



SERIAL NUMBER: 06947131  
PATENT NUMBER: 4752829

FILING DATE: 12/29/1986  
ISSUE DATE: 06/21/1988

SERIAL NUMBER: 07183111  
PATENT NUMBER: 4873561

FILING DATE: 04/19/1988  
ISSUE DATE: 10/10/1989

SERIAL NUMBER: 07135816  
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FILING DATE: 12/21/1987  
ISSUE DATE: 10/24/1989

SERIAL NUMBER: 07532271  
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FILING DATE: 06/01/1990  
ISSUE DATE:

SERIAL NUMBER: 07324923  
PATENT NUMBER: 4958207

FILING DATE: 03/17/1989  
ISSUE DATE: 09/18/1990

SERIAL NUMBER: 07324925  
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FILING DATE: 03/17/1989  
ISSUE DATE: 10/30/1990

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FILING DATE: 06/21/1990  
ISSUE DATE: 10/08/1991

SERIAL NUMBER: 07390429  
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FILING DATE: 08/03/1989  
ISSUE DATE: 06/02/1992

SERIAL NUMBER: 07457988  
PATENT NUMBER: 5196939

FILING DATE: 12/28/1989  
ISSUE DATE: 03/23/1993

SERIAL NUMBER: 07715154  
PATENT NUMBER: 5272535

FILING DATE: 06/13/1991  
ISSUE DATE: 12/21/1993

SERIAL NUMBER: 08087034  
PATENT NUMBER: 5326996

FILING DATE: 07/06/1993  
ISSUE DATE: 07/05/1994

SERIAL NUMBER: 08091348  
PATENT NUMBER: 5354981

FILING DATE: 07/14/1993  
ISSUE DATE: 10/11/1994

SERIAL NUMBER: 08144228  
PATENT NUMBER: 5420534

FILING DATE: 10/27/1993  
ISSUE DATE: 05/30/1995

SERIAL NUMBER: 08325959  
PATENT NUMBER: 5497195

FILING DATE: 10/20/1994  
ISSUE DATE: 03/05/1996

SERIAL NUMBER: 08394149  
PATENT NUMBER: 5510623

FILING DATE: 02/24/1995  
ISSUE DATE: 04/23/1996

SERIAL NUMBER: 08559510  
PATENT NUMBER: 5737098

FILING DATE: 11/15/1995  
ISSUE DATE: 04/07/1998

# AGREEMENT AND PLANS OF MERGER AND COMPLETE LIQUIDATION

This AGREEMENT AND PLANS OF MERGER AND COMPLETE LIQUIDATION (this "Agreement") dated as of June 27, 1997, is among Lockheed Martin Corporation, a Maryland corporation ("LMC"), Lockheed Martin Tactical Systems, Inc., a New York corporation ("Tactical Systems"), Lockheed Martin Aerospace Holdings, Inc., a Delaware corporation ("Aerospace Holdings"), LC Acquiring Corp., a Delaware corporation ("LC Acquiring"), Frequency Sources, Inc., a Delaware corporation ("Frequency Sources"), Lockheed Martin Electro-Optical Systems, Inc., a Delaware corporation ("Electro-Optical"), Lockheed Martin Vought Systems Corporation, a Delaware corporation ("Vought Systems"), Lockheed Martin Aerospace Corp., a Delaware corporation ("Aerospace Corp."), Lockheed Martin Defense Systems Corp., a Delaware corporation ("Defense Systems"), Lockheed Martin Fairchild Corp., a Delaware corporation ("Fairchild"), FSI Investment Corporation, a Massachusetts corporation ("FSI"), Lockheed Martin IR Imaging Systems, Inc. ("IR Imaging") and Lockheed Martin Vought Services, Inc., a Delaware corporation ("Vought Services").

