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04-20-2005



RECOF
TR.

102985126

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

ITT Corporation

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

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

3. Nature of conveyance /Execution Date(s) :

Execution Date(s) June 24, 1988

- Assignment
- Security Agreement
- Other Purchase and Sale Agreement
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Lawler Manufacturing, Inc.

Internal

Address: _____

Street Address: 5330 East 25th Street

City: Indianapolis

State: IN

Country: US Zip: 46218

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship Indiana
- Other _____ Citizenship _____

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

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

776,863

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

Mark: ECHELON

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

Name: Michael D. Beck

Internal Address: Maginot, Moore & Beck

Bank One Center Tower

Street Address: 111 Monument Circle, Suite 3000

City: Indianapolis

State: IN Zip: 46204-5115

Phone Number: 317-638-2922

Fax Number: 317-638-2931

Email Address: mdbeck@maginot.com

6. Total number of applications and registrations involved:

1

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 40.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number 13-0014

Authorized User Name _____

9. Signature:

Michael D. Beck
Signature

April 15, 2005
Date

Michael D. Beck

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 26

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop Assignment, Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

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TRADEMARK
REEL: 003148 FRAME: 0648

PURCHASE AND SALE AGREEMENT*Handwritten initials*

THIS AGREEMENT is made as of JUNE ~~May~~ 24, 1988, between ITT CORPORATION, a Delaware corporation, represented herein by its unit ITT Hoffman, having a place of business at 1700 West 10th Street, Indianapolis, Indiana 46222 (hereinafter referred to as "ITT") and LAWLER MANUFACTURING COMPANY, INC., an Indiana corporation, having a place of business at 2525 North Shadeland Avenue, Indianapolis, Indiana 46219 (hereinafter referred to as "Lawler").

RECITALS

WHEREAS, ITT desires to sell to Lawler certain existing drawings, market data, intellectual property, data rights, parts, inventory, tools, patterns assembly equipment, and test equipment (hereinafter referred to as the "Assets") related and devoted to the manufacture and sale of certain valves, termed Lawler products, as follows:

Shower Valves

Photo Valves and Assembled Photo Packages

Thermostatic Water Controllers - Series 66

Water Pressure Equalizers - Series 70

Vacuum Breaker Series 4200;

all as more particularly described on Exhibits A, B and C (hereinafter collectively referred to as the "Product Line"); and

WHEREAS, Lawler desires to purchase the Assets for the Product Line; and

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WHEREAS, with respect to the Assets being conveyed pursuant to this Agreement, Lawler understands that the said Assets are not all of the items used by ITT in the manufacture and sale of the Product Line, and that Lawler must provide, at its cost, all other items necessary for the manufacture and sale of the Product Line.

AGREEMENTS

1. Recitals.

The recitals set forth above are incorporated in and made a part of these Agreements.

2. Purchase and Sale.

ITT hereby sells and Lawler hereby purchases the Assets as listed in Exhibits A, B, and C. ITT agrees that it will not sell copies of the Product Line production, application and marketing data to any third parties. ITT shall not be required to prepare any additional Product Line or other drawings; its obligation shall be limited to furnishing drawings in existence on the date of Closing.

3. Delivery.

The Assets listed in Exhibits A, B and C, with the exception as noted on Exhibit B, are located at the ITT Hoffman plant, 1700 West 10th Street, Indianapolis, Indiana 46222, or at its vendors. Responsibility for packaging and transportation is as indicated on Exhibits A, B and C.

4. Title.

Title of the Assets will pass from ITT to Lawler upon delivery to the common carrier or to Lawler employees.

5. Purchase Price.

In consideration of the sale of the Assets by ITT, Lawler agrees to pay ITT as follows:

(a) Twenty-Five Thousand Dollars (\$25,000) concurrent with the execution of this Agreement subject to the provisions of Paragraph 11(b).

(b) Seventy-Five Thousand Dollars (\$75,000.00) in cash or certified check at Closing.

(c) An amount for the Inventory in accordance with Exhibit A to determined by the formula for Valuation of the Inventory and to be paid in accordance with the Inventory Payment Schedule, as set forth in Exhibit A.

(d). An amount equal to Twenty Percent (20%) of Lawler total billings for Repair Parts sold for application to the Product Line for a five (5)-year period starting on the first (1st) day of the month following one (1) year after the Closing date. Payments are to be made quarterly within one (1) month after the end of each quarter. ITT shall have the right to audit Lawler's Product Line transactions sufficiently to be able to verify reported sales data used as the basis for the calculation. (Items (a), (b), (c) and (d) above are collectively referred to herein as the "Purchase Price").

