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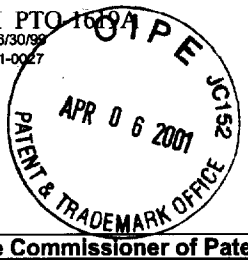

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RECORDATION FORM COVER SHEET
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TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- [X] New
- [ ] Resubmission (Non-Recordation) Document ID#
- [ ] Correction of PTO Error Reel # Frame #
- [ ] Corrective Document Reel # Frame #

Conveyance Type

- [ ] Assignment
- [ ] Security Agreement
- [ ] License
- [ ] Change of Name
- [ ] Merger
- [X] Other Order of the U.S. Bankruptcy Ct.

U.S. Government
(For Use ONLY by U.S. Government Agencies)
- [ ] Departmental File
- [ ] Secret File

Conveying Party(ies)

[ ] Mark if additional names of conveying parties attached

Name (line 1): Bankers Trust Company — Execution Date Month Day Year: 03081996

Name (line 2):

Second Party
Name (line 1): — Execution Date Month Day Year:

Name (line 2):

Receiving Party

[ ] Mark if additional names of receiving parties attached

Name (line 1): FA Acquisition Inc.

Name (line 2):

Address (line 1): 700 Nickerson Road

Address (line 2):

Address (line 3): Marlborough (City) | Massachusetts/USA (State/Country) | 01752 (Zip Code)

[ ] If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. *(Designation must be a separate document from Assignment.)*

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name: Steven B. Phillips

Address (line 1): Moore & Van Allen, PLLC

Address (line 2): 2200 West Main Street, Suite 800

Address (line 3):

Address (line 4): Durham, NC 27705

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

Correspondent Name and Address

Area Code and Telephone Number: 919-286-8000

Name: Steven B. Phillips

Address (line 1): Moore & Van Allen, PLLC

Address (line 2): 2200 West Main Street, Suite 800

Address (line 3):

Address (line 4): Durham, NC 27705

Pages

Enter the total number of pages of the attached conveyance document including any attachments. # 65

Application Number(s) or Patent Number(s)

[X] Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)			Patent Number(s)		
			4140357	4669239	4797779
			4211443	4704767	5079936
			4593543	4723373	5133123

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor. Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number only if a U.S. Application Number has not been assigned.

PCT PCT PCT

PCT PCT PCT

Number of Properties

Enter the total number of properties involved. # 10

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): $ 400.00

Method of Payment: Enclosed [X] Deposit Account [ ]

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: # 13-4365

Authorization to charge additional fees: Yes [X] No [ ]

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. Charges to deposit account are authorized, as indicated herein.

Steven B. Phillips — Name of Person Signing

Signature

4/4/01 — Date

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments. #

Application Number(s) or Patent Number(s)

☐ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)			Patent Number(s)		
			5303965		

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor. Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number only if a U.S. Application Number has not been assigned.

PCT PCT PCT

PCT PCT PCT

Number of Properties

Enter the total number of properties involved. #

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): $

Method of Payment: Enclosed ☐ Deposit Account ☐

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes ☐ No ☐

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. Charges to deposit account are authorized, as indicated herein.

Steven B. Phillips — Name of Person Signing

Signature

4/4/01 — Date

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
FOLGER ADAM COMPANY,	)	Case No. 96-142 (HSB)
THE WILLIAM BAYLEY COMPANY,	)	
and STEWART-DECATUR SECURITY	)	
SYSTEMS, INC.,	)	Jointly Administered
	)	
Debtors.	)	

CERTIFIED:
AS A TRUE COPY:
ATTEST:
CAROLYN C. RANISZEWSKI, CLERK
U. S. BANKRUPTCY COURT
BY Deputy Clerk 3-18-96

ORDER GRANTING MOTION TO APPROVE THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS TO PURCHASER AND ASSUMPTION AND ASSIGNMENT OF CERTAIN CONTRACTS PURSUANT TO 11 U.S.C. §§ 363 and 365

The Court has considered the Motion to Approve the Sale of Substantially All of the Debtors' Assets to Purchaser And Assumption and Assignment of Certain Contracts Pursuant to 11 U.S.C. §§ 363 and 365 (the "Motion") filed jointly by Folger Adam Company ("Folger"), Stewart-Decatur Security Systems, Inc. ("Stewart") and The William Bayley Company ("Bayley"), as debtors and debtors-in-possession (each a "Debtor" and, collectively, the "Debtors"), all objections thereto and the evidence heard by the Court at the hearing on the Motion. Based upon the foregoing the Court makes the following findings of fact, conclusions of law and enters the following Order:

A. That notice of the Motion was made in accordance with this Court's order regarding the sale and auction procedures dated February 8, 1996 and that said notice together with the hearing held thereon on March 8, 1996 was

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sufficient under the circumstances and satisfied all applicable notice and hearing requirements of the Bankruptcy Code and the Bankruptcy Rules.

B. The Court finds that good cause exists to grant the relief requested in the Motion, and that the sale of the Acquired Assets (as defined in the Asset Purchase Agreement dated as of February 7, 1996 by and between the Debtors and FA Acquisition Inc. (the "Purchaser"), a copy of which, without the disclosure schedules thereto, is attached hereto as Exhibit A (the "Asset Purchase Agreement"), and the assumption by the Debtors and assignment to the Purchaser of the contracts listed on Exhibit B hereto (the "Assigned Contracts") on the terms and conditions and for the purchase price set forth in the Asset Purchase Agreement and the Motion are in the best interests of the Debtors and their estates.

C. The Debtors properly commenced their proceedings under Chapter 11 of 11 U.S.C. § 101 et seq. (the "Bankruptcy Code") on February 8, 1996 (the "Petition Date").

D. Each of the Debtors has articulated good and sufficient reasons for entering into the Asset Purchase Agreement and that said reasons constitute a proper exercise of each Debtor's reasonable business judgment. Due to the deteriorated condition of the Debtors' financial position and the unavailability of financing other than on terms sufficient to carry the business to a closing of the Asset

Purchase Agreement, the Debtors have no alternative but to sell the Acquired Assets on the terms set forth in the Asset Purchase Agreement.

E. That in light of the Debtors' deteriorated financial condition, the Debtors' estates will greatly benefit from the consummation of the sale of the Acquired Assets to the Purchaser (the "Asset Sale").

F. That as a condition to the Asset Sale, the Purchaser requires that (i) the Acquired Assets be sold free and clear of any and all liens, claims, encumbrances and liabilities, except those specifically assumed by the Purchaser under the Asset Purchase Agreement (the "Assumed Liabilities") and (ii) the Purchaser have no liability for any of the Retained Liabilities (as defined in the Asset Purchase Agreement).

G. That the Purchaser would not enter into and consummate the Asset Sale and the DIP Loan will become due and payable, thus adversely affecting the Debtors' estates and interfering with the Debtors' reorganization efforts, if the Asset Sale to the Purchaser is not free and clear of all liens, claims, encumbrances and liabilities of the Debtors, other than the Assumed Liabilities, or if the Purchaser were or would be liable for any of the Retained Liabilities (as defined in the Asset Purchase Agreement).

H. A notice of the sale and hearing on the Motion (the "Sale Notice"), a copy of which is attached hereto as Exhibit C, is proper and sufficient in form and

substance, was timely served on all parties in interest, constitutes proper service of notice of the Motion and provides sufficient notice of the sale and assumption and assignment described therein. Other parties interested in bidding on the Acquired Assets were provided, upon request, sufficient information by the Debtors to make an informed judgment on whether to bid on such assets. There has been adequate opportunity for all parties in interest to appear and be heard on the Motion and the sale and assumption and assignment proposed thereby and approved hereby.

I. The Purchaser is a good faith purchaser for value within the meaning of 11 U.S.C. § 365(m).

J. The assumption by the Debtors and the assignment by the Debtors to the Purchaser of the Assigned Contracts are in the best interest of the Debtors' estates and constitute a proper exercise of each Debtors' reasonable business judgment.

K. A Notice of Designation of Executory Contracts and Leases to Be Assumed and Assigned to FA Acquisition, Inc. dated February 6, 1996, a copy of which is attached hereto as Exhibit D, which requires that any non-debtor party to a contract proposed to be assumed and assigned to FAC in connection with the Asset Sale to file an objection to the assumption and assignment and state any cure required or be forever barred from asserting any default, loss or liability against the assignee based on events or circumstances arising prior to the assignment was

timely served upon all non-debtor parties to the Assigned Contracts and the Removed Contracts (as defined below), and upon each of the twenty largest creditors of each of the Debtors, as required by the Court's order dated February 8, 1996, constitutes proper service of such notice and provides sufficient notice under the circumstances.

L. A Notice of Removal of Designation dated March 7, 1996, a copy of which is attached hereto as Exhibit E, was timely served upon all non-debtor parties to executory contracts and leases contained on the schedule attached to the Designation Notice which have asserted objections to the assumption and assignment of their respective contracts due to alleged defaults which require cure prior to assumption, and which alleged defaults the Debtor will not be able to cure, and which FAC has determined, based on such assertions, not to have assigned to it (the "Removed Contracts").

M. The Purchaser has provided adequate assurance of future performance of the Assigned Contracts pursuant to 11 U.S.C. § 365(f).

N. The Debtors are either not in default of the Assigned Contracts, except as a result of the commencement of their Chapter 11 cases, or provision for the payment of any amount which is in default has been made and therefore no cure payment is due and the non-debtor party to each of the Assigned Contracts is not entitled to any compensation for any actual pecuniary loss to such party resulting from

any default under the Assigned Contracts, each of the non-debtor parties to an Assigned Contract was served with the Sale Notice and the Designation Notice which included a notice that any non-debtor party was required to assert the existence of a default under the Assigned Contract to which it was a party or be forever barred from asserting any such default against the assignee of the Assigned Contracts.

O. The transactions contemplated by the Motion are the result of arms length negotiations between unaffiliated parties which negotiations have resulted in a transaction which is in the best interests of the Debtors' estates.

P. The Debtors have stipulated that Bankers Trust Company and Bank of America Illinois (the "Banks"), the Debtors' prepetition lenders, hold valid and enforceable claims against the Debtors in an amount substantially in excess of the sale proceeds (the "Bank Claims") and valid perfected and enforceable liens on and security interests in substantially all of the Debtors' assets. The Banks have consented to the sale on the terms and conditions of this Order and the Asset Purchase Agreement.

ACCORDINGLY, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is hereby granted; the Asset Purchase Agreement is approved; and the Debtors are hereby authorized and directed to consummate the Asset Purchase Agreement on the terms set forth therein.

2. The Debtors are authorized to assume the Assigned Contracts and to assign the Assigned Contracts to the Purchaser pursuant to the terms of the Asset Purchase Agreement.

3. The sale of the Acquired Assets and the assignment of the Assigned Contracts to Purchaser is made free and clear of all liens, mortgages, security interests, encumbrances, liabilities, claims or any other interests, other than the Assumed Liabilities, whether arising before or after the Petition Date, including, without limitation, any claims or liabilities arising out of or in connection with any Employee Benefit Plan (as defined in the Asset Purchase Agreement) or "multiemployer plan" (as defined in Section 4001(a)(3) of ERISA) whether due to termination, withdrawal, underfunding or otherwise, all liens, mortgages and security interests to attach to the proceeds of sale with the same force and effect which they now have against the assets. Neither the Purchaser nor the Acquired Assets shall be subject to or responsible for the payment of any of the Retained Liabilities (as defined in the Asset Purchase Agreement), whether based on a claim of successor liability against the Purchaser or otherwise and the Purchaser is hereby released of any and all such liability and claims. Each of the non-debtor parties to an Assigned Contract who has failed to object to the assignment of the Assigned Contract to the Purchaser or who filed an objection or asserted a default and which objection or assertion of default was

overruled, is forever barred from asserting any claim, loss or liability against Purchaser based upon a claim which arises from or relates to an assertion that any of the Debtors was in breach of the Assigned Contract prior to the date hereof.

4. Any and all creditors of the Debtors are permanently enjoined and restrained from seeking to obtain payment or satisfaction of their claims against the Debtors from the Purchaser or the Acquired Assets, except for and only to the extent of the Assumed Liabilities.

5. The Debtors are specifically authorized and directed (i) to execute, deliver and carry out the terms of any and all documents and instruments that may be required by the Asset Purchase Agreement and the Motion, including, but not limited to, the Asset Purchase Agreement, and one or more bills of sale and deeds relating to the Acquired Assets; (ii) to undertake any action required by the Asset Purchase Agreement or the Motion, or the sale of the Acquired Assets to Purchaser; and (iii) to take all such actions as may be necessary to effectuate the assumption by the Debtors and the assignment to the Purchaser of the Assigned Contracts.

