UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-Q

(Mark One)

X ----- Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. For the quarterly period ended June 28, 1998.

or

----- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. For the transition period from _____ to _____.

Commission file number: 0-24020

SYPRIS SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	61-1321992
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

455 South Fourth Street
Louisville, Kentucky 40202
(Address of principal executive offices, including zip code)

(502) 585-5544
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No
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As of July 21, 1998 there were 9,440,689 shares of the registrant's Common Stock outstanding.

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Part I. Financial Information

Item 1. Financial Statements

Sypris Solutions, Inc.

Consolidated Statements of Operations
(in thousands, except for per share data)

	Three Months Ended		Six Months Ended	
	June 28, 1998	June 29, 1997	June 28, 1998	June 29, 1997
	(Unaudited)		(Unaudited)	
Net revenue	$55,196	$62,134	$110,686	$111,484
Cost of sales	42,044	52,809	86,622	96,271
Gross profit	13,152	9,325	24,064	15,213
Selling, general and administrative expense	7,695	6,917	14,855	12,735
Research & development	1,354	972	2,860	1,796
Amortization of intangible assets	331	56	484	131
Operating income	3,772	1,380	5,865	551
Interest expense, net	290	888	750	1,652
Other expense (income), net	34	(269)	(93)	(524)
Income (loss) before income taxes, minority interests and discontinued operations	3,448	761	5,208	(577)
Income tax expense	1,361	323	2,060	168
Income (loss) before minority interests and discontinued operations	2,087	438	3,148	(745)
Minority interests in losses of consolidated subsidiaries	--	247	--	923
Income from continuing operations	2,087	685	3,148	178
Loss from discontinued operations (net of applicable tax of $138)	--	--	--	(276)
Gain on disposal of discontinued operations (net of applicable tax of $2,160)	--	--	--	4,192
Net income	$ 2,087	$ 685	$ 3,148	$ 4,094
Pro forma net income per common share:				
Basic	$0.22	$0.05	$0.33	$0.34
Diluted	$0.21	$0.04	$0.32	$0.32
Pro forma shares used in computing per common share amounts:				
Basic	9,424	9,424	9,424	9,424
Diluted	9,836	9,826	9,831	9,826

The accompanying notes are an integral part of the condensed consolidated financial statements.

Sypris Solutions, Inc.

Consolidated Balance Sheets

(in thousands, except for share data)

	June 28, 1998 (Unaudited)	December 31, 1997
Assets		
Current assets:		
Cash and cash equivalents	$ 11,683	$ 9,836
Accounts receivable, net	28,636	28,560
Inventory, net	39,351	44,867
Other current assets	2,039	2,062
Total current assets	81,709	85,325
Property, plant and equipment, net	25,788	26,885
Other assets	14,965	8,398
	$122,462	$120,608
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 12,227	$ 14,858
Accrued liabilities	30,305	31,867
Current portion of long-term debt	12,439	3,477
Total current liabilities	54,971	50,202
Long-term debt	15,858	27,863
Other noncurrent liabilities	5,379	10,325
Total liabilities	76,208	88,390
Minority interests in subsidiaries	--	3,569
Redeemable common stock	--	921
Shareholders' equity:		
Common stock, $.01 par value, 20,000,000 shares authorized; 9,424,489 shares issued and outstanding in 1998	94	7,892
Additional paid-in capital	23,253	--
Retained earnings	22,907	19,836
Total shareholders' equity	46,254	27,728
	$122,462	$120,608

The accompanying notes are an integral part of the condensed consolidated financial statements.

Sypris Solutions, Inc.

Consolidated Statements of Cash Flows

(in thousands)

	Six Months Ended	
	June 28, 1998	June 29, 1997
	(Unaudited)	
Cash flows from operating activities:		
Net income	$ 3,148	$ 4,094
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,678	4,757
Minority interests in losses of consolidated subsidiaries	--	(923)
Gain on disposal of discontinued operations, net of tax	--	(4,192)
Other noncash charges	156	563
Changes in operating assets and liabilities, net of dispositions:		
Accounts receivable	(232)	3,346
Inventory	5,274	(3,335)
Other current and non-current assets	23	(192)
Accounts payable	(2,632)	(2,725)
Accrued and other liabilities	(1,772)	(4,306)
Net cash provided by (used in) operating activities	7,643	(2,913)
Cash flows from investing activities:		
Capital expenditures	(2,054)	(2,748)
Proceeds from disposal of assets	--	21,586
Other	(643)	(272)
Net cash (used in) provided by investing activities	(2,697)	18,566
Cash flows from financing activities:		
Net (repayments) proceeds under revolving credit agreements	(2,157)	949
Proceeds from long-term debt	--	18,000
Repayments of notes payable and long-term debt	(886)	(34,128)
Payments for redemption of common stock in subsidiaries, net	(56)	(1,313)
Net cash used in financing activities	(3,099)	(16,492)
Net increase (decrease) in cash and cash equivalents	1,847	(839)
Cash and cash equivalents at beginning of period	9,836	6,012
Cash and cash equivalents at end of period	$11,683	$ 5,173

The accompanying notes are an integral part of the condensed consolidated financial statements.

(1) Organization

Effective March 30, 1998, Group Financial Partners, Inc. ("GFP") and its majority-owned subsidiaries, Bell Technologies, Inc. ("Bell") and Tube Turns Technologies, Inc. ("Tube Turns"), were merged with and into GFP's majority-owned subsidiary, Group Technologies Corporation ("GTC"), or subsidiaries of GTC, in a series of transactions pursuant to the Fourth Amended and Restated Plan of Reorganization dated as of February 5, 1998 (the "Reorganization"). After completion of the Reorganization, GTC effected a 1-for-4 stock split (the "Reverse Stock Split") and merged with and into Sypris Solutions, Inc. (the "Company" or "Sypris"), a wholly-owned subsidiary incorporated in the state of Delaware, and Bell, Metrum-Datatape, Inc. ("Metrum-Datatape"), Tube Turns and GTC became wholly-owned subsidiaries of Sypris. Sypris thereafter assumed the listing of GTC on the Nasdaq Stock Market under the new symbol SYPR.

Sypris is a diversified provider of specialized industrial products and technical services. The Company's products range from integrated data acquisition, storage and retrieval systems, magnetic instruments and current sensors to high pressure closures and other industrial products. The Company's technical services include a variety of specialized engineering, manufacturing, testing, calibration and encryption capabilities.

(2) Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Sypris and its subsidiaries and have been prepared by the Company in accordance with the rules and regulations of the Securities and Exchange Commission (the "Commission"). All significant intercompany transactions and accounts have been eliminated. These unaudited condensed consolidated financial statements reflect, in the opinion of management, all material adjustments (which include only normal recurring adjustments) necessary to fairly state the results of operations, financial position and cash flows for the periods presented, and the disclosures herein are adequate to make the information presented not misleading. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results for the three and six months ended June 28, 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements, and notes thereto, for the year ended December 31, 1997 as presented in the Company's report on Form 8-K filed with the Commission on April 14, 1998, and as amended on Form 8-K/A filed with the Commission on May 13, 1998.

The historical financial statements presented in this report as of and for the periods ended prior to the Reorganization are the consolidated financial statements of GFP, since GFP is deemed to be the acquirer from an accounting point of view. During the year ended December 31, 1997, the Company operated on a calendar monthly closing period except for GTC, which operated under a fiscal monthly closing period that resulted in the second quarter ending on June 29, 1997. For ease of presentation, the Company has used GTC's second quarter closing date of June 29, 1997 as the date for the accompanying financial statements and notes thereto. Certain amounts in the Company's 1997 consolidated financial statements have been reclassified to conform with the 1998 presentation.

Effective with the Reorganization, the purchase accounting adjustments necessary to reflect the purchase of the minority interests of GTC and the issuance of the common stock of GTC to the shareholders of Bell and Tube Turns were recorded in the Company's consolidated financial statements. The final purchase accounting allocation is dependent upon certain valuations that have not progressed sufficiently to enable the Company to make a final allocation and, accordingly, the entire amount is classified as other assets in the accompanying balance sheet.

(3) Pro Forma Net Income per Common Share

For the three and six months ended June 29, 1997, the consolidated statements of operations of GFP reflect minority interests in losses of consolidated subsidiaries. Effective with the Reorganization, all subsidiaries of GFP became wholly-owned subsidiaries of Sypris and, accordingly, minority interests were eliminated. Per share amounts for income from continuing operations and net income for periods ending prior to the Reorganization have been computed excluding the effect of minority interests.

