

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

ASTROTECH INTERNATIONAL CORP /NEW

CIK: **835759** | IRS No.: **251570579** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-10011** | Film No.: **97603710**
SIC: **7600** Miscellaneous repair services

Mailing Address

960 PENN AVENUE SUITE 800
PITTSBURGH PA 15222

Business Address

TWO CHATHAM CTR STE 240
PITTSBURGH PA 15219
4123911896

aboveground and underground). The Company's customers include municipal water districts, wastewater treatment facilities, oil companies, industrial facilities, wineries, and various process industries.

The consideration paid to the Sellers for all of the capital stock of the Company was comprised of cash in the amount of \$8,644,042.

As part of the overall transaction, Astrotech also acquired two parcels of real property located in San Luis Obispo, California from two of the Sellers. The real property consisted of (i) one parcel of approximately 3.5 acres together with improvements situated thereon and (ii) a 10 acre parcel adjacent thereto, both used by and in conjunction with the business of the Company (the "San Luis Property"). The aggregate amount of the purchase price Astrotech paid for the San Luis Property was \$2,300,000. Astrotech may also purchase a third parcel of real property used by the

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Company and located in Fresno, California ("Fresno Facility"), if certain conditions are met within the two-year period following May 1, 1997. The agreed upon purchase price for the Fresno Facility is \$1,300,000. The Company has entered into a 10-year lease to assure the continued use of the Fresno Facility if Astrotech does not acquire it within the next two years.

The cash portion of the purchase price for the capital stock of the Company and the related real property was funded through financing provided by Bank One, Texas, NA and Bank of America, Texas, NA ("Lenders") pursuant to an Amended and Restated Revolving Credit and Term Loan Agreement ("Amended Credit Agreement"), A copy of the Amended Credit Agreement is filed as an exhibit to this Report. See Item 5.

Item 5. Other Events

On April 30, 1997, Astrotech executed the Amended Credit Agreement with the Lenders, which consolidated then existing term indebtedness previously incurred by Astrotech, provided financing for the acquisition of Trusco Tank Inc., and will provide financing to be used for additional working capital support, capital expenditures, and other general corporate purposes.

The Amended Credit Agreement:

- (i) Provides for a \$25,000,000 term loan which consolidated prior term debt and provided funding to purchase all of the stock of Trusco Tank Inc.;
- (ii) Provides for a \$5,000,000 equipment facility to finance capital expenditures;

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and

- (iii) Provides for a revolving credit facility of up to \$20,000,000 to be used for working capital support and other general corporate purposes.

The obligations of Astrotech are guaranteed by Astrotech's operating subsidiaries and are collateralized by substantially all of the assets of such subsidiary companies and the pledge by Astrotech of the common stock of each of its wholly-owned subsidiaries. The Amended Credit Agreement contains certain covenants which provide for, among other things, maintenance of various financial ratios and limitations on additional borrowings and capital expenditures. A copy of the Amended Credit Agreement is filed as an Exhibit to this Report.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(a) Financial Statements of business acquired.*

(b) Pro Forma financial information.*

(c) Exhibits:

(10) (i) Stock Purchase Agreement dated as of April 30, 1997, by and between Jared A. Trussler, Ray E. Crosno and Leslie D. Scott and Astrotech International Corporation.

(10) (ii) Amended and Restated Revolving Credit and Term Loan Agreement by and between Astrotech International Corporation and Bank One, Texas, NA and Bank of America, Texas, NA dated as of April 30, 1997.

* It is impracticable to provide the required financial statements of business required and pro forma financial information at the time of filing of this report. Such financial statements of business required and pro forma financial statements will be filed no later than July 14, 1997.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

May 14, 1997

By: /s/ S. Kent Rockwell

S. Kent Rockwell
Chief Executive Officer

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Exhibit Index

Exhibit 10(i)

Stock Purchase Agreement dated as of April 30, 1997, by and between Jared A. Trussler, Ray E. Crosno and Leslie D. Scott ("Sellers") and Astrotech International Corporation.

Exhibit 10(ii)

Amended and Restated Revolving Credit and Term Loan Agreement by and between Astrotech International Corporation and Bank One, Texas, NA and Bank of America, Texas, NA dated as of April 30, 1997.

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STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (THE "AGREEMENT") IS DATED AS OF APRIL 30, 1997, 1997, BY AND BETWEEN JARED A. TRUSSLER ("TRUSSLER"), RAY CROSNO ("CROSNO") AND LESLIE SCOTT ("SCOTT") (COLLECTIVELY REFERRED TO HEREIN AS "SELLERS") AND ASTROTECH INTERNATIONAL CORPORATION, A DELAWARE CORPORATION ("BUYER" OR "ASTROTECH").

WHEREAS, SELLERS OWN ALL OF THE ISSUED AND OUTSTANDING SHARES OF CAPITAL STOCK OF TRUSCO TANK INC., A CALIFORNIA CORPORATION ("TRUSCO" OR THE "COMPANY") CONSISTING OF 4,500 SHARES OF COMMON STOCK, NO PAR VALUE (THE "TRUSCO STOCK"); AND

WHEREAS, TRUSSLER HAS AN OWNERSHIP INTEREST IN THREE PARCELS OF REAL PROPERTY LEASED BY, AND USED IN THE BUSINESS OF, TRUSCO ("REAL PROPERTY"); AND

WHEREAS, THE OVERALL TRANSACTION CONTEMPLATES THAT BUYER WILL ACQUIRE THE TRUSCO STOCK AND TWO PARCELS OF REAL PROPERTY LOCATED IN SAN LUIS OBISPO, CALIFORNIA AND LEASE OF ONE PARCEL LOCATED IN FRESNO, CALIFORNIA; AND

WHEREAS, SIMULTANEOUSLY WITH EXECUTION OF THIS AGREEMENT, BUYER INTENDS TO ENTER INTO AGREEMENTS TO ACQUIRE THE TWO PARCELS OF REAL PROPERTY LOCATED IN SAN LUIS OBISPO, CALIFORNIA AND LEASE THE PROPERTY LOCATED IN FRESNO, CALIFORNIA. ("REAL PROPERTY AGREEMENTS"); AND

WHEREAS, SELLERS DESIRE TO SELL AND BUYER DESIRES TO PURCHASE THE TRUSCO STOCK, UPON THE TERMS AND CONDITIONS HEREINAFTER SET FORTH.

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES, COVENANTS AND AGREEMENTS CONTAINED HEREIN, SELLERS AND BUYER, INTENDING TO BE LEGALLY BOUND AGREE AS SET FORTH BELOW:

CERTAIN CAPITALIZED TERMS USED IN THIS AGREEMENT ARE DEFINED IN ARTICLE 9 BELOW.

ARTICLE I

THE TRANSACTION

1.1. SALE AND PURCHASE OF SHARES. SUBJECT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT AND IN CONSIDERATION OF THE PURCHASE PRICE, SELLERS SHALL SELL, ASSIGN, TRANSFER AND DELIVER TO BUYER AT THE CLOSING, AND BUYER SHALL

PURCHASE FROM SELLERS AT THE CLOSING, THE TRUSCO STOCK.

1.2 PURCHASE PRICE. THE AGGREGATE PURCHASE PRICE (THE "PURCHASE PRICE") FOR THE TRUSCO STOCK SHALL CONSIST OF \$8,605,794, IN CASH. THE CASH CONSIDERATION WILL BE ADJUSTED DOWNWARD ON A DOLLAR-FOR-DOLLAR BASIS TO THE EXTENT OF:

- (a) ANY NET LOSS ATTRIBUTABLE TO TRUSCO'S OPERATIONS FOR THE PERIOD COMMENCING JANUARY 1, 1997 THROUGH THE CLOSING DATE;
- (b) THE AMOUNT, IF ANY, BY WHICH LONG-TERM DEBT OF THE COMPANY EXCEEDS \$2,776,557, AS OF THE CLOSING;

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- (c) ANY DISTRIBUTION MADE TO THE SELLERS ON OR AFTER JANUARY 1, 1997 (OTHER THAN THE DISTRIBUTIONS CONTEMPLATED BY PARAGRAPH 4.1(d), BELOW); AND
- (d) ANY EXPENSES AND/OR PAYMENTS NOT MADE IN THE NORMAL AND ORDINARY COURSE OF BUSINESS (INCLUDING EXPENSES RELATING TO THIS TRANSACTION).

1.3. CLOSING. THE CLOSING HEREUNDER ("CLOSING") SHALL TAKE PLACE AT THE OFFICES OF SINSHEIMER, SCHIEBELHUT & BAGGETT, 1010 PEACH STREET SAN LUIS OBISPO, CALIFORNIA, OR SUCH OTHER PLACE AGREED UPON BY BUYER AND SELLERS, ON THE CLOSING DATE SELECTED BY THE BUYER AND SELLERS WHICH SHALL BE THE LATEST OF:

- (a) MAY 1, 1997, IF ALL CONDITIONS SET FORTH IN ARTICLE 6 HAVE BEEN SATISFIED OR WAIVED; OR
- (b) THE FIFTH BUSINESS DAY AFTER ANY INJUNCTION AGAINST CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT IS LIFTED, DISCHARGED OR DISMISSED, IF ALL OTHER CONDITIONS SET FORTH IN ARTICLE 6 HAVE BEEN SATISFIED OR WAIVED; OR
- (c) SUCH OTHER DATE AS SHALL BE MUTUALLY AGREED TO IN WRITING BY SELLER AND BUYER ON WHICH ALL OTHER CONDITIONS SET FORTH IN ARTICLE 6 SHALL HAVE BEEN SATISFIED OR WAIVED.

1.4. DELIVERIES AND PROCEEDINGS AT CLOSING.

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- (a) DELIVERIES BY SELLERS. SELLERS SHALL DELIVER OR CAUSE TO BE DELIVERED TO BUYER AT THE CLOSING:

- (i) CERTIFICATES REPRESENTING THE TRUSCO STOCK DULY ENDORSED IN NEGOTIABLE FORM OR WITH STOCK POWERS DULY EXECUTED IN BLANK WITH ALL TRANSFER TAXES, IF ANY, PAID IN FULL;
- (iii) GOOD STANDING CERTIFICATES OF TRUSCO IN CALIFORNIA AND THOSE STATES OR JURISDICTIONS WHERE IT IS QUALIFIED TO TRANSACT BUSINESS AS A FOREIGN CORPORATION AS OF A DATE WITHIN 10 BUSINESS DAYS OF THE CLOSING DATE;
- (iv) AN INCUMBENCY AND SPECIMEN SIGNATURE CERTIFICATE SIGNED BY THE OFFICERS OF TRUSCO AND CERTIFIED BY THE SECRETARY OF TRUSCO.
- (v) TRUE AND CORRECT COPIES OF THE CHARTER DOCUMENTS OF TRUSCO, SINCE THE DATE OF THEIR INCORPORATION CERTIFIED BY THE SECRETARY OF STATE OF CALIFORNIA, AND THE BYLAWS CERTIFIED BY THE SECRETARY;
- (vi) A CERTIFICATE DATED THE CLOSING DATE CERTIFYING TO THE FULFILLMENT OF THE CONDITIONS SET FORTH IN SECTION 6;
- (vii) THE OPINION OF REICKER, CLOUGH, PFAU & PYLE LLP, LEGAL COUNSEL TO SELLERS, IN THE FORM ATTACHED AS EXHIBIT A;

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- (viii) RESIGNATIONS OF THE DIRECTORS AND CERTAIN OFFICERS OF TRUSCO EFFECTIVE AT THE CLOSING;
- (ix) A CERTIFICATE DATED THE CLOSING DATE OF THE CHIEF FINANCIAL OFFICER OF TRUSCO CERTIFYING (1) THE LONG-TERM DEBT OF TRUSCO AS OF THE CLOSING, AND TO THE EXTENT PRACTICABLE BASED UPON AVAILABLE INFORMATION (2) THE AMOUNT OF NET LOSS, IF ANY, ATTRIBUTABLE TO TRUSCO'S OPERATIONS FOR THE PERIOD COMMENCING JANUARY 1, 1997 THROUGH THE CLOSING DATE, ALL IN FORM AND SUBSTANCE SATISFACTORY TO BUYER, TOGETHER WITH DOCUMENTED VERIFICATION THEREOF, WHICH SHALL BE IN FORM AND SUBSTANCE SATISFACTORY TO BUYER;
- (x) SUCH OTHER AGREEMENTS AND DOCUMENTS AS BUYER MAY REASONABLY REQUEST; AND
- (xi) REPAYMENT BY SELLERS OF ALL AMOUNTS DUE AND OWING BY

(b) DELIVERIES BY BUYER. BUYER SHALL DELIVER OR CAUSE TO BE DELIVERED TO SELLER AT THE CLOSING:

(i) THE PURCHASE PRICE FOR THE TRUSCO STOCK, WHICH SHALL BE PAID TO SELLERS BY WIRE TRANSFER IN IMMEDIATELY AVAILABLE FUNDS TO AN ACCOUNT OR ACCOUNTS WHICH SHALL BE DESIGNATED TO BUYER AT LEAST

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TWO BUSINESS DAYS PRIOR TO THE CLOSING BY SELLERS

(ii) RESOLUTIONS OF THE BOARD OF DIRECTORS OF BUYER AUTHORIZING THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE PERFORMANCE OF THE TRANSACTIONS CONTEMPLATED HEREBY CERTIFIED BY THE SECRETARY OF BUYER;

(iii) A CERTIFICATE DATED THE CLOSING DATE CERTIFYING TO THE FULFILLMENT OF THE CONDITIONS SET FORTH IN SECTION 6.

(iv) THE OPINION OF RAYMOND T. ROYKO, BUYER'S LEGAL COUNSEL, IN THE FORM ATTACHED AS EXHIBIT B; AND

(v) SUCH OTHER AGREEMENTS AND DOCUMENTS THAT SELLERS MAY REASONABLY REQUEST.

(c) AT THE CLOSING, THE FOLLOWING EVENTS SHALL BE DEEMED TO TAKE PLACE SIMULTANEOUSLY:

(i) BUYER SHALL DELIVER TO SELLERS THE PURCHASE PRICE;

(ii) SELLERS SHALL DELIVER TITLE TO THE TRUSCO STOCK IN ACCORDANCE WITH THE TERMS HEREOF TO BUYER; AND

(iii) BUYER SHALL ACQUIRE THE PARCEL OF REAL PROPERTY TOGETHER WITH

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IMPROVEMENTS SITUATED THEREON, LOCATED AT 4388 SANTA FE ROAD, SAN LUIS OBISPO, CALIFORNIA AND THE 10 ACRE PARCEL OF REAL PROPERTY ADJACENT THERETO ("SAN LUIS REAL PROPERTY") AND OBTAIN A LEASE FOR THE REAL PROPERTY LOCATED AT 2421 EAST CALIFORNIA AVENUE, FRESNO, CALIFORNIA ("FRESNO REAL

PROPERTY") ON THE TERMS AND CONDITIONS SET FORTH IN THE REAL PROPERTY AGREEMENTS.

- (d) THE CLOSING SHALL BE DEEMED TO HAVE OCCURRED ONLY WHEN ALL THE OPINIONS, CERTIFICATES AND OTHER DOCUMENTS REQUIRED TO BE DELIVERED AT THE CLOSING PURSUANT TO ARTICLES 1 AND 6 HAVE BEEN DELIVERED, THE TRUSCO STOCK, TOGETHER WITH STOCK POWERS DIRECTING THE SECRETARY OF TRUSCO TO TRANSFER RECORD OWNERSHIP OF THE TRUSCO STOCK TO BUYER AND WITH ALL APPROPRIATE STOCK TRANSFER STAMPS AFFIXED, IF ANY, HAVE BEEN DELIVERED AGAINST RECEIPT OF THE PURCHASE PRICE AND TITLE TO SAN LUIS REAL PROPERTY HAS BEEN TRANSFERRED TO BUYER, OR ITS ASSIGNS AND THE BUYER HAS OBTAINED THE LEASEHOLD INTEREST IN THE FRESNO REAL PROPERTY IN ACCORDANCE WITH THEIR RELATED AGREEMENTS.

1.5. TERMINATION OF THIS AGREEMENT. THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY MAY BE TERMINATED:

- (a) AT ANY TIME PRIOR TO THE CLOSING DATE BY MUTUAL CONSENT OF BUYER AND SELLERS;

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- (b) IN ANY EVENT, AUTOMATICALLY ON MAY 2, 1997, IF THE CLOSING HAS NOT OCCURRED ON OR BEFORE SUCH DATE (OTHER THAN THROUGH THE FAILURE OF ANY PARTY SEEKING TO TERMINATE THIS AGREEMENT TO COMPLY FULLY WITH ITS OBLIGATIONS UNDER THIS AGREEMENT), UNLESS EXTENDED BY MUTUAL CONSENT OF BUYER AND SELLERS. IN THE EVENT OF TERMINATION OF THIS AGREEMENT BY EITHER BUYER OR SELLERS AS PROVIDED IN THIS AGREEMENT, THIS AGREEMENT SHALL FORTHWITH TERMINATE AND THERE SHALL BE NO LIABILITY ON THE PART OF EITHER BUYER OR SELLERS OR THEIR RESPECTIVE OFFICERS OR DIRECTORS; PROVIDED, HOWEVER, SECTION 4.3 AND SECTION 8.1 SHALL SURVIVE SUCH TERMINATION.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES OF SELLERS

AS AN INDUCEMENT TO BUYER TO ENTER INTO THIS AGREEMENT AND CONSUMMATE THE TRANSACTIONS CONTEMPLATED HEREBY, THE SELLERS HEREBY JOINTLY AND SEVERALLY REPRESENT AND WARRANT TO THE BUYER AS FOLLOWS (PROVIDED, EACH REPRESENTATION OR WARRANTY WHICH EXPRESSLY IS MADE IN THIS ARTICLE 2 "TO THE BEST KNOWLEDGE" OF

SELLERS SHALL BE DEEMED TO BE MADE SOLELY BY EACH INDIVIDUAL SELLER ACTING ALONE AND BASED UPON THAT INDIVIDUAL SELLER'S KNOWLEDGE AND IS NOT BEING MADE JOINTLY AND SEVERALLY):

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2.1 ORGANIZATION AND QUALIFICATION. TRUSCO IS DULY INCORPORATED, VALIDLY EXISTING AND IN GOOD STANDING UNDER THE LAWS OF CALIFORNIA, WITH CORPORATE POWER AND AUTHORITY TO OWN, LEASE AND OPERATE ITS ASSETS AND BUSINESS AND CARRY ON ITS BUSINESS AS PRESENTLY AND HERETOFORE OWNED OR CONDUCTED, AND IS IN GOOD STANDING AS A FOREIGN CORPORATION AND LICENSED OR QUALIFIED TO TRANSACT BUSINESS IN EACH JURISDICTION IN WHICH THE NATURE OF THE PROPERTIES OWNED BY IT OR THE BUSINESS TRANSACTED BY IT REQUIRES IT TO BE SO LICENSED OR QUALIFIED.

2.2 CAPITAL STOCK AND OWNERSHIP. (a) TRUSCO'S CAPITALIZATION CONSISTS OF 50,000 SHARES OF AUTHORIZED COMMON STOCK, NO PAR VALUE, OF WHICH ALL 4,500 SHARES ARE ISSUED AND OUTSTANDING. SELLERS ARE THE BENEFICIAL AND REGISTERED OWNER OF ALL THE TRUSCO STOCK.

- (b) THERE ARE NOT OUTSTANDING ANY (i) SECURITIES OF TRUSCO CONVERTIBLE INTO OR EXCHANGEABLE FOR ANY SHARES OF CAPITAL STOCK OR OTHER SECURITIES OF TRUSCO, OR (ii) SUBSCRIPTIONS, OPTIONS, WARRANTS, CALLS, UNSATISFIED PREEMPTIVE RIGHTS OR OTHER RIGHTS OF ANY KIND ENTITLING ANY THIRD PARTY TO ACQUIRE FROM TRUSCO ANY SHARES OF CAPITAL STOCK, INCLUDING TREASURY SHARES, OR OTHER SECURITIES OF TRUSCO.
- (c) THE TRUSCO STOCK HAS BEEN DULY AND VALIDLY ISSUED, ARE FULLY PAID AND NONASSESSABLE AND ARE OWNED BY SELLERS FREE AND CLEAR OF ANY LIEN, CHARGE, ENCUMBRANCE OR OTHER SECURITY INTEREST.
- (d) UPON DELIVERY OF AND PAYMENT FOR THE TRUSCO STOCK, THE BUYER WILL ACQUIRE GOOD AND VALID TITLE THERETO, FREE AND CLEAR OF ANY LIEN, CHARGE, ENCUMBRANCE, SECURITY INTEREST OR OTHER RESTRICTIONS OR LIMITATIONS OF

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ANY KIND WHATSOEVER.

2.3 AUTHORITY FOR TRANSACTIONS. THE SELLERS AND EACH OF THEM HAS FULL LEGAL RIGHT, POWER AND AUTHORITY TO ENTER INTO AND PERFORM THIS AGREEMENT AND TO PERFORM HIS OBLIGATIONS HEREUNDER. THE EXECUTION, DELIVERY AND PERFORMANCE OF THIS AGREEMENT BY SELLERS AND THE COMPANY AND CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY HAVE BEEN DULY AUTHORIZED BY THE SHAREHOLDERS OF TRUSCO. NO OTHER ACTION IS NECESSARY TO AUTHORIZE THE EXECUTION AND DELIVERY

OF THIS AGREEMENT OR THE PERFORMANCE BY SELLERS AND THIS AGREEMENT HAS BEEN DULY EXECUTED, DELIVERED AND IS THE VALID AND BINDING OBLIGATION OF SELLERS, AND EACH OF THEM, RESPECTIVELY, ENFORCEABLE IN ACCORDANCE WITH ITS TERMS.

2.4 ASSETS. (a) EXCEPT AS DISCLOSED IN EXHIBIT 2.4, TRUSCO HAS GOOD, MARKETABLE AND INDEFEASIBLE TITLE TO, OR VALID AND EXISTING LEASEHOLD INTERESTS IN, (i) ALL THE REAL AND PERSONAL PROPERTY AND OTHER ASSETS REFLECTED ON THE 1996 BALANCE SHEET (EXCEPT FOR ANY SUCH ASSETS DISPOSED OF IN THE ORDINARY COURSE OF BUSINESS SINCE THE BALANCE SHEET DATE OR ANY SUCH ASSETS DISPOSED OF SINCE THE BALANCE SHEET DATE AS CONTEMPLATED OR PERMITTED HEREBY), INCLUDING THOSE DESCRIBED IN SECTIONS 2.5 AND 2.6, AND (ii) SUCH ASSETS, INCLUDING THOSE DESCRIBED IN SECTIONS 2.5 AND 2.6, AS MAY HAVE BEEN ACQUIRED SINCE THE BALANCE SHEET DATE (EXCEPT FOR ANY SUCH ASSETS DISPOSED OF IN THE ORDINARY COURSE OF BUSINESS SINCE THE BALANCE SHEET DATE OR ANY SUCH ASSETS DISPOSED OF SINCE THE BALANCE SHEET DATE AS CONTEMPLATED OR PERMITTED HEREBY), IN EACH CASE FREE AND CLEAR OF ALL LIENS, CHARGES, ENCUMBRANCES AND SECURITY INTERESTS, EXCEPT (i) THE LIEN OF CURRENT TAXES NOT YET DUE AND PAYABLE OR OF TAXES THE VALIDITY OF WHICH IS BEING CONTESTED IN GOOD FAITH BY APPROPRIATE PROCEEDINGS, (ii) LIENS (IF ANY) SECURING INDEBTEDNESS REFLECTED ON THE 1996 BALANCE SHEET WITH SUCH CHANGES IN THE AMOUNT THEREOF AS MAY HAVE OCCURRED IN THE ORDINARY COURSE OF BUSINESS SINCE THE BALANCE SHEET DATE.

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(b) IN THE AGGREGATE, ALL PHYSICAL PROPERTIES AND ASSETS OF THE COMPANY, INCLUDING THOSE DESCRIBED IN SECTION 2.5, ARE, IN ALL MATERIAL RESPECTS, IN GOOD CONDITION AND REPAIR (WEAR AND TEAR EXCEPTED) AND SUFFICIENT FOR THE USES IN WHICH THEY ARE PRESENTLY EMPLOYED FOR THE PROPER CONDUCT OF THE BUSINESS.

2.5 REAL ESTATE. (a) EXHIBIT 2.5(a) SETS FORTH A LIST AND SUMMARY DESCRIPTION OF (i) ALL REAL PROPERTY OWNED BY THE COMPANY AND ALL BUILDINGS AND OTHER STRUCTURES LOCATED ON SUCH REAL PROPERTY; (ii) ALL LEASES, SUBLEASES OR OTHER AGREEMENTS UNDER WHICH THE COMPANY IS LESSOR OR LESSEE OF ANY REAL PROPERTY; (iii) ALL OPTIONS HELD BY THE COMPANY OR CONTRACTUAL OBLIGATIONS ON ITS PART TO PURCHASE OR ACQUIRE ANY INTEREST IN REAL PROPERTY; AND (iv) ALL OPTIONS GRANTED BY THE COMPANY OR CONTRACTUAL OBLIGATIONS ON ITS PART TO SELL OR DISPOSE OF ANY INTEREST IN REAL PROPERTY.

(b) EXCEPT AS DISCLOSED IN EXHIBIT 2.5(b), IN THE PRELIMINARY TITLE REPORT (OR DISCLOSED ON ANY PUBLIC RECORD) AND, TO THE BEST KNOWLEDGE OF SELLERS, WITH RESPECT TO ANY REAL PROPERTY OWNED OR LEASED BY THE COMPANY THERE EXISTS NO APPLICABLE ZONING ORDINANCE, BUILDING CODE, USE OR OCCUPANCY RESTRICTION, OR VIOLATION OF ANY THEREOF, OR ANY CONDEMNATION ACTION OR PROCEEDING WITH RESPECT THERETO, THAT MATERIALLY DETRACTS FROM OR INTERFERES WITH THE VALUE THEREOF OR FROM OR WITH THE PRESENT USE OF SUCH PROPERTY. EXCEPT AS DISCLOSED IN EXHIBIT 2.20, TO THE BEST KNOWLEDGE OF SELLERS THERE EXISTS NO VIOLATION OF ANY ENVIRONMENTAL LAW OR REGULATIONS THEREUNDER WITH RESPECT TO ANY REAL PROPERTY. WITH RESPECT TO LEASES OF REAL PROPERTY BY THE COMPANY,

THERE EXIST NO DEFAULTS BY THE COMPANY OR BY ANY THIRD PARTY, THAT MATERIALLY ADVERSELY AFFECT ANY SUCH LEASE.

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2.6 PLANTS AND REPRESENTATIVES' OFFICES. EXHIBIT 2.6 ATTACHED HERETO SETS FORTH A LIST AND SUMMARY DESCRIPTION OF EACH OF THE COMPANY'S PLANTS, FACILITIES AND REPRESENTATIVES' OFFICES, WHETHER OWNED OR LEASED.

2.7 KNOW-HOW, TRADEMARKS, PATENTS, ETC. EXHIBIT 2.7 ATTACHED HERETO CONTAINS A COMPLETE AND CORRECT LIST OF ALL PATENTS, PATENT APPLICATIONS, PROCESSES, TRADEMARKS, TRADEMARK APPLICATIONS, TRADE NAMES, BRAND NAMES AND COPYRIGHTS, DOMESTIC AND FOREIGN WHICH THE COMPANY OWNS OR USES (COLLECTIVELY THE "INTELLECTUAL PROPERTY"). THE COMPANY OWNS OR IS LICENSED TO USE THE INTELLECTUAL PROPERTY WITHOUT, AND TO THE BEST KNOWLEDGE OF SELLERS EXCEPT AS DISCLOSED ON EXHIBIT 2.7, INFRINGEMENT OF OR CONFLICT WITH ANY RIGHTS OF THIRD PARTIES. TO THE BEST KNOWLEDGE OF SELLERS, THERE ARE NO DEFENSES TO THE VALIDITY OF ANY INTELLECTUAL PROPERTY.

2.8 INVESTMENTS. TRUSCO DOES NOT OWN, DIRECTLY OR INDIRECTLY, ANY EQUITY INTEREST IN ANY LEGAL ENTITY.

2.9 SELLERS' INTERESTS. EXCEPT AS OTHERWISE SPECIFICALLY CONTEMPLATED BY SECTION 6 HEREIN, FROM AND AFTER THE CLOSING, (a) SELLERS WILL NOT HAVE ANY CONTRACTUAL ARRANGEMENTS WITH THE COMPANY, EXCEPT EMPLOYMENT CONTRACTS CONTEMPLATED BY THIS AGREEMENT OR AS OTHERWISE PERMITTED OR REQUIRED BY THIS AGREEMENT, AND (b) ALL OF THE INTEREST, DIRECT OR INDIRECT OF THE SELLERS (i) IN ALL CAPITAL STOCK OF THE COMPANY AND (ii) IN ANY RIGHT, PROPERTY OR ASSET NOT TITLED TO THE COMPANY BUT UTILIZED BY AND MATERIAL TO THE COMPANY IN ITS BUSINESS AND OPERATIONS WILL BE CONVEYED TO THE BUYER AT THE CLOSING (EXCEPT AS OTHERWISE PERMITTED BY THIS AGREEMENT).