6. All proceeds of sale shall be paid over to the Banks to be applied against the Bank Claims, subject to final allowance of the Bank Claims.

Dated: Wilmington, Delaware
March 28, 1996

UNITED STATES BANKRUPTCY JUDGE

ASSET PURCHASE AGREEMENT

By and Among

Folger Adam Company,
Stewart-Decatur Security Systems, Inc. and
The William Bayley Company

and

FA Acquisition Inc.

Dated as of February 7, 1996

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ASSET PURCHASE AGREEMENT

Agreement entered into as of February 7, 1996 by and among FA Acquisition Inc., a Delaware corporation (the "Buyer"), and Folger Adam Company, a Delaware corporation (the "Company"), Stewart-Decatur Security Systems, Inc., a Delaware corporation ("Stewart"), and The William Bayley Company, a Delaware corporation ("William Bayley," and together with the Company and Stewart, the "Sellers"). The Buyer and the Sellers are referred to collectively herein as the "Parties."

This Agreement contemplates a transaction in which the Buyer will purchase substantially all of the assets of the Sellers pursuant to Section 363 of the Bankruptcy Code (as defined in Section 4.3) free and clear of all liens, claims, liabilities and encumbrances, except for those liabilities specifically assumed hereby. Immediately subsequent to the execution of this Agreement, the Sellers are filing Chapter 11 petitions with the United States Bankruptcy Court for the District of Delaware. The transactions contemplated by this Agreement shall be consummated pursuant to a duly noticed and approved sale of assets and assumption and assignment of executory contracts pursuant to Sections 363 and 365 of the Bankruptcy Code.

Now, therefore, in consideration of the representations, warranties and covenants herein contained, the Parties agree as follows.

ARTICLE I

THE PURCHASE

1.1 Purchase and Sale of Assets and Assumption and Assignment of the Assigned Contracts.

(a) Upon and subject to the terms and conditions of this Agreement, the Buyer shall purchase from the Sellers, and each Seller shall sell, transfer, convey, assign and deliver to the Buyer, at the Closing (as defined in Section 1.4(a)), for the aggregate consideration specified below in this Article I, all of such Seller's right, title and interest in and to all of the assets of such Seller existing as of the Closing regardless of whether such assets existed prior to the commencement of such Seller's Chapter 11 case or arising thereafter (collectively, the "Acquired Assets"), including, without limitation:

(i) all cash and cash equivalents;

(ii) all trade and other accounts receivable, notes receivable and any other right to receive payment from any other party regardless of whether the contract under which the right to receive such payment arose is an Assigned Contract (collectively, "Accounts Receivable") and all unbilled amounts for contracts in progress (the "Contracts in Progress");

(iii) all inventories of raw materials, work in process, finish goods, supplies, packaging materials, spare parts and similar items;

(iv) all machinery, equipment, tools and tooling (including expendable tooling), furniture, fixtures, leasehold improvements and motor vehicles;

(v) all leaseholds and subleaseholds in real property, and easements, rights-of-way and other appurtenants thereto;

(vi) all (A) patents, patent applications, patent disclosures and all related continuation, continuation-in-part, divisional, reissue, re-examination, utility, model, certificate of invention and design patents, patent applications, registrations and applications for registrations, (B) trademarks, service marks, trade drafts, logos, tradenames and corporate names and registrations and applications for registration thereof, (C) copyrights and registrations and applications for registration thereof, (D) mask works and registrations and applications for registration thereof, (E) computer software, data and documentation, (F) trade secrets and confidential business information, whether patentable or nonpatentable and whether or not reduced to practice, know-how, manufacturing and product processes and techniques, research and development information, copyrightable works, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information, (G) other proprietary rights relating to any of the foregoing (including, without limitation, remedies against infringements thereof and rights of protection of interest therein under the laws of all jurisdictions) and (H) copies and tangible embodiments thereof (collectively, "Intellectual Property");

(vii) the rights under the contracts, agreements or instruments to which any of the Sellers is a party (including, without limitation, any agreements or instruments securing any amounts owed to any of the Sellers, and any licenses or sublicenses relating to Intellectual Property), which will be set forth on Schedule 1.2(a) within 10 days of the date hereof in

accordance with the Provision Order (collectively, the "Assigned Contracts");

(viii) all claims, prepayments, refunds, causes of action, choses in action, rights of recovery, rights of setoff and rights of recoupment and all rights under warranties;

(ix) all permits, licenses, registrations, certificates, orders, approvals, franchises, variances and similar rights (collectively, "Permits") issued by or obtained from any governmental, regulatory or administrative authority or agency, court or arbitrational tribunal (a "Governmental Entity") to the extent such Permits are assignable;

(x) all books, records, accounts, ledgers, files, documents, correspondence, lists, architectural drawings or specifications, employment records, manufacturing and procedural manuals, advertising and promotional materials, studies, reports and other printed or written materials; and

(xi) all goodwill of the Sellers.

(b) Notwithstanding the provisions of Section 1.1(a), the Acquired Assets shall not include the following assets (collectively, the "Excluded Assets"):

(i) the corporate charter, qualifications to conduct business as a foreign corporation, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, stock transfer books and other documents relating to the organization and existence of each of the Sellers as a corporation;

(ii) any of the rights of the Sellers under this Agreement or the Ancillary Agreements (for purposes of this Agreement, "Ancillary Agreements" shall mean the bill of sale and other instruments of conveyance referred to in Section 1.4(b)(iii), and the instrument of assumption and other instruments referred to in Section 1.4(b)(iv));

(iii) any rights of Sellers' bankruptcy estates under Chapter V of the Bankruptcy Code;

(iv) any real property owned by any of the Sellers;

(v) any executory contracts, which are not Assigned Contracts; or

(vi) those assets listed on Schedule 1.1(b) attached hereto.

1.2 Assumption of Liabilities.

(a) Upon and subject to the terms and conditions of this Agreement, the Buyer shall assume and become responsible for, from and after the Closing, (i) all obligations of the Sellers under any Assigned Contract set forth on Schedule 1.2(a) attached hereto provided that as of the date such Assigned Contract is assigned to the Buyer, the Seller is not in default thereunder and (ii) the liabilities of each of the Sellers incurred by each of the Sellers in the ordinary course of business during the pendency of their respective Chapter 11 cases on or prior to the Closing Date (as defined in Section 1.4(a)) and which are allowable as an expense of administration under Section 503(b)(1), but excluding any amounts payable pursuant to Sections 503(b)(2) through (b)(6) of the Bankruptcy Code (the "Chapter 11 Liabilities") (items (i) and (ii) above are referred to hereinafter collectively as, the "Assumed Liabilities").

(b) The Buyer shall not assume or otherwise become responsible for, and the Sellers shall remain liable for, any and all liabilities or obligations (whether known or unknown, whether absolute or contingent, whether liquidated or unliquidated, whether due or to become due, and whether claims with respect thereto are asserted before or after the Closing) of the Sellers which are not Assumed Liabilities (collectively, the "Retained Liabilities"). The Retained Liabilities shall constitute alleged claims in the Sellers' Chapter 11 cases; provided, however, that nothing herein shall grant or create any rights in favor of the holders of Retained Liabilities or create any priority to right of payment. The Retained Liabilities shall include, without limitation, the following:

(i) all liabilities of each of the Sellers for any Taxes (except to the extent such liabilities constitute Chapter 11 Liabilities).

(ii) all liabilities of each of the Sellers for costs and expenses incurred in connection with this Agreement or the consummation of the transactions contemplated by this Agreement;

(iii) all liabilities or obligations of each of the Sellers under this Agreement or the Ancillary Agreements;

(iv) all liabilities and obligations of each of the Sellers under any agreements, contracts, leases or licenses which are not Assumed Liabilities;

(v) all liabilities and obligations of each of the Sellers for repair, replacement or return of products manufactured or sold prior to the Closing unless such products were sold in the ordinary course of business pursuant to an Assigned Contract;

(vi) all liabilities and obligations of each of the Sellers arising out of events, conduct or conditions existing or occurring prior to the Closing that constitute a material violation of or non-compliance with any law, rule or regulation (including, without limitation, Environmental Laws (as defined in Section 2.20)), any judgment, decree or order of any Governmental Entity, or any Permit;

(vii) all liabilities and obligations related directly or indirectly to the environmental condition (and any adverse consequences arising therefrom) of the facilities, equipment and properties of each of the Sellers existing on or at any time prior to Closing, regardless of whether such condition constitutes a violation of, or non-compliance with any applicable Environmental Laws;

(viii) all liabilities or obligations of each of the Sellers to pay accrued vacation, sick pay or severance benefits to any employee of any Seller whose employment is terminated (or treated as terminated) in connection with the consummation of the transactions contemplated by this Agreement and all liabilities resulting from the termination of employment of employees of any Seller prior to the Closing that arose under any federal or state law or under any Employee Benefit Plan (as defined in Section 2.19) established or maintained by any of the Sellers;

(iv) all liabilities of each of the Sellers for injury to or death of persons or damage to or destruction of property occurring prior to the Closing (including, without limitation, any workers compensation claim);

(x) all liabilities of each of the Sellers for medical, dental and disability (both long-term and short-term) benefits, whether insured or self-insured, owed to employees or former employees of any of the Sellers based upon (A) exposure to conditions in existence prior to the Closing or (B) disabilities existing prior to the Closing (including, without limitation, any such disabilities which may have been aggravated following the Closing);

(xi) all liabilities or obligations of each of the Sellers and each ERISA Affiliate (as defined in Section 2.19) arising out of or with respect to any "multiemployer plan" (as defined in Section 3(37) of ERISA) or other Employee Benefit Plan; and

(xii) all liabilities of each of the Sellers arising out of any claim, suit, action, arbitration, proceeding, investigation or other similar matter which commenced or relates to the ownership of the Acquired Assets or the operation of the business of any of the Sellers on or prior to the Closing.

1.3 Purchase Price. The aggregate purchase price (the "Aggregate Purchase Price") to be paid by the Buyer for the Acquired Assets shall be the sum of:

(a) US$12,500,000, payable in cash at Closing, by wire transfer or other delivery of immediately available funds to the Company for the benefit of all the Sellers (the "Cash Purchase Price");

(b) forgiveness at Closing of the Obligations, as defined in the Debtor in Possession Financing Agreement dated February __, 1996 (the "DIP Loan Agreement") among the Sellers and the Buyer, which exist at Closing; and

(c) the assumption by the Buyer at Closing of the Chapter 11 Liabilities to the extent the Chapter 11 Liabilities were incurred consistent with the budget to be prepared by the Sellers in connection with the DIP Loan Agreement.

1.4 The Closing.

(a) The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at a location in Chicago, Illinois to be mutually agreed upon by the Parties, commencing at 9:00 a.m. on the first business day following the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the transactions contemplated hereby (the "Closing Date").

(b) At the Closing:

(i) each of the Sellers shall deliver to the Buyer the various certificates, instruments and documents referred to in Section 5.1;

(ii) the Buyer shall deliver to each of the Sellers the various certificates, instruments and documents referred to in Section 5.2;

(iii) each of the Sellers shall execute and deliver to the Buyer a bill of sale in the form attached hereto as Exhibit A, evidence that each Seller has changed its corporate name as required by Section 6.3 and such other instruments of conveyance (e.g., trademark assignments) as the Buyer may

reasonably request in order to effect the sale, transfer, conveyance and assignment to the Buyer of valid ownership of the Acquired Assets;

(iv) the Buyer shall execute and deliver to each of the Sellers an instrument of assumption in the form attached hereto as Exhibit B and such other instruments as the Sellers may reasonably request in order to effect the assumption by the Buyer of the Assumed Liabilities;

(v) the Buyer shall pay to the Company for the benefit of the Sellers the Cash Purchase Price as specified in Section 1.3;

(vi) the Sellers shall deliver to the Buyer, or otherwise put the Buyer in possession and control of, all of the Acquired Assets of a tangible nature, except for such assets which are in the possession of vendors as a result of a transaction entered into in the ordinary course of business; and

(vii) the Buyer and each of the Sellers shall execute and deliver to each other cross-receipts evidencing the transactions referred to above.