6. Closing.

The Closing ("Closing") shall occur on June 30, 1986, at Suite 1801, 251 North Illinois Street, Indianapolis, Indiana

46204, or at some other location and time mutually agreeable to the parties.

At Closing, Lawler shall deliver that portion of the Purchase Price specified in Paragraph 5(b) above.

7. Representations and Warranties of ITT.

To induce Lawler to enter into this Agreement, ITT represents and warrants to Lawler:

a. Organization and Authority. ITT is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware, with full power and authority: (i) to conduct its business and operations under the laws of the State of Indiana; (ii) to execute, deliver, and perform this Agreement and any other documents or instruments contemplated herein or required hereby; and (iii) to own, lease, use, and operate the Product Line.

b. Legal Capacity; Approvals and Consents: This Agreement has been duly executed and delivered by Seller and is the valid and binding obligation of Seller enforceable in accordance with its terms, except insofar as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by principles governing the availability of equitable remedies. ITT has taken all actions and obtained all instruments required to authorize the execution, delivery and performance of this Agreement.

c. Title and Security Interests; Claim; Actions: ITT has good and marketable title to all of the Assets, free and clear

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of any lien of any kind whatsoever except the lien of property taxes not delinquent. ITT is the sole and exclusive owner of all the Assets and does not use any of the Assets by the consent of any other person. Upon the Closing, Lawler will indefeasibly own and hold good and marketable title to the Assets, free and clear of liens. To the best of ITT's knowledge, there does not exist any standing order, decree, injunction, judgment or writ of any court which affects, concerns or attaches to the Assets. To the best of ITT's knowledge, no legal or administrative action is threatened or pending which could ripen into judgment or give rise to any such order, decree, injunction or writ materially affecting the Assets prior to Closing, except as otherwise disclosed.

d. Legal and Governmental Proceedings: ITT is not aware of any order of any court or governmental authority nor of any legal action, governmental proceeding or investigation pending: (i) to compel ITT to make any change in the character or location of any of the Assets; or (ii) which would materially affect the Assets.

8. Lawler's Representations and Warranties.

To induce ITT to enter into this Agreement, Lawler represents and warrants to ITT:

a. Organization and Authority: Lawler is an Indiana corporation organized under the laws of Indiana, and has the full and necessary power and authority to execute, deliver and perform this Agreement, and has taken all action required by

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law, and otherwise, to authorize said execution, delivery and performance.

b. Legal Capacity: This Agreement constitutes the legal, valid and binding obligation of Lawler enforceable in accordance with its terms, except insofar as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by principles governing the availability of equitable remedies.

c. Legal and Governmental Proceedings: There is no litigation at law or in equity or any proceeding before any governmental authority pending or adversely affecting Lawler which materially and adversely affects Lawler's ability to consummate this Agreement.

9. Conditions of Lawler's Obligations.

Lawler's obligations to be performed under this Agreement at Closing are subject to all of the following conditions, any of which may be waived in writing by Lawler:

a. No Default Under Instruments: As of Closing, ITT shall not be in material violation or material default of any applicable order, decree, ordinance, statute, rule, regulation, or assumed contract, in any manner which would materially adversely affect the Assets.

b. Performance by ITT: ITT shall have performed all covenants and agreements to be performed by it under this Agreement to the extent such are required to be performed at or prior to Closing.

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c. Representations and Warranties Correct: All representations and warranties of ITT shall be true and correct in all material respects on and as of the Closing with the same effect as if then made.

d. Proceedings: No judgment shall have been issued and, to the best of ITT's knowledge, no action or proceeding shall have been instituted or threatened, on or prior to Closing, to set aside or modify the authorization of the transactions provided for herein, and approvals or consents required hereunder, to enjoin or prevent their consummation.

e. Freedom from Lien: The Assets shall be free of all security interest and other liens of any kind or nature, other than the Purchase Money Security Interest provided herein.

f. ITT's Action: All action necessary to authorize (i) the execution, delivery and performance by ITT of this Agreement, and (ii) the consummation of the transactions contemplated hereby shall have been duly and validly undertaken by ITT, and shall be in full force and effect.

g. Deliveries Complete: All documents required to be delivered to Lawler prior to or at the Closing shall have been duly delivered by ITT.