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2.10 FILINGS; FINANCIAL STATEMENTS; LIABILITIES. (a) THE COMPANY IS IN FULL COMPLIANCE WITH THE REQUIREMENTS OF ALL STATE AND FEDERAL SECURITIES LAWS AND REGULATIONS.

(b) THE FINANCIAL STATEMENTS HAVE BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES APPLIED ON A CONSISTENT BASIS THROUGHOUT THE PERIODS INVOLVED (EXCEPT AS MAY BE INDICATED IN THE NOTES THERETO) AND EACH FAIRLY PRESENTS THE CONSOLIDATED FINANCIAL POSITION OF THE COMPANY AS OF THE RESPECTIVE DATES THEREOF AND THE CONSOLIDATED RESULTS OF ITS OPERATIONS AND CHANGES IN FINANCIAL POSITION FOR THE PERIODS INDICATED.

(c) EXCEPT AS SPECIFICALLY DESIGNATED OR RESERVED AGAINST IN THE

1996 BALANCE SHEET, THE COMPANY HAS NO LIABILITIES OF THE TYPE REQUIRED TO BE REFLECTED AS LIABILITIES ON A BALANCE SHEET OR DISCLOSED IN THE NOTES THERETO PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES WHICH IN THE AGGREGATE COULD HAVE A MATERIAL ADVERSE EFFECT ON THE OPERATIONS OR FINANCIAL CONDITION OF THE COMPANY.

2.11 RECEIVABLES. THE ACCOUNTS RECEIVABLE REFLECTED ON THE FINANCIAL STATEMENTS WERE AND ARE ACCOUNTS RECEIVABLE OF THE COMPANY AT THE CLOSING DATE AND WILL BE BONA FIDE OBLIGATIONS ARISING ONLY IN THE ORDINARY COURSE OF BUSINESS OF THE COMPANY IN ACCORDANCE WITH ITS NORMAL CREDIT POLICIES AND, SUBJECT TO THE RESERVE FOR DOUBTFUL ACCOUNTS, ARE COLLECTIBLE.

2.12 INVENTORIES. THE INVENTORIES REFLECTED ON THE FINANCIAL STATEMENTS WERE ACQUIRED

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IN THE ORDINARY COURSE OF BUSINESS OF THE COMPANY IN ACCORDANCE WITH ITS NORMAL INVENTORY PRACTICES. ALL OBSOLETE INVENTORY HAS BEEN ADEQUATELY RESERVED FOR IN THE BALANCE SHEET.

2.13 ABSENCE OF CERTAIN CHANGES OR EVENTS. SINCE THE BALANCE SHEET DATE THERE HAS NOT BEEN: (a) ANY MATERIAL ADVERSE CHANGE IN THE ASSETS, LIABILITIES, OPERATIONS OR FINANCIAL CONDITION OF THE COMPANY; (b) ANY AMENDMENT TO THE CERTIFICATE OF INCORPORATION OR BY-LAWS OF THE COMPANY; (c) ANY DECLARATION, SETTING ASIDE OR PAYMENT OF ANY DIVIDEND OR OTHER DISTRIBUTION (WHETHER IN CASH, STOCK, PROPERTY OR ANY COMBINATION THEREOF EXCEPT AS SPECIFICALLY PERMITTED IN THIS AGREEMENT) IN RESPECT OF THE COMPANY'S CAPITAL STOCK, OR ANY REDEMPTION OR OTHER ACQUISITION BY THE COMPANY OF ANY SHARES OF THE COMPANY'S CAPITAL STOCK; (d) ANY DAMAGE, DESTRUCTION OR CASUALTY LOSS, WHETHER COVERED BY INSURANCE OR NOT, MATERIALLY AND ADVERSELY AFFECTING THE OPERATIONS OR FINANCIAL CONDITION OF THE COMPANY; (e) ANY CHANGE IN THE COMPANY'S BOARD OF DIRECTORS OR EXECUTIVE OFFICERS; EXCEPT AS DISCLOSED IN EXHIBIT 2.13 (f) ANY INCREASE IN THE RATE OR TERMS OF COMPENSATION PAYABLE OR TO BECOME PAYABLE BY THE COMPANY TO ITS DIRECTORS, OFFICERS OR KEY EMPLOYEES, EXCEPT AS DISCLOSED IN EXHIBIT 2.13 (g) ANY ENTRY INTO ANY MATERIAL AGREEMENT, COMMITMENT OR TRANSACTION (INCLUDING WITHOUT LIMITATION ANY BORROWING, CAPITAL EXPENDITURE OR CAPITAL FINANCING) BY THE COMPANY, EXCEPT AGREEMENTS, COMMITMENTS OR TRANSACTIONS IN THE ORDINARY COURSE OF BUSINESS OR AS PERMITTED OR REQUIRED BY THIS AGREEMENT; OR (h) ANY CHANGE BY THE COMPANY IN ITS ACCOUNTING METHODS, PRINCIPLES OR PRACTICES.

2.14 CONTRACTS. EXHIBIT 2.14 LISTS OR DESCRIBES ALL CONTRACTS, AUTHORIZATIONS, APPROVALS OR ARRANGEMENTS TO WHICH THE COMPANY IS A PARTY, OR BY WHICH IT IS BOUND, AND WHICH (i) OBLIGATE OR MAY OBLIGATE THE COMPANY TO PAY MORE THAN \$5,000 OR ENTITLE OR MAY ENTITLE THE COMPANY TO RECEIVE MORE THAN \$5,000, IN EACH CASE EXCLUDING CONTRACTS IN THE ORDINARY

COURSE OF BUSINESS AND PURCHASE ORDER ARRANGEMENTS WITH CUSTOMERS OR SUPPLIERS; (ii) ARE FINANCING DOCUMENTS, LOAN AGREEMENTS OR AGREEMENTS PROVIDING FOR THE GUARANTEE OF THE OBLIGATIONS OF ANY PARTY; (iii) ARE LICENSE OR OTHER AGREEMENTS PROVIDING FOR THE MANUFACTURE OF PRODUCTS; OR (iv) ARE EMPLOYMENT OR CONSULTING CONTRACTS OR ARRANGEMENTS AND, WITH RESPECT TO ALL SUCH CONTRACTS, AUTHORIZATIONS, APPROVALS AND ARRANGEMENTS NEITHER THE COMPANY NOR, ANY OTHER PARTY TO ANY SUCH CONTRACT, IS IN MATERIAL BREACH THEREOF OR MATERIAL DEFAULT THEREUNDER, AND THERE DOES NOT EXIST UNDER ANY THEREOF ANY EVENT WHICH, WITH THE GIVING OF NOTICE OR THE LAPSE OF TIME, WOULD CONSTITUTE SUCH A BREACH OR DEFAULT, EXCEPT FOR SUCH BREACHES, DEFAULTS AND EVENTS AS TO WHICH REQUISITE WAIVERS OR CONSENTS HAVE BEEN OBTAINED.

2.15 LITIGATION. EXCEPT AS SPECIFICALLY DISCLOSED IN EXHIBIT 2.15 THERE IS NO CLAIM, ACTION, PROCEEDING OR INVESTIGATION PENDING OR THREATENED, AGAINST OR RELATING TO THE COMPANY BEFORE ANY COURT OR GOVERNMENTAL, ADMINISTRATIVE OR REGULATORY AUTHORITY OR BODY WHICH, IF DECIDED ADVERSELY, COULD HAVE A MATERIALLY ADVERSE EFFECT ON THE OPERATIONS OR FINANCIAL CONDITION OF THE COMPANY, OR WHICH MIGHT AFFECT SELLERS' ABILITY TO PERFORM THEIR OR HIS OBLIGATIONS HEREUNDER OR THEIR OR HIS OWNERSHIP OF THE TRUSCO STOCK, AND THE COMPANY IS NOT SUBJECT TO ANY OUTSTANDING ORDER, WRIT, INJUNCTION OR DECREE WHICH MATERIALLY ADVERSELY AFFECTS THE OPERATIONS OR FINANCIAL CONDITION OF THE COMPANY.

2.16 TAXES. ALL TAX RETURNS, REPORTS AND FORMS REQUIRED TO BE FILED BY, OR WITH RESPECT TO ANY ACTIVITIES OF, THE COMPANY, WITH ANY TAXING AUTHORITY HAVE BEEN FILED IN ACCORDANCE WITH ALL APPLICABLE LAWS. ALL TAXES AND OTHER GOVERNMENTAL CHARGES FOR WHICH THE COMPANY IS LIABLE HAVE BEEN PAID OR ARE PROPERLY ACCRUED AND REFLECTED ON THE BALANCE SHEET. THE FEDERAL INCOME TAX RETURNS WITH RESPECT TO THE OPERATIONS OF THE COMPANY HAVE BEEN AUDITED BY THE IRS AND CALIFORNIA FRANCHISE TAX BOARD FOR THE TAXABLE YEARS ENDED 1990, 1991 AND

1992 . THERE ARE NO OUTSTANDING AGREEMENTS OR WAIVERS EXTENDING THE STATUTORY PERIOD OF LIMITATION APPLICABLE TO ANY TAX RETURN (WHETHER FEDERAL, STATE OR LOCAL) FOR OR INCLUDING THE COMPANY.

2.17 COMPLIANCE WITH LAW.

- (a) TO THE BEST KNOWLEDGE OF SELLERS, THE COMPANY HAS CONDUCTED, AND IS NOW CONDUCTING, ITS BUSINESSES AND OPERATIONS, IN ALL MATERIAL RESPECTS, IN COMPLIANCE WITH ALL APPLICABLE DOMESTIC AND FOREIGN LAWS, RULES, REGULATIONS AND COURT OR ADMINISTRATIVE ORDERS AND PROCESSES, INCLUDING, WITHOUT

LIMITATION, ANY THAT RELATE TO HEALTH AND SAFETY, SALE AND DISTRIBUTION OF PRODUCTS AND SERVICES, ANTI-COMPETITIVE PRACTICES, COLLECTIVE BARGAINING, EQUAL OPPORTUNITY AND IMPROPER PAYMENTS.

- (b) TO THE BEST KNOWLEDGE OF SELLERS, THE COMPANY POSSESSES, IN ALL MATERIAL RESPECTS, ALL GOVERNMENTAL LICENSES, PERMITS, AUTHORIZATIONS AND APPROVALS NECESSARY TO CARRY ON THE WHOLE OF ITS BUSINESSES AND OPERATIONS AS PRESENTLY CONDUCTED.

2.18 LABOR MATTERS. EXHIBIT 2.18 CONTAINS A TRUE, CORRECT AND COMPLETE LIST OF ALL COLLECTIVE BARGAINING AGREEMENTS AND EXCEPT AS LISTED ON EXHIBIT 2.18 THERE ARE NOT ANY WRITTEN THREATS OR IN EXISTENCE ANY (a) WORK STOPPAGES RESPECTING EMPLOYEES OF THE COMPANY, (b) DISPUTES, GRIEVANCE OR ARBITRATION PROCEEDING ARISING OUT OF COLLECTIVELY BARGAINED OR LABOR OR EMPLOYMENT AGREEMENTS TO WHICH THE COMPANY IS A PARTY, AND (c) TO THE BEST KNOWLEDGE OF SELLERS, UNFAIR LABOR PRACTICE COMPLAINTS AGAINST THE COMPANY. NO TRANSACTION CONTEMPLATED BY THIS AGREEMENT IS IN ANY WAY PROHIBITED OR RESTRICTED BY OR SUBJECT TO ANY

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CONDITIONS UNDER ANY COLLECTIVELY BARGAINED OR OTHER LABOR OR EMPLOYMENT AGREEMENT AND WILL NOT ENTITLE ANY PERSON TO BENEFITS, PAYMENTS OR DAMAGES, WITH RESPECT TO SUCH AGREEMENTS AND WILL NOT OTHERWISE CAUSE THE COMPANY TO INCUR ANY LIABILITY UNDER SUCH AGREEMENTS.

2.19 INSURANCE. EXHIBIT 2.19 SETS FORTH A COMPLETE LIST OF ALL POLICIES OF INSURANCE OF WHICH THE COMPANY IS THE OWNER, INSURED OR BENEFICIARY OR PROGRAMS OF SELF-INSURANCE, COVERING PERIODS AFTER DECEMBER 31, 1991. SUCH SCHEDULE INDICATES FOR EACH INSURANCE POLICY THE CARRIER, RISKS INSURED AND THE EXPIRATION DATE. ALL SUCH POLICIES (OTHER THAN "CLAIMS MADE" POLICIES THAT HAVE EXPIRED) ARE IN FULL FORCE AND EFFECT. EXCEPT AS SET FORTH ON EXHIBIT 2.19, ALL PREMIUMS UNDER SUCH INSURANCE POLICIES FOR PERIODS TO THE CLOSING DATE HAVE BEEN PAID, AND THE COMPANY SHALL NOT HAVE ANY LIABILITY AFTER THE CLOSING FOR PREMIUMS UNDER SUCH INSURANCE POLICIES FOR PERIODS PRIOR TO THE CLOSING, INCLUDING RETROSPECTIVE OR RETROACTIVE PREMIUM ADJUSTMENTS, EXCEPT IN THE ORDINARY COURSE. TO THE BEST KNOWLEDGE OF SELLERS, THERE HAVE BEEN NO MATERIAL DEFAULTS WITH RESPECT TO ANY PROVISION CONTAINED IN ANY INSURANCE POLICY, NOR HAS THERE BEEN ANY FAILURE TO GIVE ANY NOTICE OR PRESENT ANY CLAIM UNDER SUCH POLICIES IN A TIMELY FASHION OR IN THE MANNER OR DETAIL REQUIRED BY ANY SUCH INSURANCE POLICY. THERE IS NO MATERIAL INACCURACY IN ANY APPLICATION FOR INSURANCE POLICIES. THE COMPANY HAS NOT RECEIVED ANY NOTICE OF CANCELLATION OR NON-RENEWAL WITH RESPECT TO, OR NOTICE THAT ANY EXISTING INSURANCE POLICY COVERING THE CURRENT PERIOD WILL NOT IN THE FUTURE BE AVAILABLE ON SUBSTANTIALLY THE SAME TERMS NOW IN EFFECT. SELLERS HAVE DELIVERED TO BUYER CORRECT AND COMPLETE COPIES OF ALL OF THE INSURANCE POLICIES AND HAVE MADE AVAILABLE TO THE BUYER COPIES OF ALL INSURANCE COMPANY LOSS REPORTS SINCE DECEMBER 31, 1991. SCHEDULE 2.19 ALSO SETS FORTH, TO THE

EXTENT NOT OTHERWISE SET FORTH ON THE INSURANCE COMPANY LOSS REPORTS PROVIDED HEREUNDER, (a) THE NATURE OF ANY WORKER'S COMPENSATION CLAIMS EXPERIENCED BY THE COMPANY SINCE DECEMBER 31, 1991 AND ALL WORKER'S COMPENSATION CLAIMS THAT ARE OPEN ON THE DATE HEREOF, (b) THE AMOUNT PAID THEREON TO THE DATE HEREOF, (c) THE CURRENT STATUS OF EACH, AND (d) FOR EACH SUCH CLAIM THAT IS OPEN, THE AMOUNTS RESERVED THEREFOR.

2.20 ENVIRONMENTAL MATTERS. EXCEPT AS DISCLOSED IN EXHIBIT 2.20:

- (a) TO THE BEST KNOWLEDGE OF SELLERS, THERE ARE NO EXISTING ENVIRONMENTAL LIABILITIES OF THE COMPANY, NOR ARE THERE ANY CLAIMS, INVESTIGATIONS, SUITS, OR PROCEEDING BY THIRD PARTIES OR GOVERNMENTAL AGENCIES AGAINST THE COMPANY RELATING TO ENVIRONMENTAL MATTERS;
- (b) NO TANKS, CONTAINERS, CYLINDERS, DRUMS OR CANS CONTAINING ANY HAZARDOUS TOXIC WASTES MATERIALS OR SUBSTANCES, POLLUTANTS OR CONTAMINANTS WERE UNLAWFULLY BURIED ON ANY OF THE COMPANY'S PREMISES BY THE COMPANY, OR TO THE BEST KNOWLEDGE OF SELLERS, NO OTHER PERSON HAS UNLAWFULLY BURIED ANY SUCH ITEMS ON THE COMPANY'S PREMISES;
- (c) THE 1996 BALANCE SHEET DOES NOT INCLUDE AN ENVIRONMENTAL RESERVE, NO SUCH RESERVE IS ESTABLISHED FOR THE COMPANY, AND TO THE BEST KNOWLEDGE OF SELLERS, NO SUCH RESERVE IS APPROPRIATE OR NECESSARY TO COVER, IN THE AGGREGATE, ANY EXISTING AND KNOWN ENVIRONMENTAL LIABILITIES OF THE COMPANY; AND

- (d) TO THE BEST KNOWLEDGE OF SELLERS, NEITHER SELLERS, THE BUYER NOR THE COMPANY NEED OBTAIN ANY LETTERS, CONSENTS OR APPROVALS FROM ANY GOVERNMENTAL AUTHORITY OR PARTICIPATE IN ANY GOVERNMENTAL IMPOSED PROGRAM OR PLAN WITH RESPECT TO ENVIRONMENTAL LIABILITIES, OTHER THAN LETTERS, APPROVALS OR CONSENTS ALREADY OBTAINED OR PROGRAMS OR PLANS IN WHICH THE COMPANY IS ALREADY PARTICIPATING, AND WHICH HAVE BEEN FULLY DISCLOSED IN EXHIBIT 2.20.

2.21 EMPLOYEE BENEFIT PLANS. (a) EXHIBIT 2.21 LISTS, AND THE BUYER HAS BEEN FURNISHED WITH TRUE, ACCURATE AND UP-TO-DATE COPIES OF, ALL PLANS AND ANY RELATED TRUST, GROUP ANNUITY CONTRACT, INSURANCE POLICY OR OTHER FUNDING ARRANGEMENT. FOR EACH PLAN, THE BUYER HAS BEEN FURNISHED, WHERE APPLICABLE, WITH A COPY OF THE TWO MOST RECENT ANNUAL REPORTS ON IRS FORM 5500 (INCLUDING

ALL SCHEDULES AND EXHIBITS THERETO, IF ANY), A COPY OF THE MOST RECENTLY COMPLETED ACTUARIAL VALUATION REPORT, IF ANY, AND A COPY OF THE MOST RECENTLY DISTRIBUTED SUMMARY PLAN DESCRIPTION AND THE DATE SUCH SUMMARY PLAN DESCRIPTION WAS DISTRIBUTED.

- (b) (i) THE WRITTEN TERMS OF EACH OF THE PLANS AND ANY RELATED TRUST AGREEMENT, GROUP ANNUITY CONTRACT, INSURANCE POLICY OR OTHER FUNDING ARRANGEMENT ARE IN COMPLIANCE WITH THE APPLICABLE REQUIREMENTS, IF ANY, OF ERISA, THE CODE OR OTHER APPLICABLE FEDERAL OR STATE LAW AND EACH OF THE PLANS HAS BEEN ADMINISTERED IN COMPLIANCE WITH SUCH REQUIREMENTS AND IN ACCORDANCE WITH ITS TERMS AND THE PROVISIONS OF THE APPLICABLE COLLECTIVE BARGAINING AGREEMENTS, IF ANY. (ii) EACH OF THE PLANS WHICH HAS ANY RELATED FUNDING ARRANGEMENT IS QUALIFIED UNDER

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SECTION 401(a), 403(a), 405(a), 408(k) OR 501(a) OR (c) OF THE CODE, HAS RECEIVED A FAVORABLE DETERMINATION OR RULING LETTER FROM THE IRS AS TO ITS QUALIFICATION UNDER THE APPROPRIATE SECTION AND A COPY OF THE MOST RECENT DETERMINATION OR RULING LETTER FOR EACH PLAN HAS BEEN FURNISHED TO BUYER, AND SUCH FAVORABLE DETERMINATION HAS NOT BEEN MODIFIED, REVOKED OR LIMITED BY FAILURE TO SATISFY ANY CONDITION THEREOF OR BY A SUBSEQUENT AMENDMENT TO, OR FAILURE TO AMEND SUCH PLAN AND NOTHING ELSE HAS OCCURRED SINCE THE DATE OF EACH SUCH LETTER THAT COULD REASONABLY BE EXPECTED TO CAUSE THE LOSS OF SUCH QUALIFICATION OR EXEMPTION. (iii) ALL CONTRIBUTIONS WHICH WERE DUE AND PAYABLE ON OR BEFORE THE DATE HEREOF TO THE PLANS HAVE BEEN MADE IN FULL AND IN PROPER FORM, AND ADEQUATE ACCRUALS HAVE BEEN PROVIDED FOR IN THE FINANCIAL STATEMENTS FOR ALL OTHER CONTRIBUTIONS OR AMOUNTS AS MAY BE REQUIRED TO BE PAID TO THE PLANS WITH RESPECT TO PERIODS WHICH INCLUDE THE DATE HEREOF OR ENDED PRIOR THERETO, AND THE COMPANY HAS NOT MADE OR AGREED TO MAKE, OR IS REQUIRED TO MAKE (IN ORDER TO BRING ANY OF THE PLANS INTO SUBSTANTIAL COMPLIANCE WITH THE APPLICABLE REQUIREMENTS, IF ANY, OF ERISA, THE CODE OR OTHER APPLICABLE FEDERAL OR STATE LAW), ANY CHANGES IN BENEFITS WHICH WOULD MATERIALLY INCREASE THE COSTS OF MAINTAINING ANY OF THE PLANS OTHER THAN CHANGES DESIGNED TO REFLECT THE TAX REFORM ACT OF 1986. (iv) THE PRESENT VALUE OF ALL BENEFITS OF EACH OF THE PLANS WHICH HAS A RELATED FUNDING ARRANGEMENT (DETERMINED USING THE ASSUMPTIONS CONTAINED IN THE ACTUARIAL REPORT) AND THE CURRENT VALUE OF THE ASSETS OF EACH SUCH PLAN WAS, AS OF THE VALUATION DATES CONTAINED IN THE ACTUARIAL REPORT, AS REFLECTED IN SUCH REPORT. (v) THE

INTEREST RATE, MORTALITY, PROJECTED COMPENSATION AND OTHER ACTUARIAL ASSUMPTIONS THEN USED FOR THE PURPOSE OF DETERMINING THE CONTRIBUTIONS REQUIRED TO BE MADE TO EACH SUCH PLAN ARE REFLECTED IN THE ACTUARIAL REPORT.

- (c) (i) NO PLAN THAT IS SUBJECT TO PART 3 OF SUBTITLE B OF TITLE I OF ERISA OR SECTION 412 OF THE CODE HAD AN ACCUMULATED FUNDING DEFICIENCY, WHETHER OR NOT WAIVED. (ii) ALL PREMIUMS (AND INTEREST CHARGES AND PENALTIES FOR LATE PAYMENT), IF ANY, DUE THE PBGC AS OF THE DATE HEREOF WITH RESPECT TO THE PLANS HAVE BEEN PAID AND THERE HAS BEEN NO "REPORTABLE EVENT", AS DEFINED IN SECTION 4043 OF ERISA, WITH RESPECT TO ANY OF THE PLANS SUBJECT TO TITLE IV OF ERISA THAT THE COMPANY KNOWS OR SHOULD HAVE KNOWN ABOUT (iii) NO EMPLOYER LIABILITY OR WITHDRAWAL LIABILITY TO PBGC, TO ANY EMPLOYEE PENSION BENEFIT PLAN OR TO ANOTHER PERSON OR ENTITY HAS BEEN, OR IS EXPECTED BY THE COMPANY OR TO BE, INCURRED BY THE COMPANY. (iv) NONE OF THE PLANS SUBJECT TO TITLE IV OF ERISA HAS BEEN TERMINATED, NO PROCEEDINGS TO TERMINATE ANY OF SUCH PLANS HAS BEEN INSTITUTED, AND THERE HAS BEEN NO COMPLETE OR PARTIAL WITHDRAWAL, CESSATION OF FACILITY OPERATIONS OR OCCURRENCE OF ANY OTHER EVENT THAT WOULD RESULT IN THE IMPOSITION OF LIABILITY ON THE COMPANY UNDER TITLE IV OF ERISA AND THE COMPANY HAS NO KNOWLEDGE OF ANY FACT THAT EXISTS THAT WOULD CONSTITUTE GROUNDS FOR TERMINATION OF SUCH PLAN BY THE PENSION BENEFIT GUARANTY CORPORATION OR FOR THE APPOINTMENT BY THE APPROPRIATE UNITED STATES DISTRICT COURT OF A TRUSTEE TO ADMINISTER SUCH PLAN, IN EACH CASE AS CONTEMPLATED BY

SECTION 4042 OF ERISA. (v) THERE IS NOT NOW NOR HAS THERE BEEN, ANY TRANSACTION INVOLVING ANY PLAN WHICH IS A "PROHIBITED TRANSACTION" UNDER SECTIONS 406 AND 407 OF ERISA OR SECTION 4975 OF THE CODE IN CONNECTION WITH WHICH THE COMPANY COULD BE SUBJECT TO ANY LIABILITY UNDER TITLE I OF ERISA OR ANY EXCISE TAX IMPOSED BY SECTION 4975 OF THE CODE. (vi) THE COMPANY HAS MATERIALLY SATISFIED ANY BOND COVERAGE REQUIREMENT OF ERISA AND ALL REPORTING AND DISCLOSURE OBLIGATIONS UNDER ERISA AND THE CODE WITH RESPECT TO EACH OF THE PLANS AND ANY RELATED FUNDING ARRANGEMENT. (vii) NO LIABILITY FOR FAILURE TO COMPLY WITH THE WITHHOLDING TAX REQUIREMENTS APPLYING TO PAYMENTS FROM THE PLANS HAS BEEN OR IS REASONABLY EXPECTED BY THE COMPANY TO BE, INCURRED BY THE

COMPANY. (viii) NO ACTION OR CONDUCT HAS BEEN TAKEN OR HAS NOT BEEN TAKEN WITH RESPECT TO THE PLANS THAT HAS OR IS REASONABLY EXPECTED BY THE COMPANY TO RESULT IN THE IMPOSITION OF ANY EXCISE TAX ON THE COMPANY WITH RESPECT TO THE PLANS. (ix) EXCEPT FOR BENEFITS WHICH MAY BECOME PAYABLE AS A RESULT OF TERMINATION OF EMPLOYMENT OF CERTAIN INDIVIDUALS AS CONTEMPLATED BY THIS AGREEMENT, NO TRANSACTION CONTEMPLATED BY THIS AGREEMENT WILL RESULT IN ANY PERSON BEING ENTITLED TO BENEFITS OR PAYMENTS WITH RESPECT TO ANY COMPANY PLAN. (x) THERE IS NO SUIT, ACTION, DISPUTE, CLAIM, ARBITRATION OR LEGAL, ADMINISTRATIVE OR OTHER PROCEEDING OR GOVERNMENTAL INVESTIGATION PENDING OR THREATENED, ALLEGING A BREACH OR BREACHES OF THE TERMS OF ANY OF THE PLANS, OR OF ANY FIDUCIARY DUTIES THEREUNDER, OR VIOLATIONS OF ERISA OR THE CODE OR OTHER APPLICABLE FEDERAL OR STATE LAW WITH RESPECT TO ANY SUCH PLAN WHICH MIGHT REASONABLY BE EXPECTED TO RESULT IN LIABILITY TO THE

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COMPANY OR TO HAVE AN ADVERSE EFFECT ON THE OPERATIONS OR CONDITION (FINANCIAL OR OTHERWISE) OF THE COMPANY OR ANY SUCH PLAN, NOR, IS THERE ANY BASIS OR GROUNDS FOR ANY SUCH SUIT, ACTION, DISPUTE, CLAIM, ARBITRATION, PROCEEDING OR INVESTIGATION.

- (d) THE COMPANY HAS NEVER BEEN A PARTICIPATING EMPLOYER IN OR SUBJECT TO ANY LIABILITY TO ANY MULTIEMPLOYER PLAN.
- (e) PETROWEST EQUIPMENT, A CALIFORNIA CORPORATION, ("PETROWEST") IS A PARTICIPATING EMPLOYER UNDER THE COMPANY'S 401(k) PROFIT SHARING PLAN. SELLERS SHALL CAUSE PETROWEST TO CEASE PARTICIPATION IN SUCH PLAN EFFECTIVE AS OF, OR PRIOR TO, THE CLOSING DATE.