## RECITALS

WHEREAS, the Board of Directors of each of Aerospace Holdings and Aerospace Corp. deems it advisable and in the best interests of their respective stockholders that Aerospace Corp. merge with and into Aerospace Holdings (the "Aerospace Corp. and Aerospace Holdings Merger");

WHEREAS, the Board of Directors of Defense Systems and LC Acquiring deems it advisable and in the best interests of their respective stockholders that Defense Systems merge with and into LC Acquiring Corp. (the "Defense Systems and LC Acquiring Merger");

WHEREAS, the Board of Directors of Fairchild and LC Acquiring deems it advisable and in the best interests of their respective stockholders that Fairchild merge with and into LC Acquiring Corp. (the "Fairchild and LC Acquiring Merger");

WHEREAS, the Board of Directors of each of FSI and Frequency Sources deems it advisable and in the best interests of their respective stockholders that FSI merge with and into Frequency Sources (the "FSI and Frequency Sources Merger");

WHEREAS, the Board of Directors of each of IR Imaging and Frequency Sources deems it advisable and in the best interests of their respective stockholders that IR Imaging merge with and into Frequency Sources (the "IR Imaging and Frequency Sources Merger");

WHEREAS, the Board of Directors of each of Vought Services and Vought Systems deems it advisable and in the best interests of their respective stockholders that Vought Services merge with and into Vought Systems (the "Vought Services and Vought Systems Merger");

WHEREAS, the Board of Directors of each of Tactical Systems, Aerospace Holdings, LC Acquiring, Frequency Sources, Electro-Optical and Vought Systems deems it advisable and in the best interests of their respective stockholders that, following the consummation of the last to occur of the Aerospace Corp. and Aerospace Holdings Merger, the Defense Systems and LC Acquiring Merger, the Fairchild and LC Acquiring Merger, the FSI and Frequency Sources Merger, the IR Imaging and Frequency Sources Merger and the Vought Services and Vought Systems Merger, Aerospace Holdings, LC Acquiring, Frequency Sources, Electro-Optical and Vought Systems will merge with and into Tactical Systems (the "Aerospace Holdings, LC Acquiring, Frequency Sources, Electro-Optical, Vought Systems and Tactical Systems Merger") and that, following the Aerospace Holdings, LC Acquiring, Frequency Sources, Electro-Optical, Vought Systems and Tactical Systems Merger, Tactical Systems will merge with and into LMC (the "Tactical Systems and LMC Merger"); and

WHEREAS, each of the Aerospace Corp. and Aerospace Holdings Merger, the Defense Systems and LC Acquiring Merger, the Fairchild and LC Acquiring Merger, the FSI and Frequency Sources Merger, the IR Imaging and Frequency Sources Merger, the Vought Services and Vought Systems Merger, the Aerospace Holdings, LC Acquiring, Frequency Sources, Electro-Optical, Vought Systems and Tactical Systems Merger and the Tactical Systems and LMC Merger (collectively referred to herein as the "Mergers"), respectively, is intended to qualify as a complete liquidation under Section 332 of the Internal Revenue Code of 1986, as amended;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the parties hereby agree as follows:

# ARTICLE I

## The Mergers

### Section 1.1. The First Set of Mergers.

(a) Aerospace Corp. and Aerospace Holdings shall execute and cause to be filed a certificate of ownership and merger in the form attached to this Agreement as Exhibit A (the "Aerospace Corp.-Aerospace Holdings Certificate) with the Secretary of State of Delaware. The Aerospace Corp.-Aerospace Holdings Certificate shall provide that the Aerospace Corp. and Aerospace Holdings Merger shall be effective at 11:57 p.m. Eastern Standard Time on the Merger Date as hereinafter defined. Aerospace Corp. and Aerospace Holdings shall take all actions necessary or appropriate to consummate the Aerospace Corp. and Aerospace Holdings Merger in accordance with the provisions of the Aerospace Corp.-Aerospace Holdings Certificate.

(b) Defense Systems and LC Acquiring shall execute and cause to be filed a certificate of ownership and merger in the form attached to this Agreement as Exhibit B (the "Defense System-LC Acquiring Certificate) with the Secretary of State of Delaware. The Defense Systems-LC Acquiring Certificate shall provide that the Defense Systems and LC Acquiring Merger shall be effective at 11:57 p.m. Eastern Standard Time on the Merger Date as hereinafter defined. Defense Systems and LC Acquiring shall take all actions necessary or appropriate to consummate the Defense Systems and LC Acquiring Merger in accordance with the provisions of the Defense Systems-LC Acquiring Certificate.

(c) Fairchild and LC Acquiring shall execute and cause to be filed a certificate of ownership and merger in the form attached to this Agreement as Exhibit C (the "Fairchild-LC Acquiring Certificate) with the Secretary of State of Delaware. The Fairchild-LC Acquiring Certificate shall provide that the Fairchild and LC Acquiring Merger shall be effective at 11:57 p.m. Eastern Standard Time on the Merger Date as hereinafter defined. Fairchild and LC Acquiring shall take all actions necessary or appropriate to consummate the Fairchild and LC Acquiring Merger in accordance with the provisions of the Fairchild-LC Acquiring Certificate.