10. Conditions of ITT's Obligations.

ITT's obligations to be performed under this Agreement at Closing are subject to all of the following conditions, any of which may be waived in writing by ITT:

a. Performance by Lawler: Lawler shall have performed all covenants and agreements to be performed by it hereunder to

the extent such are required to be performed at or prior to Closing.

b. Truth of Representations and Warranties: All representations and warranties of Lawler shall be true and correct in all material respects on and as of Closing with the same effect as if then made.

c. Proceedings: No judgment shall have been issued, and to the best of Lawler's knowledge after due inquiry, no action or proceeding shall have been instituted or threatened, on or prior to Closing, to set aside the authorization of the transactions provided for herein, or to enjoin or prevent their consummation.

d. Corporate Action: All corporate action necessary to authorize (i) the execution, delivery and performance by Lawler of this Agreement, and (ii) the consummation of the transactions contemplated hereby shall have been duly and validly undertaken by Lawler, and shall be in full force and effect.

e. Deliveries Complete: All documents required to be delivered to ITT prior to or at Closing shall have been duly delivered by Lawler.

11. ITT's Conduct Pending Closing:

a. Between the date of execution and delivery of this Agreement and the Closing, ITT shall give to Lawler, its officers, agents, employees, counsel, accountants, engineers, and other representatives full access to all the premises and books and records of the Product Line and, to the extent

permitted by law, to cause the employees of ITT to furnish to Lawler all information in connection with the business and properties of the Product Line as Lawler shall from time to time reasonably request, provided, however, that any such investigation shall be conducted during normal business hours and in such manner as to not unreasonably interfere with the operation of the Product Line of ITT.

b. ITT shall operate the Product Line as presently operated and only in the ordinary course of business; provided, however, that from and after the date of the execution hereof, representatives of Lawler by mutual agreement with representatives of ITT may arrange for and commence the dismantling, disassembly and removal of the apparatus and equipment described on Exhibit B necessary or desirable to commence the manufacture and sale of the Product Line as soon as practicable after Closing; provided, further, that in the event the transactions described in this Agreement shall not be consummated as herein described, such apparatus and equipment shall, as soon as practicable, be returned to ITT at 1700 West 10th Street, Indianapolis, Indiana, in the condition as and when received and the portion of the Purchase Price paid pursuant to Paragraph 5(a) above shall be forthwith refunded to Lawler. ITT will maintain its books, accounts, and records in the usual, regular and ordinary manner, in accordance with generally accepted accounting principles and good business practices, on a basis consistent with prior years. Consistent with such operation, ITT shall use its best effort to (i)

preserve the Product Line intact, and (ii) maintain relationships with persons having business dealings with the Product Line.

c. ITT will advise Lawler in writing promptly of the assertion, commencement, or threat of any claim, litigation, proceeding or investigation relating to the Product Line where a restraining order or injunction is sought, or where the amount claimed is in excess of Two Thousand Dollars (\$2,000), (i) to which ITT is or may be made a party; (ii) by which the Assets or the Product Line may be affected; or (iii) which relates to or may affect the transactions contemplated hereby.

d. ITT shall deliver to Lawler, an opinion of ITT's counsel, dated the date of Closing, in substantially the form of Exhibit F attached hereto and satisfactory to Lawler.

e. ITT shall deliver to Lawler such other papers, evidence of title or interest, books, records, files, correspondence, memoranda and other documents of ITT relating to the Product Line or the Assets as they are available at 1700 West 10th Street, Indianapolis, Indiana 46222, and such other locations as are shown on Exhibits A, B and C.

12. Survival of Representations and Warranties.

None of the representations and warranties made by ITT shall survive the Closing.

13. Risk of Loss.

ITT shall bear the risk of any loss which occurs prior to delivery to common carrier. If there is substantial loss before delivery to common carrier, then neither party shall

have any obligations under this Agreement, except that ITT shall refund any money paid under this Agreement by Lawler and Lawler will return any Assets delivered to it under this Agreement. If there is any insubstantial loss, ITT shall be entitled to complete performance of this Agreement, deducting the value of the loss items.

14. Taxes.

Lawler agrees that it will be responsible for and will pay any and all taxes, such as Sales, Use, Excise or similar taxes levied by reason of the sale of the Assets by ITT to Lawler. ITT or Lawler will be responsible for their respective corporate income or franchise taxes allocable to the Assets.