1.5 Allocation of Purchase Price. The Buyer and the Sellers agree to allocate the Aggregate Purchase Price among the Acquired Assets for all purposes (including financial accounting and tax purposes) in accordance with the allocation schedule attached hereto as Schedule 1.5.

1.6 Assigned Contracts. If the amount required to be paid by any of the Sellers to cure a default under an Assigned Contract is greater than $25,000 and the failure of the Seller to assign the Assigned Contract to the Buyer would not have an adverse effect on the Acquired Assets, the value of the business to be acquired by the Buyer or the Buyer's ability to operate such business, then the Schedule of Assigned Contracts shall be amended to delete such contract.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE SELLERS

The Sellers jointly and severally represent and warrant to the Buyer that the statements contained in this Article II are true and correct, except as set forth in the disclosure schedule attached hereto (the "Disclosure Schedule"). The Disclosure Schedule shall be arranged in paragraphs corresponding to the

numbered and lettered paragraphs contained in this Article II, and the disclosures in any paragraph of the Disclosure Schedule shall qualify only the corresponding paragraph in this Article II unless and to the extent such disclosure is readily apparent on its face.

2.1 Organization, Qualification and Corporate Power. Each of the Sellers is a corporation duly organized and validly existing under the laws of the state of its incorporation. Each of the Sellers is in corporate and tax good standing under the laws of the state of its incorporation. Each of the Sellers is duly qualified to conduct its business and is in corporate and tax good standing under the laws of each jurisdiction in which the nature of its business or the ownership or leasing of its properties requires such qualification except for jurisdictions where the failure to so qualify would not have a material adverse effect on the business, results of operations, properties, assets or financial condition of the Sellers taken as a whole. Each of the Sellers has all requisite corporate power and authority to carry on the business in which it is engaged and to own and use the properties owned and used by it. The Sellers have furnished to the Buyer true and complete copies of their respective charters and By-laws, each as amended and as in effect on the date hereof. None of the Sellers is in default under or in violation of any provision of its charter or By-laws.

2.2 Authority. Each of the Sellers has all requisite corporate power and authority to execute and deliver this Agreement and the Ancillary Agreements and, subject to the Approval Order (as defined in Section 4.3), to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and, subject to the Approval Order, the performance by the Sellers of this Agreement and the Ancillary Agreements and the consummation by the Sellers of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action on the part of each of the Sellers. This Agreement has been duly and validly executed and delivered by each of the Sellers and, subject to the Approval Order, constitutes a valid and binding obligation of each of the Sellers, enforceable against each of the Sellers in accordance with its terms. The Ancillary Agreements, subject to the Approval Order, when delivered by the Sellers at Closing, will constitute valid and binding obligations of each of the Sellers, enforceable against each of the Sellers in accordance with their respective terms.

2.3 Non-Contravention. Except for the applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "Hart-Scott-Rodino Act"), the Approval Order and the filing of notice of transfer of real property in the State of Illinois, neither the execution and delivery of this

Agreement or the Ancillary Agreements by the Sellers, nor the consummation by the Sellers of the transactions contemplated hereby or thereby, will (a) conflict with or violate any provision of the charter or By-laws of any Seller, (b) require on the part of any Seller or any corporation with respect to which any Seller, directly or indirectly, has the power to vote or direct the voting of sufficient securities to elect a majority of the directors (a "Subsidiary"), any filing with, or any permit, authorization, consent or approval of, any Governmental Entity or (c) violate any order, writ, injunction, decree, statute, rule or regulation applicable to any of the Sellers, or any of their respective properties or assets.

2.4 Financial Statements. The Company has provided to the Buyer (a) the audited consolidated balance sheets and statements of income, changes in stockholders' equity and cash flows for each of the last three fiscal years for the Company and its Subsidiaries; and (b) the unaudited consolidated balance sheet of the Company as of December 31, 1995 (the "Most Recent Balance Sheet") and the unaudited consolidated statements of income, changes in stockholders' equity and cash flows for the nine months ended as of the date of the Most Recent Balance Sheet (the "Most Recent Fiscal Quarter End"). Such financial statements (collectively, the "Financial Statements") have been prepared in accordance with generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods covered thereby, fairly present in all material respects the financial condition, results of operations and cash flows of the Company and its Subsidiaries as of the respective dates thereof and for the periods referred to therein and are consistent with the books and records of the Company and its Subsidiaries; provided, however, that the Financial Statements referred to in clause (b) above are subject to normal recurring year-end adjustments and do not include footnotes.

2.5 Absence of Certain Changes. Except as set forth in Section 2.5 of the Disclosure Schedule, since the Most Recent Fiscal Quarter End, (a) there has not been any material adverse change in the Acquired Assets nor has there occurred any event or development which could reasonably be foreseen to result in such a material adverse change in the future, and (b) none of the Sellers has taken any of the actions set forth in paragraphs (a) through (n) of Section 4.4.

2.6 Undisclosed Liabilities. To the knowledge of each of the Sellers, none of the Sellers has any material liability (whether absolute or contingent, whether liquidated or unliquidated and whether due or to become due), except for (a) liabilities shown on the Most Recent Balance Sheet, (b) liabilities which have arisen after the Most Recent Fiscal

Quarter End in the ordinary course of business and (c) contractual liabilities incurred in the ordinary course of business which are not required to be reflected on the Most Recent Balance Sheet. The creditor matrix to be filed with the Bankruptcy Court in connection with the Chapter 11 cases commenced by the Sellers will include a list which is complete and accurate in all material respects of all the creditors of the Sellers. The schedule of assets and liabilities will, when filed with the Bankruptcy Court, include a list which is complete and accurate in all material respects of all the persons or entities to whom the Sellers are obligated and the respective amounts thereof.

2.7 Tax Matters.

(a) Each of the Sellers has filed on a timely basis all Tax Returns (as defined below) that it was required to file and all such Tax Returns were correct and complete in all material respects. Each of the Sellers has paid all Taxes (as defined below) that are shown to be due on any such Tax Returns. The unpaid Taxes of the Sellers for tax periods through the date of the Most Recent Balance Sheet do not exceed, in any material respect, the accruals and reserves for Taxes set forth on the Most Recent Balance Sheet. For purposes of this Agreement, "Taxes" means all taxes, charges, fees, levies or other similar assessments or liabilities, including, without limitation, income, gross receipts, ad valorem, premium, value-added, excise, real property, personal property, sales, use, transfer, withholding, employment, payroll and franchise taxes imposed by the United States of America or any state, local or foreign government, or any agency thereof, or other political subdivision of the United States or any such government, and any interest, fines, penalties, assessments or additions to tax resulting from, attributable to or incurred in connection with any tax or any contest or dispute thereof. For purposes of this Agreement, "Tax Returns" means all reports, returns, declarations, statements or other information required to be supplied to a taxing authority in connection with Taxes.

(b) The Company has delivered to the Buyer true, correct and complete copies of all federal income Tax Returns, examination reports and statements of deficiencies assessed against or agreed to by any of the Sellers since December 31, 1992.

2.8 Ownership and Condition of Assets.

(a) The Sellers have good and marketable title to all of the Acquired Assets (with different Sellers owning different Acquired Assets but with all of the Acquired Assets being owned by a Seller), free and clear of all Security Interests, except as set

forth in Section 2.8 of the Disclosure Schedule. Upon consummation of the sale pursuant to the Approval Order, the Buyer will become the true and lawful owner of, and will receive good and marketable title to, the Acquired Assets, free and clear of all Security Interests and all claims and liabilities of the Sellers except for the Assumed Liabilities, and, except for the Assumed Liabilities, no creditor of the Sellers will have any claim against the Buyer or the Acquired Assets as a result of the Buyer having purchased the Acquired Assets. For purposes of this Agreement, "Security Interest" means any mortgage, pledge, security interest, encumbrance, charge, or other lien (whether arising by contract or by operation of law).

(b) Section 2.8 of the Disclosure Schedule lists all Acquired Assets which are fixed assets (within the meaning of GAAP), indicating the cost, accumulated book depreciation (if any) and the net book value of each such fixed asset as of the Most Recent Fiscal Quarter End.

2.9 Owned Real Property. Section 2.9 of the Disclosure Schedule lists and describes briefly all real property that is owned by any of the Sellers. Except as set forth in Section 2.9 of the Disclosure Schedule, with respect to each parcel of such real property the identified owner has good record and marketable title to such parcel, free and clear of any Security Interest, easement, covenant or other restriction, except for recorded easements, covenants and other restrictions which do not materially impair the use, occupancy or value of such parcel as a manufacturing facility.

2.10 Intellectual Property.

(a) Each of the Sellers owns or has the right to use all Intellectual Property used or necessary in the operation of its business as presently conducted except to the extent that the right to use such Intellectual Property will not have a material adverse effect on the business, operations or prospects of the Sellers. Upon execution and delivery by each of the Sellers to the Buyer of the instruments of conveyance referred to in Section 1.4(b)(iii), each item of Intellectual Property owned by or used in the operation of the business of any of the Sellers at any time during the period covered by the Financial Statements will be owned or available for use by the Buyer on identical terms and conditions immediately following the Closing. Each of the Sellers has taken all reasonable measures to protect the proprietary nature of its Intellectual Property, and to maintain in confidence all trade secrets and confidential information, that it owns or uses. To the knowledge of each of the Sellers, no other person or entity has any rights to any of the Intellectual Property owned or used by any of the Sellers (except pursuant to

agreements or licenses specified in Section 2.10(c) or 2.10(d) of the Disclosure Schedule), and to the knowledge of each of the Sellers, no other person or entity is infringing, violating or misappropriating any of the Intellectual Property that any Seller owns or uses.

(b) To the knowledge of each of the Sellers, none of the activities or businesses presently conducted by any of the Sellers infringes or violates, or constitutes a misappropriation of, any Intellectual Property rights of any other person or entity. None of the Sellers has received any complaint, claim or notice alleging any material infringement, violation or misappropriation.

(c) Section 2.10(c) of the Disclosure Schedule identifies each patent or registration which has been issued to any of the Sellers with respect to any of its Intellectual Property, identifies each pending patent application or application for registration which any of the Sellers has made with respect to any of its Intellectual Property, and identifies each license or other agreement pursuant to which any of the Sellers have granted any rights to any third party with respect to any of its Intellectual Property. The Company has delivered to the Buyer true, correct and complete copies of all such patents, registrations, applications, licenses and agreements (as amended to date) and has made available to the Buyer true, correct and complete copies of all other written documentation evidencing ownership of, and any claims or disputes relating to, each such item.

(d) Section 2.10(d) of the Disclosure Schedule identifies each item of Intellectual Property which is material to the operation of the business of any of the Sellers at any time during the period covered by the Financial Statements, or that any of the Sellers presently plan to use in the future, that is owned by a party other than the Sellers. The Company has supplied the Buyer with true, correct and complete copies of all licenses, sublicenses or other agreements (as amended to date) pursuant to which any of the Sellers uses such Intellectual Property, all of which are listed on Section 2.10(d) of the Disclosure Schedule. Except as set forth in Section 2.10(d) of the Disclosure Schedule, with respect to each such item of Intellectual Property:

(i) the license, sublicense or other agreement, covering such item is legal, valid, binding, enforceable and in full force and effect;

(ii) such license, sublicense or other agreement is assignable by the applicable Seller to the Buyer without the consent or approval of any party and such license, sublicense or

other agreement will continue to be legal, valid, binding, enforceable and in full force and effect immediately following the Closing in accordance with the terms thereof as in effect prior to the Closing;

(iii) none of the Sellers, and, to the knowledge of each of the Sellers, no other party to such license, sublicense or other agreement is in breach or default, and, to the knowledge of each of the Sellers, no event has occurred which with notice or lapse of time would constitute a breach or default or permit termination, modification or acceleration thereunder;

(iv) to the knowledge of each of the Sellers, the underlying item of Intellectual Property is not subject to any outstanding judgment, order, decree, stipulation or injunction; and

(v) none of the Sellers has agreed to indemnify any person or entity for or against any interference, infringement, misappropriation or other conflict with respect to such item.

2.11 Inventory. As of the date hereof, all inventory of each of the Sellers net of balance sheet reserves, whether or not reflected on the Most Recent Balance Sheet, consists of a quality and quantity usable and saleable in the ordinary course of business, except for obsolete items and items of below-standard quality, all of which have been reserved against, written-off or written-down to net realizable value on the Most Recent Balance Sheet. All inventories not written-off have been priced at the lower of cost or market on a first-in, first-out basis.