For periods ended prior to the Reorganization, shares used in computing pro forma basic and pro forma diluted net income per common share include the outstanding shares of Sypris common stock as of the date of the Reorganization and the dilution associated with common stock options issued prior to the Reorganization. For the three and six-month periods ended June 28, 1998, the computation also gives effect to the dilution associated with the issuance of common stock options subsequent to the Reorganization.

The following table presents information necessary to calculate pro forma net income per common share for the three and six-month periods ended June 28, 1998 and June 29, 1997.

	Three Months Ended		Six Months Ended	
	June 28, 1998	June 29, 1997	June 28, 1998	June 29, 1997
	(Unaudited)		(Unaudited)	
Pro forma shares outstanding:				
Weighted average shares outstanding	9,424	9,424	9,424	9,424
Effect of dilutive employee stock options	412	402	407	402
Adjusted weighted average shares outstanding and assumed conversions	9,836	9,826	9,831	9,826
Income (loss):				
Income from continuing operations	$ 2,087	$ 685	$ 3,148	$ 178
Discontinued operations	--	--	--	3,916
Net income	2,087	685	3,148	4,094
Minority interests in losses of consolidated subsidiaries	--	(247)	--	(923)
Net income applicable to pro forma common stock	$ 2,087	$ 438	$ 3,148	$ 3,171
Pro forma income (loss) per common share:				
Basic income (loss) per common share				
Income (loss) from continuing operations	$ 0.22	$ 0.05	$ 0.33	$ (0.08)
Discontinued operations	--	--	--	0.42
Net income per common share	$ 0.22	$ 0.05	$ 0.33	$ 0.34
Diluted income (loss) per common share				
Income (loss) from continuing operations	$ 0.21	$ 0.04	$ 0.32	$ (0.08)
Discontinued operations	--	--	--	0.40
Net income per common share	$ 0.21	$ 0.04	$ 0.32	$ 0.32

(4) Inventory

Inventory consists of the following (in thousands):

	June 28, 1998 (Unaudited)	December 31, 1997
Raw materials	$ 29,614	$ 27,007
Work in process	16,066	14,954
Finished goods	1,504	6,725
Costs relating to long-term contracts and programs, net of amounts attributed to revenue recognized to date	13,817	17,729
Progress payments related to long-term contracts and programs	(5,384)	(5,189)
LIFO reserve	(720)	(720)
Reserve for excess and obsolete inventory	(15,546)	(15,639)
	$ 39,351	$ 44,867

(5) Long-term Debt

The Company's borrowings under its revolving credit loan (the "BT Revolver") as of June 28, 1998 and December 31, 1997 were $14,000,000 and $16,150,000, respectively. Although there have been no modifications to the Company's credit agreement with its bank during the six months ended June 28, 1998 which affect the maturity date of the BT Revolver on September 30, 2002, outstanding borrowings of $9,000,000 under the BT Revolver were classified as current maturities of long-term debt at June 28, 1998 due to the periodic use of the Company's cash balances for repayments of borrowings under the BT Revolver. At December 31, 1997, all borrowings on the BT Revolver were classified as long-term debt.

(6) Commitments and Contingencies

Tube Turns is a co-defendant in two lawsuits in Louisiana arising out of an explosion in a coker plant owned by Exxon Corporation located in Baton Rouge, Louisiana. According to the complaints, Tube Turns is the alleged manufacturer of a carbon steel pipe elbow, which failed causing the explosion which destroyed the coker plant and caused unspecified damages to surrounding property owners. The suits are being defended for Tube Turns by its insurance carrier. One of the actions was brought by Exxon and claims damages for destruction of the plant which Exxon estimates exceed $100,000,000. In this action, Tube Turns is a co-defendant with the fabricator who built the pipe line in which the elbow was incorporated and with the general contractor for the plant. The second action is a class action suit filed on behalf of the residents living around the plant and claims damages in an amount as yet undetermined. Exxon is a co-defendant with Tube Turns, the contractor and the fabricator in this action. Tube Turns intends to vigorously defend its case and believes that a settlement or related judgement would not result in a material loss to Tube Turns or the Company. No amounts are recorded on the books of the Company in anticipation of a loss on this contingency.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

The following table sets forth certain financial data, expressed as a percentage of net revenue, from the Company's Consolidated Statements of Operations for the three and six-month periods ended June 28, 1998 and June 29, 1997.

	Three Months Ended		Six Months Ended	
	June 28, 1998	June 29, 1997	June 28, 1998	June 29, 1997
Net revenue	100.0%	100.0%	100.0%	100.0%
Cost of sales	76.2	85.0	78.3	86.4
Gross profit	23.8	15.0	21.7	13.6
Selling, general and administrative expense	13.9	11.1	13.4	11.4
Research & development	2.5	1.6	2.6	1.6
Amortization of intangible assets	0.6	0.1	0.4	0.1
Operating income	6.8	2.2	5.3	0.5
Interest expense, net	0.5	1.4	0.7	1.5
Other expense (income), net	0.1	(0.4)	(0.1)	(0.5)
Income (loss) before income taxes, minority interests and discontinued operations	6.2	1.2	4.7	(0.5)
Income tax expense	2.5	0.5	1.9	0.2
Income (loss) before minority interests and discontinued operations	3.7	0.7	2.8	(0.7)
Minority interests in losses of consolidated subsidiaries	--	0.4	--	0.8
Income from continuing operations	3.7	1.1	2.8	0.1
Loss from discontinued operations	--	--	--	(0.2)
Gain on disposal of discontinued operations	--	--	--	3.8
Net income	3.7%	1.1%	2.8%	3.7%

For segment reporting purposes, the operations of Bell, GTC and Metrum-Datatape are included in Electronics Services and Tube Turns' operations are included in Forging and Fabrication Services. Segment discussion is included in the following discussion and analysis of the Company's consolidated results of operations.

Net revenue for the second quarter of 1998 was $55.2 million, a decrease of $6.9 million, or 11.2%, from $62.1 million for the second quarter of 1997. Net revenue for the first six months of 1998 was $110.7 million, a decrease of $0.8 million, or 0.7%, from $111.5 million for the first six months of 1997. The decline in net revenue was attributable to the Electronics Services segment and was due principally to the divestiture on June 30, 1997 of the Company's Latin American operations which contributed net revenue of $10.6 million and $16.9 million in the second quarter and six-month periods of 1997, respectively. The lower revenue also reflected the curtailment of certain contracts and decreased shipment volumes for certain products that reduced net revenue by $5.6 million and $0.2 million versus the year-earlier quarter and six-month periods, respectively. These declines were offset in part by the expansion of the Company's data acquisition, storage and retrieval product lines through the acquisition of certain of the assets of Datatape, Inc. on November 14, 1997 (the "Datatape Acquisition"). These assets contributed net revenue of $6.6 million and $12.0 million in the second quarter and six-month periods of 1998, respectively. A factor contributing to the decrease in net revenue in the Electronics Services segment to $91.5 million for the first

six months of 1998 from $96.6 million in the year-earlier period was the decision to improve profitability by divesting high-volume, low-margin manufacturing operations and expanding profitable Electronics Services products and services. The Forging and Fabrication Services segment recorded an increase in net revenue of $2.7 million, or 33.7%, and $4.3 million, or 28.8%, for the comparable quarter and six-month periods, respectively. The net revenue increase was primarily due to an increase in shipments to a customer based upon its commitment to use the Company as its sole source for truck axles in its North American market.

Gross profit for the second quarter of 1998 was $13.2 million, an increase of $3.9 million, or 41.0%, compared to $9.3 million for the second quarter of 1997. Gross profit for the first six months of 1998 was $24.1 million, an increase of $8.9 million, or 58.2%, compared to $15.2 million for the first six months of 1997. The Electronics Services segment accounted for $3.0 million and $7.8 million of the increase in gross profit for the comparable quarter and six-month periods, respectively. This improvement is attributable to a change in revenue mix which resulted from the divestiture of the Company's Latin American operations in June 1997, the expansion of data acquisition, storage and retrieval product lines generated by the Datatape Acquisition in November 1997, and an increase in manufacturing and encryption services provided to government agencies. While net revenue for Electronics Services decreased for the comparable six-month periods, the favorable revenue mix and improved cost management controls yielded an improvement in gross profit percentage to 22.4% in 1998, an increase of 69.7% compared to 13.2% in 1997. The Forging and Fabrication Services segment experienced an increase in gross profit of $0.9 million and $1.1 million for the comparable quarter and six-month periods, respectively. In addition to the increased gross profit associated with higher net revenue for this business segment, gross profit percentage improved by 1.9% for the comparable six-month periods due to increased capacity utilization, a favorable product mix and cost reductions on certain programs.