15. Additional Duties of Lawler.

Lawler agrees to manufacture and deliver the Product Line products which remain in ITT's backlog at the time of Closing and Lawler shall be responsible for the invoicing of the customers and the collection of account receivables derived therefrom. ITT agrees to assign to Lawler, as of the Closing, the ITT backlog for manufacture and sale by Lawler.

16. Warranties and Disclaimers of Warranties.

16a. Warranty of Title.

ITT affirms that it has good title to all of the Assets sold and delivered hereunder, and that there are not outstanding liens, security interests or encumbrances whatsoever on the Assets.

16b. Disclaimer of Warranty Against Infringement.

ITT makes no warranty that the Assets sold under this

Agreement are delivered free from the rightful claim of any third party by way of infringement or the like; provided, however, that ITT represents and warrants that it has no knowledge of the existence of any such claim.

16c. Disclaimer of Express Warranties.

NO EXPRESS WARRANTY, OTHER THAN THE WARRANTY OF TITLE, IS MADE WITH RESPECT TO THE ASSETS. If any model or sample was shown to Lawler, such model or sample was used merely to illustrate the general type and quality of the Assets and not to represent that the Assets would necessarily conform to the model or sample.

16d. Disclaimer of Implied Warranties.

THE ASSETS ARE BEING SOLD "AS IS" "WHERE IS" AND ITT DOES NOT WARRANT THAT THE ASSETS ARE OF MERCHANTABLE QUALITY NOT FIT FOR ANY PARTICULAR PURPOSE.

17. Inspection by Lawler.

Lawler acknowledges that it has inspected the Assets located at 1700 West 10th Street, Indianapolis, Indiana 46222, and found them to be as represented by ITT.

18. Authority of Agents.

No agent, employee or representative of ITT has any authority to bind ITT to any affirmation, representation or warranty concerning the Assets sold under this Agreement, and unless an affirmation, representation or warranty made by an agent, employee or representative of ITT is specifically included within this Agreement, it has not formed a part of the basis of this bargain and shall not in any way be enforceable.

19. Patents and Inventions - Trade Names and Trademarks.

19a. Patents and Inventions.

The sale of the Assets by ITT hereunder does not by implication, estoppel or otherwise include the title to or any license under any patent, invention or trade secret, now or hereafter owned or controlled by ITT, except such inventions and trade secrets as may solely relate to the Product Line which shall be conveyed to Lawler pursuant to this Agreement. ITT agrees not to assert against Lawler any United States or foreign patent rights owned or controlled by ITT on the date of Closing that would necessarily be infringed by the use of the Assets by Lawler.

19b. Trade Names and Trademarks.

ITT hereby assigns or will cause to be assigned the trade names and trademarks listed on Exhibit D; however, Lawler shall not have the right to use ITT trademarks appearing on the Assets sold and delivered to Lawler under this Agreement whether on the Assets or on existing containers.

Lawler shall have the right to use existing sales literature, brochures, catalogues, specifications, or other printed material relative to the Assets sold to Lawler provided that any designation of "Hoffman" or "ITT", or any other designation indicating an affiliation with ITT Corporation or any of its units, is deleted prior to use by Lawler. Further, the sale of the Assets to Lawler does not include the right to use the name Hoffman or ITT Corporation, or any abbreviation,

similar, or derivative thereof, or any trade name, trademark, or service mark owned or controlled by ITT Corporation.

Notwithstanding the above, Lawler may use the inventory parts referred to on Exhibit A, without the removal of mark "HOFFMAN" or "ITT" if cast into the parts, until such time as the Inventory parts are exhausted, provided that such parts are used by Lawler solely in the manufacture of the Product Line.

19c. Intellectual Property.

Lawler hereby grants as of the date of this Agreement to ITT Corporation and to ITT Units owned or under control of ITT Corporation, a worldwide, perpetual, paid-up, royalty-free, non-exclusive license to continue to make, use and sell products, other than the Product Line, of the general type which are made, used or sold as of the date of this Agreement by ITT Units owned or under control of ITT Corporation, under any of the intellectual property and data rights assigned and transferred as part of the Product Line pursuant to this Agreement; provided, however, such license shall not be used for the purpose of manufacture or sale of the Product Line.