2.12 Real Property Leases. Section 2.12 of the Disclosure Schedule lists and describes briefly all real property leased or subleased to any Seller and lists the term of such lease, any extension and expansion options, and the rent payable thereunder. The Company has delivered to the Buyer true, correct and complete copies of the leases and subleases (as amended to date) listed in Section 2.12 of the Disclosure Schedule.

2.13 Contracts.

(a) Section 2.13 of the Disclosure Schedule lists the following written arrangements (including, without limitation, written agreements) to which any Seller is a party:

(i) any written arrangement (or group of related written arrangements) for the lease of personal property from or to third parties providing for lease payments in excess of $10,000 per annum;

(ii) any written arrangement (or group of related written arrangements) for the purchase or sale of raw materials, commodities, supplies, products or other personal property or for the furnishing or receipt of services (A) which calls for performance over a period of more than one year, (B) which involves more than the sum of $25,000, or (C) in which any Seller has granted manufacturing rights, "most favored nation" pricing provisions or marketing or distribution rights relating to any products or territory or has agreed to purchase a minimum quantity of goods or services or has agreed to purchase goods or services exclusively from a certain party;

(iii) any written arrangement establishing a partnership or joint venture;

(iv) any written arrangement (or group of related written arrangements) under which it has created, incurred, assumed, or guaranteed (or may create, incur, assume, or guarantee) indebtedness (including capitalized lease obligations) involving more than $25,000 or under which it has imposed (or may impose) a Security Interest on any of its assets, tangible or intangible;

(v) any written arrangement concerning confidentiality or non-competition;

(vi) any written arrangement involving any affiliate, as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (an "Affiliate"), of any of the Sellers; and

(vii) any material written arrangement not otherwise set forth in Section 2.13 of the Disclosure Schedule.

(b) The Company has delivered to the Buyer a true, correct and complete copy of each written arrangement (as amended to date) listed in Section 2.13 of the Disclosure Schedule. With respect to each written arrangement so listed: (i) the written arrangement is legal, valid, binding and enforceable and in full force and effect; (ii) subject to the Approval Order, the written arrangement is assignable by the applicable Seller to the Buyer without the consent or approval of any party (except as set forth in Section 2.13 of the Disclosure Schedule) and will continue to be legal, valid, binding and enforceable and in full force and effect immediately following the Closing in accordance with the terms thereof as in effect prior to the Closing; and (iii) none of the Sellers, and, to the knowledge of each of the Sellers, no other party is in breach or default, and, to the knowledge of each of the Sellers, no event has occurred which with notice or lapse of time would constitute a breach or default or permit

termination, modification, or acceleration, under the written arrangement. None of the Sellers is a party to any oral contract, agreement or other arrangement which, if reduced to written form, would be required to be listed in Section 2.13 of the Disclosure Schedule under the terms of this Section 2.13.

2.14 Accounts Receivable; Contracts in Progress. Except as set forth in Section 2.14 of the Disclosure Schedule, all Accounts Receivable of the Sellers reflected on the Most Recent Balance Sheet are valid receivables subject to no setoffs or counterclaims, net of the applicable reserve for bad debts shown on the Most Recent Balance Sheet. A complete list of all Accounts Receivable of the Sellers reflected on the Most Recent Balance Sheet, showing the aging thereof, is included in Section 2.14 of the Disclosure Schedule. All Accounts Receivable reflected in the financial or accounting records of the Sellers that have arisen since the Most Recent Fiscal Quarter End are valid receivables subject to no setoffs or counterclaims, net of a reserve for bad debts in an amount proportionate to the reserve shown on the Most Recent Balance Sheet. As to each Contract in Progress, Section 2.14 of the Disclosure Schedule sets forth as of the date of this Agreement the costs incurred by the applicable Seller(s) under such contract, the Company's reasonable estimate of the costs to complete such contract, the revenues received by the applicable Seller(s) under such contract, and the Company's reasonable estimate of the revenues to be received through completion of such contract.

2.15 Insurance.

(a) Section 2.15 of the Disclosure Schedule sets forth a true, correct and complete description with respect to each claim in excess of $10,000 made by any of the Sellers at any time within the past three years under any insurance policy (including fire, theft, casualty, general liability, workers compensation, business interruption, environmental, product liability and automobile insurance policies and bond and surety arrangements) to which any of the Sellers have been a party, a named insured, or otherwise the beneficiary of coverage.

(b) Except as set forth in Section 2.15 of the Disclosure Schedule, none of the Sellers has incurred any loss, damage, expense or liability covered by any such insurance policy for which it has not properly asserted a claim under such policy.

2.16 Litigation. Section 2.16 of the Disclosure Schedule identifies, and contains a brief description of, (a) any unsatisfied judgement, order, decree, stipulation or injunction

and (b) any claim, complaint, action, suit, proceeding, hearing or investigation of or in any Governmental Entity or before any arbitrator to which any Seller is a party or, to the knowledge of each of the Sellers, is threatened to be made a party.

2.17 Product Warranty. Section 2.17 of the Disclosure Schedule sets forth the aggregate expenses incurred by each of the Sellers in fulfilling their obligations under their guaranty, warranty, right of return and indemnity provisions during each of the fiscal years and the interim period covered by the Financial Statements; and none of the Sellers knows of any reason why such expenses should increase as a percentage of sales in the future.

2.18 Employees. The Company has previously delivered to the Buyer a true, correct and complete list of all employees of each of the Sellers, along with the position and the annual rate of compensation of each such person as of a date which is within fifteen days of the date of this Agreement. Section 2.18 of the Disclosure Schedule sets forth a true, complete and accurate list of all employees of each of the Sellers who are covered by the Worker Adjustment and Retraining Notification Act (the "WARN Act"), 29 U.S.C. § 2101 et seq. (collectively, the "Covered Employees"). Except as set forth in Section 2.18 of the Disclosure Schedule, none of the Sellers has at any time during the last three years been a party to or bound by any collective bargaining agreement, nor has any Seller experienced during such period any strikes, material grievances, claims of unfair labor practices filed with any governmental entity or other material collective bargaining disputes. Except as set forth in Section 2.18 of the Disclosure Schedule, no Seller has any knowledge of any organizational effort presently being made or threatened by or on behalf of any labor union with respect to its employees.

2.19 Employee Benefits.

(a) Section 2.19(a) of the Disclosure Schedule contains a true, complete and accurate list of all Employee Benefit Plans (as defined below) maintained, or contributed to, by any of the Sellers or any ERISA Affiliate (as defined below). For purposes of this Agreement, "Employee Benefit Plan" means any "employee pension benefit plan" (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), any "employee welfare benefit plan" (as defined in Section 3(1) of ERISA), and any other written or oral plan, agreement or arrangement involving direct or indirect compensation, including, without limitation, insurance coverage, severance benefits, disability benefits, deferred compensation, bonuses, stock options, stock purchase, phantom stock, stock appreciation or other forms of incentive compensation or post-retirement compensation. For purposes of this Agreement, "ERISA Affiliate"

means any entity which is a member of (i) a controlled group of corporations (as defined in Section 414(b) of the Code), (ii) a group of trades or businesses under common control (as defined in Section 414(c) of the Code), or (iii) an affiliated service group (as defined under Section 414(m) of the Code or the regulations under Section 414(o) of the Code), any of which includes any of Sellers. True, complete and accurate copies of (i) all Employee Benefit Plans which have been reduced to writing, (ii) written summaries of all unwritten Employee Benefit Plans, (iii) all related trust agreements, insurance contracts and summary plan descriptions, and (iv) all annual reports filed on IRS Form 5500, 5500C or 5500R for the last five plan years for each Employee Benefit Plan, have been delivered to the Buyer. Each Employee Benefit Plan has been administered in all material respects in accordance with its terms and each of the Sellers and the ERISA Affiliates has in all material respects met its obligations with respect to such Employee Benefit Plan and has made all required contributions thereto. Except as set forth in Section 2.19(a) of the Disclosure Schedule, each of the Sellers and all Employee Benefit Plans are in compliance in all material respects with the currently applicable provisions of ERISA and the Code and the regulations thereunder.

(b) Except as set forth in Section 2.19(b) of the Disclosure Schedule, to Sellers' knowledge there are no investigations by any Governmental Entity, termination proceedings or other claims (except claims for benefits payable in the normal operation of the Employee Benefit Plans and proceedings with respect to qualified domestic relations orders), suits or proceedings against or involving any Employee Benefit Plan or asserting any rights or claims to benefits under any Employee Benefit Plan that would give rise to any material liability to any of the Sellers.

(c) Except as set forth in Section 2.19(c) of the Disclosure Schedule, all the Employee Benefit Plans that are intended to be qualified under Section 401(a) of the Code have received determination letters from the Internal Revenue Service to the effect that such Employee Benefit Plans are qualified and the plans and the trusts related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, no such determination letter has been revoked and to Sellers' knowledge revocation has not been threatened, and no such Employee Benefit Plan has been amended since the date of its most recent determination letter or application therefor in any respect, and no act or omission has occurred, that would materially adversely affect its qualification or materially increase its cost.

(d) Except as set forth in Section 2.19(d) of the Disclosure Schedule, no Seller or any ERISA Affiliate has ever maintained an Employee Benefit Plan subject to Section 412 of the Code or Title IV of ERISA.

(e) Except as set forth in Section 2.19(e) of the Disclosure Schedule, at no time has any of the Sellers or any ERISA Affiliate been obligated to contribute to any "multi-employer plan" (as defined in Section 4001(a)(3) of ERISA).

(f) Except as set forth in Section 2.19(f) of the Disclosure Schedule, there are no unfunded obligations under any Employee Benefit Plan providing benefits after termination or employment to any employee of the Sellers (or to any beneficiary of any such employee), including, but not limited to, retiree health coverage and deferred compensation, but excluding continuation of health coverage required to be continued under Section 4980B of the Code and insurance conversion privileges under state law.

(g) Except as set forth in Section 2.19(g) of the Disclosure Schedule, no act or omission has occurred and no condition exists with respect to any Employee Benefit Plan maintained by any of the Sellers, any of their respective Affiliates or any ERISA Affiliate that would subject any Seller or any ERISA Affiliate to any material fine, penalty, tax or liability of any kind imposed under ERISA or the Code.

(h) Except as set forth in Section 2.19(h) of the Disclosure Schedule, no Employee Benefit Plan is funded by, associated with, or related to a "voluntary employee's beneficiary association" within the meaning of Section 501(c)(9) of the Code.

2.20 Environmental Matters.

(a) Except as set forth in Section 2.20(a) of the Disclosure Schedule, each of the Sellers has complied in all material respects with all applicable Environmental Laws (as defined below). There is no pending or, to the knowledge of each of the Sellers, threatened civil or criminal litigation, written notice of violation, formal administrative proceeding, or investigation, inquiry or information request by any Governmental Entity, relating to any Environmental Law involving any of the Sellers. For purposes of this Agreement, "Environmental Law" means any federal, state or local law, statute, rule or regulation or the common law relating to the environment or occupational health and safety, including, without limitation, any statute, regulation or order pertaining to (i) treatment, storage, disposal, generation and transportation of industrial, toxic or hazardous substances or solid or hazardous waste; (ii) air, water

and noise pollution; (iii) groundwater and soil contamination; (iv) the release or threatened release into the environment of industrial, toxic or hazardous substances, or solid or hazardous waste, including, without limitation, emissions, discharges, injections, spills, escapes or dumping of pollutants, contaminants or chemicals; (v) the protection of wild life, marine sanctuaries and wetlands, including, without limitation, all endangered and threatened species; (vi) storage tanks, vessels and containers; (vii) underground and other storage tanks or vessels, abandoned, disposed or discarded barrels, containers and other closed receptacles; (viii) health and safety of employees and other persons; and (ix) manufacture, processing, use, distribution, treatment, storage, disposal, transportation or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or oil or petroleum products or solid or hazardous waste. As used herein, the terms "release" and "environment" shall have the meaning set forth in the federal Comprehensive Environmental Compensation, Liability and Response Act of 1980 ("CERCLA").

(b) Except as set forth in Section 2.20(b) of the Disclosure Schedule, there have been no releases of any Materials of Environmental Concern (as defined below) into the environment at any parcel of real property or any facility formerly or currently owned, operated or controlled by the Sellers. With respect to any such releases of Materials of Environmental Concern, the applicable Seller has given all required notices to Governmental Entities (true, correct and complete copies of which have been previously provided to the Buyer). None of the Sellers is aware of any releases of Materials of Environmental Concern at parcels of real property or facilities other than those owned, operated or controlled by the Sellers that would reasonably be expected to have a material impact on the real property or facilities owned, operated or controlled by the Sellers. For purposes of this Agreement, "Materials of Environmental Concern" means any chemicals, pollutants or contaminants, hazardous substances (as such term is defined under CERCLA), solid wastes and hazardous wastes (as such terms are defined under the federal Resources Conservation and Recovery Act), toxic materials, oil or petroleum and petroleum products.

