "Back-to-Back LC").
11 Each Back-to-Back LC (x) shall be in an amount equal to 105% (or such lesser percentage as
12 the relevant Issuing Bank and Purchaser may otherwise agree) of the amount of the
13 Existing LC for which such Back-to-Back LC is being delivered, (y) shall expire no less than
14 one (1) month after the end of the term of such Existing LC and (z) shall otherwise have
15 substantially the same terms as such Existing LC. With respect to each Existing LC set forth
16 on Schedule 2.12(b)(vii) that is not released and returned to the relevant Issuing Bank in
17 accordance with clause (a) above, Purchaser shall pay all fees and expenses necessary to keep
18 in effect such Existing LC after the Closing Date until such time as such Existing LC is
19 released and returned to the relevant Issuing Bank or expires pursuant to its terms.

20 **Additional Provisions**

21 18. The aggregate consideration provided by the Purchaser for the
22 Purchased Assets pursuant to the Purchase Agreement and the assignment of the Assigned
23 Leases, Assigned Contracts, and all other Assigned Documents thereunder (i) is fair and
24 reasonable and (ii) shall be deemed to constitute reasonably equivalent value and fair
25 consideration under the Bankruptcy Code and under the laws of the United States, any state,
26 territory, possession thereof, or the District of Columbia. The terms and conditions of the
27 Purchase Agreement are also fair and reasonable, and may not be avoided under
28 section 363(n) of the Bankruptcy Code.

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1 19. On the Closing Date of the Transactions, each of the Debtors' creditors
2 is authorized and directed to execute such documents and take all other actions as may be
3 necessary to release its Liens in the Purchased Assets and the Assigned Leases, Assigned
4 Contracts, and all other Assigned Documents, if any, as such Liens may have been recorded
5 or may otherwise exist, subject to the attachment of such Liens to the proceeds of the Sale as
6 provided herein.

7 20 This Order shall, to the fullest extent permissible by law, (a) be
8 effective as a determination that, on the Closing Date, all Liens existing with respect to the
9 Debtors, the Purchased Assets, the Assigned Leases, the Assigned Contracts, or any other
10 Assigned Documents prior to the Closing (other than Liens with respect to Excluded Assets
11 (including the proceeds of the Sale)) have been unconditionally released, discharged, and
12 terminated (other than the Assumed Liabilities), and that the conveyances described herein
13 have been effected, and (b) be binding upon and shall govern the acts of all entities who may
14 be required by operation of law, the duties of their office, or contract, to accept, file, register
15 or otherwise record or release any documents or instruments, or who may be required to
16 report or insure any title or state of title in or to any of such assets, leases, contracts, or
17 documents.

18 21. Each and every federal, state, and local governmental agency or
19 department is, to the fullest extent permissible by law, hereby directed to accept any and all
20 documents and instruments necessary and appropriate to consummate the transactions
21 contemplated by the Purchase Agreement (including, but not limited to, with respect to the
22 Sale of the Purchased Assets, the transfer of all permits and Licenses, and the assignment of
23 the Assigned Leases, Assigned Contracts, and all other Assigned Documents).

24 22 If any person or entity that has filed financing statements, mortgages,
25 mechanic's liens, *lis pendens*, or other documents or agreements evidencing Liens with
26 respect to the Debtors, the Purchased Assets, the Assigned Leases, the Assigned Contracts, or
27 any other Assigned Documents (other than Liens with respect to Excluded Assets (including
28 the proceeds of the Sale)) shall not have delivered to the Debtors and the Purchaser prior to

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1 the Closing Date, in proper form for filing and executed by the appropriate parties,
2 termination statements, instruments of satisfaction, releases of all such Liens which the
3 person or entity has with respect to the Debtors, the Purchased Assets, the Assigned Leases,
4 Assigned Contracts, all other Assigned Documents, or otherwise, then (a) the Debtors and
5 Purchaser are each hereby authorized to execute and file such statements, instruments,
6 releases, and other documents on behalf of the person or entity with respect to such assets,
7 leases, and contracts and (b) the Debtors and Purchaser are each hereby authorized to file,
8 register, or otherwise record a certified copy of this Order, which, once filed, registered, or
9 otherwise recorded, shall constitute conclusive evidence of the release of all such Liens in the
10 Purchased Assets, the Assigned Leases, the Assigned Contracts, and/or all other Assigned
11 Documents of any kind or nature whatsoever (subject in all cases to the attachment of all such
12 Liens to the proceeds of the Sale as provided herein).