(d) IR Imaging and Frequency Sources shall execute and cause to be filed a certificate of ownership and merger in the form attached to this Agreement as Exhibit D (the "IR Imaging-Frequency Sources Certificate) with the Secretary of State of Delaware. The IR Imaging-Frequency Sources Certificate shall provide that the IR Imaging and Frequency Sources Merger shall be effective at 11:57 p.m. Eastern Standard Time on the Merger Date as hereinafter defined. IR Imaging and Frequency Sources shall take all actions necessary or appropriate to consummate the IR Imaging and Frequency Sources

Merger in accordance with the provisions of the IR Imaging-Frequency Sources Certificate.

(e) FSI and Frequency Sources shall execute and cause to be filed (i) a certificate of ownership and merger in the form attached to this Agreement as Exhibit E with the Secretary of State of Delaware (the "FSI-Frequency Sources Certificate") and (ii) articles of merger of parent and subsidiary corporation in the form attached to this Agreement as Exhibit F with the Secretary of the Commonwealth of Massachusetts (the "FSI-Frequency Sources Articles"). The FSI-Frequency Sources Certificate and the FSI-Frequency Sources Articles shall provide that the FSI and Frequency Sources Merger shall be effective at 11:57 p.m. Eastern Standard Time on the Merger Date as hereinafter defined. FSI and Frequency Sources shall take all actions necessary or appropriate to consummate the FSI and Frequency Sources Merger in accordance with the provisions of the FSI-Frequency Sources Certificate and the FSI-Frequency Sources Articles.

(f) Vought Services and Vought Systems shall execute and cause to be filed a certificate of ownership and merger in the form attached to this Agreement as Exhibit G (the "Vought Services-Vought Systems Certificate") with the Secretary of State of Delaware. The Vought Services-Vought Systems Certificate shall provide that the Vought Services and Vought Systems Merger shall be effective at 11:57 p.m. Eastern Standard Time on the Merger Date as hereinafter defined. Vought Services and Vought Systems shall take all actions necessary or appropriate to consummate the Vought Services and Vought Systems Merger in accordance with the provisions of the Vought Services-Vought Systems Certificate.

## Section 1.2. The Second Set of Mergers.

(a) Aerospace Holdings and Tactical Systems shall execute and cause to be filed (i) a certificate of ownership and merger in the form attached to this Agreement as Exhibit H (the "Aerospace Holdings-Tactical Systems Ownership Certificate") with the Secretary of State of Delaware and (ii) a certificate of merger in the form attached hereto as Exhibit I (the "Aerospace Holdings-Tactical Systems Certificate") with the Department of State of New York. The Aerospace Holdings-Tactical Systems Ownership Certificate and the Aerospace Holdings-Tactical Systems Certificate shall provide that the Aerospace Holdings and Tactical System Merger shall be effective at 11:58 p.m. Eastern Standard Time on the Merger Date as hereinafter defined. Aerospace Holdings and Tactical Systems shall take all actions necessary or appropriate to consummate the Aerospace Holdings and Tactical Systems Merger in accordance with the provisions of the Aerospace Holdings-Tactical Systems Ownership Certificate and the Aerospace Holdings-Tactical Systems Certificate.

(b) LC Acquiring and Tactical Systems shall execute and cause to be filed (i) a certificate of ownership and merger in the form attached to this Agreement as Exhibit J (the "LC Acquiring-Tactical Systems Ownership Certificate") with the Secretary of State

of Delaware and (ii) a certificate of merger in the form attached hereto as Exhibit K (the "LC Acquiring-Tactical Systems Certificate") with the Department of State of New York. The LC Acquiring-Tactical Systems Ownership Certificate and the LC Acquiring-Tactical Systems Certificate shall provide that the LC Acquiring and Tactical System Merger shall be effective at 11:58 p.m. Eastern Standard Time on the Merger Date as hereinafter defined. LC Acquiring and Tactical Systems shall take all actions necessary or appropriate to consummate the LC Acquiring and Tactical Systems Merger in accordance with the provisions of the LC Acquiring-Tactical Systems Ownership Certificate and the LC Acquiring-Tactical Systems Certificate.