(c) Section 2.20(c) of the Disclosure Schedule sets forth a true, correct and complete list of all environmental reports, investigations and audits (whether conducted by or on behalf of any of the Sellers or a third party, and whether done at the initiative of any of the Sellers or directed by a Governmental Entity or other third party) issued or conducted during the past five years relating to premises currently or previously owned or

operated by a Seller. True, correct and complete copies of each such report, or the results of each such investigation or audit, which are in the possession or control of any Seller, have previously been provided to the Buyer.

(d) Section 2.20(d) of the Disclosure Schedule sets forth a true, correct and complete list of all of the solid and hazardous waste transporters and treatment, storage and disposal facilities that have been utilized by any of the Sellers since November 19, 1980. None of the Sellers is aware of any material environmental liability of any such transporter or facility.

2.21 Legal Compliance. Each of the Sellers is conducting and has conducted its business in compliance with each law (including rules and regulations thereunder) of any federal, state, local or foreign government, or any Governmental Entity, which (a) affects or relates to this Agreement or the transactions contemplated hereby or (b) is applicable to any of the Sellers or their respective businesses, except for any violation of or default under a law referred to in clause (b) above which reasonably may be expected not to have a material adverse effect on the assets, business, financial condition, results of operations or future prospects of the Sellers taken as a whole.

2.22 Permits. Section 2.22 of the Disclosure Schedule sets forth a true, correct and complete list of all Permits (including, without limitation, those issued or required under Environmental Laws and those relating to the occupancy or use of owned or leased real property) issued to or held by any of the Sellers, except for those the absence of which would not have any material adverse effect on the assets, business, financial condition, results of operations or future prospects of the Sellers taken as a whole. Such listed Permits are the only Permits that are required for the Sellers to conduct their respective businesses as presently conducted or as presently proposed to be conducted, except for those the absence of which would not have any material adverse effect on the assets, business, financial condition, results of operations or future prospects of the Sellers taken as a whole. Each such Permit is in full force and effect and, to the knowledge of each of the Sellers, no suspension or cancellation of such Permit is threatened and there is no reasonable basis for believing that any such Permit will not be renewable upon expiration. Except as set forth in Section 2.22 of the Disclosure Schedule, each such Permit is assignable by the applicable Seller to the Buyer without the consent or approval of any party and will continue in full force and effect following the Closing.

2.23 Books and Records. The books, records accounts, ledgers and files of each of the Sellers are accurate and complete in all material respects.

2.24 Customers and Suppliers. Section 2.24 of the Disclosure Schedule sets forth a true, correct and complete list as of a date which is within fifteen days of the date of this Agreement of (a) each customer of any of the Sellers that accounted for more than 5% of the consolidated revenues of the Company during the last full fiscal year or the interim period through the Most Recent Fiscal Quarter End and the amount of revenues accounted for by such customer during each such period and (b) each supplier that is the sole supplier of any significant product or component to each of the Sellers.

2.25 Government Contracts. None of the Sellers has been suspended or debarred from bidding on contracts or subcontracts with any Governmental Entity; no such suspension or debarment has been initiated or, to the knowledge of each of the Sellers, threatened; and the consummation of the transactions contemplated by this Agreement will not result in any such suspension or debarment of any of the Sellers or the Buyer (assuming that no such suspension or debarment will result solely from the identity of the Buyer). None of the Sellers has been or is now being audited or investigated by the United States Government Accounting Office, the United States Department of Defense or any of its agencies, the Defense Contract Audit Agency, the United States Department of Justice, the Inspector General of any United States Governmental Entity, or any prime contractor with a Governmental Entity; nor, to the knowledge of each of the Sellers, has any such audit or investigation been threatened. To the knowledge of each of the Sellers, there is no valid basis for (a) the suspension or debarment of any of the Sellers from bidding on contracts or subcontracts with any Governmental Entity or (b) any claim pursuant to an audit or investigation by any of the entities named in the previous sentence. No Seller is a party to any agreement, contract or commitment which requires such Seller to obtain or maintain a security clearance with any Governmental Entity.

2.26 Bank Agreement. The Sellers have previously delivered to the Buyer a true and correct copy of the agreement entered into among Shaykin & Co. LLC and Bankers Trust Company and Bank of America Illinois (together, the "Banks"), which agreement is in full force and effect.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Sellers as follows:

3.1 Organization. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation.

3.2 Authorization of Transaction. The Buyer has all requisite power and authority to execute and deliver this Agreement and the Ancillary Agreements and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Ancillary Agreements by the Buyer and the performance of this Agreement and the consummation of the transactions contemplated hereby and thereby by the Buyer have been duly and validly authorized by all necessary corporate action on the part of the Buyer. This Agreement has been duly and validly executed and delivered by the Buyer and constitutes a valid and binding obligation of the Buyer, enforceable against it in accordance with its terms. The Ancillary Agreements, when delivered by the Buyer at Closing, will constitute valid and binding obligations of the Buyer, enforceable against the Buyer in accordance with their respective terms.

3.3 Non-Contravention. Except for the applicable requirements of the Hart-Scott-Rodino Act, neither the execution and delivery of this Agreement nor the Ancillary Agreements by the Buyer, nor the consummation by the Buyer of the transactions contemplated hereby or thereby, will (a) conflict or violate any provision of the charter or By-laws of the Buyer, (b) require on the part of the Buyer any filing with, or permit, authorization, consent or approval of, any Governmental Entity (c) conflict with, result in breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of, create in any party any right to accelerate, terminate, modify or cancel, or require any notice, consent or waiver under, any contract, lease, sublease, license, sublicense, franchise, permit, indenture, agreement or mortgage for borrowed money, instrument of indebtedness, Security Interest or other arrangement to which the Buyer is a party or by which it is bound or to which any of its assets is subject or (d) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Buyer or any of its properties or assets.

3.4 Broker's Fees. The Buyer has no liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement.

3.5 Capitalization of Buyer. The Buyer is an indirect, wholly-owned subsidiary of Williams Holdings PLC, which shall cause the Buyer to be capitalized on the Closing Date as set forth on Schedule 3.5 attached hereto, in order to enable the Buyer to consummate the transactions contemplated by this Agreement.

ARTICLE IV

PRE-CLOSING COVENANTS

4.1 Best Efforts. Each Party shall use commercially reasonable efforts, to take all actions and to do all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement.

4.2 Notices and Consents. Each of the Sellers shall use commercially reasonable efforts to obtain all such waivers, permits, consents, approvals or other authorizations from third parties and Governmental Entities, and to effect all such registrations, filings and notices with or to third parties and Governmental Entities, as may be necessary in order to permit the consummation of the transactions contemplated by this Agreement, and permit the Buyer to hold the Acquired Assets and operate the business of the Sellers following the Closing (including, without limitation, those listed in Sections 2.10, 2.12, 2.13 and 2.22 of the Disclosure Schedule).

4.3 Bankruptcy Covenants.

(a) Immediately subsequent to the execution of this Agreement, the Sellers shall each, at their sole cost and expense, file voluntary Chapter 11 petitions (the "Petitions") for relief with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), pursuant to 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code").

(b) On the date the Petitions are filed with the Bankruptcy Court, the Sellers shall also file (i) a motion, pursuant to 11 U.S.C. § 363, to approve the sale of the Acquired Assets to the Buyer pursuant to this Agreement (the "Approval Motion"), (ii) a motion for emergency determination of approval of the Exclusivity Provision (as defined in Section 4.7 hereof), the Overbid Provisions (as defined in Section 4.8 hereof) and the Breakup Fee (as defined in Section 4.9 hereof) provided for in this Agreement (the "Provision Motion"), and (iii) a motion for emergency determination of approval of and authorizing the Sellers to enter into the DIP Loan Agreement with the Buyer (the "DIP Motion"), each in form and substance reasonably acceptable to the Buyer. The Sellers shall use their reasonable best efforts to

obtain an order approving the Provision Motion (the "Provision Order") and a preliminary order approving the DIP Motion (the "DIP Order") within 10 days of the date of this Agreement, final approval of the DIP Motion within 16 days of the date hereof, and approval of the Approval Motion (the "Approval Order") within 45 days of the date of this Agreement, which orders shall each be in form and substance acceptable to the Buyer, provided that the Approval Order shall be in a form substantially in conformity with the form of order attached hereto as Exhibit C, with only such changes as shall be agreed to by all of the Parties in writing.

(c) The Sellers shall promptly provide the Buyer with drafts of all documents, motions, orders, filings or pleadings that the Sellers propose to file with the Bankruptcy Court which relate to the consummation or approval of this Agreement, the Ancillary Agreements or any provision herein or therein, and will provide the Buyer with reasonable opportunity to review and approve such filings as reasonably practical. The Sellers shall also promptly (within 24 hours) provide the Buyer with copies of all pleadings received by or served by or upon any of the Sellers in connection with their bankruptcy cases, which have not otherwise been served on the Buyer.

(d) The Sellers shall use their reasonable best efforts to obtain, at their sole cost and expense, the entry of a final order authorizing the Sellers to assume and assign the Assigned Contracts to the Buyer (the "Assignment Order"). The Sellers shall be responsible for the payment at or prior to Closing of any amounts necessary to cure any defaults which exist on the Closing Date under the Assigned Contracts, and the Buyer shall be responsible for providing adequate assurance of its ability to perform the obligations of the Sellers under the Assigned Contracts following the Closing. The Buyer and the Sellers agree that the Lease for the land and buildings located in Lemont, Illinois, shall not be an Assigned Contract and at any time following the Closing, the Seller shall be free, at its sole discretion, to reject such contract.

4.4 Operation of Business. Except as contemplated by this Agreement and to the extent not inconsistent with the Bankruptcy Code, Bankruptcy Rules, the operation and information requirements of the Office of United States Trustee (the "OIRR"), any orders entered by the Bankruptcy Court in the Sellers' Chapter 11 cases, and subject to the availability of financing under the DIP Loan Agreement, during the period from the date of this Agreement to the Closing, each of the Sellers shall conduct its operations in the ordinary course of business and in compliance with all other applicable laws and regulations in all material respects, and to the extent consistent therewith, use all reasonable efforts to preserve intact its current business organization, keep its physical assets in good working condition, pay all post-petition

taxes as they become due and payable, maintain insurance on the Acquired Assets (in amounts and types consistent with past practice), keep available the services of its current officers and employees and preserve its relationships with customers, suppliers and others having business dealings with it to the end that its goodwill and ongoing business shall not be impaired in any material respect. Without limiting the generality of the foregoing, prior to the Closing, none of the Sellers shall, but subject to the requirements of the Bankruptcy Code, Bankruptcy Rules, the OIRR, any orders entered by the Bankruptcy Court in the Sellers' Chapter 11 cases and the availability of financing under the DIP Loan Agreement, without the prior written consent of the Buyer:

(a) acquire, sell, lease, encumber or dispose of any assets or any shares or other equity interests in or securities of any Subsidiary or any corporation, partnership, association or other business organization or division thereof, other than purchases and sales of assets in the ordinary course of business;

(b) except for the DIP Loan Agreement, create, incur or assume any indebtedness for borrowed money not currently outstanding (including obligations in respect of capital leases); assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person; or make any loans, advances or capital contributions to, or investments in, any other person;

(c) enter into, adopt or amend any Employee Benefit Plan or any employment or severance agreement or arrangement of the type described in Section 2.19 or (except for normal increases in the ordinary course of business) increase in any manner the compensation or fringe benefits of, or modify the employment terms of, its directors, officers or employees, generally or individually, or pay any benefit not required by the terms in effect on the date hereof of any existing Employee Benefit Plan;

(d) change in any material respect its accounting methods, principles or practices, except insofar as may be required by a generally applicable change in GAAP;

(e) pay any pre-petition liability other than liabilities with respect to wages, taxes and other related expenses which are approved for payment by the Bankruptcy Court;

(f) except with respect to the DIP loan agreement and as provided in the order authorizing use of cash collateral and providing adequate protection entered by the Bankruptcy Court, mortgage or pledge any of its property or assets or subject any such assets to any Security Interest;

(g) sell, assign, transfer or license any Intellectual Property, other than in the ordinary course of business;

(h) enter into, amend, terminate, take or omit to take any action that would constitute a material violation of or default under, or waive any material rights under, any material contract or agreement;

(i) make or commit to make any capital expenditure;

(j) repurchase, redeem or declare, set aside or pay any dividend or other distribution in cash or other property in respect of its capital stock;

(k) take any action or fail to take any action permitted by this Agreement with the knowledge that such action or failure to take action would result in any of the representations and warranties of the Sellers set forth in this Agreement becoming untrue in any material respect.