2.22 BROKERS. EXCEPT FOR AMOUNTS PAID TO DENNIS MCCARTHY FOR SERVICES RENDERED PRIOR TO THE EFFECTIVE DATE OF THIS AGREEMENT, SELLERS HAVE NOT PAID OR BECOME OBLIGATED TO PAY ANY FEE OR COMMISSION TO ANY BROKER, FINDER, INVESTMENT BANKER OR OTHER INTERMEDIARY IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OR ANY PRIOR TRANSACTIONS CONTEMPLATED BY THE SELLERS RELATING TO THE TRUSCO STOCK, INCLUDING BUT NOT LIMITED TO INVESTIGATIONS INTO A POSSIBLE ESOP ARRANGEMENT, AND THE COMPANY HAS NO SUCH OBLIGATION, AND HAS MADE NO SUCH PAYMENT, TO ANY PERSON OR ENTITY.

2.23 BANK ACCOUNTS. EXHIBIT 2.23 ATTACHED HERETO IS A CORRECT AND COMPLETE LIST OF THE NAMES OF EACH BANK, SAVINGS & LOAN, OR OTHER FINANCIAL INSTITUTION, IN WHICH THE COMPANY HAS AN ACCOUNT (INCLUDING CASH CONTRIBUTION ACCOUNTS, OR SAFE DEPOSIT BOXES) AND THE CORRESPONDING ACCOUNT NUMBERS AND THE NAMES OF ALL PERSONS AUTHORIZED TO DRAW ON SUCH

ACCOUNTS OR TO HAVE ACCESS THERETO.

2.24 NO APPROVALS OR NOTICES REQUIRED; NO CONFLICTS WITH CERTAIN INSTRUMENTS. EXCEPT FOR THE COMPANY'S LENDERS AND BONDING COMPANY, NEITHER THE EXECUTION DELIVERY AND PERFORMANCE OF THIS AGREEMENT, NOR THE CONSUMMATION AND PERFORMANCE OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, NOR COMPLIANCE BY SELLERS OR THE COMPANY WITH ANY OF THE PROVISIONS HEREOF OR THEREOF, WILL VIOLATE (WITH OR WITHOUT THE GIVING OF NOTICE OR THE LAPSE OF TIME OR BOTH), OR CONFLICT WITH, OR REQUIRE ANY CONSENT, APPROVAL, WAIVER, FILING OR NOTICE UNDER, ANY STATUTE, RULE OR REGULATION, APPLICABLE TO SELLERS OR THE COMPANY OR APPLICABLE TO THE ASSETS OF, OR BUSINESS CONDUCTED BY SELLERS OR THE COMPANY, NOR WILL REQUIRE ANY CONSENT APPROVAL OR NOTICE UNDER NOR WILL CONFLICT WITH, OR RESULT IN THE BREACH OF ANY PROVISION OF, OR CONSTITUTE A DEFAULT UNDER, OR RESULT IN THE ACCELERATION OF THE PERFORMANCE OF THE OBLIGATIONS OF SELLERS OR THE COMPANY UNDER, OR RESULT IN THE CREATION OF A LIEN, CHARGE OR ENCUMBRANCE UPON ANY OF THE PROPERTIES OR ASSETS OF SELLERS OR THE COMPANY PURSUANT TO, ANY OF THE TERMS, CONDITIONS OR PROVISIONS OF THE CERTIFICATE OF INCORPORATION OR BYLAWS OF THE COMPANY, OR ANY INDENTURE, MORTGAGE, DEED OF TRUST, LOAN AGREEMENT, LEASE, LICENSE AGREEMENT, CONTRACT, INSTRUMENT OR OTHER AGREEMENT, OR ANY ORDER, WRIT, INJUNCTION, JUDGMENT OR DECREE, TO WHICH SELLERS OR THE COMPANY IS A PARTY OR BY WHICH ANY OF THE PROPERTIES OR ASSETS OF THE SELLERS OR THE COMPANY MAY BE BOUND OR AFFECTED.

2.25 ABSENCE OF UNTRUE STATEMENTS; OMISSIONS. NO REPRESENTATION OR WARRANTY BY THE SELLERS IN THIS AGREEMENT, AND NO STATEMENT, EXHIBIT OR SCHEDULE FURNISHED TO BUYER BY AND ON BEHALF OF THE SELLERS UNDER AND PURSUANT TO, OR IN ANTICIPATION OF, THIS AGREEMENT, CONTAINS OR WILL CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT OR OMITTS OR WILL OMIT TO STATE A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS CONTAINED HEREIN OR THEREIN NOT MISLEADING.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF BUYER

AS AN INDUCEMENT TO SELLERS TO ENTER INTO THIS AGREEMENT AND CONSUMMATE THE TRANSACTIONS CONTEMPLATED HEREBY, BUYER REPRESENTS AND WARRANTS TO SELLERS AS FOLLOWS:

3.1. ORGANIZATION AND GOOD STANDING. BUYER IS A CORPORATION DULY ORGANIZED, VALIDLY EXISTING AND IN GOOD STANDING UNDER THE LAWS OF DELAWARE. BUYER HAS ALL REQUISITE CORPORATE POWER AND AUTHORITY TO MAKE, EXECUTE AND DELIVER THIS AGREEMENT AND PERFORM ITS OBLIGATIONS HEREUNDER.

3.2. DUE AUTHORIZATION. THE EXECUTION, DELIVERY AND PERFORMANCE BY BUYER OF THIS AGREEMENT HAVE BEEN DULY AUTHORIZED BY ALL NECESSARY ACTION ON THE PART OF BUYER. THIS AGREEMENT HAS BEEN DULY EXECUTED AND DELIVERED AND CONSTITUTES, WHEN EXECUTED AND DELIVERED BY BUYER SHALL CONSTITUTE, THE LEGAL, VALID AND BINDING OBLIGATIONS OF BUYER, ENFORCEABLE AGAINST IT IN ACCORDANCE WITH ITS TERMS.

3.3. BROKERAGE. EXCEPT FOR RETAINING PARKER/HUNTER INCORPORATED TO ACT AS ITS INVESTMENT ADVISER THE FEES FOR WHICH BUYER IS SOLELY RESPONSIBLE, BUYER HAS NOT MADE ANY AGREEMENT OR TAKEN ANY OTHER ACTION THAT MIGHT CAUSE SELLERS OR THE COMPANY TO BECOME LIABLE FOR A BROKER'S FEE OR COMMISSION AS A RESULT OF THE TRANSACTIONS CONTEMPLATED HEREUNDER.

3.4. NO APPROVALS OR NOTICES REQUIRED; NO CONFLICTS WITH CERTAIN INSTRUMENTS.

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EXCEPT FOR APPROVAL REQUIRED FROM BANK ONE, TEXAS, N.A., NEITHER THE EXECUTION, DELIVERY AND PERFORMANCE OF THIS AGREEMENT, NOR THE CONSUMMATION AND PERFORMANCE OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, NOR COMPLIANCE BY BUYER WITH ANY OF THE PROVISIONS HEREOF OR THEREOF, WILL VIOLATE (WITH OR WITHOUT THE GIVING OF NOTICE OR THE LAPSE OF TIME OR BOTH), OR CONFLICT WITH, OR REQUIRE ANY CONSENT, APPROVAL, WAIVER, FILING OR NOTICE UNDER, ANY STATUTE, RULE OR REGULATION, APPLICABLE TO BUYER OR APPLICABLE TO THE ASSETS OF, OR BUSINESS CONDUCTED BY, BUYER, NOR WILL REQUIRE ANY CONSENT APPROVAL OR NOTICE UNDER NOR WILL CONFLICT WITH, OR RESULT IN THE BREACH OF ANY PROVISION OF, OR CONSTITUTE A DEFAULT UNDER, OR RESULT IN THE ACCELERATION OF THE PERFORMANCE OF THE OBLIGATIONS OF BUYER UNDER, OR RESULT IN THE CREATION OF A LIEN, CHARGE OR ENCUMBRANCE UPON ANY OF THE PROPERTIES OR ASSETS OF BUYER PURSUANT TO, ANY OF THE TERMS, CONDITIONS OR PROVISIONS OF THE CERTIFICATE OF INCORPORATION, AS AMENDED, OR BYLAWS OF BUYER, OR ANY INDENTURE, MORTGAGE, DEED OF TRUST, LOAN AGREEMENT, LEASE, LICENSE AGREEMENT, CONTRACT, INSTRUMENT OR OTHER AGREEMENT, OR ANY ORDER, WRIT, INJUNCTION, JUDGMENT OR DECREE, TO WHICH BUYER IS A PARTY OR BY WHICH ANY OF THE PROPERTIES OR ASSETS OF THE BUYER MAY BE BOUND OR AFFECTED.

3.5. ABSENCE OF UNTRUE STATEMENTS; OMISSIONS. NO REPRESENTATION OR WARRANTY BY THE BUYER IN THIS AGREEMENT, AND NO STATEMENT, EXHIBIT OR SCHEDULE FURNISHED TO SELLER BY OR ON BEHALF OF BUYER UNDER AND PURSUANT TO, OR IN ANTICIPATION OF, THIS AGREEMENT, CONTAINS OR WILL CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT OR OMITTS OR WILL OMIT TO STATE A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS CONTAINED HEREIN OR THEREIN NOT MISLEADING.

3.6 INVESTMENT REPRESENTATION. BUYER REPRESENTS THAT IT IS ACQUIRING THE TRUSCO STOCK FOR ITS OWN ACCOUNT FOR INVESTMENT AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH ANY DISTRIBUTION OF SUCH SECURITIES.

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ARTICLE 4

COVENANTS OF SELLERS

4.1. CONDUCT OF BUSINESS PENDING CLOSING. FROM AND AFTER THE DATE HEREOF AND PENDING CLOSING, AND UNLESS BUYER SHALL OTHERWISE CONSENT OR AGREE IN WRITING, THE COMPANY SHALL, AND SELLER SHALL CAUSE THE COMPANY TO, CONDUCT ITS AFFAIRS AS FOLLOWS:

- (a) ORDINARY COURSE; COMPLIANCE. THE COMPANY'S BUSINESS SHALL BE CONDUCTED ONLY IN THE ORDINARY COURSE AND CONSISTENT WITH PAST PRACTICE, INCLUDING BILLING, SHIPPING AND COLLECTION PRACTICES, INVENTORY TRANSACTIONS AND PAYMENT OF ACCOUNTS PAYABLE. THE COMPANY SHALL MAINTAIN ITS PROPERTY, EQUIPMENT AND OTHER ASSETS CONSISTENT WITH PAST PRACTICE AND SHALL COMPLY TIMELY WITH THE PROVISIONS OF ALL ITS LEASES, AGREEMENTS, CONTRACTS AND COMMITMENTS IN CONNECTION WITH THE COMPANY BUSINESS OR ITS ASSETS.
- (b) PRESERVATION OF BUSINESS. THE COMPANY SHALL USE REASONABLE EFFORTS: TO PRESERVE ITS BUSINESS ORGANIZATION INTACT, TO KEEP AVAILABLE TO BUYER THE SERVICES OF ITS PRESENT EMPLOYEES; AND TO PRESERVE FOR BUYER THE GOODWILL OF ITS SUPPLIERS, CUSTOMERS AND OTHERS HAVING BUSINESS RELATIONS WITH IT.
- (c) PROHIBITED TRANSACTIONS. THE COMPANY SHALL NOT, NOR SHALL SELLER CAUSE THE COMPANY TO:
 - (i) AMEND ITS CHARTER DOCUMENTS OR BY LAWS; (ii) TRANSFER ANY SHARES

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OF CAPITAL STOCK OR ASSETS OF THE COMPANY, EXCEPT IN THE ORDINARY COURSE OF BUSINESS AND EXCEPT AS PERMITTED BY SECTION 1.6 ABOVE, OR AS PROVIDED IN SECTION 4.1(d) BELOW, WHETHER BY DIVIDEND OR OTHERWISE, OR TO PERMIT SUCH ASSETS TO BECOME BOUND BY OR SUBJECT TO ANY CONTRACTS OR OTHER AGREEMENTS; (iii) ISSUE ANY DEBT SECURITIES OR ASSUME, GUARANTEE OR ENDORSE OR OTHERWISE AS AN ACCOMMODATION BECOME RESPONSIBLE FOR THE OBLIGATIONS OF ANY PERSON, OR MAKE ANY LOANS OR ADVANCES, EXCEPT IN THE ORDINARY COURSE OF BUSINESS; INCREASE LONG-TERM DEBT, OR EXCEPT FOR THE CAPITAL EXPENDITURES PREVIOUSLY APPROVED BY BUYER AND DESCRIBED ON EXHIBIT 4.1 OR

SUCH OTHER CAPITAL EXPENDITURES WHICH ARE SUBSEQUENTLY APPROVED BY ASTROTECH IN WRITING, MAKE ANY CAPITAL EXPENDITURES IN EXCESS OF \$10,000 INDIVIDUALLY OR \$50,000 IN THE AGGREGATE WITHOUT ASTROTECH'S CONSENT.

- (d) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, TRUSCO'S SHAREHOLDERS AND BOARD OF DIRECTORS MAY CAUSE TRUSCO TO DISTRIBUTE TO ITS SHAREHOLDERS WITH RESPECT TO THEIR SHARES OF TRUSCO STOCK CASH IN AN AMOUNT EQUAL TO 49.6% OF TRUSCO'S TAXABLE INCOME FOR (a) THE PERIOD ENDED DECEMBER 31, 1996 (LESS ANY SUCH DISTRIBUTIONS MADE IN 1996 TO COVER SUCH TAX COST), AND (b) THE PERIOD BEGINNING JANUARY 1, 1997, AND ENDING ON THE CLOSING DATE, PROVIDED HOWEVER THAT TRUSCO'S TAXABLE INCOME SHALL BE DETERMINED BY A FIRM OF CERTIFIED PUBLIC ACCOUNTANTS AND CALCULATED IN ACCORDANCE WITH, ON THE SAME BASIS AND IN THE MANNER OF TRUSCO'S PRIOR PRACTICE, CONSISTENTLY APPLIED. OTHERWISE, TRUSCO WILL

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NOT DECLARE, SET ASIDE OR PAY ANY DIVIDEND OR OTHER DISTRIBUTION (WHETHER IN CASH, STOCK OR PROPERTY) IN RESPECT OF ITS CAPITAL STOCK.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, AND, EXCEPT AS CONTEMPLATED IN THIS AGREEMENT, PRIOR TO THE CLOSING DATE, SELLERS WILL NOT PERMIT THE COMPANY TO TAKE ANY ACTION WHICH WOULD RESULT IN A BREACH OF ANY REPRESENTATION OR WARRANTY CONTAINED IN ARTICLE 2 HEREOF.

4.2. NO SOLICITATION OF TRANSACTION. PRIOR TO THE CLOSING DATE (OR SOONER IF THIS AGREEMENT IS TERMINATED SOONER PURSUANT TO ITS TERMS), SELLERS SHALL NOT, DIRECTLY OR INDIRECTLY, THROUGH ANY OFFICER, DIRECTOR, AGENT OR OTHERWISE, SOLICIT OR INITIATE SUBMISSION OF PROPOSALS OR OFFERS FROM ANY PERSON RELATING TO ANY ACQUISITION OR PURCHASE OF ALL OR (OTHER THAN IN THE ORDINARY COURSE OF BUSINESS) A PORTION OF THE ASSETS OF, OR ANY EQUITY INTEREST IN, THE COMPANY OR ANY BUSINESS COMBINATION WITH THE COMPANY, PARTICIPATE IN ANY NEGOTIATIONS REGARDING, OR FURNISH TO ANY OTHER PERSON ANY INFORMATION WITH RESPECT TO, OR OTHERWISE COOPERATE IN ANY WAY WITH, OR ASSIST OR PARTICIPATE IN, FACILITATE OR ENCOURAGE, ANY EFFORT OR ATTEMPT BY ANY OTHER PERSON TO DO OR SEEK ANY OF THE FOREGOING. SELLERS SHALL IMMEDIATELY CEASE AND CAUSE TO BE TERMINATED ANY EXISTING DISCUSSIONS OR NEGOTIATIONS WITH ANY PARTIES CONDUCTED HERETOFORE WITH RESPECT TO ANY OF THE FOREGOING.

4.3. ACCESS TO INFORMATION. (a) BETWEEN THE DATE OF THIS AGREEMENT AND THE CLOSING DATE, SELLERS WILL CAUSE THE COMPANY, DURING MUTUALLY AGREEABLE HOURS, TO (i) GIVE THE BUYER AND ITS AUTHORIZED REPRESENTATIVES REASONABLE ACCESS TO ALL BOOKS, RECORDS, OFFICES AND OTHER FACILITIES AND PROPERTIES OF THE COMPANY, (ii) PERMIT THE BUYER TO MAKE SUCH INSPECTIONS THEREOF AS THE

BUYER WITH SUCH FINANCIAL AND OPERATING DATA AND OTHER INFORMATION WITH RESPECT TO THE BUSINESS, OPERATIONS AND PROPERTIES OF THE COMPANY AS THE BUYER MAY FROM TIME TO TIME REASONABLY REQUEST; PROVIDED HOWEVER, THAT ANY SUCH INVESTIGATION SHALL BE CONDUCTED IN SUCH A MANNER AS NOT TO INTERFERE UNREASONABLY WITH THE BUSINESS OPERATIONS OF THE COMPANY.

- (b) ANY INFORMATION PROVIDED OR OBTAINED PURSUANT TO CLAUSE (a) ABOVE, AND ALL SUCH INFORMATION ACQUIRED DURING NEGOTIATIONS AND IN CONTEMPLATION OF THIS AGREEMENT, SHALL BE HELD BY THE BUYER IN STRICT CONFIDENCE SHALL NOT BE USED FOR ANY PURPOSE OTHER THAN AS REQUIRED TO CARRY OUT THE PURPOSES AND INTENT OF THIS AGREEMENT AND SHALL NOT BE DIVULGED TO PERSONS NOT PARTIES TO THIS AGREEMENT, EXCEPT THE BUYERS' ATTORNEYS, LENDERS, FINANCIAL ADVISORS, ACCOUNTANTS AND OTHER SUCH PERSONS UNDER A PROFESSIONAL OBLIGATION OF CONFIDENTIALITY WITH REGARD TO THE INFORMATION CONVEYED TO THEM, AND ONLY TO THE EXTENT THAT SUCH PERSONS HAVE NEED FOR SUCH INFORMATION IN CONNECTION WITH THEIR SERVICES, AND BUYER AGREES TO TAKE ALL REASONABLE STEPS TO ASSURE THAT ANY SUCH PERSONS SHALL NOT USE SUCH INFORMATION FOR ANY PURPOSE OTHER THAN AS REQUIRED TO CARRY OUT THE PURPOSES AND INTENT OF THIS AGREEMENT.
- (c) IN THE EVENT OF TERMINATION OF THE AGREEMENT, ANY SUCH INFORMATION PROVIDED OR OBTAINED PURSUANT TO CLAUSE (a) OR (b) ABOVE SHALL BE RETURNED TO THE COMPANY, AND SHALL NOT BE DISCLOSED OR USED BY THE BUYER IN ANY MANNER WHATSOEVER.

- (d) IN ADDITION TO THE FOREGOING, ALL INFORMATION PROVIDED TO BUYER SHALL BE SUBJECT TO THAT CERTAIN CONFIDENTIALITY UNDERTAKING INCLUDED IN THE "LETTER OF INTENT" FOR THE ACQUISITION OF TRUSCO DATED FEBRUARY 6, 1997.

4.4. INSURANCE. THE SELLERS SHALL CAUSE THE COMPANY TO MAINTAIN OR CAUSE TO BE MAINTAINED IN FULL FORCE AND EFFECT THE POLICIES OF INSURANCE LISTED ON SCHEDULE 2.19, SUBJECT ONLY TO VARIATIONS REQUIRED BY THE ORDINARY OPERATIONS OF THE COMPANY BUSINESS, OR ELSE SHALL OBTAIN, PRIOR TO THE LAPSE OF ANY SUCH POLICY, SUBSTANTIALLY SIMILAR COVERAGE WITH INSURERS OF RECOGNIZED STANDING. SELLER OR THE COMPANY SHALL PROMPTLY ADVISE BUYER IN WRITING OF ANY CHANGE OF INSURER OR TYPE OF COVERAGE IN RESPECT OF THE POLICIES LISTED ON SCHEDULE 2.19 HERETO.

4.5. PRESERVE ACCURACY OF REPRESENTATIONS AND WARRANTIES. SELLERS SHALL ENSURE THAT THE COMPANY CONDUCTS THE BUSINESS IN SUCH A MANNER THAT, AT THE CLOSING, THE REPRESENTATIONS AND WARRANTIES OF SELLERS CONTAINED IN THIS AGREEMENT SHALL BE TRUE AND CORRECT IN ALL MATERIAL RESPECTS AS THOUGH SUCH REPRESENTATIONS AND WARRANTIES WERE MADE ON, AS OF, AND WITH REFERENCE TO SUCH DATE. SELLERS SHALL PROMPTLY NOTIFY BUYER OF ANY ACTION, SUIT OR PROCEEDING THAT SHALL BE INSTITUTED OR THREATENED AGAINST SELLERS OR THE COMPANY TO RESTRAIN, PROHIBIT OR OTHERWISE CHALLENGE THE LEGALITY OF ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT. EACH OF SELLERS SHALL PROMPTLY NOTIFY BUYER OF ANY LAWSUIT, CLAIM, PROCEEDING OR INVESTIGATION THAT MAY BE THREATENED, BROUGHT, ASSERTED OR COMMENCED AFTER THE DATE HEREOF AGAINST THE COMPANY. EACH OF SELLERS SHALL NOTIFY BUYER OF ANY FACTS OR CIRCUMSTANCES AS TO WHICH IT OBTAINS KNOWLEDGE THAT CAUSE ANY OF THE REPRESENTATIONS AND WARRANTIES CONTAINED IN ARTICLE 2 OF THIS AGREEMENT OR RELATING TO ANY MATTERS REQUIRED TO BE SET FORTH IN THE SCHEDULES HERETO TO BE UNTRUE.

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4.6. NOTICE OF CHANGES. UNTIL THE CLOSING, SELLERS SHALL GIVE BUYER PROMPT WRITTEN NOTICE OF ANY MATERIAL CHANGE OR INACCURACIES IN ANY DATA PREVIOUSLY GIVEN OR MADE AVAILABLE TO BUYER PURSUANT TO THIS AGREEMENT.

4.7 CONSENTS AND APPROVALS. AS PROMPTLY AS PRACTICABLE, SELLERS SHALL MAKE, OR CAUSE TO BE MADE SUCH FILINGS AND SUBMISSIONS UNDER LAW AS MAY BE REQUIRED FOR IT TO CONSUMMATE THE SALE AND TRANSFER OF THE TRUSCO STOCK HEREUNDER, AND SHALL USE ITS BEST EFFORTS TO OBTAIN, OR CAUSE TO BE OBTAINED, ALL AUTHORIZATIONS, APPROVALS, CONSENTS AND WAIVERS FROM ALL GOVERNMENTAL BODIES NECESSARY TO BE OBTAINED BY IT.

4.8 SECTION 338(h)(10) ELECTION. ASTROTECH INTENDS TO MAKE AN EXPRESS ELECTION PURSUANT TO SECTION 338 OF THE INTERNAL REVENUE CODE ("CODE") WITH RESPECT TO THE PURCHASE OF THE CAPITAL STOCK OF TRUSCO. THE SELLERS AGREE TO JOIN WITH ASTROTECH IN THE FILING OF AN ELECTION PURSUANT TO SECTION 338(h)(10) OF THE CODE, UNDER WHICH, FOR FEDERAL INCOME TAX PURPOSES, THE COMPANY WILL BE DEEMED TO HAVE SOLD ITS ASSETS. IF THE SELLERS ARE REQUIRED TO PAY ANY INCREASED FEDERAL OR CALIFORNIA INCOME TAXES BY REASON OF ASTROTECH'S MAKING SUCH ELECTION, THEN THE PURCHASE PRICE SHALL BE INCREASED BY AN AMOUNT WHICH, AFTER DEDUCTION OF APPLICABLE FEDERAL AND CALIFORNIA INCOME TAXES, WILL LEAVE THE SELLERS WITH THE SAME AFTER-TAX SALES PROCEEDS THEY WOULD HAVE RECEIVED IF ASTROTECH HAD PURCHASED THE TRUSCO SHARES WITHOUT HAVING MADE ANY ELECTION UNDER SECTION 338(h)(10) OF THE INTERNAL REVENUE CODE. ANY CALIFORNIA SALE TAX IMPOSED ON THIS TRANSACTION BY REASON OF ASTROTECH'S ELECTION, SHALL BE BORNE BY ASTROTECH. BUYER AND SELLERS AGREE THAT THE PURCHASE PRICE SHALL BE ALLOCATED TO THE ASSETS OF TRUSCO AS SET FORTH IN EXHIBIT 4.8.

4.9 COMPANY GUARANTIES. THE COMPANY HAS PREVIOUSLY PROVIDED GUARANTIES (THE

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"COMPANY GUARANTIES") OF CERTAIN OBLIGATIONS OF PETROWEST. THE SELLERS AGREE TO USE THEIR REASONABLE BEST EFFORTS TO OBTAIN A RELEASE OF THE COMPANY GUARANTIES. FOR THIS PURPOSE, THE "BEST EFFORTS" OF THE SELLERS SHALL INCLUDE, WITHOUT LIMITATION, TO THE PARTY HOLDING COMPANY GUARANTIES THE REPLACING OF THE COMPANY GUARANTIES WITH GUARANTIES OF THE SELLERS. IN ANY EVENT, THE SELLERS DO HEREBY INDEMNIFY AND HOLD THE BUYER HARMLESS FROM ANY AND ALL JUDGMENTS, DAMAGES, LOSSES, LIABILITIES, OBLIGATIONS, COSTS AND EXPENSES (WITHOUT LIMITATION, COURT COSTS AND ATTORNEYS' FEES) ARISING OUT OF OR RESULTING FROM THE COMPANY GUARANTIES. THE SELLERS AGREE TO PAY, AS INCURRED, ALL COSTS AND EXPENSES INCURRED WITH RESPECT TO THE DEFENSE OF ANY ACTIONS, LAWSUITS OR PROCEEDINGS BROUGHT AGAINST THE COMPANY WITH RESPECT TO THE COMPANY GUARANTIES.

4.10. EMPLOYEE LIABILITIES. IT IS AGREED AND UNDERSTOOD THAT CERTAIN EMPLOYEES OF THE COMPANY HAVE DEVOTED ALL OR SUBSTANTIALLY ALL OF THEIR TIME TO THE BUSINESS OF PETROWEST AND THAT EFFECTIVE UPON CLOSING OF THE TRANSACTIONS CONTEMPLATED HEREBY, THE COMPANY WILL TERMINATE THE EMPLOYMENT OF SUCH EMPLOYEES (INCLUDING MR. LES GRAULICH WHO DEVOTED APPROXIMATELY 50% OF HIS TIME TO THE BUSINESS OF PETROWEST) WHOSE EMPLOYMENT RELATIONSHIPS PROSPECTIVELY WILL BE SOLELY WITH PETROWEST. SELLERS HEREBY AGREE THAT, NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THEY WILL INDEMNIFY AND HOLD BUYER HARMLESS FROM AND AGAINST ANY LIABILITY, OBLIGATION OR LITIGATION ARISING OUT OF OR RESPECT TO TERMINATION OF SUCH EMPLOYEES BY THE COMPANY OR BY THE COMPANY'S FAILURE TO EMPLOY ANY SUCH EMPLOYEE.

ARTICLE 5

COVENANTS OF BUYER

5.1. FILINGS AND AUTHORIZATIONS. AS PROMPTLY AS PRACTICABLE, THE BUYER SHALL MAKE, OR CAUSE TO BE MADE, SUCH FILINGS AND SUBMISSIONS UNDER LAW, RULES AND REGULATIONS APPLICABLE TO IT, INCLUDING THE HSR ACT, AS MAY BE REQUIRED FOR IT TO CONSUMMATE THE SALE AND TRANSFER OF THE TRUSCO STOCK HEREUNDER, AND SHALL USE ITS BEST EFFORTS TO OBTAIN, OR CAUSE TO BE OBTAINED, ALL AUTHORIZATIONS, APPROVALS, CONSENTS AND WAIVERS FROM ALL GOVERNMENTAL BODIES NECESSARY TO BE OBTAINED BY IT.