13 23. All entities who are presently, or on the Closing Date may be, in
14 possession of some or all of the Purchased Assets are hereby directed to surrender possession
15 of the Purchased Assets either to (a) the Debtors prior to the Closing Date, for subsequent
16 transfer to the Purchaser on the Closing Date, or (b) to the Purchaser on the Closing Date.

17 24. Except for the Assumed Liabilities or as otherwise provided in the
18 Purchase Agreement, the Purchaser is not assuming any liabilities, debts, or obligations of the
19 Debtors or any liabilities, debts, or obligations in any way whatsoever relating to or arising
20 from the Debtors' ownership or operation of the Purchased Assets, the Assigned Leases, the
21 Assigned Contracts, or the other Assigned Documents to the Closing Date or any liabilities
22 calculable by reference to the Debtors or their assets or operations, or relating to continuing
23 conditions existing on or prior to the Closing Date, without regard to whether the claimant
24 asserting any such liabilities, debts, or obligations has delivered to the Purchaser a release
25 thereof. Without limiting the generality of the foregoing, and except as otherwise specifically
26 provided herein or in the Purchase Agreement, the Purchaser is not intentionally or knowingly
27 assuming any liability of any Debtor, or any predecessors or Affiliate of any Debtor, and any
28 of their respective representatives or any claim against any and all of the foregoing, whether

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1 matured or unmatured, known or unknown, contingent or absolute, direct or indirect,
2 whensoever incurred, whether or not related to the Business, and the Purchaser shall not
3 assume (1) any liabilities on account of any taxes arising, accruing, or payable under, out of,
4 in connection with, or in any way relating to the operation of the Business prior to the Closing
5 Date (including, without limitation, any liabilities arising under or with respect to any tax
6 statutes or ordinances including, without limitation, the Internal Revenue Code of 1986, as
7 amended) and (2) any environmental liabilities, including, without limitation, debts, claims,
8 or obligations arising from conditions first existing on or prior to Closing (including, without
9 limitation, the presence of hazardous, toxic, polluting, or contaminating substances or wastes)
10 that may be asserted on any basis, including, without limitation, under the Comprehensive
11 Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq.;
12 liabilities in respect of labor matters, including, without limitation, any obligations which
13 might otherwise arise or, pursuant to, the Employee Retirement Income Security Act of 1974,
14 as amended, the Fair Labor Standards Act, Title VII of Civil Rights Act of 1964, the Age
15 Discrimination and Employment Act of 1967, the Federal Rehabilitation Act of 1973, the
16 Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101, et seq., the National
17 Labor Relations Act, or the Consolidated Omnibus Budget Reconciliation Act of 1985,
18 workers' compensation, occupational disease, retirement health benefit or unemployment or
19 temporary disability insurance claims; any bulk sales or similar law; and any products
20 liability or similar claims whether pursuant to any state or any federal laws or otherwise.
21 Further without limiting the generality of the foregoing, except as expressly provided in the
22 Purchase Agreement, (A) the Purchaser shall have no obligation to pay wages, bonuses,
23 severance pay, benefits (including, without limitation, unemployment benefits and
24 contributions or payments on account of any undertaking with respect to any and all pension
25 plans) or any other payment to employees of Debtors, (B) the Purchaser shall have no
26 obligation for the cessation of any of the Debtors' operations, dismissal by the Debtors of
27 employees, or termination by the Debtors of employment or labor agreements, (C) the
28 Purchaser shall have no liability with respect to any collective bargaining agreement,

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1 employee pension plan, employee welfare or retention, compensation, benefit and/or
2 incentive plan, agreements, practices, or program to which any of the Debtors are a party
3 (including, without limitation, arising from or related to the rejection or termination of any
4 such agreement), (D) the Purchaser shall in no way be deemed a party to or assignee of any
5 such agreement, plan, practice, or program, and (E) no employee of the Purchaser shall be
6 deemed in any way covered by a party to any such agreement, practice, plan, or program.
7 The recitation in this paragraph of the Order of specific agreements, plans, programs, statutes,
8 or any other potential source of liability, is not intended, and shall not be construed, to limit
9 the generality of the categories of liabilities, debts, claims, or obligations referred to therein.