(l) increase the compensation payable or to become payable to any director, officer or employee of any of the Sellers;

(m) establish, or transfer any assets to, a trust for purposes of funding any Employee Benefit Plan, including, without limitation, a so-called "rabbi trust," except as required by applicable law; or

(n) agree in writing or otherwise to take any of the foregoing actions.

4.5 Full Access. The Sellers shall permit representatives of the Buyer to have full access (at all reasonable times, and in a manner so as not to interfere with the normal business operations of the Sellers) to all premises, properties, financial and accounting records, contracts, other records and documents, and personnel, of or pertaining to the Sellers. The Buyer (a) shall treat and hold as confidential any Confidential Information (as defined below), (b) shall not use any of the Confidential Information except in connection with this Agreement, and (c) if this Agreement is terminated for any reason whatsoever, shall return to the Sellers all tangible embodiments (and all copies) thereof which are in its possession. For purposes of this Agreement, "Confidential Information" means any confidential or proprietary information of the Sellers that is furnished in writing to the Buyer by any Seller in connection with this Agreement; provided, however, that it shall not include any information (i) which, at the time of disclosure, is available publicly, (ii) which, after disclosure, becomes available publicly

through no fault of the Buyer, (iii) which the Buyer knew or had access to prior to disclosure or which is developed by the Buyer independently of any disclosure made by any of the Sellers, or (iv) which the Buyer is required to disclose pursuant to applicable law.

4.6 Notice of Breaches; Interim Financial Statements.

(a) The Company shall promptly deliver to the Buyer written notice of any event or development that would (i) render any statement, representation or warranty of the Sellers in this Agreement (including exceptions set forth in the Disclosure Schedule) inaccurate or incomplete in any material respect, or (ii) constitute or result in a material breach by any of the Sellers of, or a failure by any of the Sellers to comply with, any agreement or material covenant in this Agreement applicable to any of the Sellers. No such disclosure shall be deemed to avoid or cure any such misrepresentation or breach.

(b) The Company shall deliver to the Buyer, as promptly as practicable following the end of each calendar month ending after the date of this Agreement (and in any event no later than 15 days after the end of each such month), an unaudited consolidated balance sheet of the Company as of the end of such month and unaudited consolidated statements of income and cash flows of the Company for such month and for the portion of the fiscal year ending as of the end of such month, in each case prepared in accordance with GAAP (other than the absence of footnotes and subject to normal adjustments for recurring accruals.

4.7 Exclusivity. The Sellers shall not, and each Seller shall use its best efforts to cause its Affiliates and each of its directors, officers, employees, representatives and agents not to, directly or indirectly, encourage, solicit or initiate any inquiry or proposal from any person or entity (other than the Buyer or an affiliate, associate, representative or agent of the Buyer) concerning any merger, consolidation, sale of material assets, tender offer, recapitalization, accumulation of shares of stock of any Seller, proxy solicitation or other business combination involving the Sellers or any Subsidiary or any division of the Sellers or any Subsidiary or any of their respective businesses (an "Alternative Proposal"), or agree to, endorse or take any other action to facilitate an Alternative Proposal unless such Alternative Proposal has been approved by the Bankruptcy Court pursuant to the Section 363 auction process contemplated by this Agreement or (b) provide any non-public information concerning the business, properties or assets of the Sellers to any person or entity (other than the Buyer); provided, however, that Sellers

shall not be prohibited from providing information, including non-public information, to qualified persons who may seek to make a proposal as part of the Section 363 auction process contemplated by this Agreement (the "Exclusivity Provision"). The Sellers shall immediately notify the Buyer of, and shall disclose to the Buyer all details of, any inquiries, discussions or negotiations of the nature described in this Section 4.7.

4.8 Competitive Bid Procedures. Subject to Bankruptcy Court approval, the Sellers agree that in order for any Alternative Proposal to be approved by the Bankruptcy Court, such proposal must (i) be upon and subject to substantially the same terms and conditions as are contained in this Agreement, except as to purchase price, (ii) include a cash purchase price for the Acquired Assets which exceeds the Cash Purchase Price by at least $350,000 and (iii) provide for a debtor in possession financing facility for the benefit of the Sellers in an amount equal to the outstanding balance of principal, interest, origination fee and expenses owed by the Sellers to the Buyer under the DIP Loan Agreement (the proceeds of such new facility shall be used to pay in full all amounts due with respect to the DIP Loan Agreement) which shall be available to the Sellers as of the date the Alternative Proposal is accepted (collectively, the "Overbid Provisions").

4.9 Breakup Fee Provisions. In the event that (i) the Sellers sell or otherwise transfer all or any substantial portion of the Acquired Assets as part of a sale approved pursuant to the Section 363 auction process contemplated by this Agreement, to any party other than the Buyer and (ii) at the time of such sale, the Buyer is not in breach of any covenant or obligation required to be performed by the Buyer hereunder, then the Sellers shall pay to the Buyer, within two business days after such sale or transfer, Three Hundred and Fifty Thousand Dollars ($350,000) (the "Breakup Fee"). The payment of the Breakup Fee shall be the joint and several obligation of each of the Sellers. The Breakup Fee provided for by this Section 4.9 is intended to cover the expenses and opportunity costs incurred by the Buyer in pursuing and negotiating this Agreement and the transactions contemplated hereby, and is considered by the Parties to be reasonable for such purposes. The claims of the Buyer to the Breakup Fee shall constitute a first priority administrative expense under 11 U.S.C. § 507(a)(1).

4.10 Solicitation of Employees. Following the execution of this Agreement, and continuing until the earlier of the (i) the Closing, or (ii) termination of this Agreement, Buyer shall have the right to approach and solicit for employment commencing as of or after the Closing Date any of the employees of the Sellers; and in connection therewith, the Sellers and the Buyer shall cooperate

to effect an orderly transition of those employees hired by Buyer. Each of the Sellers hereby waives, with respect to the solicitation of employment or employment by the Buyer of such employees, any claims or rights the Sellers have against the Buyer or any such employee under any non-competition, confidentiality or employment agreement.

4.11 Hart-Scott-Rodino Act. Each Party shall promptly file any Notification and Report Forms and related material that it may be required to file with the Federal Trade Commission and the Antitrust Division of the United States Department of Justice under the Hart-Scott-Rodino Act, shall use its best efforts to obtain an early termination of the applicable waiting period, and shall make any further filings or information submissions pursuant thereto that may be necessary, proper or advisable. The Buyer shall be responsible for payment of the filing fee.

ARTICLE V

CONDITIONS TO CLOSING

5.1 Conditions to Obligations of the Buyer. The obligation of the Buyer to consummate the transactions to be performed by it in connection with the Closing is subject to the satisfaction or waiver by the Buyer of the following conditions:

(a) the sale of the Acquired Assets by the Sellers to the Buyer as contemplated by this Agreement shall have been approved by the Bankruptcy Court pursuant to the Approval Order, which shall have been entered not less than 10 days prior to the Closing Date and which, as of the Closing Date, shall be in full force and effect, and not stayed, modified, vacated, amended or revoked;

(b) the assumption and assignment by the Sellers of the Assigned Contracts to the Buyer shall have been authorized and approved by an order of the U.S. Bankruptcy Court for which all applicable periods for appeal or rehearing have expired and no notice of appeal or request for rehearing shall have been entered and such order is in full force and effect without any modification or amendment, as of the Closing Date;

(c) the Sellers shall have obtained all of the waivers, permits, consents, approvals or other authorizations, and effected all of the registrations, filings and notices, referred to in Section 4.2, except for those the absence of which would not have

any material adverse effect on the right of the Buyer to own, operate or control the Acquired Assets following the Closing or on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(d) the representations and warranties of each of the Sellers set forth in Sections 2.1 (first sentence only), 2.2, 2.3(c), 2.4, 2.5(a), 2.6 (but only with respect to liabilities which would constitute an Assumed Liability), 2.8(a), 2.9, 2.11, 2.12, 2.14, 2.20, 2.22, 2.23, 2.25 and 2.26 shall be true and correct in all material respects when made on the date hereof and shall be true and correct in all material respects as of the Closing as if made as of the Closing (other than those representations and warranties which are qualified as to materiality, which shall be true and correct in accordance with their terms) regardless of any examination or investigation made at any time by or on behalf of the Buyer or the knowledge of any of the Buyer's officers, directors, employees or agents, except to the extent any of the immediately preceding listed representations and warranties are made as of a specific date, in which case such representations and warranties shall be true and correct in all material respects as of the specified date (with respect to Section 2.14 only, material shall mean a difference of more than $250,000);

(e) the representations and warranties of each of the Sellers set forth in Section 2.5(b), 2.8(b), 2.10, 2.13, 2.16, 2.17, 2.18, 2.19 and 2.21 shall be true and correct in all material respects when made on the date hereof and shall be true and correct in all material respects as of the Closing as if made as of the Closing (other than those representations and warranties which are qualified as to materiality, which shall be true and correct in accordance with their terms) regardless of any examination or investigation made at any time by or on behalf of the Buyer or the knowledge of any of the Buyer's officers, directors, employees or agents, except to the extent any of the immediately preceding listed representations and warranties are made as of a specific date in which case such representations and warranties shall be true and correct in all material respects as of such date where, in either case, the breach of the immediately preceding listed representations and warranties would have or would be likely to have in the future a material adverse effect on the business, financial condition or prospects of the businesses of the Sellers or the Buyer; provided, however that any breach of Section 2.8(b) may be cured and this condition shall be deemed satisfied with respect to a breach of Section 2.8(b) if the Buyer is not required to acquire the undisclosed assets.

(f) each of the Sellers shall have performed or complied in all material respects with its agreements and covenants required to be performed or complied with under this Agreement as of or prior to the Closing;

(g) except for the bankruptcy cases of the Sellers and the Approval Motion, no action, suit or proceeding shall be pending before any Governmental Entity, court or arbitrator wherein an unfavorable judgment, order, decree, stipulation or injunction would (i) prevent consummation of any of the transactions contemplated by this Agreement, (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation or (iii) affect adversely the right of the Buyer to own, operate or control any of the Acquired Assets following the Closing, and no such judgment, order, decree, stipulation or injunction shall be in effect;

(h) William Bayley and the Buyer shall have entered into a short-term lease for the Springfield, Ohio facility (the "Springfield Lease") substantially in the form of Exhibit D attached hereto;

(i) all applicable waiting periods (and any extensions thereof) under the Hart-Scott-Rodino Act shall have expired or otherwise been terminated;

(j) the Company shall have delivered to the Buyer a certificate (without qualification as to knowledge or materiality or otherwise) to the effect that each of the conditions specified in clauses (c) through (i) of this Section 5.1 is satisfied in all respects; and

(k) all actions to be taken by the Sellers in connection with the consummation of the transactions contemplated hereby and all certificates, instruments and other documents required to effect the transactions contemplated hereby shall be reasonably satisfactory in form and substance to the Buyer.

5.2 Conditions to Obligations of the Sellers. The obligation of each of the Sellers to consummate the transactions to be performed in connection with the Closing is subject to the satisfaction or waiver by the Sellers of the following conditions:

(a) the representations and warranties of the Buyer set forth in Article III shall be true and correct when made on the date hereof and shall be true and correct as of the Closing as if made as of the Closing, except for representations and warranties made as of a specific date, which shall be true and correct as of such date;

(b) the Buyer shall have performed or complied with its agreements and covenants required to be performed or complied with under this Agreement as of or prior to the Closing;

(c) No action, suit or proceeding shall be pending or threatened before any Governmental Entity (other than the Bankruptcy proceedings) against the Buyer wherein an unfavorable judgment, order, decree, stipulation or injunction would (i) prevent consummation of any of the transactions contemplated by this Agreement, or (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation.