5.2 ACCURACY OF REPRESENTATIONS AND WARRANTIES. THE BUYER SHALL PROMPTLY NOTIFY SELLERS OF ANY ACTION, SUIT OR PROCEEDING THAT SHALL BE INSTITUTED OR THREATENED AGAINST THE BUYER TO RESTRAIN, PROHIBIT OR OTHERWISE CHALLENGE THE LEGALITY OF ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT. THE BUYER SHALL NOTIFY SELLERS OF ANY FACTS OR CIRCUMSTANCES AS TO WHICH IT OBTAINS KNOWLEDGE THAT CAUSE ANY OF THE REPRESENTATIONS AND WARRANTIES CONTAINED IN ARTICLE 3 OF THIS AGREEMENT OR RELATING TO ANY MATTERS REQUIRED TO BE SET FORTH

IN THE SCHEDULES HERETO TO BE UNTRUE. UNTIL THE CLOSING, THE BUYER SHALL GIVE SELLERS PROMPT WRITTEN NOTICE OF ANY MATERIAL CHANGE OR INACCURACIES IN ANY DATA PREVIOUSLY GIVEN OR MADE AVAILABLE TO SELLERS PURSUANT TO THIS AGREEMENT.

5.3 SECTION 338(h)(10) ELECTION. ASTROTECH INTENDS TO MAKE AN EXPRESS ELECTION PURSUANT TO SECTION 338 OF THE INTERNAL REVENUE CODE ("CODE") WITH RESPECT TO THE PURCHASE OF THE CAPITAL STOCK OF TRUSCO. THE SELLERS AGREE TO JOIN WITH ASTROTECH IN THE FILING OF AN ELECTION PURSUANT TO SECTION 338(h)(10) OF THE CODE, UNDER WHICH, FOR FEDERAL INCOME TAX PURPOSES, THE SHAREHOLDERS WILL BE DEEMED TO HAVE SOLD THE ASSETS OF TRUSCO. IF THE SELLERS ARE REQUIRED TO PAY ANY INCREASED FEDERAL OR CALIFORNIA INCOME TAXES BY REASON OF ASTROTECH'S MAKING SUCH ELECTION, THEN THE PURCHASE PRICE SHALL BE INCREASED BY AN AMOUNT WHICH, AFTER DEDUCTION OF APPLICABLE FEDERAL AND CALIFORNIA INCOME TAXES, WILL LEAVE THE SELLERS WITH THE

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SAME AFTER-TAX SALES PROCEEDS THEY WOULD HAVE RECEIVED IF ASTROTECH HAD PURCHASED THE TRUSCO SHARES WITHOUT HAVING MADE ANY ELECTION UNDER SECTION 338(h)(10) OF THE INTERNAL REVENUE CODE. ANY CALIFORNIA SALE TAX IMPOSED ON THIS TRANSACTION BY REASON OF ASTROTECH'S ELECTION, SHALL BE BORNE BY ASTROTECH. BUYER AND SELLER AGREE THAT THE PURCHASE PRICE SHALL BE ALLOCATED TO THE ASSETS AS SET FORTH IN EXHIBIT 4.8.

5.4 BONDS. SELLERS HAVE PREVIOUSLY PROVIDED GUARANTIES TO BONDING COMPANIES FOR CERTAIN CONTRACTUAL OBLIGATIONS OF THE COMPANY (THE "BONDS"). THE BUYER AGREES TO USE ITS REASONABLE BEST EFFORTS TO OBTAIN A RELEASE OF THE BONDS. FOR THIS PURPOSE, THE "BEST EFFORTS" OF BUYER SHALL INCLUDE, WITHOUT LIMITATION, THE OFFER TO THE PARTY HOLDING THE BONDS OR REPLACING THE BONDS WITH GUARANTIES AND/OR BONDS PROVIDED BY THE BUYER. IN ANY EVENT, THE BUYER DOES HEREBY INDEMNIFY AND HOLD SELLERS HARMLESS FROM ANY AND ALL JUDGMENTS, DAMAGES, LOSSES, LIABILITIES, OBLIGATIONS, COSTS AND EXPENSES (INCLUDING WITHOUT LIMITATION, COURT COSTS AND ATTORNEYS' FEES) ARISING OUT OF OR RESULTING FROM THE BONDS. THE BUYER AGREES TO PAY, AS INCURRED, ALL COSTS AND EXPENSES INCURRED WITH RESPECT TO THE DEFENSE OF ANY ACTIONS LAW SUITS OR PROCEEDINGS BROUGHT AGAINST THE SELLERS WITH RESPECT TO THE BONDS.

5.5 POST-CLOSING DISTRIBUTION. BUYER (a) ACKNOWLEDGES THAT THE DISTRIBUTION TO THE SELLERS CONTEMPLATED BY PARAGRAPH 4.1(d), ABOVE, MAY NOT BE MADE PRIOR TO CLOSING BECAUSE IT MAY NOT BE POSSIBLE TO CALCULATE PRIOR TO THAT TIME THE EXACT AMOUNT OF TRUSCO'S TAXABLE INCOME FOR THE PERIOD ENDING ON THE CLOSING DATE, AND (b) COVENANTS AND AGREES THAT IF SUCH DISTRIBUTION IS NOT MADE PRIOR TO THE CLOSING, THEN (i) AS SOON AS PRACTICABLE AFTER THE CLOSING, BUYER SHALL CAUSE TRUSCO TO CALCULATE THE AMOUNT OF THE DISTRIBUTION PERMITTED BY PARAGRAPH 4.1(d), ABOVE, AND TO MAKE THE DISTRIBUTION TO EACH OF THE SELLERS IN ACCORDANCE WITH THE SHARES OF TRUSCO STOCK HELD BY EACH OF THE SELLERS IMMEDIATELY PRIOR TO THE CLOSING, AND (ii)

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BUYER SHALL CAUSE TRUSCO TO REPORT THOSE PAYMENTS AS DISTRIBUTIONS BY TRUSCO TO THE SELLERS WITH RESPECT TO THEIR SHARES OF TRUSCO STOCK.

5.6 CONTRACTOR LICENSES. IT IS UNDERSTOOD THAT THE COMPANY IS A LICENSED CONTRACTOR IN SEVERAL STATES AND ACKNOWLEDGES THAT TRUSSLER HAS MADE HIS LICENSE AVAILABLE TO THE COMPANY IN THE STATES OF CALIFORNIA AND NEVADA ("CONTRACTOR LICENSES"). THE BUYER AGREES TO USE ITS REASONABLE BEST EFFORTS TO REMOVE TRUSSLER FROM THE CONTRACTOR LICENSES AS PROMPTLY AS PRACTICABLE AFTER THE CLOSING DATE. THE BUYER FURTHER AGREES AND DOES HEREBY INDEMNIFY AND HOLD TRUSSLER HARMLESS FROM ANY AND ALL JUDGMENTS, DAMAGES, LOSSES, LIABILITIES, OBLIGATIONS, COSTS AND EXPENSES RESULTING FROM THE CONTRACTOR LICENSES WHICH MAY ARISE FROM AND AFTER THE CLOSING DATE. BUYER AGREES TO PAY, AS INCURRED, ALL COSTS AND EXPENSE INCURRED WITH RESPECT TO THE DEFENSE OF ANY ACTIONS, LAWSUITS OR PROCEEDINGS BROUGHT AGAINST TRUSSLER WITH RESPECT TO THE CONTRACTOR LICENSES.

ARTICLE 6

CONDITIONS TO CLOSING

6.1 MUTUAL CONDITIONS PRECEDENT. THE OBLIGATIONS OF BUYER AND SELLER TO PROCEED WITH THE CLOSING UNDER THIS AGREEMENT ARE SUBJECT TO THE FULFILLMENT PRIOR TO THE CLOSING OF THE FOLLOWING CONDITIONS:

- (a) LITIGATION. NO ORDER OF ANY GOVERNMENTAL BODY SHALL BE IN EFFECT THAT ENJOINS, RESTRAINS OR PROHIBITS THE TRANSACTIONS CONTEMPLATED HEREBY OR THAT WOULD LIMIT OR ADVERSELY AFFECT BUYER'S OWNERSHIP OF THE TRUSCO STOCK OR CONTROL OF THE COMPANY, AND THERE SHALL NOT HAVE BEEN

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THREATENED, NOR SHALL THERE BE PENDING, ANY ACTION OR PROCEEDING BY OR BEFORE ANY GOVERNMENTAL BODY CHALLENGING ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR SEEKING MONETARY RELIEF BY REASON OF THE CONSUMMATION OF SUCH TRANSACTIONS.

- (b) FILINGS; CONSENTS. THE FILING AND WAITING PERIOD REQUIREMENTS OF ANY APPLICABLE FEDERAL OR STATE OR GOVERNMENTAL BODY RELATING TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT SHALL HAVE BEEN COMPLIED WITH.

6.2. CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER. THE OBLIGATIONS OF BUYER TO PROCEED WITH THE CLOSING UNDER THIS AGREEMENT ARE SUBJECT TO THE FULFILLMENT PRIOR TO OR AT CLOSING OF THE FOLLOWING CONDITIONS (ANY ONE OR MORE OF WHICH MAY BE WAIVED IN WHOLE OR IN PART BY BUYER AT BUYER'S OPTION):

- (a) ACCURACY OF REPRESENTATIONS AND WARRANTIES. EACH OF THE REPRESENTATIONS AND WARRANTIES OF SELLERS CONTAINED IN ARTICLE 2 OF THIS AGREEMENT SHALL BE TRUE AND CORRECT IN ALL MATERIAL RESPECTS ON AND AS OF THE CLOSING DATE, WITH THE SAME FORCE AND EFFECT AS THOUGH SUCH REPRESENTATIONS AND WARRANTIES HAD BEEN MADE ON, AS OF AND WITH REFERENCE TO SUCH DATE.
- (b) PERFORMANCE AND COMPLIANCE. SELLERS SHALL HAVE PERFORMED IN ALL MATERIAL RESPECTS ALL OF THE COVENANTS AND COMPLIED IN ALL MATERIAL RESPECTS WITH ALL OF THE PROVISIONS REQUIRED BY THIS AGREEMENT TO BE

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PERFORMED OR COMPLIED WITH BY IT ON OR BEFORE THE CLOSING.

- (c) NO MATERIAL ADVERSE CHANGE. BETWEEN THE DATE HEREOF AND THE CLOSING DATE, THERE SHALL HAVE BEEN (i) NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL CONDITION, ASSETS, LIABILITIES, OR NET WORTH, BUSINESS OR PROSPECTS OF THE COMPANY, EXCEPT CHANGES IN THE ORDINARY COURSE OF BUSINESS, NONE OF WHICH INDIVIDUALLY OR IN THE AGGREGATE, COULD HAVE A MATERIAL ADVERSE EFFECT ON THE OPERATIONS OF THE COMPANY, AND NO EVENT OR CONDITION SHALL HAVE OCCURRED OR EXIST THAT MIGHT BE EXPECTED TO CAUSE SUCH A CHANGE IN THE FUTURE, AND (ii) NO STRIKE, WALK-OUT, UNION ORGANIZING ACTIVITY, SLOW-DOWN OR LOCK-OUT, OR OTHER LABOR TROUBLE, OR ANY OTHER NEW OR CONTINUED EVENT, DEVELOPMENT OR CONDITION OF ANY CHARACTER THAT COULD HAVE A MATERIAL ADVERSE EFFECT ON THE OPERATIONS OF THE COMPANY.
- (d) CLOSING DOCUMENTS. BUYER SHALL HAVE RECEIVED THE DOCUMENTS REFERENCED IN SECTION 1.4(a).
- (e) FINANCING. BUYER SHALL HAVE OBTAINED SUFFICIENT FINANCING TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT AND TO PAY RELATED FEES AND EXPENSES.
- (f) DUE DILIGENCE REVIEW. BUYER SHALL BE SATISFIED WITH ITS DUE DILIGENCE REVIEW OF THE COMPANY BUSINESS, INCLUDING BUT NOT LIMITED TO THE FINANCIAL CONDITION AND PROSPECTS OF THE COMPANY.

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- (h) EMPLOYMENT CONTRACTS. THE COMPANY, WITH BUYER'S APPROVAL,

SHALL HAVE ENTERED INTO EMPLOYMENT AGREEMENTS, IN THE FORM ATTACHED HERETO AS EXHIBIT 6.2(h), WITH RAY CROSNO AND LESLIE SCOTT ON TERMS SATISFACTORY TO EACH OF THEM, TO ASSURE THEIR CONTINUED SERVICE WITH THE COMPANY FOR THE PERIOD STATED IN THE EMPLOYMENT AGREEMENTS.

- (i) AUDIT REQUIREMENT. BUYER SHALL HAVE RECEIVED AND BE SATISFIED WITH THE AUDITED BALANCE SHEET, INCOME STATEMENT AND STATEMENT OF CASH FLOWS FOR THE COMPANY (INCLUDING, THE REAL PROPERTY) AT DECEMBER 31, 1996, WHICH SHALL BE PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND CERTIFIED BY COOPERS AND LYBRAND L.L.P.
- (j) MR. TRUSSLER SHALL HAVE ENTERED INTO A COVENANT AGAINST COMPETITION SUBSTANTIALLY IN THE FORM OF EXHIBIT 6.2(j), UNDER WHICH HE SHALL AGREE THAT, FOR A PERIOD OF FIVE (5) YEARS FOLLOWING THE CLOSING DATE, HE SHALL NOT COMPETE WITH TRUSCO WITHIN THE CONTINENTAL UNITED STATES WITH RESPECT TO ANY BUSINESS IN WHICH TRUSCO IS ENGAGED AS OF THE CLOSING DATE; PROVIDED, NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT OR SUCH COVENANT AGAINST COMPETITION TO THE CONTRARY, MR. TRUSSLER SHALL NOT BE PROHIBITED FROM (AND SHALL BE DEEMED NOT TO BE IN VIOLATION OF SUCH COVENANT AGAINST COMPETITION SOLELY BY REASON OF) EITHER:

- (i) HIS PARTICIPATING (AS AN OWNER, EMPLOYEE, LENDER, CONSULTANT, OR OTHERWISE) IN PETROWEST OR ITS BUSINESS

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ACTIVITIES; OR

- (ii) HIS UNDERTAKING (DIRECTLY OR INDIRECTLY, WHETHER AS AN OWNER, EMPLOYEE, LENDER, CONSULTANT, OR OTHERWISE) TO DESIGN, DEVELOP, PRODUCE, MARKET, OR SELL TO PETROWEST OR ANY OTHER PERSON UNDERGROUND TANKS OR SUPER TANKS AT ANY TIME AFTER TERMINATION OR EXPIRATION OF THE AGREEMENT BETWEEN TRUSCO AND PETROWEST CONTEMPLATED BY PARAGRAPH 6.2(m), BELOW.
 - (k) REAL PROPERTY. ASTROTECH OR ITS ASSIGNS SHALL HAVE ACQUIRED TITLE TO THE SAN LUIS REAL PROPERTY, SUBJECT TO THOSE EXCEPTIONS TO TITLE THAT HAVE BEEN APPROVED BY BUYER IN THE ESCROWS HANDLING THE REAL PROPERTY SALES, AND OBTAIN A LEASE FOR THE FRESNO REAL PROPERTY.
 - (l) [INTENTIONALLY LEFT BLANK]

(m) PETROWEST

TRUSCO SHALL HAVE ENTERED INTO THE REQUIREMENTS AGREEMENT AND DISTRIBUTION AGREEMENT WITH PETROWEST SUBSTANTIALLY IN THE FORM ATTACHED HERETO AS EXHIBIT 6.2 (m)

(n) MANAGEMENT SERVICES AGREEMENT. TRUSCO SHALL HAVE ENTERED INTO A MANAGEMENT SERVICES AGREEMENT WITH PETROWEST SUBSTANTIALLY IN THE FORM OF EXHIBIT 6.2 (n) PROVIDING FOR THE EXCHANGE OF SERVICES OF

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EMPLOYEES OF TRUSCO AND PETROWEST, ALL AS PROVIDED IN SUCH AGREEMENT.

6.3 CONDITIONS PRECEDENT TO THE OBLIGATIONS OF SELLER. THE OBLIGATIONS OF SELLERS TO PROCEED WITH THE CLOSING HEREUNDER ARE SUBJECT TO THE FULFILLMENT PRIOR TO OR AT CLOSING OF THE FOLLOWING CONDITIONS (ANY ONE OR MORE OF WHICH MAY BE WAIVED IN WHOLE OR IN PART BY SELLERS AT SELLERS' OPTION):

- (a) ACCURACY OF REPRESENTATIONS AND WARRANTIES. EACH OF THE REPRESENTATIONS AND WARRANTIES OF BUYER CONTAINED IN ARTICLE 3 OF THIS AGREEMENT SHALL BE TRUE AND CORRECT IN ALL MATERIAL RESPECTS ON, AS OF, AND WITH REFERENCE TO THE CLOSING DATE, WITH THE SAME FORCE AND EFFECT AS THOUGH SUCH REPRESENTATIONS AND WARRANTIES HAD BEEN MADE ON, AS OF AND WITH REFERENCE TO SUCH DATE.
- (b) CLOSING DOCUMENTS. SELLER SHALL HAVE RECEIVED THE DOCUMENTS REFERENCED IN SECTION 1.4.
- (c) PERFORMANCE AND COMPLIANCE. BUYER SHALL HAVE PERFORMED IN ALL MATERIAL RESPECTS ALL OF THE COVENANTS AND COMPLIED IN ALL MATERIAL RESPECTS WITH ALL OF THE PROVISIONS REQUIRED BY THIS AGREEMENT TO BE PERFORMED OR COMPLIED WITH BY IT ON OR BEFORE THE CLOSING.

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ARTICLE 7

SURVIVAL OF REPRESENTATIONS; INDEMNIFICATIONS

7.1. SURVIVAL OF REPRESENTATIONS AND WARRANTIES. ALL REPRESENTATIONS, WARRANTIES AND AGREEMENTS MADE BY ANY PARTY IN THIS AGREEMENT ARE AND WILL BE DEEMED AND CONSTRUED TO BE CONTINUING REPRESENTATIONS AND WARRANTIES AND WILL

SURVIVE UNTIL THE EIGHTEEN (18) MONTH ANNIVERSARY OF THE CLOSING DATE HEREUNDER, PROVIDED, HOWEVER, TO THE EXTENT THAT SUCH REPRESENTATIONS AND WARRANTIES RELATE TO TAX MATTERS (INCLUDING SELLERS' OBLIGATION TO PAY ANY TAX RESULTING FROM THE TRANSFER OF THE LICENSING BUSINESS), THEY WILL SURVIVE UNTIL 60 DAYS AFTER THE EXPIRATION OF THE APPLICABLE PERIOD DURING WHICH ANY DEFICIENCY IN TAXES MAY BE ASSESSED WITH RESPECT TO THE COMPANY FOR ANY TAXABLE PERIOD ENDING ON OR BEFORE THE CLOSING DATE (GIVING EFFECT TO ANY EXTENSIONS OR TOLLING OF ANY APPLICABLE STATUTE OF LIMITATIONS).

7.2. INDEMNITY. EACH PARTY SHALL INDEMNIFY AND HOLD THE OTHER PARTY HERETO HARMLESS TO THE EXTENT PROVIDED IN THIS ARTICLE 7 FROM AND AGAINST ANY AND ALL LOSSES, DAMAGES, LIABILITIES, CLAIMS, DEMANDS, JUDGMENTS, SETTLEMENTS, COSTS AND EXPENSES OF ANY NATURE WHATSOEVER (INCLUDING REASONABLE ATTORNEYS' FEES) DIRECTLY OR INDIRECTLY RESULTING FROM, IN CONNECTION WITH, OR ARISING OUT OF (i) ANY BREACH OF ANY REPRESENTATION OR WARRANTY CONTAINED IN THIS AGREEMENT, OR (ii) THE NONPERFORMANCE, PARTIAL OR TOTAL, OF ANY COVENANT OR AGREEMENT OF THE INDEMNIFYING PARTY CONTAINED IN THIS AGREEMENT, IN EITHER CASE TO THE EXTENT NOT WAIVED BY THE INDEMNIFIED PARTY.

7.3. THIRD PARTY CLAIMS. IF A CLAIM BY A THIRD PARTY IS MADE AGAINST AN INDEMNIFIED PARTY, AND IF SUCH PARTY INTENDS TO SEEK INDEMNITY WITH RESPECT THERETO, THE INDEMNIFIED PARTY SHALL PROMPTLY (AND IN ANY CASE WITHIN THIRTY DAYS OF SUCH CLAIM BEING MADE AND DOCUMENTED) NOTIFY THE INDEMNIFYING PARTY OF SUCH CLAIM. THE INDEMNIFYING PARTY SHALL HAVE TEN DAYS AFTER RECEIPT OF SUCH NOTICE TO UNDERTAKE, CONDUCT AND CONTROL, THROUGH COUNSEL OF ITS OWN CHOOSING AND AT ITS EXPENSE, THE SETTLEMENT OR DEFENSE THEREOF, AND THE INDEMNIFIED PARTY

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SHALL COOPERATE WITH IT IN CONNECTION THEREWITH; PROVIDED THAT (i) THE INDEMNIFYING PARTY SHALL PERMIT THE INDEMNIFIED PARTY TO PARTICIPATE IN SUCH SETTLEMENT OR DEFENSE THROUGH COUNSEL CHOSEN BY THE INDEMNIFIED PARTY AND (ii) THE INDEMNIFYING PARTY SHALL PROMPTLY REIMBURSE THE INDEMNIFIED PARTY FOR THE FULL AMOUNT OF ANY LOSS RESULTING FROM SUCH CLAIM AND ALL RELATED EXPENSES INCURRED BY THE INDEMNIFIED PARTY WITHIN THE LIMITS OF THIS AGREEMENT. SO LONG AS THE INDEMNIFYING PARTY IS REASONABLY CONTESTING ANY SUCH CLAIM IN GOOD FAITH, THE INDEMNIFIED PARTY SHALL NOT PAY OR SETTLE ANY SUCH CLAIM. NOTWITHSTANDING THE FOREGOING, THE INDEMNIFIED PARTY SHALL HAVE THE RIGHT TO PAY OR SETTLE ANY SUCH CLAIM, PROVIDED THAT IN SUCH EVENT IT SHALL WAIVE ANY RIGHT TO INDEMNITY THEREFOR BY THE INDEMNIFYING PARTY. IF THE INDEMNIFYING PARTY DOES NOT NOTIFY THE INDEMNIFIED PARTY WITHIN TEN DAYS AFTER THE RECEIPT OF THE INDEMNIFIED PARTY'S NOTICE OF A CLAIM OF INDEMNITY HEREUNDER THAT IT ELECTS TO UNDERTAKE THE DEFENSE THEREOF, THE INDEMNIFIED PARTY SHALL HAVE THE RIGHT TO CONTEST, SETTLE OR COMPROMISE THE CLAIM IN THE EXERCISE OF ITS REASONABLE JUDGMENT AT THE EXPENSE OF THE INDEMNIFYING PARTY.

7.4. NO COMPANY CONTRIBUTION. SELLERS SHALL HAVE NO RIGHT TO SEEK CONTRIBUTION FROM THE COMPANY IN THE EVENT SELLERS ARE REQUIRED TO MAKE ANY

ARTICLE 8

MISCELLANEOUS

8.1. EXPENSES. SELLERS AND BUYER SHALL EACH PAY ITS OWN COSTS AND EXPENSES (INCLUDING ALL LEGAL, ACCOUNTING, BROKER, FINDER AND INVESTMENT BANKER FEES) RELATING TO THIS AGREEMENT, THE NEGOTIATION LEADING UP TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT; THE COMPANY WILL NOT, AND THE SELLERS WILL NOT CAUSE THE COMPANY TO, PAY

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ANY COSTS AND EXPENSES OF SELLERS RELATED TO THE FOREGOING OR REIMBURSE SELLERS FOR SUCH COSTS AND EXPENSES EXCEPT AS PROVIDED IN THIS AGREEMENT.

IF THIS AGREEMENT IS NOT CONSUMMATED FOR ANY REASON, BUYER WILL PAY ALL COSTS AND EXPENSES OF THE AUDIT PERFORMED BY COOPERS & LYBRAND L.L.P. AND GLEN, BURDETTE, PHILLIPS & BRYSON DESCRIBED IN SECTION 6.2(i) IN EXCESS OF \$27,500.

8.2. AMENDMENT. THIS AGREEMENT SHALL NOT BE AMENDED OR MODIFIED EXCEPT BY A WRITING DULY EXECUTED BY THE BUYER AND THE SELLERS.

8.3. ENTIRE AGREEMENT. THIS AGREEMENT, INCLUDING THE EXHIBITS AND THE OTHER DOCUMENTS DELIVERED PURSUANT TO THIS AGREEMENT, CONTAIN ALL OF THE TERMS, CONDITIONS AND REPRESENTATIONS AND WARRANTIES AGREED UPON BY THE PARTIES RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND SUPERSEDE ALL PRIOR AND CONTEMPORANEOUS AGREEMENTS, NEGOTIATIONS, CORRESPONDENCE, UNDERTAKINGS AND COMMUNICATIONS OF THE PARTIES, ORAL OR WRITTEN, RESPECTING SUCH SUBJECT MATTER.

8.4. EXHIBITS. THE EXHIBITS TO THIS AGREEMENT SHALL BE CONSTRUED WITH, AND AS AN INTEGRAL PART OF, THIS AGREEMENT.

8.5. HEADINGS. THE HEADINGS CONTAINED IN THIS AGREEMENT ARE INTENDED SOLELY FOR CONVENIENCE AND SHALL NOT AFFECT THE RIGHTS OF THE PARTIES TO THIS AGREEMENT.

8.6. NOTICES. ALL NOTICES, REQUESTS, DEMANDS AND OTHER COMMUNICATIONS MADE IN CONNECTION WITH THIS AGREEMENT SHALL BE IN WRITING AND SHALL BE DEEMED TO HAVE BEEN DULY GIVEN ON THE DATE OF DELIVERY, IF DELIVERED TO THE PERSONS IDENTIFIED BELOW, OR THE NEXT DAY BY

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OVERNIGHT CARRIER, OR THREE DAYS AFTER MAILING IF MAILED BY CERTIFIED OR REGISTERED MAIL, POSTAGE PREPAID, RETURN RECEIPT REQUESTED, ADDRESSED AS

FOLLOWS:

IF TO BUYER:

ASTROTECH INTERNATIONAL CORPORATION
960 PENN AVENUE
SUITE 800
PITTSBURGH, PA 15222 HOUSTON, TX 77068
ATTENTION: RAYMOND T. ROYKO
SECRETARY

IF TO THE SELLERS:

JARED A. TRUSSLER	RAY CROSNO	LESLIE SCOTT
P.O. BOX 67	156 COUNTRYSIDE LANE	4205 PORTOLA
MANGONUI, FAR NORTH	SAN LUIS OBISPO, CA 93401	ATASCADERO, CA 93422
NEW ZEALAND		

WITH A COPY TO:

MICHAEL E. PFAU, ESQ.
REICKER, CLOUGH, PFAU & PYLE LLP
1421 STATE STREET
SANTA BARBARA, CALIFORNIA 93102-1470

SUCH ADDRESSES MAY BE CHANGED, FROM TIME TO TIME, BY MEANS OF A NOTICE GIVEN IN THE MANNER PROVIDED IN THIS SECTION.

8.7. SEVERABILITY. IF ANY PROVISION OF THIS AGREEMENT IS HELD TO BE UNENFORCEABLE FOR ANY REASON, IT SHALL BE ADJUSTED RATHER THAN VOIDED, IF POSSIBLE, IN ORDER TO ACHIEVE THE INTENT OF THE PARTIES TO THIS AGREEMENT TO THE EXTENT POSSIBLE. IN ANY EVENT, ALL OTHER PROVISIONS OF THIS AGREEMENT SHALL BE DEEMED VALID AND ENFORCEABLE TO THE FULLEST EXTENT POSSIBLE

8.8. WAIVER. WAIVER OF ANY TERMS OR CONDITION OF THIS AGREEMENT BY ANY PARTY

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SHALL ONLY BE EFFECTIVE IF IN WRITING AND SHALL NOT BE CONSTRUED AS A WAIVER OF ANY SUBSEQUENT BREACH OR FAILURE OF THE SAME TERM OR CONDITION, OR A WAIVER OF ANY OTHER TERM OR CONDITION OF THIS AGREEMENT.

8.9. BINDING EFFECT; ASSIGNMENT. NO PARTY TO THIS AGREEMENT MAY ASSIGN OR DELEGATE, BY OPERATION OF LAW OR OTHERWISE, ALL OR ANY PORTION OF ITS RIGHTS OBLIGATIONS OR LIABILITIES UNDER THIS AGREEMENT WITHOUT THE PRIOR WRITTEN CONSENT OF THE OTHER PARTY TO THIS AGREEMENT, WHICH IT MAY WITHHOLD IN ITS ABSOLUTE DISCRETION; PROVIDED, HOWEVER, THAT, WITHOUT SUCH CONSENT, ASTROTECH MAY ASSIGN ALL OR ANY PORTION OF ITS RIGHTS UNDER THIS AGREEMENT TO ANY

WHOLLY-OWNED SUBSIDIARY OF ASTROTECH, WHICH ASSIGNMENT SHALL NOT RELIEVE ASTROTECH OF ITS OBLIGATIONS OR LIABILITIES HEREUNDER.