10 25. The Purchaser shall not thereby be deemed a successor of or to the
11 Debtors for any Lien against or in the Debtors, the Purchased Assets, the Business, the
12 Retained Liabilities, the Assigned Leases, Assigned Contracts, or the other Assigned
13 Documents of any kind or nature whatsoever. Except for the Assumed Liabilities, the sale,
14 transfer, assignment, and delivery of the Purchased Assets, the Assigned Leases, Assigned
15 Contracts, and all other Assigned Documents shall not be subject to any Liens, and Liens of
16 any kind or nature whatsoever shall remain with, and continue to be obligations of, the
17 Debtors. *Except for persons holding Assumed Liabilities, or as otherwise provided in the*
18 *Purchase Agreement or herein (including the provisions hereof providing for the attachment*
19 *of Liens to the proceeds of the Sale), all persons holding Liens against or in the Debtors, the*
20 *Purchased Assets, the Assigned Leases, the Assigned Contracts, or the other Assigned*
21 *Documents of any kind or nature whatsoever (including, but not limited to, the Debtors*
22 *and/or their respective successors, including any trustee, creditors, employees, unions,*
23 *former employees and shareholders, administrative agencies, governmental units, secretaries*
24 *of state, federal, state, and local officials, including those maintaining any authority relating*
25 *to any environmental, health and safety laws, and the successors and assigns of each of the*
26 *foregoing) shall be, and hereby are, forever barred, banned, estopped, and permanently*
27 *enjoined from asserting, prosecuting, or otherwise pursuing such Liens of any kind or nature*
28 *whatsoever against the Purchaser, its property, its successors and assigns, the Purchased*

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1 *Assets, the Assigned Leases, the Assigned Contracts, or the other Assigned Documents, as an*
2 *alleged successor or otherwise, with respect to any Lien of any kind or nature whatsoever*
3 *such person or entity had, has, or may have against or in the Debtors, their estates, officers,*
4 *directors, shareholders, the Purchased Assets, the Assigned Leases, the Assigned Contracts,*
5 *or the other Assigned Documents. Following the Closing Date, except as provided in the*
6 *Purchase Agreement, no holder of a Lien in the Debtors, the Purchased Assets, the Assigned*
7 *Leases, the Assigned Contracts, or the other Assigned Documents shall interfere with the*
8 *Purchaser's title to, or use and enjoyment of, the Purchased Assets, the Assigned Leases, the*
9 *Assigned Contracts, or the other Assigned Documents based on or related to any Lien, or any*
10 *actions that the Debtors may take in their chapter 11 cases.*

11 26. Any amounts that become payable by the Debtors pursuant to the
12 Purchase Agreement or any of the documents delivered by the Debtors pursuant to or in
13 connection with the Purchase Agreement shall be paid by the Debtors in the time and manner
14 as provided in the Purchase Agreement, without further order of this Court.

15 27. This Court shall retain jurisdiction over any matter or dispute arising
16 from or relating to the implementation of this Order as well as to enforce and implement the
17 terms and provisions of the Purchase Agreement, all amendments thereto, any waivers and
18 consents thereunder, and each of the agreements executed in connection therewith in all
19 respects, including, but not limited to, retaining jurisdiction to (a) compel delivery of the
20 Purchased Assets to the Purchaser, (b) resolve any disputes arising under, or related to, the
21 Purchase Agreement, except as otherwise provided therein, (c) interpret, implement, and
22 enforce the provisions of this Order, and (d) protect the Purchaser against any Liens in the
23 Debtors, the Purchased Assets, the Assigned Leases, the Assigned Contracts, or the other
24 Assigned Documents, or any of the Retained Liabilities, of any kind or nature whatsoever,
25 attaching to the proceeds of the Sale.

26 28. Nothing contained in any plan of liquidation or reorganization
27 confirmed in these cases or any order of this court confirming such plan shall conflict with, or
28 derogate from, the provisions of the Purchase Agreement or the terms of this Order.

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1 29. The transactions contemplated by the Purchase Agreement are
2 undertaken by the Purchaser in good faith, as that term is used in section 363(m) of the
3 Bankruptcy Code. Accordingly, the reversal or modification on appeal of the authorization
4 provided herein to consummate the Transactions shall not affect the validity of the
5 Transactions as to the Purchaser, except to the extent such authorization is duly stayed
6 pending such appeal prior to such consummation.

7 30. The terms and provisions of the Purchase Agreement and this Order
8 shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, their
9 estates, and their creditors, the Purchaser, and its Affiliates, permitted successors and assigns,
10 and shall, to the fullest extent permissible by law, be binding in all respects upon any affected
11 third parties, including but not limited to all Persons asserting Liens in such assets and
12 contracts to be sold, transferred, or assigned to the Purchaser pursuant to the Purchase
13 Agreement, notwithstanding any subsequent appointment of any trustee(s) or similar party
14 under any Chapter of the Bankruptcy Code, as to which trustee(s) or similar party such terms
15 and provisions likewise shall be binding.