(d) the Buyer shall have delivered to the Company a certificate (without qualification as to knowledge or materiality or otherwise) to the effect that each of the conditions specified in clauses (a) through (c) of this Section 5.2 is satisfied in all respects;

(e) the sale of the Acquired Assets by the Sellers to the Buyer as contemplated by this Agreement shall have been approved by the Bankruptcy Court pursuant to the Approval Order, which, as of the Closing Date, shall be in full force and effect and unstayed and unmodified;

(f) William Baley and the Buyer shall have entered into the Springfield Lease;

(g) all applicable waiting periods (and any extensions thereof) under the Hart-Scott-Rodino Act shall have expired or otherwise been terminated; and

(h) all actions to be taken by the Buyer in connection with the consummation of the transactions contemplated hereby and all certificates, opinions, instruments and other documents required to effect the transactions contemplated hereby shall be reasonably satisfactory in form and substance to the Sellers.

ARTICLE VI

POST-CLOSING COVENANTS

6.1 Cooperation in Chapter 11 Cases. For a period of six months from and after the Closing Date, each Party shall fully cooperate with the other in the defense or prosecution of any litigation or proceeding already instituted or which may be instituted hereafter against or by such other Party relating to or arising out of the conduct of the business of the Sellers or the Buyer prior to or after the Closing Date (other than litigation

arising out the transactions contemplated by this Agreement). The Party providing such cooperation shall be entitled to designate which of its employees shall be made available for such purpose and the Party requesting such cooperation shall pay the reasonable out-of-pocket expenses incurred in providing such cooperation (including legal fees and disbursements) by the Party providing such cooperation and by its officers, directors, employees and agents and a reasonable charge for their time spent in such cooperation.

6.2 Collection of Accounts Receivable. Each of the Sellers agrees that it shall forward promptly to the Buyer any monies, checks or instruments received by the Sellers after the Closing Date with respect to the Accounts Receivable purchased by the Buyer from the Sellers pursuant to this Agreement.

6.3 Use of Name. From and after the Closing, each of the Sellers agrees not to use the names Folger Adam Company, Stewart-Decatur Security Systems, Inc. and The William Bayley Company or any names reasonably similar thereto after the Closing Date in connection with any business related to, competitive with, or an outgrowth of, the business conducted by each of the Sellers on the date of this Agreement. Each Seller shall amend its charter and other corporate records to comply with this provision.

6.4 Books and Records. The books and records maintained by each of the Sellers, other than those described in Subsection 1.1(b)(i) will, following the Closing, be in the custody of the Buyer. However, the Buyer hereby agrees, for a period of three years from and after the Closing Date, to permit the Sellers to have reasonable access to such books and records relating or pertaining to the business and operations of the Sellers to the extent the Sellers have need therefor in order to prepare and file Tax Returns and to complete the administration of the Sellers' bankruptcy cases.

6.5 Employment. In reliance upon the representation of the Sellers set forth in Section 2.18 with respect to Covered Employees, the Buyer agrees to offer employment to a sufficient number of Covered Employees in a good faith effort to prevent the imposition of liability upon any Seller with respect to the Covered Employees under the WARN Act. The terms and conditions of such offers of employment shall be at the sole discretion of the Buyer, unless any such Covered Employees are covered by an existing collective bargaining agreement.

Nothing in this Section 6.5 shall be construed as (a) requiring the Buyer to offer employment to any particular Covered Employee or any individual who is not a Covered Employee, or (b) a guaranty by the Buyer that any Seller will not be liable under the WARN Act to any Covered Employee or other individual.

ARTICLE VII

TERMINATION

7.1 Termination of Agreement. The Parties may terminate this Agreement prior to the Closing (whether before or after Approval Order) with the prior authorization of their respective Boards of Directors, as provided below; provided, however, that in the case of a breach of a covenant contained herein by any Party, the Party in breach shall have five days in which to cure such breach:

(a) the Parties may terminate this Agreement by mutual written consent;

(b) the Buyer may terminate this Agreement by giving written notice to the Sellers in the event any of the Sellers is in material breach, and the Sellers may terminate this Agreement by giving written notice to the Buyer in the event the Buyer is in material breach, of any material representation, warranty, or covenant contained in this Agreement;

(c) the Buyer may terminate this Agreement by giving written notice to the Sellers if the Closing shall not have occurred on or before the 60th day following the date of this Agreement by reason of the failure of any condition precedent under Section 5.1 hereof (unless the failure results primarily from a breach by the Buyer of any representation, warranty or covenant contained in this Agreement);

(d) the Sellers may terminate this Agreement by giving written notice to the Buyer if the Closing shall not have occurred on or before the 60th day following the date of this Agreement by reason of the failure of any condition precedent under Section 5.2 hereof (unless the failure results primarily from a breach by any of the Sellers of any representation, warranty or covenant contained in this Agreement);

(e) the Buyer may terminate this Agreement, by giving written notice to the Sellers if the Bankruptcy Court has not entered the Provision Order within 20 days after the date of this Agreement;

(f) the Buyer may terminate this Agreement by giving written notice to the Sellers if the Bankruptcy Court has not entered either the Approval Order or the Assignment Order within 45 days after the date of this Agreement; and

(g) the Buyer may terminate this Agreement by giving written notice to the Sellers if (i) the Bankruptcy Court does not authorize the Sellers to borrow under the DIP Loan Agreement on a preliminary basis within 10 days of the date hereof, (ii) if the Bankruptcy Court does not enter an order granting final approval of the DIP Motion within 16 days of the date hereof, or (iii) if an Event of Default occurs (as defined in DIP Loan Agreement).

7.2 Effect of Termination. If this Agreement is terminated pursuant to Section 7.1, all obligations of the Parties hereunder shall terminate without any liability on the part of the Buyer to the Sellers or the Sellers to the Buyer, as the case may be, except for any liability of any Party for breaches of this Agreement and except for the Sellers' joint and several obligation to the Buyer to pay the Breakup Fee pursuant to Section 4.9; provided, further, that the confidentiality provisions contained in Section 4.6 and all of Article VIII shall survive any such termination. Except for a claim of Buyer for a Breakup Fee, any claims arising out of or in connection with any Seller's breach of any agreement or material covenant in this Agreement shall be treated as follows: (i) if the breach occurs prior to entry of the Approval Order or other order entered by the Bankruptcy Court approving this Agreement (as it may be otherwise amended or modified), then such claims shall be treated as unsecured claims in each of the Seller's bankruptcy cases, or (ii) if the breach occurs at any time after entry of the Approval Order or other order entered by the Bankruptcy Court approving this Agreement (as it may otherwise be amended or modified), then such claims shall be treated as expenses of administration under 11 U.S.C. § 503(b)(1) of each of the Seller's bankruptcy estates.

ARTICLE VIII

MISCELLANEOUS

8.1 Press Releases and Announcements. No Party shall issue any press release or announcement relating to the subject matter of this Agreement without the prior approval of the other Parties, which approval shall not be unreasonably withheld; provided, however, that any Party may make any public disclosure it is advised by legal counsel is required by law or regulation (in which case the disclosing Party shall advise the other Parties and provide it with a copy of the proposed disclosure prior to making the disclosure).

8.2 No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person other than the Parties and their respective successors and permitted assigns.

8.3 Entire Agreement. This Agreement (including the documents referred to herein) constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, that may have related in any way to the subject matter hereof.

8.4 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Parties; provided that the Buyer may assign all or any portion of its rights, interests and/or obligations hereunder to one or more Affiliates of the Buyer, provided that the Buyer remains primarily liable therefor.

8.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

8.6 Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

8.7 Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly delivered two business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one business day after it is sent via a reputable nationwide overnight courier service, in each case to the intended recipient as set forth below:

If to the Sellers: Folger Adam Company
16300 West 103rd Street
Lemont, IL 60439
Telecopy: (708) 739-6138
Attention: Roger Greene

Copy to:	Young, Conaway, Stargatt & Taylor Rodney Square North P.O. Box 391 Wilmington, Delaware 19899 Telecopy: (302) 571-1253 Attention: Laura Davis Jones
If to the Buyer:	FA Acquisition Inc. c/o Williams Holdings, Inc. 700 Nickerson Road Marlborough, MA 01752 Telecopy: (508) 624-0579 Attention: Tim Allen
Copy to:	Hale and Dorr 60 State Street Boston, MA 02109 Telecopy: (617) 526-5000 Attention: David E. Redlick

Any Party may give any notice, request, demand, claim, or other communication hereunder using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the individual for whom it is intended. Either Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

8.8 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws (and not the law of conflicts) of the State of Delaware.

8.9 Amendments and Waivers. The Parties may mutually amend any provision of this Agreement at any time prior to the Closing; provided, however, that any amendment effected subsequent to the Approval Order shall be subject to the restrictions contained in the Approval Order. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by all of the Parties. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

8.10 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

8.11 Expenses. Each Party shall bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby. The Sellers agree that, except for payment of a retainer to the Sellers' counsel in anticipation of the Sellers' Chapter 11 cases, none of the costs and expenses (including legal fees and expenses) incurred by them in connection with this Agreement or the transactions contemplated hereby will be paid until after the Closing.

8.12 Specific Performance. Each Party acknowledges and agrees that the other Parties would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each Party agrees that the other Parties shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having jurisdiction over the Parties and the matter (subject to the provisions of Section 8.13), in addition to any other remedy to which it may be entitled, at law or in equity.

8.13 Survival of Representations. None of the representations and warranties made by the Parties herein or the documents or certificates contemplated hereby, nor the covenants set forth in Article IV hereof, shall survive the Closing.

8.14 Construction. The language used in this Agreement shall be deemed to be the language chosen by the Parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any Party. Any reference to any federal,

state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

8.15 Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

FOLGER ADAM COMPANY

By: _____

Title: _____

STEWART-DECATUR SECURITY SYSTEMS, INC.

By: _____

Title: _____

THE WILLIAM BAYLEY CORPORATION

By: _____

Title: _____

FA ACQUISITION INC.

By: _____

Title: _____

Agreed to and accepted by
WILLIAMS HOLDINGS PLC,
solely with respect to
its obligation to capitalize
the Buyer in a manner consistent
with Section 3.5 hereof

By: _____

Title: _____.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

FOLGER ADAM COMPANY

By:_____

Title:_____

STEWART-DECATUR SECURITY SYSTEMS, INC.

By:_____

Title:_____

THE WILLIAM BAYLEY CORPORATION

By:_____

Title:_____

FA ACQUISITION INC.

By: J. F. Hannan

Title: President

Agreed to and accepted by
WILLIAMS HOLDINGS PLC,
solely with respect to
its obligation to capitalize
the Buyer in a manner consistent
with Section 3.5 hereof

By:_____

Title:_____

ANNEX E

LIST OF TRADMARKS AND SERVICE MARKS OWNED BY FOLGER ADAM COMPANY

U.S. TRADMARKS AND SERVICE MARKS

REQ'N NO.	REQ'N DATE	EXP. YEAR	MARK
1,000,943	01/07/75	1995	ADAM
1,012,069	06/03/75	1995	FOLGER ADAM
1,168,032	09/08/91	2001	FA AND DESIGN
1,582,227	02/13/90	2000	MAXI-MOGUL

CANADIAN TRADMARKS AND SERVICE MARKS

REQ'N NO.	REQ'N DATE	EXP. YEAR	MARK
234,070	06/29/79	1995	ADAM
234,071	06/29/79	1995	FOLGER ADAM

ANNEX F

LIST OF PATENTS AND APPLICATIONS OWNED BY FOLGER ADAM COMPANY

PATENT NUMBER	ISSUE DATE	EXP. YEAR	TITLE	PRODUCT
4,140,357	02/20/79	1996	ELECTRIC HINGE	4-1/2 ELECTRIC HINGE
4,211,443	07/08/80	1997	ELECTRIC STRIKE	700 STRIKE
4,593,543	06/10/86	2003	SECURITY LOCK	900 LOCK
4,704,767	11/10/87	2004	SECURITY DOOR HINGE SYSTEM WITH LOCKING ELEMENTS	4-1/2" FM-ICS (not production version)
4,797,779	01/10/89	2006	PULSED POWER SUPPLY	
5,079,936	01/14/92	2009	HIGH SECURITY CYLINDER LOCK	190 MAXI-MOGUL CYLINDER
5,303,965	04/19/94	2011	VANDALISM PROOF LEVER HANDLE SYSTEM FOR LOCKING OR LATCHING DEVICE	LT-1000/DLT-2000 LEVERTRAK

U.S. PATENTS PENDING

DATE FILED	STATUS	SUBJECT	INVENTOR
01/09/86	PENDING	SECURITY DOOR HINGE (4-1/2" HINGE; SERIAL NO. 817,402)	ROBERT J. CARTER AND JOHN G. PECIS
02/12/86	PENDING	SECURITY BARS AND BARRIER GRIDS INCORPORATING SAME	LOU M. MAGGS AND WALTER B. BAUR

CANADIAN PATENTS

PATENT NUMBER	ISSUE DATE	EXP. YEAR	TITLE	PRODUCT
1,034,986	07/18/78	1995	PRISON DOOR LOCKING MECHANISM (U.S. #3,961,447)	4B DEVICE
1,040,233	10/10/78	1995	LOCK KNOB CONTROL RELEASE MECHANISM (U.S. #3,994,411)	125 LOCK
1,239,803	08/02/88	2005	SECURITY LOCK (U.S. #4 593,543)	900 LOCK
2,013,005	09/30/90		CYLINDER LOCK	

PATENTS AND APPLICATIONS OWNED BY THE WILLIAM BAYLEY COMPANY

U.S. PATENTS:

PATENT NUMBER	DATE	SUBJECT	INVENTOR
4,669,2390	06/02/87	Security Bars and Barrier Grids Incorporating Same	Lou M. Maggs and Walter B. Bauer

U.S. PATENTS PENDING:

DATE FILED	STATUS	SUBJECT	INVENTOR
02/12/86	Pending	Security Bars and Barrier Grids Incorporating Same	Lou M. Maggs and Walter B. Bauer

PATENT NUMBER	ISSUE DATE	EXP. YEAR	TITLE	PRODUCT
978,228	11/18/75	1990	ELECTRIC LOCK	
984,929	03/02/76	1990	INSTITUTIONAL SEC. SYS.	