20. Limitation of Liabilities.

ITT shall in no event be liable to Lawler for any special, incidental or consequential damages, as those terms are defined in the Uniform Commercial Code, arising out of this Agreement or any breach thereof.

21. Modification.

This Agreement constitutes the entire agreement between the parties and can be modified or rescinded only by a writing signed by both ITT and Lawler, or their duly authorized agents.

22. Indemnification by Lawler.

Lawler shall indemnify and hold harmless ITT, from and against any and all claims, losses, liabilities, damages, penalties, costs and expenses (including attorney fees), arising out of or resulting from the sale of the Product Line after Closing utilizing, in whole or in part, any of the Assets sold pursuant to this Agreement.

23. Indemnification by ITT.

ITT shall indemnify and hold harmless Lawler, from and against any and all claims, losses, liabilities, damages, penalties, costs and expenses (including attorney fees), arising out of or resulting from the sale of the Product Line before Closing utilizing, in whole or in part, any of the Assets sold pursuant to this Agreement.

24. No Brokers.

Neither ITT nor Lawler has employed a broker in connection with this Agreement or transaction. Each party agrees to indemnify the other against any claims for broker's or finder's fees, or commissions or other similar payments arising out of any action of such party.

25. Assignment.

This Agreement shall inure to the benefit of and be binding upon the successors of either ITT or Lawler and any such successor shall be deemed substituted as a party under the term of this Agreement for all purposes.

26. Non-Competition.

26a. ITT shall not manufacture or sell the Product Line, or

any substantially similar product competitive to the Product Line as manufactured or sold at the time of Closing, for a period of not less than three (3) years from the date of this Agreement within the contiguous forty-eight (48) United States. Provided, however, although ITT Corporation is not currently negotiating for the acquisition of a company making or selling products substantially similar to the Product Line, ITT Corporation, or ITT Units owned or controlled by ITT Corporation, are not precluded for any period of time from making any such acquisition which may include products substantially similar to the Product Line, or from selling such acquired products.

26b. Lawler shall not manufacture or sell a product substantially similar to a product manufactured or sold under the Hoffman trade name or trademark as manufactured or sold at the time of Closing for a period of three (3) years from the date of this Agreement within the contiguous forty-eight (48) United States.

27. Purchase Money Security Interest.

27a. In consideration of the ITT payment terms provided for herein and to secure the payment by Lawler for the Inventory conveyed to Lawler pursuant to Exhibit A, Lawler hereby grants to ITT a purchase money security interest in the Inventory of Lawler described on Exhibit A (the "Inventory"). This purchase money security interest shall continue in full force and effect until all payments due to ITT relating to the Inventory have been paid in full.

27b. Lawler shall keep all Inventory at and advise ITT of the address of the Lawler manufacturing facility. Lawler shall keep the Inventory and the proceeds thereof free from any superior adverse claim, security interest or encumbrance, in good condition, in adequately maintained facilities and shall pay promptly when due any taxes, assessments or other governmental charges levied upon or against such Inventory.

27c. Lawler shall execute and deliver a financing statement, in the form of Exhibit E, including amendments thereof or supplements thereto, or other instruments (including a promissory note) as ITT may from time to time require to preserve and protect the security interest granted herein.

27d. Lawler shall secure and maintain at its own expense insurance on all Inventory covering loss or damage by fire, theft, burglary and other causes customarily insured against by companies engaged in similar businesses. Such insurance shall be in an amount not less than the value of the Inventory and shall be payable to Lawler and ITT as their interests may appear. Lawler shall furnish ITT with evidence of such insurance upon request.

27e. In the event that (i) Lawler defaults in payment in whole or in part of its indebtedness to ITT; or (ii) a proceeding in bankruptcy, insolvency, or receivership is instituted by or against Lawler or Lawler makes an assignment for the benefit of creditors or Lawler's inventory is attached, seized or levied upon by any creditor or governmental agency; or (iii) Lawler fails to perform any obligation assumed

hereunder; ITT may, in any such event, declare all indebtedness of Lawler (whether absolute or contingent, due or to become due) immediately due and payable and, if payment is not made, may take immediate possession of the Inventory covered hereby without demand or further notice and without legal process. If ITT requests, Lawler shall assemble its Inventory covered hereby and make it available to ITT. Permission is hereby granted to ITT by Lawler for the purpose of taking possession of the Inventory. In the event of repossession, ITT may dispose of the repossessed Inventory in any manner authorized by law and may, at its election, retain such of the repossessed Inventory as it deems advisable and credit Lawler's account with the amount due thereon by Lawler or sell all or any portion of the repossessed Inventory at public or private sale crediting Lawler's account with the proceeds.