(c) Frequency Sources and Tactical Systems shall execute and cause to be filed (i) a certificate of ownership and merger in the form attached to this Agreement as Exhibit L (the "Frequency Sources-Tactical Systems Ownership Certificate) with the Secretary of State of Delaware and (ii) a certificate of merger in the form attached hereto as Exhibit M (the "Frequency Sources-Tactical Systems Certificate") with the Department of State of New York. The Frequency Sources-Tactical Systems Ownership Certificate and the Frequency Sources-Tactical Systems Certificate shall provide that the Frequency Sources and Tactical System Merger shall be effective at 11:58 p.m. Eastern Standard Time on the Merger Date as hereinafter defined. Frequency Sources and Tactical Systems shall take all actions necessary or appropriate to consummate the Frequency Sources and Tactical Systems Merger in accordance with the provisions of the Frequency Sources-Tactical Systems Ownership Certificate and the Frequency Sources-Tactical Systems Certificate.

(d) Electro-Optical and Tactical Systems shall execute and cause to be filed (i) a certificate of ownership and merger in the form attached to this Agreement as Exhibit N (the "Electro-Optical-Tactical Systems Ownership Certificate) with the Secretary of State of Delaware and (ii) a certificate of merger in the form attached hereto as Exhibit O (the "Electro-Optical-Tactical Systems Certificate") with the Department of State of New York. The Electro-Optical-Tactical Systems Ownership Certificate and the Electro-Optical-Tactical Systems Certificate shall provide that the Electro-Optical and Tactical System Merger shall be effective at 11:58 p.m. Eastern Standard Time on the Merger Date as hereinafter defined. Electro-Optical and Tactical Systems shall take all actions necessary or appropriate to consummate the Electro-Optical and Tactical Systems Merger in accordance with the provisions of the Electro-Optical-Tactical Systems Ownership Certificate and the Electro-Optical-Tactical Systems Certificate.

(e) Vought Systems and Tactical Systems shall execute and cause to be filed (i) a certificate of ownership and merger in the form attached to this Agreement as Exhibit P (the "Vought Systems-Tactical Systems Ownership Certificate) with the Secretary of State of Delaware and (ii) a certificate of merger in the form attached hereto as Exhibit Q (the "Vought Systems-Tactical Systems Certificate") with the Department of State of New York. The Vought Systems-Tactical Systems Ownership Certificate and the Vought Systems-Tactical Systems Certificate shall provide that the Vought Systems and Tactical

System Merger shall be effective at 11:58 p.m. Eastern Standard Time on the Merger Date as hereinafter defined. Vought Systems and Tactical Systems shall take all actions necessary or appropriate to consummate the Vought Systems and Tactical Systems Merger in accordance with the provisions of the Vought Systems-Tactical Systems Ownership Certificate and the Vought Systems-Tactical Systems Certificate.

Section 1.3. The Final Merger

Tactical Systems and LMC shall execute and cause to be filed (i) a certificate of merger in the form attached to this Agreement as Exhibit R (the "Tactical Systems-LMC Certificate") with the Department of State of New York and (ii) articles of merger in the form attached hereto as Exhibit S (the "Tactical Systems-LMC Articles") with the State Department of Assessment and Taxation of Maryland. The Tactical Systems-LMC Certificate and the Tactical Systems-LMC Articles shall provide that the Tactical System and LMC Merger shall be effective at 11:59 p.m. Eastern Standard Time on the Merger Date as hereinafter defined. Tactical Systems and LMC shall take all actions necessary or appropriate to consummate the Tactical Systems and LMC Merger in accordance with the provisions of the Tactical Systems-LMC Certificate and the Tactical Systems-LMC Articles.

## ARTICLE II

### Approvals

Section 2.01. Each of the parties to this Agreement covenants and agrees for the benefit of each of the other parties to this Agreement to take any and all action necessary or appropriate (including approval by their respective boards of directors and shareholders, if necessary) to consummate the Mergers in accordance with all applicable laws, including the Maryland General Corporation Law, the General Corporation Law of the State of Delaware and the Massachusetts General Corporate Law.