16 31. The (i) transfer of the Purchased Assets and (ii) the assumption and/or
17 assignment of the Assigned Leases, Assigned Contracts, and all other Assigned Documents to
18 the Purchaser shall not be deemed to be agreement by the Purchaser to assume liabilities with
19 respect to the operation of the Business prior to the Closing Date or by reason of such transfer
20 under the laws of the United States, any state, territory, or possession thereof, or the District
21 of Columbia, based, in whole or in part, directly or indirectly, in any theory of law or equity,
22 including, without limitation, any theory of antitrust, successor, or transferee liability, except
23 as set forth in the Purchase Agreement.

24 32. The failure specifically to include or reference any particular provision,
25 section, or article of the Purchase Agreement in this Order shall not diminish or impair the
26 effectiveness of such provision, section, or article, it being the intent of the Court that the
27 Purchase Agreement be authorized and approved in its entirety. Likewise, all of the
28 provisions of this Order are nonseverable and mutually dependent.

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33. The Purchase Agreement and any related agreements, documents, or other instruments may be modified, amended, or supplemented in accordance with the terms thereof, without further order of the Court.

34. As provided by Bankruptcy Rules 6004(g) and 6006(d), this Order shall not be stayed for 10 days after the entry thereof and shall be effective and enforceable immediately upon the entry thereof.

Dated: JUN 25 2002

JAMES R. GRUBE

The Honorable James R. Grube
United States Bankruptcy Judge

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EXHIBIT "A"

(Asset Purchase Agreement)

INTENTIONALLY OMITTED

COPIES OF THE ASSET PURCHASE AGREEMENT
MAY BE OBTAINED UPON WRITTEN
REQUEST TO COUNSEL FOR DEBTORS:

ERIC E. SAGERMAN, ESQ.
JUSTIN E. RAWLINS, ESQ.
MURPHY SHENEMAN JULIAN & ROGERS
2049 CENTURY PARK EAST, SUITE 2100
LOS ANGELES, CA 90067

FACSIMILE: (310) 788-3777

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CERTIFICATE OF SERVICE BY MAIL

I, John T. Kline, certify and declare as follows:

I am over the age of eighteen years and not a party to this action. My business address is 2049 Century Park East, Suite 2100, Los Angeles, California 90067, which is located in the county where the mailing described below took place.

I am familiar with the business practice at my place of business for collection and processing of correspondence for mailing with the United States Postal Service. Correspondence so collected and processed is deposited with the United States Postal Service that same day in the ordinary course of business.

On June 26, 2002, at my place of business at 2049 Century Park East, Suite 2100, Los Angeles, California, 90067, the following document(s):

NOTICE OF ENTRY OF "ORDER AUTHORIZING AND APPROVING (1) ASSET PURCHASE AGREEMENT, (2) SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS, RIGHTS, AND INTERESTS TO EDO ACQUISITION IV, INC., (3) ASSUMPTION AND ASSIGNMENT TO EDO ACQUISITION IV, INC. OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (4) CERTAIN RELATED RELIEF"

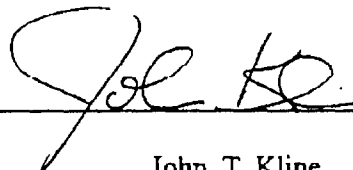
was (were) placed for deposit in the United States Postal Service in a sealed envelope(s), with postage fully prepaid, addressed to:

See Attached Service List

and that the envelope(s) was (were) placed for collection and mailing on that date, following ordinary business practices.

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on June 26, 2002.



John T. Kline

SERVICE LIST

NOTICE OF ENTRY OF SALES ORDER
SERVICE LIST

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DEBTORS

Condor Systems, Inc. and CEI Systems, Inc.
Attn: Kent Hutchinson/Frederic Bassett
18705 Madrone Parkway
Morgan Hill, CA 95037

FINANCIAL ADVISORS FOR CRED. COM.

CIBC World Markets Corp.
Attn: Joseph Kadecki/Heather Barlow
425 Lexington Avenue
New York, NY 10017

Counsel for Senior Discount Notes

(Counsel to DLJ Merchant Banking)
D. Barnaby Gibson
Davis, Polk & Wardwell
1600 El Camino Real
Menlo Park, CA 94025

Secured Lenders and Lessors

Attorneys for Bank of America, N.A.
Evan M. Jones, Esq.
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