Selling, general and administrative expense for the second quarter of 1998 was $7.7 million, an increase of $0.8 million, or 11.2%, compared to $6.9 million for the second quarter of 1997. Selling, general and administrative expense for the first six months of 1998 was $14.9 million, an increase of $2.2 million, or 16.6%, compared to $12.7 million for the first six months of 1997. The change in revenue mix occurring in the Electronics Services segment gave rise to an increase in selling, general and administrative expense, as the data acquisition, storage and retrieval product line's expenses as a percentage of net revenue exceed those of the Latin American operations.

Research and development expense for the second quarter of 1998 was $1.4 million, an increase of $0.4 million, or 39.3%, compared to $1.0 million for the second quarter of 1997. Research and development expense for the first six months of 1998 was $2.9 million, an increase of $1.1 million, or 59.2%, compared to $1.8 million for the first six months of 1997. The increase in the comparable quarter and six-month periods is primarily attributable to the increase in the Company's data acquisition, storage and retrieval business.

Amortization of intangible assets increased in the second quarter and first six months of 1998 due to goodwill recognized for the Datatape Acquisition and the preliminary purchase accounting allocation of step-up in basis recorded in connection with the Reorganization (see "Notes to Condensed Consolidated Financial Statements").

Interest expense for the second quarter of 1998 was $0.3 million, a decrease of $0.6 million, or 67.3%, from $0.9 million for the second quarter of 1997. Interest expense for the first six months of 1998 was $0.8 million, a decrease of $0.9 million, or 54.6%, from $1.7 million for the comparable prior year period. The decrease in interest expense for the comparable quarter and six-month periods resulted from the combined impact of a reduction in weighted average debt outstanding, a reduction in the Company's cost of borrowing and a decrease in amortization expense for debt issuance costs and stock warrants issued to a previous lender. The reduction in debt outstanding is attributable to the repayment of debt with proceeds from the Latin American divestiture in June 1997 coupled with repayments generated by the Company's improved cash flow from operations in 1998 and partially offset by debt incurred to finance the Datatape Acquisition. The divestiture proceeds were used to repay in full a credit facility on which the effective interest rate was approximately 300 basis points over the Company's cost of borrowing under its consolidated credit facility during the second quarter of 1998.

Income tax expense, on an interim basis, is provided for at the anticipated effective tax rate for the year.

Minority interests in losses of consolidated subsidiaries reported for the second quarter and six-month periods ended June 29, 1997 represents the minority shareholders' proportionate share of the losses incurred by

GTC. As part of the Reorganization in 1998, GTC became a wholly-owned subsidiary of the Company (see "Notes to Condensed Consolidated Financial Statements").

During the first quarter of 1997, the Company completed the sale of all of the assets of its real estate operations. The consolidated statement of operations for the six months ended June 29, 1997 includes the loss from discontinued operations incurred prior to the divestiture, and the gain from sale of the discontinued real estate operations.

Liquidity, Capital Resources and Financial Condition

Net cash provided by operating activities totaled $7.6 million for the first six months of 1998 compared to net cash used in operating activities of $2.9 million for the comparable period of 1997. Contributing to the improvement in operating cash flow in the six-month periods was an increase in operating income of $5.3 million from $0.6 million in 1997 to $5.9 million in 1998. In addition, the Company experienced reductions in its inventory levels in the first six months of 1998 compared to an increase in inventory levels during the comparable period of 1997. The decrease in inventory during the first six months of 1998 is attributable to the Electronics Services segment and resulted from the utilization of inventory acquired for certain contracts prior to the beginning of the period and a reduction in the material requirements on contracts currently in progress.

Net cash used in investing activities totaled $2.7 million for the first six months of 1998, compared to net cash provided by investing activities of $18.6 million for the comparable period in 1997. The Company's divestiture of its real estate operations generated $21.3 million of cash in 1997, while capital expenditures remained relatively consistent for the year-to-year comparable periods.

Net cash used in financing activities totaled $3.1 million and $16.5 million during the first six months of 1998 and 1997, respectively. During February 1997, the Company repaid $18.7 million in debt in connection with the divestiture of its real estate operations, and during March 1997, the Company entered into a credit agreement under which proceeds from borrowings on consolidated debt facilities were utilized to repay $15.4 million of debt outstanding under credit agreements of certain subsidiaries.

Under the terms of the credit agreement between the Company and its bank, the Company had total availability for borrowings and letters of credit under its revolving credit loan of $16.0 million at June 28, 1998. Maximum borrowings on the revolving credit loan are $30.0 million, subject to a $5.0 million limit for letters of credit.

The Company's balance sheet at June 28, 1998 includes the effect of the Reorganization and, accordingly, the comparison to the balance sheet at December 31, 1997 for other assets, other noncurrent liabilities, minority interests in consolidated subsidiaries, redeemable common stock, common stock and additional paid-in capital reflects changes resulting from the purchase accounting adjustments recorded pursuant to the Reorganization (see "Notes to Condensed Consolidated Financial Statements").

Impact of Year 2000

Some of the Company's older computer programs were written using two digits rather than four to define the applicable year. As a result, those computer programs have time-sensitive software which recognize a date using "00" as the year 1900 rather than the year 2000. This could cause a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, send invoices, or engage in similar normal business activities.

Sypris has completed an assessment of the year 2000 issue and will have to modify or replace portions of its software so that its computer systems will function properly with respect to dates in the year 2000 and thereafter. The total year 2000 project cost for the purchase of new software is not expected to be material. To date, Sypris has incurred minor expenses, primarily for assessment of the year 2000 issue, the development of a modification plan and purchase of new software.

The project is estimated to be completed not later than December 31, 1999, which is prior to any anticipated impact on its operating systems. The Company believes that with modifications to existing software and

conversions to new software, the year 2000 issue will not pose significant operational problems for its computer systems. However, if such modifications and conversions are not made, or are not completed timely, the year 2000 issue could have a material impact on the operations of the Company.

Sypris has initiated formal communications with all of its significant suppliers and large customers to determine the extent to which its interface systems are vulnerable to those third parties' failure to remediate their own year 2000 issues. There is no guarantee that the systems of other companies on which the Company's systems rely will be converted on a timely basis and would not have an adverse effect on the Company's systems.

The costs of the project and the date on which the Company believes it will complete the year 2000 modifications are based on management's best estimates, which were derived utilizing numerous assumptions of future events, including the continued availability of certain resources and other factors. However, there can be no guarantee that these estimates will be achieved and actual results could differ materially from those anticipated. Specific factors that might cause such material differences include, but are not limited to, the availability and cost of personnel trained in this area, the ability to locate and correct all relevant computer codes and similar uncertainties.

Forward-Looking Statements

This report contains forward-looking statements (as defined in the Private Securities Litigation Reform Act of 1995) based on current plans and expectations of Sypris, relating to, among other matters, analyses and estimates of amounts that are not yet determinable. Such statements involve risks and uncertainties which may cause actual future activities and results of operations to be materially different from those suggested in this report, including, among others: the Company's dependence on its current management; the risks and uncertainties present in the Company's business; business conditions and growth in the advanced manufacturing, engineering and testing services industry and the general economy; competitive factors and price pressures; availability of third party component parts at reasonable prices; inventory risks due to shifts in market demand and/or price erosion of purchased components; changes in product mix; cost and yield issues associated with the Company's manufacturing facilities; as well as other factors described elsewhere in this report and in the Company's other filings with the Commission.

Part II. Other Information

Item 2. Changes in Securities and Use of Proceeds

Information required by this item was previously reported by the Company in its Form 8-K dated March 30, 1998, filed April 14, 1998, as amended by a Form 8-K/A filed May 13, 1998.

Item 4. Submission of Matters to a Vote of Security Holders

The Company's Annual Meeting of Stockholders was held on June 24, 1998 in Louisville, Kentucky. At the meeting, stockholders elected a Board of eight directors pursuant to the following votes:

Director	Votes In Favor	Votes Withheld
Robert E. Gill	8,936,040	185,657
Jeffrey T. Gill	8,936,450	185,247
R. Scott Gill	8,937,535	184,162
Henry F. Frigon	8,936,672	185,025
William L. Healey	8,936,922	184,775
Roger W. Johnson	8,936,922	184,775
Sidney R. Petersen	8,936,497	185,200
Robert Sroka	8,936,922	184,775

In addition, the stockholders approved an amendment to the Sypris Solutions, Inc. 1994 Stock Option Plan for Key Employees to increase the number of authorized shares available for issuance thereunder by the vote of 8,632,493 in favor, 215,911 against, 2,106 abstentions and 271,187 broker non-votes.