## ARTICLE III

### Effect of Mergers

Section 3.01. Aerospace Corp. and Aerospace Holdings Merger. Upon consummation of the Aerospace Corp. and Aerospace Holdings Merger, Aerospace Corp. shall immediately cease to exist and Aerospace Holdings shall succeed to all rights and obligations of Aerospace Corp. Each share of capital stock of Aerospace Holdings which shall be outstanding at the effective time of this merger shall, by virtue of the merger and without any action on the part of the holder thereof, remain an outstanding share of capital stock of the corporation surviving the merger provided for herein. Each share of capital stock of Aerospace Corp. which shall be outstanding at the effective time of the merger shall, by virtue of the merger and without any action on the part of the holder



thereof, be canceled and no consideration shall be paid in respect thereof. The Certificate of Incorporation and Bylaws of Aerospace Holdings shall be the Certificate of Incorporation and Bylaws of the surviving corporation and shall thereafter continue to be its Certificate of Incorporation and Bylaws until changed as provided therein and by law.

Section 3.02. Defense Systems and LC Acquiring Merger. Upon consummation of the Defense Systems and LC Acquiring Merger, Defense Systems shall immediately cease to exist and LC Acquiring shall succeed to all rights and obligations of Defense Systems. Each share of capital stock of LC Acquiring which shall be outstanding at the effective time of this merger shall, by virtue of the merger and without any action on the part of the holder thereof, remain an outstanding share of capital stock of the corporation surviving the merger provided for herein. Each share of capital stock of Defense Systems which shall be outstanding at the effective time of the merger shall, by virtue of the merger and without any action on the part of the holder thereof, be canceled and no consideration shall be paid in respect thereof. The Certificate of Incorporation and Bylaws of LC Acquiring shall be the Certificate of Incorporation and Bylaws of the surviving corporation and shall thereafter continue to be its Certificate of Incorporation and Bylaws until changed as provided therein and by law.

Section 3.03. Fairchild and LC Acquiring Merger. Upon consummation of the Fairchild and LC Acquiring Merger, Fairchild shall immediately cease to exist and LC Acquiring shall succeed to all rights and obligations of Fairchild. Each share of capital stock of LC Acquiring which shall be outstanding at the effective time of this merger shall, by virtue of the merger and without any action on the part of the holder thereof, remain an outstanding share of capital stock of the corporation surviving the merger provided for herein. Each share of capital stock of Fairchild which shall be outstanding at the effective time of the merger shall, by virtue of the merger and without any action on the part of the holder thereof, be canceled and no consideration shall be paid in respect thereof. The Certificate of Incorporation and Bylaws of LC Acquiring shall be the Certificate of Incorporation and Bylaws of the surviving corporation and shall thereafter continue to be its Certificate of Incorporation and Bylaws until changed as provided therein and by law.

Section 3.04. FSI and Frequency Sources Merger. Upon consummation of the FSI and Frequency Sources Merger, FSI shall immediately cease to exist and Frequency Sources shall succeed to all rights and obligations of FSI. Each share of capital stock of Frequency Sources which shall be outstanding at the effective time of this merger shall, by virtue of the merger and without any action on the part of the holder thereof, remain an outstanding share of capital stock of the corporation surviving the merger provided for herein. Each share of capital stock of FSI which shall be outstanding at the effective time of the merger shall, by virtue of the merger and without any action on the part of the holder thereof, be canceled and no consideration shall be paid in respect thereof. The Certificate of Incorporation and Bylaws of Frequency Sources shall be the Certificate of

Incorporation and Bylaws of the surviving corporation and shall thereafter continue to be its Certificate of Incorporation and Bylaws until changed as provided therein and by law.

Section 3.05. IR Imaging and Frequency Sources Merger. Upon consummation of the IR Imaging and Frequency Sources Merger, IR Imaging shall immediately cease to exist and Frequency Sources shall succeed to all rights and obligations of IR Imaging. Each share of capital stock of Frequency Sources which shall be outstanding at the effective time of this merger shall, by virtue of the merger and without any action on the part of the holder thereof, remain an outstanding share of capital stock of the corporation surviving the merger provided for herein. Each share of capital stock of IR Imaging which shall be outstanding at the effective time of the merger shall, by virtue of the merger and without any action on the part of the holder thereof, be canceled and no consideration shall be paid in respect thereof. The Certificate of Incorporation and Bylaws of Frequency Sources shall be the Certificate of Incorporation and Bylaws of the surviving corporation and shall thereafter continue to be its Certificate of Incorporation and Bylaws until changed as provided therein and by law.