8.10. NO THIRD PARTY BENEFICIARIES. NOTHING IN THIS AGREEMENT SHALL CONFER ANY RIGHTS UPON ANY PERSON OR ENTITY WHICH IS NOT A PARTY OR AN ASSIGNEE OF A PARTY TO THIS AGREEMENT.

8.11. COUNTERPARTS. THIS AGREEMENT MAY BE SIGNED IN ANY NUMBER OF COUNTERPARTS WITH THE SAME EFFECT AS IF THE SIGNATURES TO EACH COUNTERPART WERE UPON A SINGLE INSTRUMENT, AND ALL SUCH COUNTERPARTS TOGETHER SHALL BE DEEMED AN ORIGINAL OF THIS AGREEMENT.

8.12. PUBLIC ANNOUNCEMENTS. BUYER SHALL CONSULT WITH SELLERS BEFORE ISSUING ANY PRESS RELEASE OR OTHERWISE MAKING ANY PUBLIC ANNOUNCEMENTS WITH RESPECT TO THIS AGREEMENT, AND NEITHER SELLERS NOR BUYER SHALL ISSUE ANY SUCH PRESS RELEASE OR MAKE ANY SUCH PUBLIC ANNOUNCEMENT PRIOR TO SUCH CONSULTATION; PROVIDED, HOWEVER, THAT NOTHING CONTAINED HEREIN SHALL PROHIBIT BUYER FROM MAKING ANY PUBLIC DISCLOSURE WHICH IT, WITH THE ADVICE OF COUNSEL, AND TO THE EXTENT PRACTICABLE AFTER CONSULTATION WITH SELLERS, DEEMS NECESSARY OR ADVISABLE IN

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ORDER TO COMPLY WITH FEDERAL AND STATE SECURITIES LAWS.

8.13. GOVERNING LAW AND JURISDICTION.

(a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA WITHOUT REGARD TO ITS CONFLICT OF LAW DOCTRINES.

8.14 CHOICE OF FORUM. ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE SUPERIOR COURT OF SAN LUIS OBISPO COUNTY OR IN THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA AND BUYER AND SELLERS HEREBY SUBMIT TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE PURPOSE OF ANY SUCH SUIT, ACTION OR PROCEEDING. BUYER AND SELLERS HEREBY IRREVOCABLY WAIVE ANY OBJECTION WHICH THEY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT BROUGHT IN THE COURTS STATED ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVE ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

ARTICLE 9

DEFINITIONS

9.1 AS USED IN THIS AGREEMENT, THE FOLLOWING WORDS AND TERMS SHALL HAVE THE MEANING SPECIFIED IN THIS SECTION 9.1.

"AGREEMENT" MEANS THIS STOCK PURCHASE AGREEMENT.

"BALANCE SHEET DATE" MEANS DECEMBER 31, 1996.

"BEST KNOWLEDGE OF THE SELLERS" SHALL MEAN, SUBJECT THE FIRST PARAGRAPH OF ARTICLE 2 HEREOF, "TO THE CURRENT ACTUAL KNOWLEDGE OF THE SELLERS BASED UPON THE INFORMATION THAT HAS COME TO THEIR ATTENTION IN THE COURSE OF OWNING, OPERATING, AND SERVING AS DIRECTORS AND SENIOR EXECUTIVE OFFICERS OF THE COMPANY OR OTHERWISE."

"BUSINESS" MEANS THE BUSINESS CONDUCTED BY TRUSCO OF DESIGNING, FABRICATING, MANUFACTURING AND ERECTING STEEL STRUCTURES, INCLUDING STORAGE TANKS, PRESSURE VESSELS AND SHOP-BUILT TANKS (BOTH ABOVEGROUND AND UNDER GROUND).

"BUYER" MEANS ASTROTECH INTERNATIONAL CORPORATION, A DELAWARE CORPORATION.

"CLOSING" HAS THE MEANING GIVEN THAT TERM IN SECTION 1.3.

"CLOSING DATE" MEANS THE DATE ON WHICH THE CLOSING UNDER THIS AGREEMENT OCCURS.

"CODE" MEANS THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

"COMPANY" MEANS TRUSCO TANK, INC., A CALIFORNIA CORPORATION.

"ENVIRONMENTAL LAWS" MEANS ALL APPLICABLE FEDERAL, STATE OR LOCAL STATUTES, LAWS,

ORDINANCES, CODES, RULES, REGULATIONS AND GUIDELINES (INCLUDING CONSENT DECREES AND ADMINISTRATIVE ORDERS) RELATING TO PUBLIC HEALTH AND SAFETY AND PROTECTION OF THE ENVIRONMENT AND FEDERAL, STATE, LOCAL OR COMMON LAW NUISANCE, PROPERTY DAMAGE AND SIMILAR COMMON LAW THEORIES. THE TERM "ENVIRONMENTAL LAWS" INCLUDES, BUT IS NOT LIMITED TO, (a) THE CLEAN AIR ACT, 42 U.S.C. SECTIONS 7401 ET SEQ., AS AMENDED, (b) THE CLEAN WATER ACT, 33 U.S.C. SECTIONS 1251 ET SEQ., AS AMENDED, (c) THE RIVERS AND HARBORS ACTS OF 1899, 33 U.S.C. SECTIONS 401 ET SEQ., AS AMENDED, (d) THE RESOURCE CONSERVATION AND RECOVERY ACT, 42 U.S.C. SECTIONS 6901 ET SEQ., AS AMENDED, (e) THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, 42 U.S.C. SECTION 9601 ET SEQ., AS AMENDED, (f) THE TOXIC SUBSTANCES CONTROL ACT, 15 U.S.C. SECTIONS 2601 ET SEQ., AS AMENDED, AND (g) THE OCCUPATIONAL SAFETY AND HEALTH ACT, 29 U.S.C. SECTIONS 651 ET SEQ., AS AMENDED, AND IN EACH CASE THE IMPLEMENTATION REGULATIONS AND

"ERISA" MEANS THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED.

"FINANCIAL STATEMENTS" MEANS THE AUDITED BALANCE SHEETS OF THE COMPANY AS OF DECEMBER 31, 1994, 1995 AND 1996 AND RELATED AUDITED STATEMENTS OF OPERATIONS, STOCKHOLDER'S EQUITY AND CASH FLOWS FOR THE THREE-YEAR PERIOD ENDED DECEMBER 31, 1996 (TOGETHER WITH RELATED NOTES AND SCHEDULES).

"HSR ACT" MEANS THE HART-SCOTT-RODINO ANTI-TRUST IMPROVEMENT ACT OF 1976, AS AMENDED.

"IRS" MEANS THE INTERNAL REVENUE SERVICE.

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"NET LOSS" MEANS NET LOSS ATTRIBUTABLE TO THE OPERATIONS OF THE COMPANY CALCULATED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

"1996 BALANCE SHEET" MEANS THE BALANCE SHEET OF THE COMPANY AS OF DECEMBER 31, 1996.

"MULTIEMPLOYER PLAN" MEANS A "MULTIEMPLOYER PLAN" AS THAT TERM IS DEFINED IN SECTION 3(37) OF ERISA.

"PETROWEST" MEANS PETROWEST EQUIPMENT, A CALIFORNIA CORPORATION.

"PLAN" MEANS ANY EMPLOYEE BENEFIT PLAN, (AS THAT TERM IS DEFINED IN SECTION 3(3) OF "ERISA") OTHER THAN A MULTIEMPLOYER PLAN AS WELL AS ANY OTHER WRITTEN OR FORMAL PLAN OR CONTRACT INVOLVING DIRECT OR INDIRECT COMPENSATION, UNDER WHICH COMPANY OR ANY SUBSIDIARY HAS ANY PRESENT OR ANY FUTURE OBLIGATIONS OR LIABILITY ON BEHALF OF THE EMPLOYEES OR FORMER EMPLOYEES OF THE COMPANY OR ANY SUBSIDIARY, OR THEIR DEPENDENTS OR BENEFICIARIES, INCLUDING BUT NOT LIMITED TO, EACH RETIREMENT, PENSION, PROFIT SHARING, THRIFT, SAVINGS, EMPLOYEE STOCK OWNERSHIP, CASH OR DEFERRED, MULTIPLE EMPLOYER OR OTHER SIMILAR PLAN OR PROGRAM.

"PURCHASE PRICE" HAS THE MEANING GIVEN THAT TERM IN SECTION 1.2.

"SELLERS" MEANS JARED A. TRUSSLER A RESIDENT OF NEW ZEALAND, RAY CROSNO AND LESLIE SCOTT, NATURAL PERSONS RESIDING IN CALIFORNIA.

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"TAXES" MEANS FEDERAL, STATE, FOREIGN, COUNTY, LOCAL, AND OTHER INCOME OR FRANCHISE TAXES, AD VALOREM, PERSONAL PROPERTY, REAL ESTATE, PROPERTY, EXCISE, PROFITS, OCCUPATION, SALES, USE, GROSS RECEIPTS, PAYROLL, WITHHOLDING,

USE AND OCCUPANCY, BUSINESS AND OCCUPATION, MERCANTILE, CAPITAL STOCK AND FRANCHISE, OR OTHER TAXES, LEVY, IMPOST, DUTY OR GOVERNMENTAL CHARGE (AND ANY INTEREST AN PENALTIES), ESTIMATED TAXES, ASSESSMENTS, WHETHER OR NOT DISPUTED, WHETHER BASED UPON INCOME, PROFITS, ASSETS OR OTHERWISE.

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IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT ON THE DATE FIRST ABOVE WRITTEN.

ASTROTECH INTERNATIONAL CORPORATION

By /s/ T. RICHARD MATHEWS

TITLE: President

/s/ JARED A. TRUSSLER

Jared A. Trussler

/s/ LESLIE SCOTT

Leslie Scott

/s/ RAY CROSNO

Ray Crosno

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AMENDED AND RESTATED
REVOLVING CREDIT AND TERM LOAN AGREEMENT

THIS AGREEMENT is made and entered into this April 30, 1997, by and between ASTROTECH INTERNATIONAL CORPORATION, a Delaware corporation ("Borrower"), the lenders set forth on Schedule 1 attached hereto (collectively, "Lenders") and BANK ONE, TEXAS, N.A., a national banking association as agent ("Agent") for itself and the other Lenders, with its offices in Houston, Harris County, Texas.

W I T N E S S E T H:

WHEREAS, Borrower and Bank One, Texas, N.A. ("Bank One") have previously entered into a Revolving Credit and Term Loan Agreement dated February 28, 1995, as amended by First Amendment to Revolving Credit and Term Loan Agreement and Second Amendment to Revolving Credit and Term Loan Agreement (as amended, the "Original Credit Agreement"), wherein Bank One made loans available to Borrower in the aggregate principal amount of \$33,000,000, as evidenced by those certain promissory notes defined therein as the Revolving Note, the Term Note, the Equipment Note, the Graver Note and Equipment Note Two; and

WHEREAS, Bank One and Bank of America, Texas, N.A. have agreed to share and participate as Lenders in the subject credit facility; and

WHEREAS, Borrower has requested that Lenders renew and extend the maturity date of the Revolving Note and enlarge the principal amount of the Revolving Note to \$20,000,000, to support Borrower's and its Subsidiaries' working capital requirements and to provide funds for the acquisition of Trusco Tank Inc., on the terms and subject to the conditions stated herein; and

WHEREAS, Borrower has requested that Lenders consolidate the Term Note, the Equipment Note, the Graver Note and Equipment Note Two into a new term note and enlarge the principal amount thereof to \$25,000,000 to provide funds for the acquisition of Trusco Tank Inc., on the terms and subject to the conditions stated herein; and

WHEREAS, Borrower has requested that Lenders make available to Borrower, an advancing term facility in the amount of \$5,000,000, to permit Borrower or a Subsidiary to finance capital expenditures and refinance certain existing indebtedness, on the terms and subject to the conditions stated herein;

WHEREAS, Lenders are willing, upon and subject to the terms and conditions hereof, to amend and restate the Original Credit Agreement to effectuate the same; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS AND ACCOUNTING TERMS.

1.01. Definitions. In addition to the defined terms set forth elsewhere herein, the following terms shall mean:

"Advances" shall mean Cash Advances or Letter of Credit Advances loaned or credited to Borrower or a Subsidiary or their accounts by Agent, on behalf of Lenders, pursuant to the terms of this Agreement and includes any Base Rate Advance or LIBOR Advance made pursuant to Section 2.01, 2.02, 2.03 and 2.04.

"Advancing Commitment" shall mean an amount not to exceed \$5,000,000 to be advanced under the Equipment Notes.

"Advancing Loan(s)" shall mean the loan or loans made pursuant to Section 2.03 hereof.

"Advancing Note(s)" shall mean the Equipment Note(s).

"Advancing Termination Date" shall mean February 28, 1998.

"Agent" shall have the meaning specified in the first paragraph hereof or a successor agent appointed pursuant to this Agreement.

"Agreement" means this Amended and Restated Revolving Credit and Term Loan Agreement, as the same may from time-to-time be amended, modified, or supplemented.

"Aggregate Amount of Letters of Credit Outstanding" means (a) the aggregate undrawn face amount of all outstanding Letters of Credit and (b) the aggregate principal amount of all drawings in connection with any Letter of Credit for which Agent, on behalf of Lenders, has not been reimbursed or paid.

"Applicable Law" means all applicable provisions of all constitutions, statutes, rules, regulations, and orders of all applicable Governmental Authorities, and all orders, judgments, and decrees of all courts, administrative law judges, and arbitrators.

"Authorized Person" shall mean the Chief Executive Officer, President, Chief Financial Officer, Vice President, Secretary, Assistant Treasurer or Treasurer of Borrower or a Subsidiary, as the case may be, all of which individuals are authorized to act on behalf of Borrower or a Subsidiary.

"Base Rate" means at any time the rate of interest per annum established from time to time by Agent as its Base Rate. Without notice to Borrower or any other person, the Base Rate shall change automatically from time to time as and in the amount by which such Base Rate shall fluctuate, with each such change to be effective as of the date of each change in such Base Rate. The Base Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. Lenders may make commercial loans or other loans at rates of interest at, above or below the Base Rate.

"Base Rate Advance" means any Advance which, pursuant to Section 2.10(a), is accruing interest at a fluctuating rate per annum equal to the Effective Base Rate.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States.

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"Borrower" shall have the meaning specified in the first paragraph hereof.

"Borrowing" shall mean any credit made available to or for the account of Borrower under the terms of this Agreement by Lenders in the form of Cash Advance or a Letter of Credit Advance.

"Borrowing Limit" shall mean an amount equal to (i) eighty percent (80%) of the Eligible Accounts plus (ii) the lesser of (A) fifty percent (50%) of the Net Security Value of Inventory or (B) \$5,000,000.00.

"Borrowing Report" shall mean the report regarding Borrower's and the Consolidated Subsidiaries Eligible Accounts and Net Security Value of Inventory which report is to be in the form of Exhibit "H" attached hereto.

"Business Day" shall mean a day on which banks are open for business in Houston, Texas.

"Capital Expenditures" shall mean, for any period, the aggregate of all expenditures and costs of a Person during such period that, in conformity with Good Accounting Practice, are required to be included in or reflected by the property, plant or equipment or similar fixed asset accounts shown in the balance sheet of such Person.

"Cash Advance" shall mean sums of cash advanced to Borrower under the Revolving Notes and the Advancing Notes.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Consolidated Current Assets" shall mean, as of any date, the current assets which would be reflected on a consolidated balance sheet of Borrower and its Consolidated Subsidiaries prepared as of such date in accordance with Good Accounting Practice.

"Consolidated Current Liabilities" shall mean, as of any date, all current liabilities which would be reflected on a consolidated balance sheet of Borrower and its Consolidated Subsidiaries prepared as of such date in accordance with Good Accounting Practice.

"Consolidated Funded Debt" shall mean, as of any date, all interest-bearing Indebtedness of Borrower and its Consolidated Subsidiaries prepared as of such date in accordance with Good Accounting Practice.

"Consolidated Net Income" shall mean, with respect to any period, consolidated net earnings (after income taxes) of Borrower and the Consolidated Subsidiaries for such period, determined in accordance with Good

"Consolidated Net Worth" shall mean, as of any date, the total shareholder's equity (including capital stock, additional paid-in capital and retained earnings after deducting treasury stock) which would appear on a consolidated balance sheet of Borrower and its Consolidated Subsidiaries prepared as of such date in accordance with Good Accounting Practice.

"Consolidated Subsidiaries" shall mean, as of any date, HMT Inc. and its subsidiary, HMT Tank Service, Inc., Texoma Tank Company, Inc., HMT Construction Services, Inc., HMT Sentry Systems, Inc., Astrotech Investments, Inc., AIX Intellectual Properties, Inc., Brown-Minneapolis Tank & Fabricating Co., HMT Rubbaglass Limited, Graver Holding Company and its subsidiary, Graver Tank & Mfg. Co., Inc. and Trusco Tank Inc., and any other Subsidiary included as of such date in the consolidated financial statements of Borrower, and "Consolidated Subsidiary" shall mean any one of the Consolidated Subsidiaries.

"Consolidated Tangible Net Worth" shall mean, as of any date, the sum of (i) the total shareholder's equity (including capital stock, additional paid-in capital and retained earnings after deducting treasury stock) which would appear on a consolidated balance sheet of Borrower and its Consolidated Subsidiaries prepared as of such date in accordance with Good Accounting Practice, and (ii) the Subordinated Indebtedness less the aggregate book value of Intangible Assets shown on such balance sheet.

"Consolidated Total Liabilities" shall mean, as of any date, the liabilities of Borrower that would be reflected on a consolidated balance sheet of Borrower as "liabilities" in accordance with Good Accounting Practice, less the Subordinated Indebtedness.

"Controlled Group" shall mean all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with Borrower, are treated as a single employer under Section 414(b) or 414(c) of the Code.

"Debt Service Coverage Ratio" shall mean (A) EBITDA less income tax expense payable in cash, maintenance capital expenditures assumed to be \$1,500,000.00 annually, cash earn-out payments (excluding these payments to Irwin Jacobs not to exceed \$2,600,000.00), and cash dividends for the immediately preceding twelve month period, divided by (B) interest expense plus scheduled payments of principal on long term indebtedness (excluding the Revolving Notes) for such period. EBITDA from Trusco Tank Inc. shall be included in this calculation without duplication.

"Default" shall mean the occurrence of any event, which with the giving of notice or the passage of time, or both, could become an Event of Default.

"Dividends", in respect of any corporation, shall mean (i) cash distributions or any other distributions on, or in respect of, any class of capital stock of such corporation, except for distributions made solely in

shares of stock of the same class, and (ii) any and all funds, cash or other payments made in respect of the redemption, repurchase or acquisition of such stock, unless such stock shall be redeemed or acquired through the exchange of such stock of the same class.

"Dollars" or "\$" means dollars in lawful currency of the United States of America.

"EBITDA" shall mean, with respect to any period, consolidated earnings before interest expense, income taxes, depreciation and amortization of Borrower and its Consolidated Subsidiaries for such period, determined in accordance with Good Accounting Practice, but excluding (i) any extraordinary gains or losses, (ii) any non-recurring items, as determined in accordance with Good Accounting Practice. EBITDA from Trusco Tank Inc. shall be included in this calculation without duplication.

"Effective Base Rate" means the rate of interest for all Base Rate Advances, such rate to be based upon the ratio of Consolidated Funded Debt to EBITDA for Borrower's immediately preceding four (4) fiscal quarters determined as of the date of Agent's receipt of the financial reports required in Section 6.01, but in no event later than fifteen days after the date such reports were due. The Effective Base Rate shall be calculated as follows:

<TABLE>
<CAPTION>

If Ratio for Four Preceding Quarters Is -----	Then Effective Base Rate For Advance Is -----
<S> 1.00 or less to 1.00	<C> Base Rate minus .50%
1.01 to 1.00 through 3.00 to 1.00	Base Rate
3.01 or greater to 1.00	Base Rate plus .25%

</TABLE>

"Effective LIBOR Rate" means the rate of interest for all LIBOR Advances, such rate to be based upon the ratio of Consolidated Funded Debt to EBITDA for Borrower's immediately preceding four (4) fiscal quarters determined as of the date of Agent's receipt of the financial reports required in Section 6.01, but in no event later than fifteen days after the date such reports were due. The Effective LIBOR Rate shall be calculated as follows:

<TABLE>
<CAPTION>

If Ratio for Four Preceding Quarters Is -----	Then Effective LIBOR Rate For Advance Is -----
<S> 1.00 or less to 1.00	<C> LIBOR plus 1.25%

1.01 to 1.00 through 1.50 to 1.00	LIBOR plus 1.50%
1.51 to 1.00 through 2.00 to 1.00	LIBOR plus 1.75%
2.01 to 1.00 through 2.50 to 1.00	LIBOR plus 2.00%
2.51 to 1.00 through 3.00 to 1.00	LIBOR plus 2.25%
3.01 to 1.00 or greater	LIBOR plus 2.75%

</TABLE>

"Eurodollar Business Day" means a Business Day on which Dollars are traded in the London interbank Eurodollar market.

"Eligible Accounts" shall mean an account which meets each of the following requirements:

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(a) it is lawfully owned by Borrower or a Subsidiary and Borrower or a Subsidiary has the right to transfer any interest therein;

(b) if it arises from the sale or lease of goods, specifically excluding goods shipped on consignment, the goods have been shipped or delivered to the person who is obligated on the account (the "account debtor");

(c) if it arises from the performance of services, such services have been fully rendered (however, this does not exclude progress billings to the extent such progress has been fully rendered);

(d) it is a valid obligation of the account debtor, enforceable in accordance with its terms and is free and clear of all liens, security interests, restrictions, setoffs, adverse claims, prepayments and the like other than the security interest of Lenders;

(e) it is evidenced by an invoice rendered to the account debtor and is not evidenced by any instrument or chattel paper;

(f) it is not aged more than ninety (90) days from the date of invoicing;

(g) it is not an account owing from an account debtor who has twenty percent (20%) or more of all its accounts outstanding to Borrower for more than ninety (90) days;

(h) it is not owed by an account debtor closely affiliated with, related to, or employed by Borrower or a Subsidiary, or domiciled outside of the United States of America (unless secured with an adequate letter of credit or insured by a third party acceptable to Agent), or any Governmental Authority (unless a security interest has been properly perfected pursuant to the Federal Assignment of Claims Act of 1940);

(i) it is not all or a portion of any retainage;

(j) it is not due from an account debtor known to Borrower to be the subject of a bankruptcy or other insolvency proceeding or known to Borrower to have ceased doing business; and

(k) it is not an obligation arising from Borrower's providing goods or performance of services for a bonded job.

"Encumbrance" shall mean any claim, encumbrance, mortgage, lien, charge, pledge, security interest, priority payment, conditional sales agreement right, or other title retention agreement right of any kind whatsoever, but not including operating leases, in, upon or against any asset of Borrower.

"Equipment Note(s)" shall collectively mean (i) the \$3,750,000 promissory note in substantially the form attached as Exhibit "E" hereto, and (ii) the \$1,250,000 promissory note

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in substantially the form attached as Exhibit "F" hereto, delivered pursuant to Section 2.03 hereof, and all renewal, extensions and rearrangements thereof.

"ERISA" shall mean the Employment Retirement Income Security Act of 1974, as amended.

"Event of Default" shall mean any of the events specified in Section 8, provided that there shall have been satisfied any requirement in connection with such event for the giving of notice or lapse of time or both, or the happening of any further condition, event or act.

"Good Accounting Practice" shall mean such accounting practice as conforms at the time to generally accepted accounting principles applied on a consistent basis.

"Governmental Authority" shall mean any Federal, state, county, municipal or other governmental entity, department, commission, board, bureau, agency, court or instrumentality, domestic or foreign.

"Guarantors" shall mean HMT, Inc., Texoma Tank Company, Inc. HMT Construction Services, Inc., HMT Tank Service, Inc., HMT Sentry Systems, Inc., Astrotech Investments, Inc., AIX Intellectual Properties, Inc., HMT Rubbaglass Limited, Brown-Minneapolis Tank & Fabricating Co., Graver Holding Company, Graver Tank & Mfg. Co., Inc. and Trusco Tank Inc., and any other

Subsidiaries as determined by Agent.

"Guaranty" of any Person shall mean any contract, agreement or understanding of such Person pursuant to which such Person guarantees, or in effect guarantees, any Indebtedness of any other Person (the "Primary Obligor") in any manner, whether directly or indirectly, including, without limitation, agreements: (i) to purchase such Indebtedness or any property constituting security therefor; (ii) to advance or supply funds (a) for the purchase or payment of such Indebtedness, or (b) to maintain working capital or other balance sheet conditions, or otherwise to advance or make available funds for the purchase or payment of such Indebtedness; (iii) to purchase property, securities or services primarily for the purpose of assuring the holder of such Indebtedness of the ability of the Primary Obligor to make payment of the Indebtedness; or (iv) otherwise to assure the holder of the Indebtedness if the Primary Obligor against loss in respect thereof; except that "Guaranty" shall not include the endorsement by Borrower or a Subsidiary in the ordinary course of business of negotiable instruments or documents for deposit or collection.

"Highest Lawful Rate" means the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the Notes or the Indebtedness under the laws applicable to Agent which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow. Whenever such rate is to be applicable pursuant to any Loan Document, it shall be applied, and interest at such rate shall be calculated, for the actual number of days elapsed in the applicable period based on a year of 365 to 366 days, as the case may be.

"Indebtedness" shall mean, with respect to any Person, all indebtedness, obligations and liabilities of such Person, including, without limitation, (i) all "liabilities" which would be

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reflected on a balance sheet of such person, prepared in accordance with Good Accounting Practice; (ii) all obligations of such Person in respect of any Guaranty; and (iii) all obligations, indebtedness and liabilities secured by any lien or any security interest on any property or assets of any Person.

"Intangible Assets" of any Person shall mean those assets of such Person which are (i) deferred assets, other than prepaid insurance and prepaid taxes; (ii) patents, copyrights, trademarks, tradenames, franchises, goodwill, experimental expenses and other similar assets which would be classified as intangible assets on a balance sheet of such Person prepared in accordance with Good Accounting Practice; and (iii) unamortized debt discount and expense.

"Interest Payment Date" means (a) with respect to any Base Rate Advance, the last day of each February, May, August and November while such Advance is outstanding and the date such Advance is repaid in full or converted to another type of Advance pursuant to the terms of this Agreement and (b) (i) with respect to any LIBOR Advance with an Interest Period of less

than six months, the last day of each Interest Period for such Advance and the date such Advance is repaid in full or converted to another type of Advance pursuant to the terms of this Agreement, and (ii) for any LIBOR Advance with a six-month Interest Period, the day which is three months following the first day of such Interest Period.

"Interest Period" means, with respect to any LIBOR Advance, the period used for the computation of interest commencing on the date such Advance is made or deemed made, continued or effected by conversion, and concluding on the date one, two, three or six months thereafter, in each case at the Borrower's option, with any subsequent Interest Period commencing on the last day of the immediately preceding Interest Period and concluding on the last day of such subsequent Interest Period; provided, however, that:

(a) no Interest Period may extend beyond (i) the Revolving Termination Date for the Revolving Notes, or (ii) the Maturity Date for the Advancing Notes and the Term Notes;

(b) any Interest Period for a LIBOR Advance which would otherwise end on a day which is not a Eurodollar Business Day shall be extended to the next succeeding Eurodollar Business Day unless such Eurodollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Eurodollar Business Day; and

(c) any Interest Period for a LIBOR Advance which begins on the last Eurodollar Business Day of the calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Eurodollar Business Day of the calendar month in which it would have ended if there were a numerically corresponding day in such calendar month.

"Legal Requirement" shall mean any law, statute, ordinance, decree, requirement, order, judgment, rule, regulation (or interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority.

"Lenders" shall have the meaning specified in the first paragraph hereof.

"Letter of Credit Advance" shall mean any funds made available by the issuance of one or more Letters of Credit.

"Letter(s) of Credit" shall mean one or more documentary or standby letters of credit issued by Agent at the request of Borrower. Any such Letters of Credit shall be issued for a term of not more than 90 days after the Letter of Credit Termination Date, and shall be secured by the Loan Documents.

"Letter of Credit Termination Date" shall mean the earliest

date on which any of the following events occurs: (a) February 28, 2000, which date may be extended one or more times by mutual agreement of Agent and Borrower; (b) the date that Agent terminates the Letter of Credit as provided herein; or (c) such earlier date as may be agreed upon in writing by Borrower and Agent.