Item 5. Other Information

Any shareholder proposal submitted outside the processes of Rule 14a-8 under the Securities Exchange Act of 1934 for presentation to the Company's 1999 Annual Meeting of Shareholders will be considered untimely for purposes of Rules 14a-4 and 14a-5 if notice thereof is received by Registrant after April 6, 1999.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit Number	Note	Description
2.11		Asset Purchase Agreement among Datatape Incorporated, Delta Tango, Inc., Metrum-D, Inc., Impactdata, Inc. and M. Stuart Millar dated November 12, 1997.
3.1	(1)	Certificate of Incorporation of Sypris Solutions, Inc.
3.2	(2)	Bylaws of Sypris Solutions, Inc.
10.2.2		1998B Amendment to Loan Documents, dated February 18, 1998.
10.14		Sypris Solutions, Inc. Independent Directors' Stock Option Plan Restated effective March 30, 1998, dated October 27, 1994.
10.15		Sypris Solutions, Inc. 1994 Stock Option Plan for Key Employees Restated effective March 30, 1998, dated October 27, 1994.
10.16		Sypris Solutions, Inc. Independent Directors' Compensation Program Restated effective April 28, 1998, dated September 1, 1995.
10.25		Lease between Metrum-Datatape, Inc. (assignee of Metrum, Inc.) and Alliant Techsystems, Inc. dated March 29, 1993 and amended July 29, 1993, May 2, 1994, November 14, 1995, December 4, 1996 and February 12, 1998 regarding 4800 East Dry Creek Road Property.
10.26		Sublease between Pharmacia & Upjohn Company and Metrum-D, Inc. dated November 14, 1997.
10.27		Group Financial Partners, Inc. Profit Sharing Bonus Plan, effective as of January 2, 1998.
10.28		Sypris Solutions, Inc. Share Performance Program For Stock Option Grants dated July 1, 1998.
27		Financial Data Schedule

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(1) Incorporated by reference to Appendix H of the Form S-4 Registration Statement of Group Technologies Corporation, Registration No. 333-20299.

(2) Incorporated by reference to the Appendix I of the Form S-4 Registration Statement of Group Technologies Corporation, Registration No. 333-20299.

(b) Reports on Form 8-K:

Form 8-K dated March 30, 1998 which reported the consummation of a Fourth Amended and Restated Agreement and Plan of Reorganization was filed by the Registrant on April 14, 1998 and was amended by Form 8-K/A filed by the Registrant on May 13, 1998.

SIGNATURES

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

SYPRIS SOLUTIONS, INC.
(Registrant)

Date: August 4, 1998 By: /s/ David D. Johnson
(David D. Johnson)
Vice President & Chief Financial Officer

Date: August 4, 1998 By: /s/ Anthony C. Allen
(Anthony C. Allen)
Vice President, Controller & Chief Accounting Officer

EXHIBIT 2.11

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of the 12th day of November, 1997, among DATATAPE INCORPORATED, a Delaware corporation ("Seller"), DELTA TANGO, INC., a Nevada corporation ("Delta"), METRUM-D, INC., a Delaware corporation ("Buyer"), IMPACTDATA, INC., a California corporation ("Impactdata"), and M. STUART MILLAR, an individual ("Millar"), as to Impactdata and Millar, for the limited purpose of Section 6.C hereof.

RECITALS:

A. Seller is engaged in the "Business" (as hereinafter defined);

B. Delta owns all of the issued and outstanding shares of stock of Seller and Delta desires to cause Seller to enter into this Agreement;

C. Seller desires to sell, transfer and assign to Buyer, and Buyer desires to purchase and acquire from Seller, on the terms and subject to the conditions set forth in this Agreement, substantially all of the assets used or useful in the conduct of the Business; and

D. In conjunction therewith, Seller and Buyer desire to (i) take other necessary actions so as to transfer to Buyer substantially all of the assets used in the Business; and (ii) enter into agreements which would provide Buyer with the use of certain intellectual property, all as more particularly set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Business" shall mean the business in which Seller is engaged on the Closing Date, as described in Schedule 1.A.1 hereto, at the locations listed in Schedule 1.A.2 hereto.

"Closing Date" shall mean November 14, 1997.

"Copy Rights" shall mean all published and unpublished rights in works of authorship including, without limitation, (1) literary works, including books, periodicals, catalogs, directories, textual advertising such as brochures, pamphlets and other literature, tabular lists, lectures, manuals and computer programs and data bases; (2) pictorial, graphic and sculptural works, including maps, architectural plans and renderings, blue prints, photographs, prints and pictorial illustrations such as labels and pictorial advertising, posters, brochures and pamphlets, and pattern designs; (3) audiovisual works; (4) sound recordings; and (5) mask works, and all U.S. and foreign pending and issued copyright or mask work registrations thereon, including, but not limited to, those items set forth on Schedule 1.A.3. hereto.

"Intellectual Property Rights" shall mean the Patent Rights, Copy Rights, Trademarks and Trade Secrets as more fully described herein and other similar rights in technology that are owned, used or controlled by Seller on the Closing Date and used in, held by or useful in the Business.

"Know-How" shall mean all proprietary and non-proprietary know-how and information used in or useful to the Business on the Closing Date including, without limitation, (1) design drawings; (2) specifications and performance criteria; (3) operating instructions and maintenance manuals; (4) manufacturing information, including production documentation, methods, layouts and supplier and cost information; (5) copies of on-site computer software and related documentation, including, without limitation, available source and object code listings; (6)

prototypes, models or samples; (7) computer-aided design or computer-aided manufacturing data; (8) information communicated to Seller in meetings or conferences; (9) files relating to applications for Intellectual Property Rights; and (10) all files relating to customers and other tangible materials that are used in or useful to the Business on the Closing Date.

"Patent Rights" shall mean all (1) rights to inventions conceived on or before the Closing Date by employees of Seller who are engaged in the operation of the Business; (2) pending U.S. and foreign patent applications owned by Seller and made on behalf of the Business; and (3) U.S. and foreign patents owned by Seller, or for which Seller has the right to apply for as of the Closing Date, which are or would be used by Seller in conducting the Business, including, but not limited to, those items set forth in Schedule 1.A.4. hereto.

"Trademarks" shall mean trade names, trademarks, service marks, trade dress and product configurations that are used or intended to be used by Seller to identify the Business or any part thereof and all (1) goodwill and associated common law rights; (2) registration applications pending thereon in any province, state or country; and (3) registrations issued thereon, including, but not limited to, those items set forth on Schedule 1.A.5. hereto.

"Trade Secrets" shall mean all proprietary information that is used in, held by or useful to Seller for use in the Business and that (1) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by, third parties who can obtain economic value from its disclosure or use and (2) is the subject of efforts by Seller that were reasonable under the circumstances to maintain its secrecy, such as, without limitation, proprietary specifications, formulas, drawings, models, blue prints, software, production techniques and processes, retail and wholesale customer lists, vendor lists, compilations, merchandising information, cost and pricing information, business systems and methods and information regarding future business opportunities.