Section 3.06. Vought Services and Vought Systems Merger. Upon consummation of the Vought Services and Vought Systems Merger, Vought Services shall immediately cease to exist and Vought Systems shall succeed to all rights and obligations of Vought Services. Each share of capital stock of Vought Systems which shall be outstanding at the effective time of this merger shall, by virtue of the merger and without any action on the part of the holder thereof, remain an outstanding share of capital stock of the corporation surviving the merger provided for herein. Each share of capital stock of Vought Services which shall be outstanding at the effective time of the merger shall, by virtue of the merger and without any action on the part of the holder thereof, be canceled and no consideration shall be paid in respect thereof. The Certificate of Incorporation and Bylaws of Vought Systems shall be the Certificate of Incorporation and Bylaws of the surviving corporation and shall thereafter continue to be its Certificate of Incorporation and Bylaws until changed as provided therein and by law.

Section 3.07. Aerospace Holdings and Tactical Systems Merger. Upon consummation of the Aerospace Holdings and Tactical Systems Merger, Aerospace Holdings shall immediately cease to exist and Tactical Systems shall succeed to all rights and obligations of Aerospace Holdings. Each share of capital stock of Tactical Systems which shall be outstanding at the effective time of this merger shall, by virtue of the merger and without any action on the part of the holder thereof, remain an outstanding share of capital stock of the corporation surviving the merger provided for herein. Each share of capital stock of Aerospace Holdings which shall be outstanding at the effective time of the merger shall, by virtue of the merger and without any action on the part of the holder thereof, be canceled and no consideration shall be paid in respect thereof. The Certificate of Incorporation and Bylaws of Tactical Systems shall be the Certificate of Incorporation and Bylaws of the surviving corporation and shall thereafter continue to be its Certificate of Incorporation and Bylaws until changed as provided therein and by law.

Section 3.08. LC Acquiring and Tactical Systems Merger. Upon consummation of the LC Acquiring and Tactical Systems Merger, LC Acquiring shall immediately cease to exist and Tactical Systems shall succeed to all rights and obligations of LC Acquiring. Each share of capital stock of Tactical Systems which shall be outstanding at the effective time of this merger shall, by virtue of the merger and without any action on the part of the holder thereof, remain an outstanding share of capital stock of the corporation surviving the merger provided for herein. Each share of capital stock of LC Acquiring which shall be outstanding at the effective time of the merger shall, by virtue of the merger and without any action on the part of the holder thereof, be canceled and no consideration shall be paid in respect thereof. The Certificate of Incorporation and Bylaws of Tactical Systems shall be the Certificate of Incorporation and Bylaws of the surviving corporation and shall thereafter continue to be its Certificate of Incorporation and Bylaws until changed as provided therein and by law.

Section 3.09. Frequency Sources and Tactical Systems Merger. Upon consummation of the Frequency Sources and Tactical Systems Merger, Frequency Sources shall immediately cease to exist and Tactical Systems shall succeed to all rights and obligations of Frequency Sources. Each share of capital stock of Tactical Systems which shall be outstanding at the effective time of this merger shall, by virtue of the merger and without any action on the part of the holder thereof, remain an outstanding share of capital stock of the corporation surviving the merger provided for herein. Each share of capital stock of Frequency Sources which shall be outstanding at the effective time of the merger shall, by virtue of the merger and without any action on the part of the holder thereof, be canceled and no consideration shall be paid in respect thereof. The Certificate of Incorporation and Bylaws of Tactical Systems shall be the Certificate of Incorporation and Bylaws of the surviving corporation and shall thereafter continue to be its Certificate of Incorporation and Bylaws until changed as provided therein and by law.

Section 3.10. Electro-Optical and Tactical Systems Merger. Upon consummation of the Electro-Optical and Tactical Systems Merger, Electro-Optical shall immediately cease to exist and Tactical Systems shall succeed to all rights and obligations of Electro-Optical. Each share of capital stock of Tactical Systems which shall be outstanding at the effective time of this merger shall, by virtue of the merger and without any action on the part of the holder thereof, remain an outstanding share of capital stock of the corporation surviving the merger provided for herein. Each share of capital stock of Electro-Optical which shall be outstanding at the effective time of the merger shall, by virtue of the merger and without any action on the part of the holder thereof, be canceled and no consideration shall be paid in respect thereof. The Certificate of Incorporation and Bylaws of Tactical Systems shall be the Certificate of Incorporation and Bylaws of the surviving corporation and shall thereafter continue to be its Certificate of Incorporation and Bylaws until changed as provided therein and by law.