29. Rights of Termination.

This Agreement (and the transactions contemplated hereby) may be terminated as follows and, except for termination pursuant to clause (a), without limiting any other rights or remedies the terminating party may have:

- a. upon the mutual written consent of the parties;
- b. in the event that either party is in material breach of its respective representations and warranties herein, and such breach is not cured prior to the Closing, by the other party;
- c. by Lawler, if any of the conditions to the obligations of Lawler set forth in this Agreement shall not have been

satisfied at the time of Closing; or as such Closing may be extended as herein set forth;

d. by ITT, if any of the conditions to the obligations of ITT set forth in this Agreement shall not have been satisfied at the time of Closing.

30. Other Materials.

Any production, application, marketing data, drawings and patterns located and available at 1700 West 10th Street, Indianapolis, Indiana 46222, or otherwise reasonably available, relating to abandoned or discontinued Lawler product lines not otherwise described on Exhibits A, B and C are hereby conveyed to Lawler by ITT provided that Lawler assumes without limitation all liabilities relating to the subsequent manufacture, use or sale of any such materials; and provided further, that the indemnification by ITT of Lawler as set forth in Paragraph 23 of this Agreement shall not be applicable to such other materials described by this Paragraph 30.

31. Applicable Law.

This Agreement shall be governed by the laws of the State of Indiana, as effective and in force on the date hereof.

ITT HOFFMAN, a Unit of
ITT CORPORATION

BY 
E. J. LeBorgne, Vice Pres.
Printed Signature and Title

LAWLER MANUFACTURING COMPANY, INC.

BY 
STEVEN P. SEAVERS
Printed Signature and Title

EXHIBIT A
PRODUCT LINE
INVENTORY

I. Inventory Valuation.

Immediately after Closing, a physical inventory will be made of all on-hand Product Line Inventory. This Inventory shall be purchased based on the 1988 ITT Hoffman Plant Standard Costs, and in accordance with the following percentage multipliers:

- a. 90% of first \$180,000 of Inventory; and
- b. 15% of all remaining Inventory at Closing.
- c. Clerical errors in costing will be corrected.

II. Inventory Payment Schedule.

The Inventory shall be paid in four (4) equal installments:

- a. 25% of the total valuation 90 days after delivery of the Inventory.
- b. 25% of the total valuation 150 days after deliver of the Inventory.
- c. 25% of the total valuation 210 days after delivery of the Inventory.
- d. 25% of the total valuation 270 days after delivery of the Inventory.

III. Other.

All Inventory on order and not to be delivered as of the

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Closing shall be cancelled by ITT and a purchase order issued by Lawler to the same vendor for the cancelled quantities. In the event any Inventory is received after Closing, such Inventory shall be paid for by Lawler at vendor invoice prices.

IV. Common Parts.

In the event that ITT and Lawler have common requirements for a part, each party agrees to supply that part to the other at a rate of 1.15 times standard cost, for three years from closing. Additionally, each party agrees to provide copies to the drawings, information, or tooling and use of pattern tooling for common parts for the purposes of making new patterns for a period of three (3) years.

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EXHIBIT B

PRODUCT LINE

TOOLS, PATTERNS, FIXTURES, OFFICE EQUIPMENT, EXHIBITS

1. Thermostate Lathe
Asset #686
2. Freezer in Dept. 22 - used for cutting pursh rod to length
Asset #423
3. Spring Tester for Thermostats
Asset #L272
4. Fill Station System (2)
Asset #501
5. One Vacuum Pump (small unit)
Asset # _____
6. Batch Fill Tank for 66 Thermostats
Asset # _____
7. One Drill Press in Dept. 22
Asset #267
8. A Lathe
Asset # to be determined
9. Bench Vises in Dept. 22
Asset #411-2
10. Floor Mounted Vises in Dept. 22 used for assembly of Photo
Panels
Aset #357-8
11. Tig Welder in storage
(Welder in Dept. 22 being moved to Chicago)
12. Fixture to wind 66 Stats
13. Dept. 22 Assembly Hand Tools for assembly Lawler products
consisting mainly of air drives pipe assembly equipment,
etc.
14. Dept. 22 Test Fixture, Photo Panels and other test fixtures
including thread and plug gauges for testing Lawler
product. (Tank for Hoffman product assembly being moved to
Chicago.)