2. Sale of Assets and Assumption of Certain Liabilities.

A. Assets Sold and Retained.

1. Assets Sold and Purchased. At the Closing Seller agrees to sell, transfer, convey, assign and deliver to Buyer and Buyer agrees to purchase and acquire, according to the terms and conditions of this Agreement, all of Seller's right, title, and interest in and to the following assets and properties of, or assets and properties used, held by or useful in the operation of, the Business on the Closing Date, other than the assets identified in Section 2.A.2 hereof (collectively, the "Purchased Assets"):

a. all personal property and vehicle leases listed on Schedule 2.A.1.a hereto (the "Personal Property Leases") and all real property leases listed on Schedule 2.A.1.a hereto (the "Real Property Leases");

b. all contracts other than those referred to in Section 2.A.1.a in respect of the Business (other than a contract which is a Benefit Plan as defined in Section 4.K.1), including, without limitation, customer contracts, distributor agreements, agency agreements, royalty and license agreements and rights, purchase agreements, rights to use technology owned by others and all other agreements of whatever nature used by or affecting the Business, all as listed on Schedule 2.A.1.b hereto (collectively, the "Contracts");

c. all letters of credit in favor of Sellers related to the Business and all prepaid expenses and deposits of the Business, all as preliminarily listed on Schedule 2.A.1.c hereto, which Schedule will be updated upon preparation of the Closing Balance Sheet (hereinafter defined);

d. all accounts receivable of the Business or other rights to receive payment for services performed as of the Closing Date including, without limitation, the accounts receivable that are preliminarily

identified on Schedule 2.A.1.d hereto, which Schedule will be updated upon preparation of the Closing Balance Sheet;

e. all inventory of the Business, including, but not limited to, supplies, raw materials, component parts, work-in-progress and finished goods on hand, including, without limitation, the inventory preliminarily listed on Schedule 2.A.1.e hereto, which Schedule will be updated upon preparation of the Closing Balance Sheet (the "Inventory"), except for items owned by customers of the Business incorporated into inventory of Seller, jigs and similar items owned by customers of the Business and those raw materials or components which have been consigned to the Business by its customers, which shall be transferred to Buyer subject to the terms of the consignment arrangements as identified and described in Schedules 2.A.1.e and 2.A.1.f;

f. all machinery, equipment, dies, tooling, tooling fixtures, spare parts, fittings, office furniture, fixtures, supplies and other tangible personal property used in the Business at its various locations, including, without limitation, the equipment preliminarily identified on Schedule 2.A.1.f hereto, which Schedule will be updated upon preparation of the Closing Balance Sheet (the "Fixed Assets"), except that certain equipment which has been consigned to the Business by its customers which shall be transferred to Buyer subject to the terms of the consignment arrangements as identified and described in Schedule 2.A.1.f;

g. all on-site computer hardware and software owned by Sellers and used in the Business at its various locations (the "Computer Hardware and Software");

h. all goodwill of the Business;

i. the Know-How;

j. the Intellectual Property Rights and all business names and other intangible assets relating to the Business set forth on Schedule 2.A.1.j attached hereto;

k. all operating data, books and records of Seller relating to the Business, including customer lists and information relating to customers and suppliers with respect to the Business;

l. to the extent permitted by law all licenses, certificates, permits, and other governmental authorizations relating to the Business, including, but not limited to, those set forth on Schedule 2.A.1.l attached hereto (the "Licenses and Permits");

m. all of Sellers' right, title and interest in and to the proceeds of sales from the Business (but not including the Purchase Price) which are received by Seller (i) on or after the close of business on the day immediately preceding the Closing Date (5:00 p.m. pacific standard time) or (ii) prior to such time in excess of the amount to be retained by Seller pursuant to Section 2.A.2 below, in cash or cash equivalents, in lock boxes previously used for this purpose and/or which are received in any other manner, the payment to Buyer of which shall be sent, by electronic funds transfer to a bank of Buyer's choice as soon as reasonably possible after clearance by Seller's banks, as more fully set forth in the Transition Services Agreement (as hereinafter defined); and

n. all other assets, whether tangible or intangible, which are used in, held by or are useful to the Business at its various locations except as specifically excluded by Section 2.A.2 (the "Other Assets").

2. Assets Retained. The parties to this Agreement expressly understand and agree that notwithstanding the provisions of Section 2.A.1, Seller is not hereunder selling, assigning, transferring or conveying to Buyer the following assets, which shall be specifically excluded from the transactions contemplated by this Agreement (the "Excluded Assets"):

a. all cash and cash equivalents up to $300,000 before the close of business on the day immediately preceding the Closing Date, whether held in lock boxes or otherwise;

b. any vehicles leased by Seller except those identified on Schedule 2.A.1.a hereto;

c. all assets that are used exclusively in the conduct of the business of Spin Physics and/or Impactdata as identified on Schedule 2.A.2.c hereto;

d. any inter-company accounts receivable of Seller and Delta;

e. certain other miscellaneous assets as identified on Schedule 2.A.2.e hereto;

f. any Benefit Plan or any other contract or arrangement providing employee benefits to employees;

g. the shares of Datatape International, Inc.;

h. the shares of Spin Physics, Inc.;

i. all of Seller's claims, causes of action, choses in action, rights of recovery and rights to refunds relating to periods prior to the Closing Time to the extent not related to the Purchased Assets;

j. all of Seller's tax and information returns; all correspondence between Seller and its shareholders; all minutes, stock ledger and other corporate documents; provided, however, that upon reasonable notice from Buyer to Seller or its successors-in-interest, Seller or its successors-in-interest shall provide Buyer with access at no charge to any of the foregoing-described material and with copies of any of said documents to the extent such material and documents pertain to the Business and Purchased Assets acquired by Buyer; and

k. all of Seller's rights to receive mail and other communications which do not relate in any way to the ownership of the Purchased Assets or the operation of the Business;

3. any debt, liability or obligation of, or claim against, any past or present shareholder, director or officer of Seller and their respective affiliates.

4. Transfers of Personal Property Leases, Real Property Leases and Contracts. To facilitate the assignment or transfer of Personal Property Leases, Real Property Leases and

Contracts, Seller shall execute such documents of assignment or transfer as may be prepared by Buyer that are necessary or appropriate for evidencing or recording the assignments or transfers to Buyer. Subject to the terms of Section 2.D hereof, in the event any assignment or transfer of any Personal Property Lease, Real Property Lease or Contract cannot be obtained, Seller and Buyer shall enter into a license, sublicense, lease, or independent contractor agreement, agency or other relationship with respect thereto with the intent of providing the same benefits and obligations to Buyer as if such assignment or transfer had occurred.

5. Transfer of Know-How. The communication of transferred Know-How from Seller to Buyer shall occur primarily through Buyer's acquisition of property and employment of personnel of the Business. In addition, in order to facilitate the transfer of such Know-How, Seller shall use reasonable efforts, for a period of three (3) years from the Closing Date, to provide to Buyer, upon Buyer's written request, copies of any documents or other information in Seller's possession, defining or specifying the subject matter, nature and extent of the Know-How and take such other action as the parties mutually agree is reasonably necessary or appropriate to effectuate the transfer of such Know-How.

B. Assignment of Intellectual Property Rights. On or as soon as possible following the Closing Date, Seller shall execute and deliver assignments with respect to the Intellectual Property Rights, including all goodwill associated therewith, as necessary to perfect ownership, including record ownership, in and to the Intellectual Property Rights, including all goodwill associated therewith.

C. Risk of Loss. The risk of loss and all obligations to insure the tangible assets of the Business shall remain with Seller until the Closing, and shall be assumed by Buyer at the time of Closing.

D. Assumption of Contractual Rights and Obligations Related Thereto. At the time of Closing, Buyer shall assume the rights, warranty rights and obligations, and any other contractual obligations pursuant to the Personal Property Leases, Real Property Leases, the Contracts, and the bids, quotations, proposals and similar agreements entered into or made in the ordinary course of the Business (collectively, the "Transferred Rights, Obligations and Agreements"), to the extent set forth in Section 2.E hereof.

To the extent that the assignment or novation of any of the Transferred Rights, Obligations and Agreements, or the assignment of the Intellectual Property Rights under Section 2.B above, shall require the consent of any other party (or in the event that any of the same shall be non-assignable), neither the agreements contemplated by this Agreement nor any actions taken hereunder pursuant to the provisions of any such agreements shall constitute an assignment or novation or an agreement to assign or novate if such assignment or novation or attempted assignment or novation would constitute a breach thereof or result in the loss or diminution thereof; provided, however, that in each such case, Seller and Buyer shall use commercially reasonable efforts (without the obligation to incur any undue expense) to obtain the consent of such other party to an assignment or novation to Buyer. Notwithstanding the foregoing, it shall be a condition to closing that any consents required for the assignment of the Transferred Rights, Obligations and Agreements designated by Buyer shall have been obtained on terms and conditions satisfactory to Buyer, in its sole discretion.

If such consent is not obtained, Seller shall cooperate with Buyer in any reasonable arrangement designed to provide Buyer with the benefits under any such Transferred Rights, Obligations and Agreements and the Intellectual Property Rights, including appointing Buyer to act as its agent to perform all of Seller's obligations under such Transferred Rights, Obligations and Agreements and the Intellectual Property Rights and to collect and promptly remit to Buyer all compensation payable pursuant to those Transferred Rights, Obligations and Agreements and the Intellectual Property Rights and to enforce, for the account and benefit of Buyer, any and all rights of Seller against any other person arising out of the breach or cancellation of such Transferred Rights, Obligations and Agreements and the Intellectual Property Rights by such other person or otherwise (any and all of which arrangements shall constitute, as between the parties hereto, a deemed assignment or transfer); provided that, to the extent that Buyer requires Seller to undertake any services or take any actions in furtherance of the performance of such Transferred Rights, Obligations and Agreements and the Intellectual Property Rights, any such services or actions shall be the subject of a separate agreement that the parties shall, in good faith, negotiate as promptly as possible and which shall be mutually acceptable to the parties. Each party shall be responsible for all of its costs and expenses incurred by it in connection with the actions required of it under this Section 2.D.