"LIBOR" means, at all times during the respective Interest Period for each LIBOR Advance, a rate per annum as determined by Agent, as applicable, (rounded upwards, if necessary to the nearest whole multiple of 1/16 of 1%) at which deposits in Dollars in immediately available and freely transferable funds would be offered by the respective lending office of Agent to leading banks in the London interbank Eurodollar market at approximately 11:00 a.m. London time two Eurodollar Business Days before the first day of the respective Interest Period for a period equal to such Interest Period and in amounts substantially equal to the amount of the LIBOR Advance. Each determination of LIBOR made by Agent in accordance with this paragraph shall be presumed correct.

"LIBOR Advance" means any Advance which, pursuant to Section 2.10(b), is accruing interest at a rate per annum based upon LIBOR.

"Loan Documents" shall mean (a) this Agreement, (b) the Notes and (c) any and all other agreements, documents or instruments now or hereafter executed in connection with any of the foregoing or the transactions evidenced thereby, including the Subsidiary Loan Documents, as the same may be modified or amended from time to time.

"Loans" shall mean any loans by Lenders to Borrower pursuant to Sections 2.01, 2.02, 2.03 and 2.04.

"Material Adverse Effect" means a material adverse change in the assets, liabilities, properties, business or condition, financial or otherwise, of the Borrower and its Subsidiaries taken as a whole, including, but not limited to, any event or circumstance which would have a material adverse effect on the Borrower's ability to perform its obligations under this Agreement or the Notes.

"Maturity Date" means February 28, 2004 for the Term Notes and the Equipment Notes.

"Net Security Value of Inventory" shall mean the net value of all inventory (including raw materials and finished goods) less all account charges, liens and security interests

(other than the interest of Lenders) of all kinds against inventory, the value of work in process, any obsolete inventory, and any inventory held on consignment, all as determined by Agent in its reasonable discretion.

"Notes" shall mean the Revolving Notes, the Term Notes, and the Equipment Notes.

"Notice of Borrowing" shall have the meaning specified in Section 2.05.

"Obligations" shall mean all present and future indebtedness, obligations and liabilities of Borrower to Lenders and all renewals and extensions thereof, or any part thereof, arising pursuant to this Agreement or represented by the Notes, and all interest accruing thereon, and attorneys' fees incurred in the enforcement or collection thereof, regardless of whether such indebtedness, obligations and liabilities are direct, indirect, fixed, contingent, joint, several or joint and several; together with all indebtedness, obligations and liabilities of Borrower evidenced or arising pursuant to any of the other Loan Documents, and all renewals and extensions thereof, or part thereof.

"Officer's Certificate" shall mean a certificate of an Authorized Person of Borrower stating that no Default or Event of Default has occurred and is continuing or will result from the making of an Advance.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Person" shall mean, an individual, partnership, joint venture, corporation, bank, trust, unincorporated organization and/or a government or any department or agency thereof.

"Plan" shall mean an employee pension benefit plan which is covered by Title IV of ERISA, or subject to the minimum funding standards of the Code and is either (a) maintained by Borrower or any member of the Controlled Group for employees of Borrower or any member of the Controlled Group or (b) maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which Borrower or any member of the Controlled Group is then making or accruing an obligation to make contributions or has within the preceding five Plan years made contributions.

"Regulation D" shall mean Regulation D of the Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Regulation G" shall mean Regulation G of the Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Regulation T" shall mean Regulation T of the Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Regulation U" shall mean Regulation U of the Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Regulation X" shall mean Regulation X of the Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Revolving Credit Commitment" shall mean the lesser of (i) \$20,000,000 or (ii) the Borrowing Limit.

"Revolving Credit Loans" shall mean the loans made pursuant to Section 2.01.

"Revolving Note(s)" shall collectively mean (i) the promissory note in the principal amount of \$15,000,000 to be substantially in the form attached as Exhibit "A" hereto, and (ii) the promissory note in the principal amount of \$5,000,000 to be substantially in the form attached as Exhibit "B" hereto, delivered pursuant to Section 2.01 hereof and all renewals, extensions and rearrangements thereof.

"Revolving Termination Date" shall mean February 28, 2000.

"Subordinated Indebtedness" shall mean any secured or unsecured Indebtedness of Borrower which expressly contains in the instruments evidencing such Indebtedness or in the indenture or other similar instrument under which it is issued (which indenture or other similar instrument shall be binding on all holders of such Indebtedness) subordination provisions (in form and substance satisfactory to Agent) substantially to the effect that the holder agrees that the Indebtedness evidenced by such instrument, and any renewals or extensions thereof, shall at all times and in all respects be subordinate and junior in right of payment to the Obligations.

"Subsidiary" shall mean any Person of which securities or other ownership interests having ordinary voting power, in the absence of contingencies, to elect a majority of the board of directors or other Persons performing similar functions (or, if there are no such directors or Persons, having general voting power) are at the time directly or indirectly owned or controlled by Borrower (or, where a Subsidiary of another Person is referred to, such other Person), or by any one or more Subsidiaries, or by Borrower (or, where a Subsidiary of another Person is referred to, such other Person) and any one more Subsidiaries.

"Subsidiary Loan Documents" shall mean all promissory notes, security agreements, related instruments, and any other agreements, documents or instruments now or hereafter executed in connection with Borrower's loans to Subsidiaries as described in Section 2.14, as the same may be modified or amended from time to time.

"Term Note(s)" shall collectively mean (i) the promissory note in the principal amount of \$18,750,000 to be substantially in the form attached as Exhibit "C" hereto, and (ii) the promissory note in the principal amount of \$6,250,000 to be substantially in the form attached as Exhibit "D" hereto, delivered pursuant to Section 2.04 hereof and all renewals, extensions and rearrangements thereof.

"Term Loan(s)" shall mean the loan or loans made pursuant to Section 2.04.

"Unfunded Vested Liabilities" shall mean, with respect to any Plan at any time, the amount (if any) by which (a) the present value of all vested non-forfeitable benefits under such Plan exceeds (b) the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan using the interest rates and other factors for Plan termination as announced by the PBGC and in effect at such time, but only to the extent that such excess represents a potential liability to Borrower or any member of the Controlled Group to the PBGC under Title IV of ERISA.

1.02 Accounting Terms. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made and all financial statements required to be delivered hereunder shall be prepared in accordance with Good Accounting Practice as in effect from time to time, applied on a basis consistent with those followed in the preparation of the most recent financial statements delivered pursuant to Section 6.01 hereof.

SECTION 2. AMOUNT AND TERMS OF CREDIT FACILITY.

2.01 Revolving Credit Loans. Borrower has requested and Lenders have approved the Revolving Credit Commitment which Borrower will utilize by making requests for Advances in accordance with Section 2.05 hereof. In that connection and upon the terms and subject to the conditions of this Agreement, Lenders agree to lend to Borrower at any time and from time to time up to and including the Revolving Termination Date, but not thereafter, an amount requested by Borrower. Within the limits of this Section 2.01, Borrower may borrow, repay and reborrow hereunder, according to the terms hereof, each Advance being evidenced by the Revolving Notes under which such Advance is requested; provided, however, that (i) each Base Rate Advance shall be in a minimum amount of \$50,000 or an integral multiple thereof and each LIBOR Advance shall be in a minimum amount of \$250,000; (ii) the aggregate outstanding principal amount of Advances plus the Aggregate Amount of Letters of Credit Outstanding shall not at any time exceed Revolving Credit Commitment; (iii) no more than three LIBOR Advances may be outstanding at any time; (iv) no Borrowing in the form of a Letter of Credit may be requested if such Letter of Credit would have a maturity date or an expiration date after 90 days after the Revolving Termination Date; and (v) no Borrowing in the form of a Letter of Credit may be requested if the amount of such Letter of Credit, when aggregated with the Aggregate Amount of Letters of Credit Outstanding, would exceed \$10,000,000.

2.02. Letters of Credit.

(a) Issuance of Letters of Credit. The issuance of any and all Letters of Credit under Section 2.01 of this Agreement shall be at Agent's reasonable discretion and each Letter of Credit issued by Agent shall be used by Borrower or a Consolidated Subsidiary in the ordinary course of its business.

(b) Letters of Credit and Applications. Each Letter of Credit shall (a) be issued pursuant to either a letter of credit application or a standby letter of credit

application executed by Borrower on the standard form of Agent (a "Letter of Credit Application"), (b) be reasonably satisfactory in form and substance to Agent, (c) expire on a date not later than ninety (90) days following the Letter of Credit Termination Date, and (d) be denominated in a currency acceptable to Agent. In the event that any provision of a Letter of Credit Application shall be inconsistent with any provisions of this Agreement, the provisions of this Agreement shall govern. Each Letter of Credit Application and each Letter of Credit shall be subject to the Uniform Customs and Practices for Documentary Credits (1994 Revision) and, to the extent not inconsistent therewith, the laws of the State of Texas.

(c) Procedure for Issuing Credits. Borrower will give Agent written notice at least three (3) Business Days prior to any date in respect of which a Letter of Credit is requested to be issued accompanied by a duly completed and executed Letter of Credit Application therefor. Agent will process such notice from Borrower and such Letter of Credit Application in accordance with its customary procedures and, subject to the provisions hereof, shall issue such Credit to the beneficiary thereof unless otherwise directed in writing by Borrower.

(d) Reimbursement; Payments. In the event Agent makes any payment under a Letter of Credit, such action shall be deemed for all purposes of this Agreement and the other Loan Documents to constitute the making of a Revolving Credit Loan under the Revolving Notes to Borrower and, in connection therewith, Borrower hereby unconditionally and irrevocably authorizes, empowers and directs Agent to record and otherwise treat payments under Letters of Credit as Revolving Credit Loans made to Borrower. Any determination by Agent of the outstanding amount of Revolving Credit Loans made under this Section 2.02 shall be conclusive in the absence of manifest error.

2.03 Advancing Loans. Borrower has requested and Lenders have approved the Advancing Commitment which Borrower will utilize by making requests for Advances in accordance with Section 2.05 hereof. In that connection and upon the terms and subject to the conditions of this Agreement, Lenders agrees to lend to Borrower an amount requested by Borrower; provided, however, that (i) each Base Rate Advance shall be in a minimum amount of \$100,000 or an integral multiple thereof and (ii) each LIBOR Advance shall be in a minimum amount of \$250,000; and provided, further, with respect to the Equipment Notes, Lenders will lend to Borrower, and Borrower will borrow from Lenders, an aggregate amount not to exceed \$5,000,000, which Advances shall be used for Borrower's or a Subsidiary's Capital Expenditures. Borrower shall only be entitled to an Advance under the Advancing Notes in an amount approved by Lender, and in no event shall any such Advance exceed eighty percent (80%) of Borrower's or a Subsidiary's cost of any such asset. Borrower shall provide Lender with certified copies of the invoices setting forth the actual costs of such assets, and such certificates of title or other instruments as may be necessary for Lenders to perfect their security interests therein. Although Advances under the Advancing Notes be made in increments, Lenders shall not be obligated to make any Advances thereunder after the Advancing Termination Date. Borrower shall not be entitled to repay and reborrow any sums under the

2.04 Term Loan. Borrower has requested and Lender has approved Advances under the Term Notes. Interest rate provisions of this Agreement relating to Base Rate and LIBOR options shall be applicable to the Term Notes.

2.05 Making of Advances. Each request by Borrower for a Cash Advance under this Section 2.05 may be made by Borrower's delivery (which may be by telephone and immediately confirmed by telecopy facsimile transmission) to Agent of a notice of borrowing (the "Notice of Borrowing") signed by an Authorized Person in the form of Exhibit "G" attached hereto. The Notice of Borrowing for Base Rate Advances shall be submitted to Agent at least 12:00 noon, C.S.T., on the desired advance date, and for LIBOR Advances shall be submitted to Agent at least 12:00 noon, C.S.T., three Business Days prior to the desired advance date. Such Notice of Borrowing shall include a brief description of the uses of such Cash Advance and such other information as Agent may request. Letter of Credit Advances shall be made in accordance with the provisions of Section 2.02 hereof.

2.06 Advances Over Borrowing Limit. Lenders shall have no obligation to advance, and Borrower shall not be entitled to any Advance, that would cause all of the Advances under the Revolving Notes to exceed the lesser of \$20,000,000 or the Borrowing Limit. If, at any time prior to the Revolving Termination Date, the outstanding Advances under the Revolving Notes exceed the Borrowing Limit as shown on the Borrowing Report delivered to Agent under Section 6.01(f), Borrower, on the date of the delivery of the Borrowing Limit Report to Agent or as soon as Borrower becomes aware that the outstanding Advances under the Revolving Notes exceed the Borrowing Limit, shall immediately prepay on the Revolving Notes such amount as may be necessary to eliminate such excess.

2.07 Payments.

(a) Revolving Notes. The outstanding principal amount of the Revolving Notes shall be due and payable on the Revolving Termination Date. The principal amount of each payment made by Agent in connection with a drawing under a Letter of Credit shall be paid by Borrower to the Agent prior to 1:00 p.m. Houston time on the same Business Day of such drawing. Unless other arrangements satisfactory to Agent are made with respect to any amount due from Borrower in connection with a payment under a Letter of Credit, Borrower agrees that Agent may debit Borrower's principal operating account with Agent for such amount. Interest upon the Revolving Notes shall be payable on each Interest Payment Date and on the Revolving Termination Date.

(b) Equipment Notes. The outstanding principal amount of the Equipment Notes as of February 28, 1998 shall be due and payable in quarter-annual installments commencing May 28, 1998, such principal installments to be calculated based upon a six (6) year

amortization period beginning on February 28, 1998 and continuing on the last day of each May, August, November and February thereafter until the Maturity Date, when the outstanding principal balance of the Equipment Notes shall be fully and finally paid. Interest upon the Equipment Notes shall be payable on each Interest Payment Date and on the Maturity Date.

(c) Term Notes. Principal on the Term Notes shall be due and payable in quarter-annual installments of Eight Hundred Ninety-Two Thousand Eight Hundred Fifty-Seven and 14/100 Dollars (\$892,857.14) each, beginning on May 28, 1997, and continuing on the 28th day of each May, August, November and February until the Maturity Date, when the outstanding principal balance of the Term Notes shall be finally due and payable. Interest on the Term Notes shall be payable on each Interest Payment Date and on the Maturity Date.

2.08. Conversions Subject to the terms and conditions of this Agreement including Sections 2.01, 2.02, 2.03 and 2.04, Borrower may select a subsequent Interest Period to begin on the last day of the immediately preceding Interest Period for any LIBOR Advance and may convert such LIBOR Advance to a Base Rate Advance. Subject to the terms and conditions of this Agreement including Sections 2.01, 2.02, 2.03 and 2.04, Borrower may also convert a Base Rate Advance to a LIBOR Advance.

2.09. Notice of Draws. Agent shall give prompt notice to Borrower of any draw request under a Letter of Credit and the date Agent intends to effect payment thereof.

2.10. Interest Rates.

(a) Base Rate Advance. Each Base Rate Advance shall bear interest on the unpaid principal amount thereof until payment in full at the Effective Base Rate, but in no event to exceed the Highest Lawful Rate. Any change in the interest rate accruing on an Advance resulting from a change in the Base Rate shall become effective as of the opening of business on the day on which such change in the Base Rate shall occur.

(b) LIBOR Advances. Each LIBOR Advance shall bear interest on the unpaid principal amount thereof until payment in full at the Effective LIBOR Rate, but in no event to exceed the Highest Lawful Rate.

(c) Default Rate. If all or any portion of the principal amount of any payments due under Section 2.07 and/or interest thereon shall not be paid when due, such past due principal amount shall bear interest due and payable on demand from and including the date due to but excluding the date of payment in full at the Base Rate plus 4% per annum, but in no event to exceed the Highest Lawful Rate.

(d) Payment Calculations and Dates. Interest shall be calculated (i) (A) for Base Rate Advances, on the basis of a 365/366-day year and (B) for LIBOR Advances, on the basis of a year of 360 days and (ii) for the actual number of days elapsed, including the first day, but excluding the last day. Interest shall be due and payable on each Interest Payment Date and on (i) the Revolving Termination Date on the Revolving Notes and (ii) the Maturity Date on the Advancing Notes and the Term Note.

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2.11. Fees.

(a) Commitment Fees. Borrower agrees to pay to Agent, for the benefit of Lenders, an annual commitment fee of 1/4% after the date hereof on the average daily unborrowed portion of the Revolving Credit Commitment, payable in arrears quarterly, commencing on May 31, 1997 (for the period and from the date of this Agreement until such date) and continuing on the last Business Day of each August, November, February and May thereafter before the Revolving Termination Date, with a final payment on the earlier of (i) the Revolving Termination Date or (ii) the date the Revolving Credit Commitment is terminated pursuant to the terms of Section 8. In calculating the average unused portion of the Revolving Credit Commitment, the aggregate amount of Letters of Credit outstanding shall be treated as a used portion of the Revolving Credit Commitment.

(b) Letter of Credit Fees. In connection with each Letter of Credit requested by the Borrower pursuant to the terms of this Agreement, Borrower shall pay to Agent, for the benefit of Lenders (provided, however, \$200.00 of the fee shall be for Agent only), a letter of credit fee equal to the greater of (x) \$250.00 or (y) one percent (1%) per annum of the original face amount of such Letter of Credit for the term of such Letter of Credit. The Letter of Credit fee shall be payable within 15 days of the issuance of each Letter of Credit, and upon any renewal or extension thereof. Additionally, Borrower agrees to reimburse Agent for all actual out-of-pocket expenses incurred by Agent, such as advising or confirming bank fees, telex charges and the like and to pay those fees customarily charged by Agent for any amendments to a Letter of Credit. Upon prior notice to Borrower, Agent at any time may increase any letter of credit commissions or other fees or expenses charged by Agent hereunder if such fees, expenses and commissions are in accordance with Agent's standard fees and expenses and letter of credit commissions.

(c) Agent Fee: Borrower shall pay to Agent upon the execution hereof, and, on or before March 31 of each subsequent year, an agent fee in the amount of \$10,000.

(d) Origination Fee. Upon the execution of this Agreement, Borrower shall pay to Agent, for the benefit of Lenders, an origination fee of \$100,000.

(e) Overdue Fees. The amount of any fee not paid when due hereunder shall bear interest from the date due until the date paid in full at the Base Rate plus 4% per annum calculated on the basis of 360-day year for the actual number of days elapsed, but in no event to exceed the Highest Lawful Rate.

(f) Fee Calculations. Fees shall be calculated on the basis of a 360 day year for the actual number of days elapsed, including the first day, but excluding the last day. Borrower acknowledges and agrees that such fees are in consideration of Lenders holding monies in readiness for Borrower prior to the funding of Borrower's requests for Advances and is not intended as additional compensation for Lenders.

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2.12. Optional Prepayments. Borrower may, at its option, at any time and from time-to-time, prepay any or all of the Notes, in whole or in part, without premium or penalty, upon giving telephonic notice to Agent by 1 p.m. on the date of such prepayment; provided that a LIBOR Advance may only be paid on the last day of the Interest Period therefor. Each Telephonic Notice shall specify the date and amount of prepayment.

2.13. Indemnification for Telephone/Telecopy Request. In consideration of Agent permitting Borrower to make requests for Advances by telephone and/or telecopy under the Revolving Notes and the Advancing Notes, and except for Agent's gross negligence or willful misconduct in connection therewith, Borrower covenants and agrees to assume liability for and to protect, indemnify and save Agent harmless from any and all liabilities, obligations, damages, penalties, claims, causes of action, costs, charges and expenses, including attorneys' fees and expenses of employees, which may be imposed, incurred by or asserted against Agent by reason of any loss, damage or claim howsoever arising or incurred because of, out of or in connection with (i) any action of Agent pursuant to telephone or telecopier requests for advances under the Revolving Notes and the Advancing Notes, (ii) the transfer of funds pursuant to such telephone or telecopier requests, or (iii) Agent's honoring or failing to honor any telephone or telecopier request for any reason. Agent is entitled to rely upon and act upon telephone or telecopier requests made or purportedly made by any Authorized Person and Borrower shall be unconditionally and absolutely estopped from denying (x) the authenticity and validity of any such transaction so acted upon by Lenders once Lenders have advanced funds under the Revolving Notes and the Advancing Notes and have deposited or transferred such funds as requested in any such telecopier request and (y) Borrower's liability and responsibility therefor.

2.14. Loans to Subsidiaries. Until the earlier to occur of a Default or the Revolving Termination Date, Borrower, with Agent's prior written approval, may provide each of the following Subsidiaries with a revolving line of credit (the "Subsidiary Debt"): (a) HMT Inc. in the amount of \$15,000,000, (b) Brown-Minneapolis Tank & Fabricating Co. in the amount of \$15,000,000, (c) Texoma Tank Company, Inc. in the amount of \$7,000,000, (d) Graver Tank & Mfg. Co., Inc. in the amount of \$10,000,000, and (e) Trusco Tank Inc. in the amount

of \$10,000,000. The Subsidiary Debt shall be evidenced by promissory notes in form approved by Lenders, and secured by (a) a second priority perfected security interest (second only to Lenders) in all of such Subsidiary's general intangibles, equipment, inventory, accounts receivable, instruments, chattel paper and documents as provided in a security agreement, the form of which shall be approved by Lenders, (b) a second lien (second only to Lenders) in the real property and related improvements that are being pledged to Lenders by Brown-Minneapolis Tank & Fabricating Co., and (c) a second lien (second only to Lenders) in the real property and related improvements that are being pledged to Lender by Graver Tank & Mfg. Co., Inc. The Subsidiary Loan Documents shall be collaterally assigned and endorsed, where appropriate, to Lenders to further secure Borrower's Obligations.

SECTION 3. SPECIAL PROVISIONS REGARDING LIBOR ADVANCES.

3.01. Illegality. Notwithstanding any other provisions of this Agreement or the Notes, if at any time Agent shall determine in good faith that any change in Applicable Law or in the interpretation thereof makes it unlawful for Lenders to make or continue to maintain any

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LIBOR Advance, Agent shall promptly give notice thereof to Borrower and the obligation to make, continue or effect by conversion any LIBOR Advance under this Agreement shall be suspended until Agent shall notify Borrower that the circumstances causing such suspension no longer exist. Borrower may request that the principal amount of any affected LIBOR Advance begin to accrue interest as a Base Rate Advance, subject to all of the terms and conditions of this Agreement.

3.02. Unavailability of Deposits or Inability to Ascertain LIBOR. Notwithstanding any other provision of this Agreement or the Notes to the contrary, if prior to the commencement of any Interest Period Agent shall determine (i) that deposits in the amount of any LIBOR Advance are not available to Lenders or (ii) by reason of circumstances affecting the London interbank Eurodollar market, adequate and reasonable means do not exist for ascertaining the LIBOR, then Agent shall promptly give notice thereof to Borrower and the obligation of Lenders to make, continue or effect by conversion any such LIBOR Advance in such amount and for such Interest Period shall terminate until deposits in such amount and for the Interest Period selected by Borrower shall again be readily available to Lenders and adequate and reasonable means exist for ascertaining the LIBOR. Upon the giving of such notice, Borrower may elect to either (i) pay or prepay, as the case may be, such affected LIBOR Advance or (ii) convert such affected LIBOR Advance to another type of Advance available hereunder, subject to all of the terms and conditions of this Agreement.

3.03. Funding Indemnity. In the event Lenders shall incur any actual loss, cost, expense or premium (including, without limitation, any loss of profit and any loss, cost, expense or premium incurred by reason of the liquidation or reemployment of deposits or other funds acquired by Lenders to fund or maintain any LIBOR Advance or the relending or reinvesting of such deposits or amounts paid or prepaid to Lenders) as a result of: (i) any payment

of a LIBOR Advance on a date other than the last day of the then applicable Interest Period; (ii) any failure by Borrower to borrow, continue, or effect by conversion any LIBOR Advance on the date specified in a notice given pursuant to Section 2.05; or (iii) the occurrence of any Event of Default; then, upon the demand of Agent, Borrower shall pay to Agent, for the benefit of Lenders, such amount as will reimburse Lenders for such loss, cost or expense. If Agent makes a claim for reimbursement on behalf of Lenders, it shall provide to Borrower a certificate setting forth the amount of such loss, cost or expense in reasonable detail and such certificate shall be presumed correct as to the amount thereof.

3.04. Discretion of Lenders as to Manner of Funding.

Notwithstanding any provision of this Agreement to the contrary, Lenders shall be entitled to fund and maintain its funding of all or any part of the LIBOR Advances in any manner they sees fit, it being understood however, that for the purposes of this Agreement all determinations hereunder shall be made as if Lenders had actually funded and maintained each LIBOR Advance during each Interest Period for such Advance through the purchase of deposits having maturity corresponding to such Interest Period and bearing an interest rate equal to the LIBOR for such Interest Period.

3.05. LIBOR Reserve Costs. Borrower agrees to pay Agent, for the benefit of Lenders, additional interest on the outstanding principal amount of each LIBOR Advance from the date such LIBOR Advance is made until such LIBOR Advance is paid in full or converted

to another type of Advance at an interest rate per annum equal, at all times during such Interest Period, to (i) the rate obtained by dividing (A) Lenders' LIBOR for such Interest Period by (B) a percentage (expressed as a decimal) equal to 100% minus the Reserve Percentage of Lenders for such Interest Period minus (ii) Lenders' LIBOR for such Interest Period, but in no event to exceed the Highest Lawful Rate. Agent shall notify Borrower of the interest due pursuant to this Section 3.05, which notice shall be presumed correct.

3.06. Taxes and Increased Costs. With respect to any Letter of Credit, any amount owing by Borrower in connection therewith, or any LIBOR Advance, if Agent shall determine in good faith that any change in Applicable Law (including, without limitation, Regulation D) or any new Applicable Law, or any interpretation of any of the foregoing by any Governmental Authority charged with the administration thereof or any central bank or other fiscal, monetary or other authority having jurisdiction over Agent or their lending branches (whether or not having the force of law) shall:

(a) impose, modify or deem applicable any assessment rate, reserve, special deposit or similar requirements against letters of credit issued by, or assets held by, or deposits in or for the account of, or loans by, or any other acquisition of funds or disbursements by, Agent;

(b) subject Lenders, any LIBOR Advance or their respective Notes to any tax (including, without limitation, any United

States interest equalization tax or similar tax however named applicable to the acquisition or holding of debt obligations any interest or penalties with respect thereto), duty, charge, stamp tax, fee, deduction or withholding in respect of this Agreement, any LIBOR Advance or their respective Notes, except such taxes as may be measured by the overall net income of Lenders or their lending branches and imposed by the jurisdiction, or any political subdivision or taxing authority thereof, in which any Lender's principal executive office or its lending branch is located;

(c) change the basis of taxation of payments of principal and interest due from Borrower to Lenders hereunder or under their respective Notes (other than by a change in basis of taxation of the net income of Lenders); or

(d) impose on Lenders any penalty with respect to the foregoing or any other condition regarding this Agreement, its disbursement, any fixed rate Advance or their respective Notes;

and Lenders shall determine that the result of any of the foregoing is to increase the cost (whether by incurring a cost or adding to a cost) to Lenders of issuing or maintaining any Letter of Credit or a risk participation in Letter of Credit or making or maintaining any LIBOR Advance or to reduce the amount of principal or interest received by Lenders, then Borrower shall pay to Agent, for the benefit of Lenders, from time to time as specified by Agent such additional amounts as Agent shall determine are sufficient to compensate and indemnify Lenders for such increased cost or reduced amount. Agent shall promptly give Borrower notice of any condition described in this section that gives Lenders a right to compensation under this Section. If

Lenders makes such a claim for compensation, it shall provide to Borrower a certificate setting forth such increased cost or reduced amount as a result of any event mentioned herein and such certificate shall be presumed correct.

3.07. Capital Adequacy. If either (a) the enactment, issuance, implementation or phase-in of or any change in or in the interpretation of any law, rule or regulation, or (b) compliance with or implementation of any request, directive or guideline from any central bank or other governmental authority (whether or not having the force of law) affects the amount of capital required to be maintained by Lenders or any corporation controlling Lenders and Lenders determine that the amount of such capital is increased (or that the rate of return on Lenders' capital is reduced) by or based on the existence of its obligations under the Letter of Credit or its risk participation in the Letter of Credit, then, upon demand by Agent Borrower shall pay to Agent, for the benefit of Lenders, from time-to-time as specified by Agent, such additional amount or amounts as Lenders shall determine are necessary to compensate Lenders or any corporation controlling Lenders in light of such circumstances, to the extent that Lenders reasonably determine such increase in capital to be allocable to the existence of the Letter of Credit.