UNITED KINGDOM PATENTS

PATENT NUMBER	ISSUE DATE	EXP. YEAR	TITLE	PRODUCT
2,230,555	08/11/93	2013	CYLINDER LOCKS	190 MAXI-MOGUL CYLINDER

SWISS PATENTS

PATENT NUMBER	ISSUE DATE	EXP. YEAR	TITLE	PRODUCT
682,580	10/15/93	2013	CYLINDER LOCKS	190 MAXI-MOGUL CYLINDER

BILL OF SALE

This Bill of Sale dated as of March 19, 1996 is executed and delivered by Folger Adam Company, Debtor in Possession, a Delaware corporation (the "Seller"), to FA Acquisition Inc., a Delaware corporation (the "Buyer"). All capitalized words and terms used in this Bill of Sale and not defined herein shall have the respective meanings ascribed to them in the Asset Purchase Agreement dated as of February 7, 1996 among the Seller, certain affiliates of the Seller and the Buyer (the "Agreement").

WHEREAS, pursuant to the Agreement, the Seller has agreed to sell, transfer, convey, assign and deliver to the Buyer substantially all of the assets and business of the Seller, and the Buyer has agreed to assume certain specified liabilities of the Seller;

NOW, THEREFORE, for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller hereby agrees as follows:

1. The Seller hereby sells, transfers, conveys, assigns and delivers to the Buyer, its successors and assigns, to have and to hold forever, all of the Acquired Assets. Notwithstanding the foregoing, the Acquired Assets to be transferred to the Buyer under this Bill of Sale shall not include the Excluded Assets.

2. The Seller hereby covenants and agrees that it will, at the request of the Buyer and without further consideration, execute and deliver, and will cause its employees to execute and deliver, such other instruments of sale, transfer, conveyance and assignment, and take such other action as may reasonably be necessary to more effectively sell, transfer, convey, assign and deliver to, and vest in, the Buyer, its successors and assigns, good, clear and marketable title to the Acquired Assets hereby sold, transferred, conveyed, assigned and delivered, or intended so to be, and to put the Buyer in actual possession and operating control thereof, except for such assets which are in the possession of vendors as a result of a transaction entered into in the ordinary course of business, in order to assist the Buyer in exercising all rights with respect thereto and to carry out the purpose and intent of the Agreement.

3. The Seller does hereby irrevocably constitute and appoint the Buyer, its successors and assigns, its true and lawful attorney, with full power of substitution, in its name or otherwise, and on behalf of the Seller, or for its own use, to claim, demand, collect and receive at any time and from time to time any and all Acquired Assets hereby sold, transferred, conveyed, assigned and delivered, or intended so to be, and to prosecute the same at law or in equity and, upon discharge thereof, to complete, execute and deliver any and all necessary instruments of satisfaction and release.

4. This sale, transfer, conveyance and assignment has been executed and delivered by the Seller in accordance with the Agreement and is expressly made subject to those liabilities, obligations and commitments which the Buyer has expressly assumed and agreed to pay, perform and discharge pursuant to a certain Instrument of Assumption executed by the Buyer of even date herewith.

5. The Seller, by its execution of this Bill of Sale, and the Buyer, by its acceptance of this Bill of Sale, each hereby acknowledges and agrees that neither the representations and warranties nor the rights and remedies of any party under the Agreement shall be deemed to be enlarged, modified or altered in any way by this instrument.

IN WITNESS WHEREOF, the Seller and the Buyer have caused this instrument to be duly executed under seal as of and on the date first above written.

SELLER:

FOLGER ADAM COMPANY,
Debtor in Possession

By: _____

Title: _____

ACCEPTED:

BUYER:

FA ACQUISITION INC.

By: _____

Title: President

hd65:angelar/appelbaum/972.91.607/closing/FA.billsal

BILL OF SALE

This Bill of Sale dated as of March 19, 1996 is executed and delivered by The William Bayley Company, Debtor in Possession, a Delaware corporation (the "Seller"), to FA Acquisition Inc., a Delaware corporation (the "Buyer"). All capitalized words and terms used in this Bill of Sale and not defined herein shall have the respective meanings ascribed to them in the Asset Purchase Agreement dated as of February 7, 1996 among the Seller, certain affiliates of the Seller and the Buyer (the "Agreement").

WHEREAS, pursuant to the Agreement, the Seller has agreed to sell, transfer, convey, assign and deliver to the Buyer substantially all of the assets and business of the Seller, and the Buyer has agreed to assume certain specified liabilities of the Seller;

NOW, THEREFORE, for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller hereby agrees as follows:

1. The Seller hereby sells, transfers, conveys, assigns and delivers to the Buyer, its successors and assigns, to have and to hold forever, all of the Acquired Assets. Notwithstanding the foregoing, the Acquired Assets to be transferred to the Buyer under this Bill of Sale shall not include the Excluded Assets.

2. The Seller hereby covenants and agrees that it will, at the request of the Buyer and without further consideration, execute and deliver, and will cause its employees to execute and deliver, such other instruments of sale, transfer, conveyance and assignment, and take such other action as may reasonably be necessary to more effectively sell, transfer, convey, assign and deliver to, and vest in, the Buyer, its successors and assigns, good, clear and marketable title to the Acquired Assets hereby sold, transferred, conveyed, assigned and delivered, or intended so to be, and to put the Buyer in actual possession and operating control thereof, except for such assets which are in the possession of vendors as a result of a transaction entered into in the ordinary course of business, in order to assist the Buyer in exercising all rights with respect thereto and to carry out the purpose and intent of the Agreement.

3. The Seller does hereby irrevocably constitute and appoint the Buyer, its successors and assigns, its true and lawful attorney, with full power of substitution, in its name or otherwise, and on behalf of the Seller, or for its own use, to claim, demand, collect and receive at any time and from time to time any and all Acquired Assets hereby sold, transferred, conveyed, assigned and delivered, or intended so to be, and to prosecute the same at law or in equity and, upon discharge thereof, to complete, execute and deliver any and all necessary instruments of satisfaction and release.

4. This sale, transfer, conveyance and assignment has been executed and delivered by the Seller in accordance with the Agreement and is expressly made subject to those liabilities, obligations and commitments which the Buyer has expressly assumed and agreed to pay, perform and discharge pursuant to a certain Instrument of Assumption executed by the Buyer of even date herewith.

5. The Seller, by its execution of this Bill of Sale, and the Buyer, by its acceptance of this Bill of Sale, each hereby acknowledges and agrees that neither the representations and warranties nor the rights and remedies of any party under the Agreement shall be deemed to be enlarged, modified or altered in any way by this instrument.

IN WITNESS WHEREOF, the Seller and the Buyer have caused this instrument to be duly executed under seal as of and on the date first above written.

SELLER:

THE WILLIAM BAYLEY COMPANY,
Debtor in Possession

By: _____

Title: _____

ACCEPTED:

BUYER:

FA ACQUISITION INC.

By: _____

Title: _____

hd65:angelar/appelbaum/972.91.607/closing/WB.billsal

BILL OF SALE

This Bill of Sale dated as of March 19, 1996 is executed and delivered by Stewart-Decatur Security Systems, Inc., Debtor in Possession, a Delaware corporation (the "Seller"), to FA Acquisition Inc., a Delaware corporation (the "Buyer"). All capitalized words and terms used in this Bill of Sale and not defined herein shall have the respective meanings ascribed to them in the Asset Purchase Agreement dated as of February 7, 1996 among the Seller, certain affiliates of the Seller and the Buyer (the "Agreement").

WHEREAS, pursuant to the Agreement, the Seller has agreed to sell, transfer, convey, assign and deliver to the Buyer substantially all of the assets and business of the Seller, and the Buyer has agreed to assume certain specified liabilities of the Seller;

NOW, THEREFORE, for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller hereby agrees as follows:

1. The Seller hereby sells, transfers, conveys, assigns and delivers to the Buyer, its successors and assigns, to have and to hold forever, all of the Acquired Assets; provided, however, if that certain Stipulation and Agreement With Respect to McCarthy Western Constructors, Inc. And Other Matters (the "Stipulation") dated March __, 1996 by and among the Sellers, the Buyer, Bankers Trust Company and Bank of America Illinois becomes effective, and is not thereafter terminated pursuant to Section 8 of the Stipulation, then the Acquired Assets to be transferred to the Buyer under this Bill of Sale shall not include any account receivables due or to be due from McCarthy Western Constructors, Inc. to Seller in connection with contract numbers D-1469 and 1470, both of which relate to a project at Susanville, California and contract number D-1569 relating to a project at Soledad, California. Notwithstanding the foregoing, the Acquired Assets shall not include the Excluded Assets.

2. The Seller hereby covenants and agrees that it will, at the request of the Buyer and without further consideration, execute and deliver, and will cause its employees to execute and deliver, such other instruments of sale, transfer, conveyance and assignment, and take such other action as may reasonably be necessary to more effectively sell, transfer, convey, assign and deliver to, and vest in, the Buyer, its successors and assigns, good, clear and marketable title to the Acquired Assets hereby sold, transferred, conveyed, assigned and delivered, or intended so to be, and to put the Buyer in actual possession and operating control thereof, except for such assets which are in the possession of vendors as a result of a transaction entered into in the ordinary course of business, in order to assist the Buyer in

exercising all rights with respect thereto and to carry out the purpose and intent of the Agreement.

3. The Seller does hereby irrevocably constitute and appoint the Buyer, its successors and assigns, its true and lawful attorney, with full power of substitution, in its name or otherwise, and on behalf of the Seller, or for its own use, to claim, demand, collect and receive at any time and from time to time any and all Acquired Assets hereby sold, transferred, conveyed, assigned and delivered, or intended so to be, and to prosecute the same at law or in equity and, upon discharge thereof, to complete, execute and deliver any and all necessary instruments of satisfaction and release.

4. This sale, transfer, conveyance and assignment has been executed and delivered by the Seller in accordance with the Agreement and is expressly made subject to those liabilities, obligations and commitments which the Buyer has expressly assumed and agreed to pay, perform and discharge pursuant to a certain Instrument of Assumption executed by the Buyer of even date herewith.

5. The Seller, by its execution of this Bill of Sale, and the Buyer, by its acceptance of this Bill of Sale, each hereby acknowledges and agrees that neither the representations and warranties nor the rights and remedies of any party under the Agreement shall be deemed to be enlarged, modified or altered in any way by this instrument.

IN WITNESS WHEREOF, the Seller and the Buyer have caused this instrument to be duly executed under seal as of and on the date first above written.

SELLER:

STEWART-DECATUR SECURITY SYSTEMS, INC.,
Debtor in Possession

By: _____

Title: _____

ACCEPTED:

BUYER:

FA ACQUISITION INC.

By: _____

Title: President

h665:angelar/appelbaum/972.91.607/closing/SD.billsal