E. Assumption of Certain Liabilities by Buyer. From and after the Closing, Buyer shall assume and be liable and responsible for only the following liabilities and obligations directly relating to the ownership of the Purchased Assets or the operation of the Business (the "Assumed Liabilities") and no others:

1. all liabilities and obligations of Seller under all Personal Property Leases, Real Property Leases, Contracts, or any other of the Transferred Rights, Obligations and Agreements assigned or transferred to Buyer pursuant to Section 2.A hereof (or deemed assigned or transferred pursuant to Section 2.D hereof) which arise or are to be performed following the Closing Date (except for those relating to pre-Closing defaults(including actions, events or practices which may be the basis for a claim of such a pre-closing default)), but excluding the "Excluded Liabilities" (as defined in Section 2.F hereof);

2. all liabilities and obligations with respect to the warranty policies and agreements of Seller described on Schedule 2.E.2 hereto and pursuant to the provisions of Section 6.D hereof (subject, however, to Buyer's indemnification rights under Section 8.A.3);

3. all trade accounts payable and accrued liabilities of the Business for supplies, materials and services incurred in the ordinary course of business at the time of Closing as preliminarily set forth in Schedule 2.E.3 hereto, which Schedule will be updated upon preparation of the Closing Balance Sheet;

4. all liabilities and obligations of or related to the Purchased Assets or the Business arising after the Closing Date (including, without limitation, liabilities and obligations of the type described in Section 2.F arising after the Closing Date) to the extent such liabilities and obligations resulted from circumstances and/or events occurring after the Closing Date;

5. all liabilities and obligations arising from or related to current salaries and wages and related payroll taxes, routine employee allowances and accrued vacation (all as accrued in the ordinary course of business and reflected on the Closing Balance Sheet), but no other obligation under any Benefit Plan, for those individuals who are hired by Buyer and considered to be Transferred Employees (as hereafter defined);

6. all liabilities and obligations which arise following the Closing Date under the capital leases listed on Schedule 2.E.6 hereto; and

7. all other liabilities reflected on a mutually-agreed upon balance sheet dated as of the Closing Date reflecting the Purchased Assets and Assumed Liabilities to be prepared by the parties as soon as practicable following the Closing.

The assumption by Buyer of the Assumed Liabilities and the transfer thereof by Seller shall in no way expand the rights or remedies of any third party against Seller or Buyer as compared to the rights and remedies which such third party would otherwise have had.

F. All Other Liabilities Excluded. Notwithstanding the foregoing, Seller agrees that Buyer is assuming only those liabilities and obligations enumerated in Section 2.E and no others and Buyer shall have no liability or responsibility for any liability or obligation arising out of Seller's ownership or operation of the Purchased Assets or the Business prior to the Closing Date (except as expressly provided in Section 2.E), including, without limitation, the following liabilities and obligations of Seller (the "Excluded Liabilities"):

1. any inter-company obligation between Seller or Delta or any other affiliate of Seller or Delta;

2. any current or long-term liability or obligation of Seller with respect to indebtedness for borrowed money;

3. any liability or obligation of Seller with respect to occurrences prior to the Closing Date not expressly assumed by Buyer under Section 2.E hereof;

4. any liability or obligation of Seller for any injury to or death of any person or damage to or destruction of any property, whether based on negligence, strict liability, enterprise liability, products liability or any other legal or equitable theory (including consequential damages) arising from products manufactured or sold or services rendered by Seller prior to the Closing Date, in all cases;

5. any liability of Seller for (i) occurrences prior to the Closing Date with respect to any past or present employee which could give such employee a cause of action against Seller, any employment discrimination claims, any employee pension benefit plans or employee welfare benefit plans or other benefit arrangement, or (ii) expenses paid or payable to former employees whose employment has been terminated by Seller prior to the time of Closing;

6. any action, suit, claim or proceeding against Seller based on facts or circumstances occurring prior to the Closing Date (other than those with respect to the Assumed Liabilities if any);

7. any liability or obligation arising from or relating to post-retirement medical, life, dental or other benefit plans sponsored by Seller;

8. any liability or obligation arising from or related to employee pension benefit plans or employee welfare benefit plans or other benefit arrangements sponsored by Seller;

9. any liability or obligation from or relating to federal, state, or local taxes or assessments of any kind based on facts or circumstances occurring prior to the Closing Date;

10. any liability or obligation of Seller arising prior to the Closing Date with respect to any of the Transferred Rights, Obligations and Agreements assigned or transferred by Seller to Buyer or any liability or obligation thereunder, whenever arising, that arises as a result of a breach or violation thereof occurring prior to the Closing Date;

11. without any limitation of Section 2.F.8 hereof, any liabilities resulting from medical coverage, dental coverage and/or disability coverage of Seller's employees, including with respect to any claims for occurrences prior to the Closing Date or incurred prior to the Closing Date, whether or not reported as of the Closing Date. A claim shall be deemed to have been incurred upon the incurrence of a qualified expense for which reimbursement or payment is sought; provided, however, a claim for a hospitalization stay (and medical treatment during such stay) which begins prior to the Closing Date and which ends after the Closing Date shall be deemed to have been incurred prior to the Closing Date;

12. any liability or obligation of Seller resulting from workers' compensation claims having a date of injury (or, in the case of a claim relating to illness or occupational disease, the last significant exposure) prior to the Closing Date and any liabilities resulting from any such claims arising out of any violation of "Environmental Laws" (as hereinafter defined) occurring prior to the Closing Date;

13. any liability or obligation of Seller arising from events occurring prior to the Closing Date with respect to the property or assets of third parties which may be in its possession or control;

14. any liability or obligation of Seller arising out of any violation of Environmental Laws or relating to "Hazardous Materials" or "Environmental Matters" (all hereinafter defined);

15. any action, suit, claim or proceeding against Seller for infringement of a third party's intellectual property rights based upon facts or circumstances occurring prior to the Closing Date;

16. any liabilities resulting from agreements made between Seller or its or Delta's employees, including, without limitation, pay-to-stay contracts, contracts which pay a commission based upon the completion of the transactions contemplated by this Agreement by Seller and agreements to pay a bonus based upon the completion of a sale of the Purchased Assets and/or any other assets owned by Seller; and

17. any liability or obligation of Seller relating to unpaid wages, salaries or other benefits (including taxes, allowances and accrued vacation) or any other employee cost whatsoever for any and all individuals who are not deemed to be Transferred Employees.

Seller shall pay and discharge in accordance with Seller's past practices or when due all of those liabilities relating to the Business which Buyer has not specifically agreed to assume pursuant to the provisions of Section 2.E. Notwithstanding the foregoing, Seller may contest any liabilities in good faith, provided that the failure to discharge such liability shall not result in any lien or charge against the Purchased Assets, Buyer or Seller at any time and provided further that in so doing Seller shall take no actions which will adversely affect Buyer's relationships with the customers or suppliers of the Business.

3. Purchase Price; Payment; Adjustment.

A. Purchase Price.

1. Price. The purchase price for the sale and transfer of the Purchased Assets and the noncompetition covenant in Section 6.C shall be Fourteen Million Four Hundred Thousand Dollars ($14,400,000), plus the assumption of the Assumed Liabilities set forth in Section 2.E hereof (the "Purchase Price").

2. Allocation. Seller and Buyer hereby agree that the Purchase Price paid for the Purchased Assets and the noncompetition covenant in Section 6.C shall be allocated for purposes of this Agreement and for tax purposes as set forth in Schedule 3.A.2, which Schedule may be amended by mutual agreement of Seller and Buyer after the Closing. Seller and Buyer acknowledge and agree that the allocations made pursuant to this Section 3.A.2, and the following undertaking with respect to tax reporting, have been specifically negotiated by the parties and are a part of the basis of this Agreement. Seller and Buyer covenant and agree that each shall prepare its tax returns employing the allocation made pursuant to Schedule 3.A.2 and shall not take a position in any tax proceeding or audit inconsistent with such allocation. Seller and Buyer shall give prompt notice to each other of the commencement of any tax audit or the assertion of any proposed deficiency or adjustment by any taxing authority or agency which challenges such allocation.