3.08. Payments, Prepayments, and Computations. All payments

by Borrower to Agent shall be made in Dollars before 1 p.m. Houston time on the date due. All payments by Borrower shall be made free and clear of and without deduction for any and all present and future taxes, levies, imposts, deductions, charges and withholdings, and all liabilities with respect thereto, excluding (a) judicial or administrative liens in respect of obligations of Lenders unrelated to the transactions contemplated by this Agreement and (b) taxes imposed on income of Lenders by, and franchise taxes imposed on Lenders by, any country or state or any political subdivision thereof (all such taxes, levies, imposts, deductions, charges, withholdings and liabilities other than those described in clauses (a) and (b) above being herein referred to as "Taxes"). If Borrower shall be required by Applicable Law to withhold or deduct any Taxes from or in respect of any sum payable hereunder or under the Notes to Lenders (a) the sum payable shall be increased as may be necessary so that after making all required withholdings and deductions (including, without limitation, withholdings and deductions applicable to additional sums payable under this Section) Lenders receive an amount equal to the sum it would have received had no withholdings or deductions been made, (b) Lenders shall make such withholdings and deductions, and (c) Borrower shall pay the full amount withheld or deducted to the relevant taxation authority or other authority in accordance with Applicable Law and in such a manner that Lenders shall not be required to make any deduction or payment of any Taxes.

3.09. Indemnification of Lenders. Borrower hereby agrees to indemnify Lenders against all claims, liabilities, damages and expenses in connection with or arising out of any litigation or proceeding relating to or arising in connection with this Agreement, the Notes, any Letter of Credit, any other Loan Document, the making of any Borrowing, except to the extent any such claim, liability, damage or expense arose as a result of Lenders' negligence, gross negligence or willful misconduct. Without limiting the generality of the foregoing, Borrower agrees that Lenders shall be entitled to rely upon and act upon instructions from Borrower in accordance with Section 2.02 to issue each Letter of Credit. Borrower agrees to indemnify and hold Lenders harmless from any and all claims (including reasonable attorneys' fees) which may

arise out of or in connection with Lenders' good faith reliance upon instructions from Borrower, as provided herein, except for such claims, damages, losses, costs and expenses resulting from acts or omissions constituting negligence, gross negligence or willful misconduct on the part of Lenders. The amount of any such indemnification not paid within 30 days after written demand therefor shall accrue interest from and including such 30th day to but excluding the date paid at the Base Rate plus 4% per annum calculated on the basis of a 360-day year for the actual number of days elapsed, but in no event to exceed the Highest Lawful Rate.

3.10. Booking of Advances. Lenders may, in their sole discretion, book the Advances made pursuant to this Agreement at any branch or office of its choice; provided that in no event shall Borrower be required to pay any amount to Lenders more than Borrower would have been required to pay pursuant to the terms of this Agreement if all Advances had been booked by Lenders at their respective offices.

SECTION 4. CONDITIONS TO BORROWING.

4.01 Conditions Precedent to Initial Loans. The obligation of Lenders to make the Loans on the date hereof is subject to Agent's receipt of the following items as conditions precedent:

(a) the Notes and Loan Documents duly executed and delivered by Borrower;

(b) all counterpart originals of this Agreement executed by Lenders and Borrower;

(c) resolutions of Borrower's board of directors authorizing the Borrowings and the execution, delivery and performance of this Agreement, the Notes and any other Loan Documents;

(d) a certificate of incumbency which (i) certifies the names of the officers of Borrower authorized to sign this Agreement, the Notes and any other Loan Documents and (ii) contains the true signature of each such officer;

(e) consent and confirmation of Guarantors (attached hereto) as to the continued effectiveness of the Guaranties previously executed;

(f) resolutions of each Guarantor's board of directors authorizing the Guaranties and the execution, delivery and performance of any other document relating to such Guaranties;

(g) a certificate of incumbency which (i) certifies the names of the officers of each Guarantor authorized to sign the Guaranties and (ii) contains the true signature of each such officer;

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(h) consent of subordinated creditor (attached hereto) from Irwin Jacobs as to the Subordinated Indebtedness;

(i) a certificate signed by an Authorized Person that (i) no Default or Event of Default has occurred and is continuing or will result from the making of the Loans, and (ii) the representations and warranties of Borrower contained in Section 5 hereof and in the other Loan Documents are true and correct as of the date hereof, with the same effect as though made on the date hereof;

(j) all fees and expenses (including, without limitation, reasonable fees and expenses of its counsel) in respect of this Agreement;

(k) all required Guaranties and security instruments therefor; and

(l) title insurance policies for all real property

pledged to secure the Loans, in such amounts and form as required by Lenders;

(m) receipt by Agent of any and all other documents, instruments or agreements in respect of the transactions evidenced and/or contemplated by the Loan Documents and deemed reasonable by Borrower and Lenders; and

(n) a favorable written opinion of counsel for Borrower, in form and substance acceptable to Lenders, in respect of the transactions contemplated by this Agreement.

4.02 Conditions Precedent to the Revolving Credit Loans. The obligation of Lenders to make any Revolving Credit Loan hereunder (including the initial Revolving Credit Loan) are subject to the following conditions precedent:

(a) in the case of a Revolving Credit Loan representing a Cash Advance, receipt by Agent of the Notice of Borrowing required by Section 2.05 hereof;

(b) in the case of a Letter of Credit Advance, receipt by Agent of: (i) the notice as required by Section 2.05, (ii) the Letter of Credit Application and (iii) the Letter of Credit commission;

(c) as of the date of making such Advance, no material adverse change has occurred in the business or financial condition of Borrower or any of its Subsidiaries;

(d) that (i) no Default or Event of Default has occurred and is continuing or will result from the making of such Advance, and (ii) the representations and warranties of Borrower contained in Section 5 hereof are true and correct as of the date of such Advance (other than those of such representations and warranties which speak to a date on or before the date hereof), with the same effect as though made on such date; and

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(e) that, immediately after giving effect to such Advance, the aggregate principal amount of all outstanding Revolving Credit Loans shall not exceed the Revolving Credit Commitment.

Each Borrowing shall be deemed to be a representation and warranty by Borrower on the date of such Borrowing or submission as to the facts specified in clauses (c), (d) and (e) of this Section 4.02.

4.03 Conditions Precedent to All Advancing Loans and Term Loans. The obligation of Lenders to make any Advancing Loan, or the Term Loans hereunder is subject to the following conditions precedent:

(a) in the case of an Advancing Loan, compliance with Section 2.03 hereof, and the Notice of Borrowing required by Section

2.05 hereof;

(b) as of the date of making such Advancing Loan, no material adverse change has occurred in the business or financial condition of Borrower or any of its Subsidiaries;

(c) that (i) no Default or Event of Default has occurred and is continuing or will result from the making of such Advancing Loan or Term Loan, and (ii) the representations and warranties of Borrower contained in Section 5 hereof are true and correct as of the date hereof and of any such Advancing Loan (other than those of such representations and warranties which speak to a date on or before the date hereof), with the same effect as though made on such date; and

(d) that, immediately after giving effect to such Advancing Loan, the aggregate principal amount of all outstanding Advancing Loans shall not exceed the Advancing Commitment.

Each Borrowing shall be deemed to be a representation and warranty by Borrower on the date of such Borrowing or submission as to the facts specified in clauses (b), (c) and (d) of this Section 4.03.

SECTION 5. REPRESENTATIONS AND WARRANTIES. In order to induce Lenders to enter into this Agreement and to make the Loans hereunder, Borrower hereby represents and warrants that:

5.01 Organization and Good Standing. Borrower and each of its Subsidiaries is a corporation duly organized and existing in good standing under the laws of the state of its incorporation, is duly qualified as a foreign corporation and in good standing in all states in which it is doing business and has the corporate power and authority to own its properties and assets and to transact the business in which it is engaged and is or will be qualified in those states wherein it proposes to transact business in the future, except those jurisdictions, if any, in which the failure to so qualify would not have a material adverse affect on its business operations or financial condition.

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5.02 Authority and Power. Borrower is duly authorized and empowered to create, issue and perform the Notes and to execute, deliver and perform this Agreement, the Loan Documents and all other instruments referred to or mentioned herein to which it is a party, and all action on its part requisite for the due creation, issuance, delivery and performance of the Notes and the due execution, delivery and performance of this Agreement has been duly and effectively taken. This Agreement, the Notes and the Loan Documents do not violate any provisions of Borrower's corporate charter or bylaws.

5.03 Loan Documents. The Loan Documents to which Borrower is or will be a party have been, or will be, duly executed and delivered on behalf of Borrower and constitute, or will constitute, the legal, valid and binding obligations of Borrower enforceable against Borrower in accordance with their

respective terms, except to the extent enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5.04 No Material Litigation. No litigation, investigation or administrative proceeding of or before any court, arbitrator or Governmental Authority is presently pending or, to the knowledge of Borrower, threatened against Borrower or any of its Subsidiaries or any of its properties or assets (a) with respect to any Loan Document or any of the transactions contemplated hereby or thereby or (b) which, if adversely determined, could reasonably be expected to materially adversely affect the business, operations, properties, assets or financial or other condition of Borrower or any Subsidiary. Annexed hereto as Schedule 5.04 is an accurate and complete schedule of all litigation affecting Borrower or its Subsidiaries.

5.05 No Default. Borrower or any of its Subsidiaries is not in default, and the execution, delivery and performance of the Loan Documents will not result in a default, in the payment or performance of any of Borrower's or its Subsidiaries' obligations or in the performance of any mortgage, indenture, lease, contract or other agreement or undertaking to which it is a party or by which it or any of its properties or assets may be bound, and no Default nor Event of Default hereunder has occurred and is continuing. Borrower or any of its Subsidiaries is not in default under any order, award or decree of any court, arbitrator or Governmental Authority binding upon or affecting it or by which any of its properties or assets is bound or affected, and no such order, award or decree has or will affect the ability of Borrower or any of its Subsidiaries to perform its obligations under the Loan Documents or the ability of Borrower or any of its Subsidiaries to carry on its business.

5.06 Taxes. Borrower and its Subsidiaries have filed or caused to be filed all tax returns which are required to be filed, and have paid all taxes shown to be due and payable on said returns or on any assessments made against them or any of their properties and all other taxes, fees or other charges imposed on Borrower or its Subsidiaries or any of its properties by any Governmental Authority (other than those the amount or validity of which is currently being contested diligently in good faith and with respect to which reserves in conformity with Good Accounting Practice have been provided on the books of Borrower or any of its Subsidiaries) and no tax liens have been filed and, to the knowledge of Borrower, no claims are being asserted with respect to any such taxes, fees or other charges.

5.07 ERISA. Borrower and each of its Subsidiaries is in compliance in all material respects with ERISA and the rules and regulations thereunder. There exists no Unfunded Vested Liabilities under any Plan to which Borrower or any Subsidiary is a party. No "reportable event", as such term is defined Section 4043(b) of Title IV of ERISA, has occurred and is continuing with respect to any Plan.

5.08 Regulations G, T, U and X. Borrower or any of its Subsidiaries is not engaged nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of

"purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System. No part of the proceeds of the Loans hereunder will be used for any purpose which violates the provisions of Regulation G, T, U or X of the Board of Governors.

5.09 Accuracy and Completeness of Information. All information, exhibits and other reports and other papers and data with respect to Borrower and its Subsidiaries, prepared and furnished to Agent by or on behalf of Borrower in connection with the Loan Documents were at the time the same were so furnished, complete and correct in all material respects. No document furnished or statement made to Agent by Borrower or any of its Subsidiaries in connection with the negotiation, preparation or execution of this Agreement contains any untrue statement of a fact material to the creditworthiness of Borrower and its Subsidiaries or omits to state any such material fact necessary in order to make the statements contained therein not misleading, in either case which has not been corrected, supplemented or remedied by subsequent documents furnished or statements made in writing to Agent.

5.10 Environmental Compliance. Borrower and each of its Subsidiaries has taken all reasonable steps necessary to determine and has determined that no hazardous substances, or other substances known or suspected to pose a threat to health or the environment in violation of Applicable Environmental Laws ("Hazard[s]") exist on or within any of the operations of Borrower or any of its Subsidiaries, except as described in Schedule 5.10 annexed hereto. Borrower and each of its Subsidiaries is in compliance with all laws pertaining to health or the environment ("Applicable Environmental Laws"), including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), the Resource Conservation and Recovery Act of 1976, as amended ("RCRA"), the Texas Water Code and the Texas Solid Waste Disposal Act. Borrower's and its Subsidiaries' operations do not and will not result in the disposal or release of any hazardous substance or Hazard on, in or to the environment. The terms "hazardous substance" and "release" shall each have the meanings specified in CERCLA, and the terms "solid waste" and "disposal" (or "disposed") shall each have the meanings specified in RCRA; provided, however, that in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment; and provided further that, to the extent that the laws of the State of Texas or any other State in which business is being conducted establish a meaning for "hazardous substance", "release", "solid waste", or "disposal" which is broader than specified in either CERCLA or RCRA, such broader definition shall apply.

5.11 Investment Company Act. Borrower is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

SECTION 6. AFFIRMATIVE COVENANTS. Borrower covenants and agrees that, so long as this Agreement is in effect and until payment in full of the Notes

and all other amounts owing hereunder:

6.01 Financial Statements and Information. Borrower shall deliver (or cause to be delivered) to Agent each of the following:

(a) As soon as available and in any event within one hundred twenty (120) days after the close of each fiscal year of Borrower, copies of the consolidated balance sheet of Borrower and its Consolidated Subsidiaries, along with consolidating schedules, as of the close of such fiscal year and statements of income and retained earnings and a statement of cash flows of Borrower and its Consolidated Subsidiaries for such fiscal year, in each case setting forth in comparative form the figures for the preceding fiscal year, all in reasonable detail and accompanied by an opinion thereon (which shall not be qualified by reason of any limitation imposed by Borrower) of independent accountants of recognized national standing selected by Borrower and satisfactory to Agent, to the effect that such consolidated and consolidating financial statements have been prepared in accordance with Good Accounting Practice consistently maintained and applied (except for changes in which such accountants concur) and that the examination of such accounts in connection with such financial statements has been made in accordance with generally accepted auditing standards and, accordingly, includes such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances, and copies of the unaudited consolidated balance sheet and income statement of Borrower and its Consolidated Subsidiaries as of the close of such fiscal year;

(b) As soon as available and in any event within thirty (30) days after the end of each month, copies of the consolidated and consolidating balance sheet of Borrower and its Consolidated Subsidiaries as of the end of such month, and statements of income and retained earnings and a statement of cash flows of Borrower and its Consolidated Subsidiaries for that month and for the portion of the fiscal year ending with such month, in each case setting forth in comparative form (on a consolidated and consolidating basis) the figures for the preceding fiscal year, all in reasonable detail and certified by an Authorized Person as being true and correct and as having been prepared in accordance with Good Accounting Practice (without the required footnotes), subject to year-end audit and adjustments;

(c) Promptly upon receipt thereof, one copy of each written report submitted to Borrower (with respect to Borrower or its Subsidiaries) by independent accountants in any annual, quarterly or special audit made, it being understood and agreed that all audit reports which are furnished to Agent pursuant to this Section shall be treated as confidential, but nothing herein contained shall limit or impair Agent's right to disclose

such reports to any appropriate Governmental Authority or to use such

information to the extent pertinent to an evaluation of the Obligations or to enforce compliance with the terms and conditions of this Agreement, or to take any lawful action which Agent deems necessary to protect its interests under this Agreement;

(d) Contemporaneously with the furnishing of the financial statements referred to in subparagraph (b) above, a certificate of an Authorized Person of Borrower stating that the signer has reviewed the terms of this Agreement and of the Notes, has set forth in or attached to such certificate such reasonable detail of such computations as is necessary to establish compliance with the covenants contained in this Agreement, and has made, or caused to be made under his supervision, a review of the transactions and condition of Borrower during the accounting period covered by such financial statements and that such review has not disclosed the existence during such accounting period, and that the signer does not have knowledge of the existence, as at the date of such certificate, of any condition or event which constitutes a Default or an Event of Default, or if any such Default or Event of Default existed or exists, specifying the nature and period of existence thereof and what action Borrower (or its Subsidiaries, as the case may be) has taken or is taking or proposes to take with respect thereto;

(e) Promptly upon their becoming available, one copy of each financial statement, report, notice or proxy statement sent by Borrower to stockholders generally and of each regular or periodic report, registration statement or prospectus filed by Borrower with any securities exchange or the Securities and Exchange Commission or any successor agency;

(f) As soon as available and in any event within thirty (30) days after each calendar month, furnish to Agent (i) a Borrowing Report, (ii) an aging and listing of accounts receivable, in form satisfactory to Agent, and (iii) a jobs in progress report, in form satisfactory to Agent, for such month, with respect to each of Borrower's Subsidiaries; and

(g) From time to time, such other information concerning Borrower or any of its Subsidiaries, its business, assets, properties, condition and operations as Agent may reasonably request.

6.02 Existence; Compliance with Laws. Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary (a) to preserve, renew and keep in full force and effect its corporate existence and all material rights, licenses, permits and franchises, and (b) to comply with all laws, statutes and regulations applicable to it and relating to the conduct of its business.

6.03 Insurance. Borrower will, and will cause each of its Subsidiaries to, maintain with responsible and reputable insurance companies or associations insurance with respect to its properties and business in such amounts and governing such risks as determined by Borrower.

6.04 Payment of Taxes. Borrower will pay or cause to be paid, all taxes, assessments and other governmental charges levied upon any of its or any of its Subsidiaries' properties or assets or in respect of its franchises, business, income or profits before the same become delinquent, except that (unless any material item of property would be lost, forfeited or materially damaged as a result thereof) no such charge needs to be paid if being promptly and diligently contested in good faith and if such reserve or other appropriate provision, if any, as shall be required by Good Accounting Practice shall have been made therefor.

6.05 Records. Borrower will, and will cause each of its Subsidiaries to, maintain proper books of record and account in accordance with sound accounting practice in which full, true and correct entries shall be made of all its properties and assets and its dealings and business affairs, and shall permit access thereto by Agent for purposes of inspection, copying and audit, and Borrower shall permit Agent to inspect Borrower's and its Subsidiaries' properties and operations at all reasonable times.

6.06 Other Notices. Borrower will, and will cause each of its Subsidiaries to:

(a) Promptly give written notice to Agent of any occurrence or event which has occurred which would have a material and adverse effect on (i) Borrower's or any of its Subsidiaries' normal business or (ii) any of Borrower's or any of its Subsidiaries' properties or assets, taken as a whole; and

(b) Furnish to Agent immediately upon becoming aware of the existence of any condition or event which constitutes a Default or an Event of Default or which, with the lapse of time or giving of notice, or both, would become a Default or an Event of Default, a written notice specifying the nature and period of existence thereof and the action which Borrower and/or such Subsidiary is taking or proposes to take with respect thereto.

6.07 ERISA Compliance. Borrower shall, and shall cause each of its Subsidiaries to (a) at all times, make prompt payment of all contributions required under all Plans and required to meet the minimum funding standard set forth in ERISA with respect to its Plans; (b) forthwith upon becoming aware of the occurrence thereof, written notice of, and the steps being taken by Borrower with respect to, (i) an Event of Default or Default, or a Reportable Event (as defined in Section 4043(b) of Title IV ERISA) which might result in a liability of Borrower to the PBGC or any other Person, or any notice Borrower or other fiduciary or administrator of any Plan may receive from the PBGC relating to the intention of the PBGC to terminate any Plan or to appoint a trustee to administer any such Plan, or (ii) a material adverse change in the business, operations, property or financial or other condition of Borrower or any of its Subsidiaries; (c) furnish to Agent, upon its request, such additional information concerning any of its Plans as may be reasonably requested.

6.08 Debt Service Coverage Ratio. At all times Borrower will have and maintain a Debt Service Coverage Ratio of not less than 1.25 to 1.00.

6.09. Ratio of Consolidated Total Liabilities to Consolidated Net Worth. At all times, Borrower will have and maintain a ratio of Consolidated Total Liabilities to Consolidated Net Worth of not more than 2.25 to 1.00.

6.10. Minimum Consolidated Tangible Net Worth. From the date hereof through January 31, 1998, Borrower will have and maintain Consolidated Tangible Net Worth of not less \$13,000,000. Commencing upon receipt of the financial statements described in Section 6.01(a), and in no event later than one hundred twenty (120) days after the end of each fiscal year of Borrower, Borrower will have and maintain during each such year Consolidated Tangible Net Worth equal to no less than the sum of (i) the previous year's required Consolidated Tangible Net Worth plus (ii) eighty percent (80%) of Borrower's Consolidated Net Income, after dividends, for such immediately preceding year (provided such required Consolidated Tangible Net Worth shall never be reduced if Borrower does not have a positive Consolidated Net Income). Any Intangible Assets capitalized subsequent to this closing relating to earn-out payments to Irwin Jacobs not to exceed \$2,600,000.00 in aggregate will be added back for purposes of this calculation.

6.11 Current Ratio. [Intentionally Deleted.]

6.12 Consolidated Funded Debt to EBITDA. From the date hereof through March 31, 1998, Borrower will maintain a ratio of Consolidated Funded Debt to EBITDA of not more than 3.25 to 1.00; from April 1, 1998 through September 30, 1998, Borrower will maintain a ratio of Consolidated Funded Debt to EBITDA of not more than 2.75 to 1.00; and from October 1, 1998 and thereafter, Borrower will maintain a ratio of Consolidated Funded Debt to EBITDA of not more than 2.50 to 1.00.

6.13 Further Assurances. Borrower and each of its Subsidiaries shall make, execute or endorse, and acknowledge and deliver or file or cause the same to be done, all such certifications, additional agreements, undertakings, conveyances, deeds of trust, mortgages, transfers, assignments, financing statements or other assurance, and take any and all such other action, as Agent may, from time to time, deem reasonably necessary or proper in connection with any of the Loan Documents, the Subsidiary Loan Documents, the obligations of Borrower or Guarantors, or for better assuring and confirming unto Agent all or any part of the security for any of such obligations.

SECTION 7. NEGATIVE COVENANTS. So long as this Agreement is in effect and until payment in full of the Notes and all other amounts owing hereunder:

7.01 Use of Proceeds. Borrower will not, and will not permit any of its Subsidiaries to use, directly or indirectly, the proceeds of any Borrowing hereunder for any purpose other than those specified herein. Specifically, such proceeds will not be used for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any "margin stock", within the meaning of Regulation U of the Board of Governors of the Federal Reserve System. Borrower will not, and will not permit any of its Subsidiaries to, engage principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock within the meaning of such Regulation U nor will Borrower or any of its Subsidiaries otherwise act so as to cause Lenders to be in contravention of Regulations T and U.

7.02 Disposal of Assets. Borrower will not, and will not permit any of its Subsidiaries to, abandon, sell, transfer, lease or otherwise dispose of any part of its assets or directly or indirectly enter into any agreement or arrangement whereby Borrower or any of its Subsidiaries shall sell or transfer any part of its assets or property and thereafter rent or lease such assets or property, provided, however, that the foregoing shall not operate to prevent sales by Borrower or any of its Subsidiaries of assets not in the ordinary course of business, which sales or transfers, after subtracting therefrom the cost of any additions to fixed assets, do not exceed \$50,000 and, after giving effect to any such sales or transfers, Borrower shall be in full compliance with the terms of this Agreement.

7.03 Consolidation. Borrower will not, and will not permit any of its Subsidiaries to, dissolve or liquidate, or become a party to any merger, acquisition or consolidation in excess of \$1,000,000, in the aggregate, without the prior consent of Agent.

7.04 Creation of Encumbrances. Except as provided otherwise herein, Borrower will not, and will not permit any of its Subsidiaries to create, assume, incur or suffer to exist or allow to be created, assumed or incurred or suffered to exist any Encumbrance provided, however, that the foregoing restrictions shall not prevent Borrower or a Subsidiary from:

(a) Permitting or incurring Encumbrances for taxes or assessments or governmental charges or levies on any of the properties of Borrower or a Subsidiary if such taxes, assessments, governmental charges or levies shall not at the time be due and payable or can thereafter be paid without penalty or are being contested in good faith by appropriate proceedings and with respect to which Borrower or a Subsidiary has created reserves which are determined by Borrower or a Subsidiary to be adequate by the application of Good Accounting Practice;

(b) Incurring mechanics', carriers', workmen's, repairmen's or other like Encumbrances in the ordinary course of business in respect of obligations which are not overdue, or making deposits to obtain the release of such Encumbrances;

(c) Rights of subrogation, if any, under applicable law in favor of bonding companies and payments made under performance and/or completion bonds;

(d) Incurring liens in favor of Continental Casualty Company, National Fire Ins. Co. of Hartford and American Casualty Company of Reading, Pennsylvania (collectively, the "Insurance Companies") against the contracts of Borrower which are bonded (the "Bonded Contracts") by the Insurance Companies, including the right, title and interest of Borrower in and to all subcontracts let in connection with such Bonded Contracts, against all machinery, plant,

equipment, tools and materials which are upon the worksite of the Bonded Contracts, including all materials ordered for the Bonded Contracts and all sums due under the Bonded Contracts at the time of default and thereafter, and all proceeds thereof, provided that such liens are either unperfected or junior in priority to the liens and security interests in such property held by the Bank; and

(e) Purchase money liens to the extent such debt is permitted in Section 7.06 hereof.

7.05 ERISA. Borrower will not, and will not permit any of its Subsidiaries to (i) voluntarily terminate any Plan if such termination is likely to result in any material liability of Borrower to the PBGC or any other Person, (ii) enter into any "prohibited transaction" (as defined in Section 4975 of the Code and in ERISA) involving any Plan which might result in any material liability of Borrower to the PBGC or any other Person or (iii) permit the occurrence of any "reportable event" (as defined in Section 4043(b) of Title IV of ERISA) which might result in any material liability of Borrower to the PBGC or any other Person or (iv) allow or suffer to exist any other event or condition which might result in any material liability of Borrower to the PBGC or any other Person.

7.06 Limitations on Borrowings. Borrower will not, and will not permit any of its Subsidiaries to, incur, create, assume or permit to exist any Indebtedness, except (i) the Notes, (ii) Indebtedness incurred in the ordinary course of Borrower's or Subsidiary's business in connection with normal trade obligations, including the financing of Borrower's annual insurance premiums; (iii) any Indebtedness previously made or contemplated to be made in the future by Lenders to Borrower or a Subsidiary; and (iv) purchase money indebtedness not to exceed \$2,000,000 in the aggregate.

7.07 Disposal of Stock or Indebtedness of a Subsidiary. Borrower will not sell, assign, transfer or otherwise dispose of (except to a wholly-owned Subsidiary) any shares of stock of any class of any Subsidiary, or any other security of, or any Indebtedness owing to it by any such Subsidiary.

7.08 Capital Expenditures; Capital Leases; Purchase of Assets. Except for the purchase by Borrower or a Subsidiary of new assets as contemplated in Section 2.03 hereof, Borrower will not and will not permit any of its Subsidiaries to, incur expenditures in the ordinary course of business which, in the aggregate (for Borrower and its Subsidiaries) are in excess of \$6,500,000 during Borrower's 1997 fiscal year, \$7,000,000 during Borrower's 1998 fiscal year, and \$6,000,000 thereafter.

7.09 Prepayment or Change of Subordinated Indebtedness. Borrower will not, and will not permit any of its Subsidiaries to, (i) after the occurrence and during the continuance of any Default or Event of Default, pay any installments of principal of or interest on any Subordinated Indebtedness, (ii) directly or indirectly make any payments upon the Subordinated Indebtedness other than regular installments of principal and interest, or (iii) alter, amend, modify or otherwise change the terms,

conditions and provisions of the Subordinated Indebtedness, except that Borrower may enter into any amendment or modification of the Subordinated Indebtedness which only (x) decreases the interest rate due and payable on such debt or (y) extends any maturity date of any installment of principal of or interest on such debt, and may obtain any consent pursuant to or waivers of any representations, warranties or covenants contained in any documents relating to the Subordinated Indebtedness.

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7.10. Limitation on Investments and Loans. Borrower shall not, and shall not permit any of its Subsidiaries to, make or have outstanding any advances, loans or extensions of credit to, or purchase or own any stock, bonds, notes, debentures or other securities of, any Person, except accounts, instruments, documents, chattel paper and general intangibles (as defined in the Uniform Commercial Code of Texas), arising or acquired in the ordinary course of business, or such investments as may be approved by Agent, which approval will not be unreasonably withheld. Borrower shall not, and shall not permit any of its Subsidiaries to make any loans or advances outside of the ordinary course of business or in excess of \$200,000 in the aggregate to any of the officers or employees of Borrower or its Subsidiaries.

7.11 No Change in Basic Business. Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, engage in any business other than those in which it is presently engaged, or discontinue any of its existing lines of business or substantially alter its method of doing business.