Section 3.11. Vought Systems and Tactical Systems Merger. Upon consummation of the Vought Systems and Tactical Systems Merger, Vought Systems shall immediately cease to exist and Tactical Systems shall succeed to all rights and obligations of Vought Systems. Each share of capital stock of Tactical Systems which shall be outstanding at the effective time of this merger shall, by virtue of the merger and without any action on the part of the holder thereof, remain an outstanding share of capital stock of the corporation surviving the merger provided for herein. Each share of capital stock of Vought Systems which shall be outstanding at the effective time of the merger shall, by virtue of the merger and without any action on the part of the holder thereof, be canceled and no consideration shall be paid in respect thereof. The Certificate of Incorporation and Bylaws of Tactical Systems shall be the Certificate of Incorporation and Bylaws of the surviving corporation and shall thereafter continue to be its Certificate of Incorporation and Bylaws until changed as provided therein and by law.

Section 3.12. Tactical Systems and LMC Merger. Upon consummation of the Tactical Systems and LMC Merger, Tactical Systems shall immediately cease to exist and LMC shall succeed to all rights and obligations of Tactical Systems. Each share of capital stock of LMC which shall be outstanding at the effective time of this merger shall, by virtue of the merger and without any action on the part of the holder thereof, remain an outstanding share of capital stock of the corporation surviving the merger provided for herein. Each share of capital stock of Tactical Systems which shall be outstanding at the effective time of the merger shall, by virtue of the merger and without any action on the part of the holder thereof, be canceled and no consideration shall be paid in respect thereof. The Certificate of Incorporation and Bylaws of LMC shall be the Certificate of Incorporation and Bylaws of the surviving corporation and shall thereafter continue to be its Certificate of Incorporation and Bylaws until changed as provided therein and by law.

Section 3.13. Complete Liquidation. Each of the Mergers is intended to qualify as a complete liquidation under Section 332 of the Internal Revenue Code of 1986, as amended, of the entity merging out of existence.

Section 3.14. Merger Date. The Merger Date shall be June 30 , 1997, provided, however, that either the Chairman and Chief Executive Officer or the President and Chief Operating Officer of LMC may extend this date.

## ARTICLE IV

### Miscellaneous

Section 4.01. Counterparts. The Agreement and any amendment thereof may be executed in two or more counterparts, all of which shall be considered the same agreement.

Section 4.02. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland, without regard to the principles of conflicts of laws thereof.

Section 4.03. Exhibits. All Exhibits to this Agreement referred to herein are intended to be and hereby are specifically made a part of this Agreement.

Section 4.04. Headings. All section headings contained in this Agreement are for convenience of reference only, do not form a part of this Agreement and shall not effect in any way the meaning or interpretation of this Agreement.

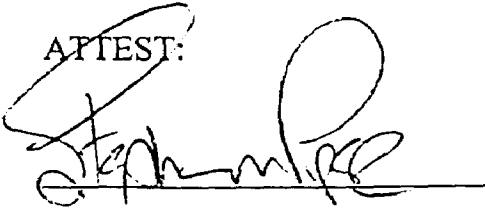
Section 4.05. No Third Party Beneficiaries. The terms and conditions of this Agreement are for the sole benefit of the parties to this Agreement and their successors and assigns only, and shall not be relied upon by, nor construed as conferring any rights upon, any other persons.

Section 4.06. Condition Precedent. Notwithstanding anything to the contrary contained herein, this Agreement shall become null and void, the obligations of the parties to proceed with the Mergers contemplated herein shall terminate and the Plans of Merger and Complete Liquidation contained herein shall be rescinded unless, on or prior to the Merger Date, the Board of Directors of LMC shall approve this Agreement.

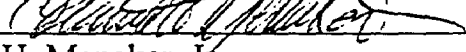
Section 4.07 Amendment. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by all the parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first written above.

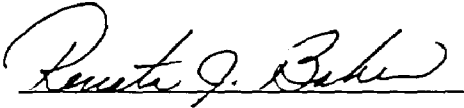
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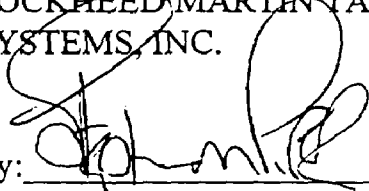
LOCKHEED MARTIN CORPORATION

By:   
\_\_\_\_\_   
Frank H. Menaker, Jr.  
Senior Vice President and General Counsel

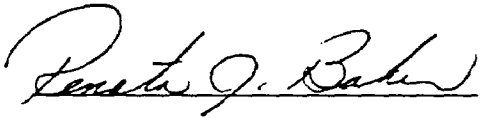
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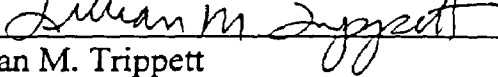
LOCKHEED MARTIN TACTICAL  
SYSTEMS, INC.