B. Payment of the Purchase Price. At the Closing, Buyer shall, subject to the terms and conditions herein, pay [i] Thirteen Million Dollars ($13,000,000) in immediately available funds to the bank account of Seller identified on Schedule 3.B hereto, and [ii] One Million Four Hundred Thousand Dollars ($1,400,000) in immediately available funds to Bank One, Kentucky, N.A. to fund the escrow account established under the Escrow Agreement to be entered into by Buyer and Seller at Closing in substantially the form of Exhibit A hereto (the "Escrow Agreement").

C. Closing Date. At the closing of this transaction (the "Closing"), the transfer of title to and possession of the Purchased Assets shall occur and the payment of the Purchase Price as set forth in Section 3.B shall occur. At the Closing, each of the parties hereto shall execute and deliver all consideration, instruments and documents reasonably required to carry out the terms and provisions of this Agreement. Possession of all of the Purchased Assets shall be given to Buyer by Seller immediately upon the Closing. The Closing shall

take place at the offices of Loeb & Loeb, LLP, 1000 Wilshire Boulevard, Suite 1800, Los Angeles, California at 9:00 a.m. local time on November 12, 1997 or at a date and time to be mutually agreed upon between the parties, but shall be deemed effective as of 11:59 p.m., local time of the immediately preceding day (the "Closing Date").

D. Waiver of Bulk Transfer Provisions. Buyer hereby waives compliance with all provisions of the bulk sales laws of any state, if applicable, to the transactions herein contemplated, and in consideration of such waiver Delta and Seller shall jointly and severally indemnify Buyer against and hold it harmless from any and all loss, cost, damage, liability, deficiency or expense (including reasonable attorneys' fees) resulting from or arising out of such noncompliance provided that Buyer shall give notice to Seller of any such loss, cost, damage, liability, deficiency or expense and Seller shall have an opportunity to pay for and defend the claim for same.

4. Representations and Warranties of Seller and Delta. In order to induce Buyer to enter into this Agreement and to consummate the transactions contemplated hereunder, Seller and Delta, jointly and severally, make the following representations and warranties to Buyer.

A. Title to Personal Property and Condition of Assets.

1. Except as set forth on Schedule 4.A attached hereto, Seller has (i) good and marketable title to all of the tangible personal property and assets which are used in the operation of the Business and which Seller owns/or purports to own, and (ii) valid leasehold interests in all leases of tangible personal property which are used in the operation of the Business and which Seller leases or purports to lease, in each case free and clear of any Liens, other than Permitted Liens. Except as set forth on Schedule 4.A, all equipment of Seller and Seller's plant structure used in the operation of the Business or included in the Purchased Assets are in good operating condition and repair, subject to normal wear and tear and the provision of usual and customary maintenance and repair performed in the ordinary course with respect to similar equipment of like age and assembly.

2. Seller does not own in fee any real property used in the operation of the Business. Seller enjoys peaceful and undisturbed possession under all leases of personal property included in the Purchased Assets under which they are operating. Except as set forth on Schedule 4.A, there are no existing defaults, or events which with the passage of time or the giving of notice, or both, would constitute defaults by Seller or, to the knowledge of Seller, by any other party to any such lease.

3. Except for leasehold interests and other leased properties specifically identified on Schedule 4.A hereto, and customer owned assets used in the ordinary course of business, there are no tangible assets owned by any third party which are used by Seller in the operation of the Business.

4. As used herein, the term "Lien" means any mortgage, pledge, hypothecation, lien, security interest, financing statement, charge or other similar encumbrance. The term "Permitted Liens" means (a) Liens for taxes not yet due and payable or being contested in good faith by appropriate proceedings and as to which adequate reserves have been established on Seller's books and records, (b) easements, covenants, conditions and restrictions of record, as to which no material violation or encroachment exists or, if such violation or encroachment exists, as to which the cure of such violation or encroachment would not materially interfere with the conduct of Seller's business, (c) workers or unemployment compensation Liens arising in the ordinary course of business, and (d) mechanic's, materialman's, supplier's, vendor's, landlord's or similar Liens arising in the ordinary course of business securing amounts which are not delinquent.

B. Real Property.

1. Schedule 4.B attached hereto sets forth a list and a brief description of all real property leased, subleased or otherwise occupied by Seller and used in the operation of the Business or included in the Purchased Assets, indicating the nature of Seller's interest therein (collectively, the "Real Property"). Seller has valid leasehold interests in all leases of Real Property which it leases or purports to

lease, free and clear of any Liens, other than Permitted Liens. To Seller's knowledge, there are no pending or threatened condemnation, expropriation, eminent domain or similar proceedings affecting all or any portion of the Real Property.

2. Seller enjoys peaceful and undisturbed possession under all Real Property leases under which Seller is operating. All of such leases are valid, subsisting and in full force and effect, no notice of termination has been received by Seller with respect thereto and there are no existing defaults, or events which with the passage of time or the giving of notice, or both, would constitute defaults by Seller or, to the knowledge of Seller, by any other party thereto.

3. There are no leases, subleases (except as respects the SCE Credit Union office space and GNP parking space), licenses, concessions or other agreements, written or oral, by Seller granting to any party or parties the right to use or occupancy of any portion of the Real Property.

C. Organization and Qualification.

1. Each of Seller and Delta is a corporation validly existing and in good standing under the laws of the States of Delaware and Nevada, respectively, with corporate power to own its properties and to carry on its business as it is now being conducted and Seller is duly qualified to do business and in good standing in each jurisdiction in which the ownership or leasing of its properties or the conduct of its business makes such qualification necessary.

2. books of account and other records of Seller relating to the Business, all of which have been made available to Buyer, are complete and in accordance with applicable generally accepted accounting principles, consistently applied, and applicable laws and have been maintained in accordance with sound business practices. At the Closing, all of those books and records will be in the possession of Seller, or a designated representative of Buyer.

3. Except as set forth in Schedule 4.C attached hereto, Seller has no direct or indirect equity interest by stock ownership, contract or otherwise in any other corporation, partnership, joint venture, firm, association or business enterprise.

D. Power and Authority. Each of Seller and Delta has the power (corporate or otherwise) to execute and deliver this Agreement and to incur and perform its obligations hereunder. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of Seller and Delta, and this Agreement is the legal, valid and binding obligation of each of Seller and Delta, enforceable in accordance with its terms.

E. Approvals and Consents; Noncontravention. Except as set forth on Schedule 4.E attached hereto, the execution, delivery, and performance of this Agreement by Seller and Delta and the consummation of the transactions contemplated hereby, will not (i) violate any statute, regulation or ordinance of any governmental authority or require any filing with or authorization, consent or approval of any government or governmental agency or of any third party under any agreement or instrument, required to be obtained by Seller or Delta, (ii) conflict with, result in the breach of, or constitute a violation or default under any of the provisions of the Articles of Incorporation or By Laws of Seller or Delta, (iii) conflict with or result in a breach of any Personal Property Lease, Real Property Lease, or Material Agreement (as defined in Section 4L), or constitute a default (or an event which, with the lapse of time or the giving of notice, or both, would constitute a default) thereunder or result in the right of any party to exercise any remedy or to accelerate maturity or performance thereunder or terminate or modify any such item, or (iv) result in the creation or imposition of any lien, charge or encumbrance, or restriction of any nature whatsoever on or with respect to the Purchased Assets.

F. Tax Returns; Withholdings. Seller has filed all tax returns which are required to have been filed, and has paid all taxes and governmental charges due and payable by it, subject to the good faith contesting of any such items. Each such tax return as filed was true, correct and complete in all material respects and has been made available to Buyer. All amounts required to be withheld by Sellers from employees for income tax,

social security contributions, unemployment tax, or workers' compensation have been withheld and paid to the appropriate governmental agencies. Except as set forth on Schedule 4.F attached hereto, there is no claim or assessment pending or, to the knowledge of Seller, threatened against Seller for any alleged deficiency in taxes. There are no pending audits of any tax returns of Seller.

G. Compliance with Laws. Seller has complied with all applicable laws and regulations of foreign, federal, state and local governments and all agencies thereof including, without limitation, Environmental Laws (hereinafter defined) in the operation of the Business, and no claims have been filed alleging a violation of any such law or regulation which have not been heretofore settled. Seller holds all permits, licenses, certificates and other authorizations of foreign, federal, state and local governmental agencies necessary to conduct the Business as it is presently being conducted. All such permits, licenses and certificates are listed on Schedule 4.G attached hereto and are in full force and effect, and Seller has not received any notice of violation, or intent to revoke or to not renew, any of such permits, licenses and certificates.