7.12 Transactions with Affiliates. Borrower shall not enter into or be a party to any transaction or arrangement, including, without limitation, the purchase, sale, exchange or use of any property or asset, or any interest therein, whether real, personal or mixed, or tangible or intangible, or the rendering of any service, with any "Affiliate" (as hereafter defined), except transactions in the ordinary course of and pursuant to the reasonable requirements of Borrower's business and upon fair and reasonable terms no less favorable to Borrower than Borrower would obtain in an arm's length transaction with a non-Affiliate. For purposes of this subsection the term "Affiliate" means any person, firm, corporation or other entity which directly or indirectly controls, is controlled by or is under common control with Borrower. A person, firm, corporation or other entity shall be deemed to control another if it owns ten percent (10%) or more of the equity interest of such other person, firm, corporation or other entity or if it possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such other person, firm, corporation or other entity, whether through ownership or stock, by contract or otherwise.

SECTION 8. EVENTS OF DEFAULT. In addition to and without derogation of the rights of Lenders to demand payment with respect to the Notes as provided herein, if any Event of Default described in subparagraphs (g), (h), (i) or (j) below, shall occur and be continuing, the Notes and interest accrued thereon and all liabilities of Borrower hereunder shall thereupon automatically become and be immediately due and payable without presentment, demand, protest, notice of intent to accelerate, notice of acceleration or other notice of any kind to

Borrower, all of which are hereby expressly waived, and the Revolving Credit Commitment and/or Advancing Commitment (if still in existence) shall thereupon terminate. If any other Event of Default shall occur and be continuing, Lenders may (i) terminate the Revolving Credit Commitment and/or Advancing Commitment (if still in existence) and it shall thereupon terminate, and/or (ii) declare either or both of the Notes and interest accrued thereon and all liabilities of Borrower hereunder to be immediately due and payable, and the same shall thereupon become and be immediately due and payable without presentment, demand, protest, notice of intent to accelerate, notice of acceleration or other notice of any kind to Borrower, all of which are hereby expressly waived. Notwithstanding anything herein or in the other Loan Documents to the contrary, Lenders may elect to pursue any remedy they may have hereunder, at law, in equity, or otherwise (including,

but not limited to, reducing any claim to judgment) if a Loan is not paid at maturity (on demand, by acceleration or otherwise). The following shall be Events of Default hereunder and under the Notes except as Lenders may otherwise expressly consent in writing in its sole and absolute discretion except that no such consent shall ever be given with respect to the Events of Default set forth in subparagraphs (g), (h), (i) and (j) below:

(a) Borrower fails to pay or prepay within five (5) days when due any principal of or interest on any of the Notes; or

(b) Borrower fails to pay within five (5) days when due any and all fees hereunder or any other sums payable to Lenders under the terms or in respect of, this Agreement; or

(c) Borrower terminates its existence; or

(d) Any material representation or warranty made or incorporated by Borrower herein or in any writing furnished by Borrower in connection with this Agreement or the Loan Documents shall have been untrue, misleading or incomplete in any material respect when made; or

(e) Borrower violates or fails to observe any covenant, agreement or condition contained in Sections 6 or 7 of this Agreement except for any failure to comply with Section 6.01 which continues for fifteen (15) days from the date required for such performance; or

(f) Borrower violates or fails to observe any covenant, agreement or condition set forth in this Agreement and not constituting an Event of Default enumerated elsewhere in this Section 8 and continuance thereof for fifteen (15) days; or

(g) Borrower or any Subsidiary makes an assignment for the benefit of creditors or admits in writing its inability to pay its debts as such debts become due; or

(h) Borrower or any Subsidiary petitions or applies to

any tribunal for or consents to the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar official, of it or any substantial part of its assets, or commences any proceedings relating to it under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or other liquidation law of any jurisdiction or takes corporate action in furtherance of any of the foregoing; or

(i) Any petition or application of the type referred to in subparagraph (h) above is filed or any such proceedings are commenced, against Borrower or any Subsidiary and Borrower or any Subsidiary by any act indicates its approval thereof, consent thereto or acquiescence therein, or an order for relief is entered in an involuntary case under the bankruptcy law of the United States, or an order, judgment or decree is entered appointing a trustee, receiver, custodian, liquidator or similar official or

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adjudicating Borrower or any Subsidiary insolvent, or approving the petition in any such proceedings; or

(j) Any order is entered in any proceeding against Borrower or a Subsidiary decreeing the dissolution or split-up of Borrower or a Subsidiary; or

(k) Any court shall render a final judgment or judgments against Borrower or a Subsidiary in an aggregate amount of \$500,000 or more in excess of any insurance protecting against such liability and such judgment or judgments shall not be stayed, discharged, vacated or set aside within thirty (30) days after entry; or any property of Borrower or a Subsidiary shall be attached under a claim or claims in an aggregate amount of \$500,000 or more in excess of any insurance protecting against the liabilities on which such attachments are based and such attachments shall not be released or provided for to the satisfaction of Lenders within thirty (30) days; or

(l) Any Plan of Borrower (i) which has Unfunded Vested Liabilities shall be terminated or (ii) a trustee shall be appointed by the appropriate United States Court to administer any such Plan, or (iii) the PBGC shall institute proceedings to terminate any such Plan or to appoint a trustee to administer any such Plan, or (iv) any notice from the PBGC or event contemplated by Section 5.07 hereof shall have been received or shall have occurred; or

(m) Default shall occur in the payment of any material Indebtedness of Borrower or any Subsidiary or default shall occur in respect of any note, loan agreement or credit agreement relating to any such Indebtedness and such default shall occur for more than the period of grace, if any, specified therein; or any such Indebtedness shall become due before its stated maturity by acceleration of the maturity thereof or shall become due by its terms and shall not be promptly paid or extended; or

(n) Any financial statements or audits delivered to Agent reflect a material deterioration in the financial condition of Borrower and its Subsidiaries on a consolidated basis from the financial condition reflected in Borrower's 1996 audited financial statements submitted to Agent; or

(o) Borrower or any of its Subsidiaries fail to maintain current contractual relations with the labor union of which its employees are members and the majority of such employees fail to report to work for a period in excess of thirty (30) Business Days; or

(p) [Intentionally Blank]

(q) Any stock transfer, pledge or other change in the controlling ownership of the stock of Borrower, except for such pledges to Lenders. As used herein, "controlling" shall mean 50% of the outstanding and issued stock of Borrower; or

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(r) Any modification, extension, renewal or termination of the Subsidiary Loan Documents, without the prior written consent of Lenders.

SECTION 9. THE AGENT.

9.01 Creation of Agency. Each Lender hereby authorizes Agent to take such action on such Lender's behalf and exercise such powers as are delegated to Agent by the terms hereof, together with all such powers as are reasonably incidental thereto. The relationship between Agent and each Lender is that of agent and principal only, and nothing herein shall (nor shall it be construed so as to) constitute Agent a trustee or fiduciary for or of any Lender, or impose on Agent any duties or obligations other than those for which express provision is made herein. In performing its express duties and obligations hereunder, Agent shall have no liability to any Lender in the absence of gross negligence or willful misconduct by Agent. Lenders expressly acknowledge and agree that Agent shall have no implied duties hereunder including, without limitation, any implied duty of good faith and fair dealing. Agent agrees that, upon the request of any Lender, it will use its best efforts to obtain any information from or with respect to Borrower that is available to Agent pursuant to the terms of this Agreement.

9.02 Payments and Distributions. Each Lender hereby authorizes Agent to receive any and all payments which are or which may become due under this Agreement, the Notes or any of the other Loan Documents. Each Lender and Agent hereby authorize and instruct Borrower to make all payments which are or which may become due under any of such Loan Documents directly to Agent. Each Lender hereby agrees that, in the event it receives any payment which should have been made to Agent pursuant to the terms of this Agreement, or in the event it offsets any amounts placed on deposit with it by Borrower, it shall immediately remit such payment or offset amount to Agent for distribution in accordance with the terms of this Agreement. Except as

otherwise expressly provided herein, Agent shall distribute promptly to Lenders all sums received by Agent as a payment on or related to any of the Loan Documents ratably in proportion to the amount of each Lender's interest in the Loans listed on Schedule 1 hereto. In the event interest on any of the Notes accrues at more than one rate, or Agent receives any prepayment with respect to any Note, all interest payments and all prepayments received by Agent hereunder shall be distributed ratably among Lenders in proportion to the amount of each Lender's interest in the Loans, regardless of whether the interest or prepayment was purported to have been made with respect to less than all of the Notes.

9.03 Notices. Agent will promptly advise each Lender of any actual notice of a default of Borrower hereunder received by Agent. Agent shall not be under any obligation to any Lender to ascertain or inquire as to the performance or observance of any of the terms or conditions of this Agreement or any other Loan Document to be performed or observed by Borrower. Each Lender hereby agrees that it will, promptly upon receipt of actual notice thereof, notify Agent of the existence of any default of Borrower hereunder.

9.04 Indemnity. Each Lender hereby agrees to, and shall, ratably in proportion to the amount of each Lender's interest in the Loans, indemnify, to the extent not reimbursed by Borrower, Agent against any loss, expense (including legal fees) or liability (except such as results from Agent's own gross negligence or willful misconduct) which Agent may suffer or

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incur in connection with the implementation, administration or enforcement of the Loans or any of the Loan Documents.

9.05 Reliance. In performing its duties and exercising its powers hereunder, Agent will be entitled to rely on (a) any communication believed by it to be genuine and to have been sent or signed by the person by whom it purports to have been sent or signed and (b) the opinions and statements of any professional advisor selected by it in connection herewith, and Agent shall not be liable to any other party hereto for any consequence of any such reliance.

9.06 Truth of Representations. Agent takes no responsibility for the truth of any representations made herein, nor for the adequacy or enforceability of this Agreement, and neither Agent (except in the case of its gross negligence or willful misconduct) nor any of its officers, directors, employees, agents or representatives shall be liable for any action taken or omitted to be taken by it or any of them under or pursuant to this Agreement, or for any oversight or error of judgment.

9.07 Business with Borrower. Notwithstanding the agency herein constituted, Bank One, in its individual capacity, may, without liability to account, make loans to, accept deposits from and generally engage in any kind of banking or trust business with Borrower. Lenders expressly acknowledge and agree that such activities shall not constitute (and shall not be construed to constitute) a conflict of interest with Agent's performance of its duties hereunder.

9.08 Independent Investigations. Each Lender acknowledges that it has taken and will take such independent action and make such investigations as it deems necessary to inform itself as to the financial condition and affairs of Borrower and, based upon such independent action and investigation, it has determined to enter into this Agreement.

9.09 Prior Adjudication of Certain Actions. If, in the opinion of Agent, the distribution of any sum received by Agent in such capacity hereunder, under the Notes or under any other Loan Document, or the taking or omitting to take of any action hereunder or thereunder, might involve Agent in liability, it may refrain from taking such action (or omitting to take such action) until its right to take such action (or omit to take such action) shall have been adjudicated by a court of competent jurisdiction. If a court of competent jurisdiction shall adjudge that any amount received and distributed by Agent is to be paid to a person other than the recipient thereof, each Lender or other person to whom any such distribution shall have been made shall either repay to Agent its proportionate share of the amount so adjudged to be repaid or shall pay over the same in such a manner and to such persons as shall be determined by such court.

9.10 Remedies upon Default. Upon the occurrence of an event of default hereunder by Borrower, the Lenders shall mutually agree upon which remedies will be pursued with respect to the Loans and the collateral securing the same (including, without limitation, deeds or assignments in lieu of any such proceedings). The Lenders shall mutually agree upon which method of disposition of any collateral securing the Loans, or may elect to not pursue any or all remedies with respect to such collateral. Should such proceedings result in the foreclosure of any security interest held by Agent or Lenders, Agent shall have the right to acquire such

collateral at foreclosure, and to bid therefor all or any portion of the indebtedness of Borrower to Lenders under the Loans and, if the successful bidder thereon, Agent shall acquire such collateral as nominee for Lenders and operate and/or dispose of such collateral in the manner in which the Lenders mutually agree, all expenses of operation and disposal of such collateral to be borne by Lenders ratably according to their respective interests in the Loans. In addition to the foregoing, upon the occurrence of an event of default hereunder by Borrower (or, if in the opinion of Lenders, such a default seems imminent), Lenders, subject to the provisions of Section 9.13 hereof shall be entitled, should they so elect, to pursue any restructuring or modification of the terms and provisions (including, without limitation, repayment provisions) of the Loans, the Notes, this Agreement and the other Loan Documents. Each Lender hereby agrees to, and shall, ratably in proportion to the amount of each Lender's interest in the Loans, indemnify and hold Agent harmless from and against any and all loss, liability or expense (except such as results from Agent's own gross negligence or willful misconduct) incurred by Agent in connection with its actions taken hereunder, or in connection with any related document, after the occurrence of an event of default hereunder by Borrower (including, without limitation, actions taken to foreclose on, operate or dispose of any collateral and/or to restructure the terms and provisions of the

Loans, subject in all respects to Agent's compliance with this Section 9.10).

9.11 Fundings by Lenders. Agent shall notify Lenders by telephone or telecopy as promptly as practicable of a request for advance by Borrower and the date on which such advance is requested to be made. Each Lender hereby agrees to deposit with Agent, prior to 2:00 p.m. Houston time on the date such advance is requested to be made, such Lender's portion of such advance, which shall be determined by the percentage interest of such Lender in the Loans.

9.12 Default by a Lender. In the event any Lender fails to timely make available to Agent such Lender's pro rata portion of any loan made or to be made pursuant to this Agreement or any other amount due from such Lender to Agent hereunder or under any of the other Loan Documents, or upon the breach by any Lender of any of its other obligations hereunder, such defaulting Lender shall be referred to as a "Defaulting Lender" and Agent and other Lenders shall have the rights described in this Section with respect to such Defaulting Lender. Any amounts received by Agent or any Lender (including the Defaulting Lender) after the default causing such Lender to become a Defaulting Lender shall be paid to Agent or Lenders other than the Defaulting Lender (the "Non-defaulting Lenders," whether one or more) in such proportion as the interest of each Non-defaulting Lender bears to the interest in the Loans of all Non-defaulting Lenders. Further, Agent and the Non-defaulting Lenders shall have the right but not the obligation, to advance monies on behalf of, or otherwise cure defaults of, the Defaulting Lender, and the Defaulting Lender shall be liable to each such party for all amounts so expended, such amounts to be repaid either through funds received or to be received by Agent or the other Lenders as a payment on the Notes or other indebtedness hereunder, or otherwise through the general funds of such Defaulting Lender. For so long as any Lender is a Defaulting Lender, such Lender shall be deemed to have transferred and assigned to the Non-defaulting Lenders all right, title and interest of such Defaulting Lender in and to the Loans, this Agreement, the Notes, and the other Loan Documents, as security for the payment of all amounts owing from such Defaulting Lender to the Non-defaulting Lenders or that may be advanced by the Non-defaulting Lenders to or for the benefit of Borrower on behalf of such Defaulting Lender. Once all obligations of the Defaulting Lender to Agent and the other Lenders have been satisfied, so that

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no default by such Lender exists hereunder, (1) the Non-defaulting Lenders shall be deemed to have transferred and reassigned to such Lender the right, title and interest of such Lender in and to the Loans previously transferred and assigned as security to the Non-defaulting Lenders, (2) such Lender shall be entitled to be reinstated as a Lender hereunder and (3) subject to the continued compliance with the terms hereof, such Lender shall thereafter be entitled to receive all amounts payable with respect to its interest in the Loans.

9.13 Actions Requiring Consent of Lenders.

(a) Except as set forth in Section 9.10 and this Section 9.13, Agent shall be entitled to take all action and exercise all

powers relating to the Loans, the Loan Documents, and Lenders' rights and obligations thereunder.

(b) Agent is not authorized to, and shall not, undertake any of the following actions without the written consent of all Lenders:

- (1) change the maximum availability hereunder;
- (2) change the fees or rate of interest payable with respect to the Loans;
- (3) change the date on which any payment on the Loans is due or extend the final maturity date of any Note;
- (4) waive any payment default under any Note;
- (5) release any collateral securing the Loans;
- (6) release Borrower or any Guarantor from liability on the Loans;
- (7) accelerate the maturity of the Notes;
- (8) waive compliance by Borrower with, amend or modify the terms of Section 8, or any covenant set forth in Section 6 or any covenant set forth in Section 7 hereof; or
- (9) amend or modify Section 9.10, or 9.12 or this Section 9.13(b).

(c) No Lender shall be entitled to take any action with respect to the obligations owed to it under any Note, any Guaranty or any other Loan Document including, without limitation, acceleration of the maturity of such Lender's Note, it being agreed that all of such actions shall be taken by Agent in the manner prescribed in this Agreement.

9.14 Resignation; Successor Agent. Agent may resign at any time from the agency created hereby by giving written notice of such resignation to Borrower and Lenders, and Agent shall be relieved of all duties and obligations arising hereunder after the time of such resignation. Upon receipt of notice of such resignation, Lenders shall mutually agree upon the appointment of a successor agent hereunder or, if Lenders fail to so appoint a successor agent within thirty (30) days after receipt of notice of the resignation of Agent, any Lender may petition a court of competent jurisdiction to appoint a successor agent hereunder. Upon appointment and acceptance of the agency created hereby by the successor agent, such successor agent shall succeed to all the rights, duties and obligations of Agent hereunder. In the event Agent is placed under receivership or is subject to any supervisory order or proceeding initiated by applicable regulatory authority, such event shall be

deemed a resignation by Agent pursuant to the terms of this Agreement.

9.15 No Third Party Beneficiary. Nothing in this Section 9, express or implied, is intended or shall be construed to give to any person other than Lenders and Agent (including, without limitation, Borrower) any right or remedy, and all terms and provisions of this Section 9 shall be for the sole benefit of Lenders and Agent.

SECTION 10. MISCELLANEOUS.

10.01 No Waiver. No waiver of any Default or Event of Default shall be a waiver of any other Default or Event of Default. No failure to exercise and no delay on the part of Lenders in exercising any power or right in connection herewith or under any of the other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No course of dealing between Borrower or any other Person and Lenders shall operate as a waiver of any rights of Lenders. No amendment, modification or waiver of any portion of this Agreement or any other Loan Document nor consent to any departure therefrom shall in any event be effective unless the same shall be in writing and signed by the Person against whom enforcement thereof is to be sought, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on Borrower or any other Person in any case shall entitle Borrower or any other Person to any other or further notice or demand in similar or other circumstances.

10.02 Notices. Notices under the Loan Documents shall be in writing and shall be (i) delivered; (ii) mailed by registered or certified mail, return receipt requested, postage prepaid, or (iii) sent by telex, telecopy, telegram, or other form of electronic transmission, in each case to the address or telecopy number set forth on the signature page hereof, or to such other address or telecopy number as party may by written notice designate. Notices shall be deemed to have been given to Borrower when received by Borrower and shall be deemed to have been given to Lenders when received by Agent.

10.03 Set-Off. If one or more Events of Default shall occur and be continuing, the holder of the Notes shall have the right without notice to Borrower and to the fullest extent permitted by applicable law, in addition to all other rights and remedies available to it, to set-off

against the unpaid balance of the indebtedness owing to it, on account of the Loans or otherwise, in such order as such holder may in its sole discretion decide, any obligations owing to Borrower by such holder, irrespective of whether Lenders shall have made any demand for satisfaction of such obligations and although such obligations may be unmatured, including, without limitation, any funds in any deposit account maintained by Borrower with such holder, and nothing in this Agreement shall be deemed a waiver or prohibition of Lenders' rights of banker's lien or set-off.

10.04 GOVERNING LAW. THE LOAN DOCUMENTS ARE BEING DELIVERED AND ARE INTENDED TO BE PERFORMED IN THE STATE OF TEXAS. UNLESS OTHERWISE SPECIFIED THEREIN, EACH LOAN SHALL BE DEEMED TO BE A CONTRACT UNDER THE LAWS OF THE STATE OF TEXAS AND FOR ALL PURPOSES SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF TEXAS, AND WHENEVER REQUIRED, THE FEDERAL LAWS OF THE UNITED STATES OF AMERICA.

10.05 Survival of Warranties; Successors and Assigns. All representations, warranties and covenants made by Borrower in connection herewith shall survive the execution and delivery of the Loan Documents, shall not be affected by any investigation made by any Person and shall bind Borrower and its respective successors, trustees, receivers and assigns and inure to the benefit of the successors and assigns of Lenders, provided that the undertaking of Lenders hereunder to make the Loans to Borrower shall not inure to the benefit of any successor or assign of Borrower. The term of this Agreement shall be until the payment in full of the Notes and the Obligations.

10.06 Counterparts. This Agreement may be executed in several identical counterparts, and by the parties hereto on separate counterparts, and each counterpart, when so executed and delivered, shall constitute an original instrument, and all such separate counterparts shall constitute but one and the same instrument.

10.07 Maximum Interest Rate. It is the intention of the parties hereto to comply with the usury laws of the state of Texas and the United States; accordingly, it is agreed that notwithstanding any provision to the contrary in the Notes, or in any of the Loan Documents or otherwise relating to this Agreement, no such provision shall require the payment or permit the collection of interest in excess of the maximum permitted by applicable state or Federal law. If any excess of interest in such respect is provided for, or shall be adjudicated to be so provided for, in the Notes or in any of the Loan Documents or otherwise relating to this Agreement, or in the event the maturity of the indebtedness evidenced by the Notes is accelerated in whole or in part, or in the event that all or part of the principal or interest of the Notes shall be prepaid, so that under any of such circumstances the amount of interest contracted for, charged or received under the Notes or under any of the Loan Documents or otherwise relating hereto, on the amount of principal actually outstanding from time to time under the Notes shall exceed the maximum amount of interest permitted by the usury laws of the state of Texas and the United States, then, in any such event, (a) the provisions of this paragraph shall govern and control, (b) neither Borrower hereof nor successors or assigns or any other party liable for the payment hereof shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount permitted by applicable state or Federal law, (c) any such excess which may have been

collected shall be, at the holder's option (at maturity or in the Event of Default hereunder), either applied as a credit against the then unpaid principal amount thereof or refunded to Borrower, and (d) the effective rate of interest shall be automatically subject to reduction to the maximum lawful

contract rate allowed under the usury laws of the state of Texas or the United States as now or hereafter construed by the courts having jurisdiction.

10.08 Exhibits, etc. The exhibits, schedules and annexes attached to or delivered in connection with this Agreement are incorporated herein and shall be considered a part of this Agreement for all purposes, except that in the event of conflict between any of the provisions of such exhibits, schedules and annexes and the provisions of this Agreement, this Agreement shall control.

10.09 References and Captions. All references in this Agreement to articles, sections, subsections and other subdivisions refer to corresponding articles, sections, subsections and other subdivisions of this Agreement unless expressly provided otherwise. The words "this Agreement", "this instrument", "herein", "hereof", "hereby", "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. Words used herein the singular number shall include the plural and vice versa, unless otherwise specifically required by the context. The article headings and section headings appearing in this Agreement have been included solely for convenience and shall not be considered in construing this Agreement.

10.10 Expenses. Whether or not the transactions contemplated by this Agreement shall be consummated, Borrower will pay on demand all out-of-pocket expenses of Lenders (including, without limitation, the reasonable fees and expenses of counsel for Lenders) in connection with the negotiation, preparation, and execution of this Agreement and the other Loan Documents and the making, servicing and collection of the Loans, as well as any and all costs of preparation, execution and delivery of any and all amendments, modifications, supplements, consents, waivers or other documents or writings relating to the transactions contemplated by this Agreement. Borrower will, upon request, promptly reimburse Lenders for all amounts expended, advanced or incurred by Lenders to satisfy any obligation of Borrower under this Agreement or any other Loan Document, or to protect the property or business of Borrower or to collect the Notes, or to enforce the rights of Lenders under this Agreement or any other Loan Document, which amounts will include all court costs, attorneys' fees, fees of auditors and accountants, and investigation expenses reasonably incurred by Lenders in connection with any such matters, together with interest at the Highest Lawful Rate. The obligations of Borrower under this Section 10.10 shall survive the termination of this Agreement.

10.11 General Indemnification. BORROWER SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS LENDERS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, ATTORNEYS AND EMPLOYEES (COLLECTIVELY, THE "INDEMNITEES") FROM AND AGAINST: (i) ANY AND ALL CLAIMS, DEMANDS, ACTIONS, OR CAUSES OF ACTION THAT ARE ASSERTED AGAINST ANY INDEMNITEE BY ANY PERSON IF THE CLAIM, DEMAND, ACTION OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY RELATES TO A CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION THAT THE PERSON ASSERTS OR MAY ASSERT AGAINST BORROWER, OR ANY OFFICER,

OR CAUSES OF ACTION THAT ARE ASSERTED AGAINST ANY INDEMNITEE IF THE CLAIM, DEMAND, ACTION OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY RELATES TO THIS AGREEMENT, THE USE OF PROCEEDS OF THE NOTES, OR THE RELATIONSHIP OF BORROWER AND LENDERS UNDER THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED PURSUANT TO THIS AGREEMENT, (iii) ANY ADMINISTRATIVE OR INVESTIGATIVE PROCEEDING BY ANY GOVERNMENTAL AUTHORITY DIRECTLY OR INDIRECTLY RELATED TO A CLAIM, DEMAND, ACTION OR CAUSE OF ACTION DESCRIBED IN CLAUSES (i) OR (ii) ABOVE, AND (iv) ANY AND ALL LIABILITIES, LOSSES, COSTS, OR EXPENSES (INCLUDING ATTORNEYS' FEES AND DISBURSEMENTS) THAT ANY INDEMNITEE SUFFERS OR INCURS AS A RESULT OF ANY OF THE FOREGOING; PROVIDED, HOWEVER, THAT ALTHOUGH THE FOREGOING INDEMNITY SHALL INCLUDE CLAIMS, DEMANDS, ACTIONS OR CAUSES OF ACTION BASED UPON LENDERS' NEGLIGENCE, BORROWER SHALL HAVE NO OBLIGATION UNDER THIS SECTION TO LENDERS WITH RESPECT TO ANY OF THE FOREGOING ARISING OUT OF THE GROSS NEGLIGENCE OR WILFUL MISCONDUCT OF LENDERS OR THE BREACH BY LENDERS OF THIS AGREEMENT.

10.12 Sale and Assignment. Lenders reserves the right to sell participations or assign its interest, or both, in all or any part of the Notes, so long as Lenders have obtained Borrower's preapproval thereof, which approval will not be unreasonably withheld.

10.13 Entire Agreement. This Agreement and the other Loan Documents embody the entire agreement and understanding between Borrower and Lenders relating to the subject matter hereof and supersede all prior proposals, negotiations, agreements, and understandings relating to such subject matter. Borrower certifies that it is relying on no representation, warranty, covenant or agreement except for those set forth in this Agreement and the other Loan Documents of event date herewith.

10.14 Number of Copies. Unless herein expressly provided to the contrary, whenever Borrower is required to deliver notices, certificates, statements or other information hereunder to Agent, it shall do so in such number of copies as Agent may reasonably specify.

10.15 Severability. If any provision of any Loan Document shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions of such Loan Document shall not be affected or impaired thereby.

10.16 Disclosures. Every reference in the Loan Documents to disclosures to Agent in writing, to the extent that such references refer or are intended to refer to disclosures at or prior to the execution of this Agreement, shall be deemed strictly to refer only to written disclosures delivered to Agent in an orderly manner concurrently with the execution hereof.

10.17 Business Loans. Borrower warrants and represents to Lenders that the Revolving Credit Loans are for business, commercial, investment or other similar purpose and

not primarily for personal, family, household or agricultural use, as such terms are used in Chapter One of the Texas Credit Code.

10.18 Article 15(b). Borrower and Lenders agree that, except for Section 15(b) thereof, the provisions of Art. 5069-15.01, et seq. of the Revised Civil Statutes of Texas, 1925, as amended (regulating certain revolving credit loans and revolving triparty accounts) shall not apply to the Loan Documents.

10.19 NO ORAL AGREEMENTS. THIS LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Agreement effective as of the date first above written.

"BORROWER"

Address for Notice

960 Penn Avenue, Suite 800
Pittsburgh, Pennsylvania 15222-3820
Telephone No.: (412) 391-1896
Telecopy No.: (412) 391-3347

ASTROTECH INTERNATIONAL
CORPORATION

By: /s/ T. RICHARD MATHEWS

Name: T. Richard Mathews

Title: President

"LENDERS"

Address for Notice:

910 Travis Street
Houston, Texas 77002
Telephone No.: (713) 751-3831
Telecopy No.: (713) 751-6199

BANK ONE, TEXAS, N.A.

By: /s/ BARRY A. KELLY

Barry A. Kelly, Vice President

Address for Notice:

333 Clay Street, Suite 3600
Houston, Texas 77002
Telephone No.: (713) 652-3615
Telecopy No.: (713) 652-3619

BANK OF AMERICA, TEXAS, N.A.

By: /s/ GEORGE SMITH

George Smith, Vice President