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TRADEMARK
REEL: 003148 FRAME: 0670

15. One ShadowGraph Illuminator
16. Rock of Ages Granite Surface Plate located in Q.C. Dept.
17. Work in Process (6 orange racks in Dept. 22 Storage and Assembly area).
18. Sufficient Inventory Racks to hold Lawler Inventory, plus one additional rack.
19. Four desks.
20. Four chairs.
21. Vemco Drawing Board and Machine now used by Kevin Kline.
22. Four 4-Drawer Steel Cabinets - Office type.
23. Two Manual Drawing Boards and Machines.
24. One Blueprint Machine.
25. PC Unit and accessories used by Engineering Clerk.
26. Okidata M93 150 Column Printer.
27. Smith Corona Data Acquisition Card and Auxillaries.
28. 10 Various Pressure Gauges from R&D Lab.
29. High Capacity System in Lab consisting of 500 Gallon Tank, Resistance Heaters, Control and Associated Piping and Auxiliaries.
30. Two Large Red Tanks in R&D plus Associated Piping and Auxiliary Equipment as desired by Purchaser.
31. One Esterline Angus Strip Chart Recorder.
32. Six Plating Tanks including Anodes, Rectifier, Solution, and two Buffing Stands.
33. Micro Film Roll Reader
34. Foam Dispenser

Note 1: Exhibit B items will be packed, boxed and protected as necessary for local transportation. Transportation to be paid by Lawler.

Note 2: Vendors using Product Line patterns or other equipment located permanently in vendor's plants will be notified that Lawler has title to such patterns and equipment.

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EXHIBIT C

PRODUCT LINE

PRODUCTION, APPLICATION & MARKETING DATA

This Exhibit C partially lists the Production, Application, and Marketing Data available and used to manufacture and sell the Product Line.

1. Drawings (tracings and/or prints and/or microfilm)
2. Bills of Materials
3. Assembly Procedures
4. Test Procedures
5. Customer Lists
6. Vendor Lists
7. Inventory Lists
8. Cost Data
9. Historical Sales Data

Database information will be made available to Lawler on the basis that no downloading programming expense is required on the part of ITT, except for computer operational expenses which will be furnished by ITT.

(All information will be made available for transportation by Lawler employees or by common carrier at expense of Lawler.)

LM-13638

TRADEMARK
REEL: 003148 FRAME: 0672

EXHIBIT D

Trade Names/Trademarks

LAWLER

ECHELON

ECHELON II

RECESSO

TEMFLOW

LM-13639

STANDARD FORM - FORM UCC-1.
UNIFORM COMMERCIAL CODE - FINANCING STATEMENT - FORM UCC-1

JULIUS BLUMBERG, INC. 80 EXCHANGE PL NYC 10004 212-437-5000
IMPORTANT - Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code. 3. Maturity date (if any):

1. Debtor(s) (Last Name First) and address(es)
Lawler Manufacturing Company, Inc.
25 North Shadeland Avenue
Indianapolis, Indiana 46219

2. Secured Party(ies) and address(es)
ITT Hoffman, A Unit of ITT
Corporation
3500 N. Spaulding Avenue
Chicago, Illinois 60618

For Filing Officer (Date, Time, Number,
and Filing Office)

4. This financing statement covers the following types (or items) of property:
All inventory conveyed to Lawler pursuant to Purchase and Sale
Agreement dated June _____, 1988, including all proceeds and
products thereof.

5. Assignee(s) of Secured Party and
Address(es)

This statement is filed without the debtor's signature to perfect a security interest in collateral. (check if so)

- already subject to a security interest in another jurisdiction when it was brought into this state.
- which is proceeds of the original collateral described above in which a security interest was perfected:

Check if covered; Proceeds of Collateral are also covered. Products of Collateral are also covered. No. of additional Sheets presented:

Filed with:

Lawler Manufacturing Company, Inc.

ITT Hoffman, a Unit of
ITT Corporation

By: _____
Signature(s) of Debtor(s)

By: _____
Signature(s) of Secured Party(ies)

(1) Filing Officer Copy - Alphabetical

STANDARD FORM - FORM UCC-1.

(FOR USE IN MOST STATES)

EXHIBIT E

LM-13640