By:   
\_\_\_\_\_   
Stephen M. Piper  
Vice President and Assistant Secretary

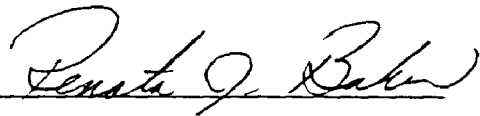
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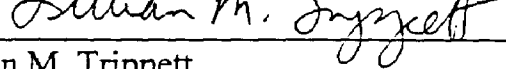
LOCKHEED MARTIN AEROSPACE  
CORP.

By:   
\_\_\_\_\_   
Lillian M. Trippett  
Vice President and Assistant Secretary

ATTEST:

  
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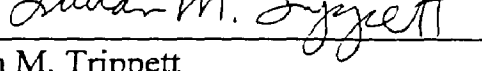
LC ACQUIRING CORP.

By:   
\_\_\_\_\_   
Lillian M. Trippett  
Vice President and Assistant Secretary

ATTEST:

  
\_\_\_\_\_

FREQUENCY SOURCES, INC.

By:   
\_\_\_\_\_   
Lillian M. Trippett  
Vice President and Assistant Secretary

ATTEST:

LOCKHEED MARTIN ELECTRO-  
OPTICAL SYSTEMS, INC.

*Ronald J. Baker*

By: *Lillian M. Trippett*  
Lillian M. Trippett  
Vice President and Assistant Secretary

ATTEST:

LOCKHEED MARTIN VOUGHT  
SYSTEMS CORPORATION

*Ronald J. Baker*

By: *Lillian M. Trippett*  
Lillian M. Trippett  
Vice President and Assistant Secretary

ATTEST:

LOCKHEED MARTIN AEROSPACE  
CORP.

*Ronald J. Baker*

By: *Lillian M. Trippett*  
Lillian M. Trippett  
Vice President and Assistant Secretary

ATTEST:

LOCKHEED MARTIN DEFENSE  
SYSTEMS CORP.

*Ronald J. Baker*

By: *Lillian M. Trippett*  
Lillian M. Trippett  
Vice President and Assistant Secretary

ATTEST:

LOCKHEED MARTIN FAIRCHILD  
CORP.

*Ronald J. Baker*

By: *Lillian M. Trippett*  
Lillian M. Trippett  
Vice President and Assistant Secretary

ATTEST:

FSI INVESTMENT CORPORATION

*Ronald J. Baker*

By: *Lillian M. Trippett*  
Lillian M. Trippett  
Vice President and Assistant Secretary

ATTEST:

LOCKHEED MARTIN IR IMAGING  
SYSTEMS, INC.

*Ronald J. Baker*

By: *Lillian M. Trippett*  
Lillian M. Trippett  
Vice President and Assistant Secretary

ATTEST:

LOCKHEED MARTIN VOUGHT  
SERVICES, INC.

*Ronald J. Baker*

By: *Lillian M. Trippett*  
Lillian M. Trippett  
Vice President and Assistant Secretary



**AGREEMENT AND PLANS OF MERGER  
AND COMPLETE LIQUIDATION**

dated as of June 27, 1997

among

LOCKHEED MARTIN CORPORATION

LOCKHEED MARTIN TACTICAL SYSTEMS, INC.

LOCKHEED MARTIN AEROSPACE HOLDINGS, INC.

LC ACQUIRING CORP.

FREQUENCY SOURCES, INC.

LOCKHEED MARTIN ELECTRO-OPTICAL SYSTEMS, INC.

LOCKHEED MARTIN VOUGHT SYSTEMS CORPORATION

LOCKHEED MARTIN AEROSPACE CORP.

LOCKHEED MARTIN DEFENSE SYSTEMS CORP.

LOCKHEED MARTIN FAIRCHILD CORP.

FSI INVESTMENT CORPORATION

LOCKHEED MARTIN IR IMAGING SYSTEMS, INC.

LOCKHEED MARTIN VOUGHT SERVICES, INC.