H. Litigation. Except as set forth on Schedule 4.H attached hereto, there are no legal actions, suits, arbitrations, administrative or other governmental proceedings pending or, to Seller's knowledge, threatened against or affecting Seller or the Business at law or in equity or by or before any governmental department, commission, board, agency, bureau, tribunal or instrumentality which, if determined adversely to Seller would have a material adverse effect on the Business or the financial condition or results of operations of Seller or materially and adversely affect the ability of Seller to consummate the transactions contemplated hereby.

I. Financial Statements. Seller has delivered to Buyer copies of the audited financial statements of Seller, consisting of a balance sheet, income statement and cash flow statement, as of and for the periods ended December 31, 1994, 1995 and 1996 and the unaudited balance sheet, income statement and cash flow statement as of and for the period ended August 24, 1997 (collectively, the "Financial Statements"). The Financial Statements (i) have been prepared from and are in accordance with Seller's books and records, (ii) are complete and correct and fairly and accurately present in all material respects the financial condition and results of operations of Seller as of the dates thereof and for the periods covered thereby, and (iii) were prepared in accordance with generally accepted accounting principles and Seller's accounting practices, policies and procedures, applied on a consistent basis throughout the period indicated. The Business has been conducted only in the ordinary course of business since December 31, 1996.

J. Absence of Undisclosed Liabilities. [intentionally omitted]

K. Employees and Employee Benefits. Seller has the employees set forth on Schedule 4.K.1(i) attached hereto and there are no employment or other agreements with any such persons except as set forth on Schedule 4.K.1(i). Except as set forth on Schedule 4.K.1(ii) attached hereto, Seller is not a party or subject to any collective bargaining or similar labor agreement nor has Seller encountered any labor union organizing activity or had any actual or threatened employee strikes, work stoppages, slow downs or lockouts.

1. Schedule 4.K.1(iii) attached hereto lists each bonus, pension (as defined in the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), profit sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, retirement, vacation, severance, disability, death benefit, hospitalization, medical or other plan, arrangement or understanding (whether or not legally binding) providing benefits to any current employee, officer or director of Seller related to the Business, and any employment, consulting, severance, termination or indemnification agreement, arrangement or understanding with any employee of Seller related to the Business (collectively, "Benefit Plans").

2. Seller has delivered to Buyer true, complete and correct copies of each Benefit Plan (or, in the case of any unwritten Benefit Plans, descriptions thereof).

3. No Benefit Plan contains any provision that imposes any liability or obligation on Buyer as a successor employer, or in any other manner, with respect to Seller's obligations

under such Benefit Plan, absent Buyer's written consent and assumption of such Benefit Plans and obligations.

4. Seller and any other entity that would be aggregated with Seller under Code Section 414(b), (c), (m) or (o) (collectively, the "Seller Affiliates") have substantially complied and will substantially comply with the continuation coverage provisions of ERISA Section 601-608 and Code Section 4980B with respect to all group health plans, as such term is defined in Code Section 5000(b)(1) ("COBRA Coverage"), of Seller and the Seller Affiliates, and there are no past or current violations of the continuation coverage provisions by Seller and the Seller Affiliates that could give rise to any material liability.

5. Buyer will incur no obligation or liability under or relating to any Benefit Plan, including multi-employer plans, ever maintained by Seller or Seller's Affiliates.

L. Contracts. Schedule 4.L attached hereto lists the following material contracts and leases of Seller ("Material Agreements") affecting the Business:

1. Contracts or other agreements calling for the purchase of raw materials or supplies in any one year of more than $50,000 in any case (or $250,000 in the aggregate in any one year, in the case of any related series of contracts and agreements);

2. Contracts or other agreements calling for the sale of products or goods in any one year of more than $50,000 in any case (or $250,000 in the aggregate in any one year, in the case of any related series of contracts and agreements);

3. Contracts or other agreements with sales representatives, agents or similar persons;

4. Contracts or other agreements for the lease or use of real property;

5. Contracts or other agreements for the lease or use of personal property or equipment with the lease payments thereunder of more than $50,000 per year in any one case;

6. Contracts with customers which accounted for more than five (5%) percent of Seller's revenues for the 12 months ended December 31, 1996;

7. Contracts to which Seller is a party which were entered into outside the ordinary course of business;

8. Any other contract material to the Business; and

9. Contracts between Seller and any affiliate of Seller.

Except as set forth on Schedule 4.L, all of the Material Agreements are in full force and effect, and no breach or default by Seller or, to the best of Seller's knowledge, by any other party has occurred with respect to any material provision of such agreements. Except as identified on Schedule 4.L, no approval or consent of any person is needed in order that the Material Agreements set forth on Schedule 4.L continue in full force and effect following the consummation of the transactions contemplated by this Agreement.

M. Employment.

1. Seller is in compliance in all material respects with all applicable laws respecting employment and employment practices, including terms and conditions of employment, equal opportunity, collective bargaining and wages and hours. Except as disclosed on Schedule 4.M, Seller has not, during the immediately preceding 12 months, experienced any material dispute with any of its present employees.

2. To the knowledge of Seller, no employee of Seller is a party to, or is otherwise bound by, any agreement or arrangement, including any confidentiality, noncompetition, or proprietary rights agreement, between such employee and any other person that in any way materially adversely affects (i) the performance of his duties as an employee of Seller, or (ii) the ability of Seller to conduct its business. No officer, or other key employee of any company has notified Seller of the intent of any employee of Seller to terminate his employment with Seller.

N. Intellectual Property Rights. Seller owns or has the right to use all of the Intellectual Property Rights and Know-How which are necessary for the conduct of, or are used in, the Business as the Business is presently being conducted and such rights and interests are either (i) freely transferable to Buyer or (ii) will be licensed and made available for use by Buyer without cost. Except as listed in Schedule 4.N hereto, (i) Seller has no knowledge nor has it received any notice to the effect that any service or products that it provides or sells, or any process, method, part or material it employs in the Business or used by Seller, infringes on any trademark, trade name, copyright or patent, or is in conflict with any asserted right of another, and (ii) there is no pending or, to the knowledge of Seller, threatened claim or litigation against Seller contesting its right to use any of the Intellectual Property Rights or Know-How being transferred or licensed to Buyer, or asserting its misuse of any thereof, which would deprive Buyer of its right to assert its rights thereunder or which would prevent the sale of any service or product produced, provided or sold by Buyer utilizing the Intellectual Property Rights or Know-How to be transferred to Buyer.

O. Insurance Policies. Seller has delivered to Buyer a list of all insurance policies or binders of insurance or programs of self-insurance which relate to the Business or the Purchased Assets. No written notice of cancellation or nonrenewal with respect to, or disallowance of any material claim under, any such policy or binder has been received by Seller.

P. Environmental Matters.

1. Definitions. As used in this Agreement:

a. "Hazardous Materials" means (a) any and all hazardous substances, pollutants, and contaminants (as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA")), solid or hazardous wastes (as defined by the Resource Conservation and Recovery Act ("RCRA")); hazardous materials (as defined by the Hazardous Materials Transportation Act); toxic substances (as defined by the Federal Toxic Substances Control Act ("TSCA")); toxic chemicals or extremely hazardous substances (as defined by the Emergency Planning and Community Right-To-Know Act); hazardous air pollutants (as defined by the Clean Air Act); hazardous substances (as defined by the Clean Water Act); (b) petroleum or petroleum products; polychlorinated biphenyls ("PCBs"); asbestos-containing materials; and (c) any other toxics, chemicals, wastes, substances, or materials, including, without limitation, asbestos and lead based paint, which are regulated under any of the Environmental Laws (as defined herein);

b. "Environmental Laws" means all applicable federal, state, local and foreign laws, rules, regulations, codes, ordinances, orders, decrees, permits, licenses and judgments in effect as of the date of this

Agreement and relating to the environment and/or the use, generation, storage, disposal, treatment, transportation, recycling, sale or release of Hazardous Materials, including, without limitation, CERCLA, RCRA, the Clean Water Act, the Clean Air Act and TSCA;

c. "Environmental Matters" means matters relating to pollution, contamination or protection of the environment, release or disposal of Hazardous Materials, compliance with Environmental Laws (including, without limitation, matters relating to any "Environmental Costs" (as defined herein) or to any releases or threatened releases of Hazardous Materials into the air, surface water, groundwater or soil, or resulting from the generation, use, storage, treatment, recycling, transportation, disposal or sale of Hazardous Materials); and

d. "Environmental Costs" means any cleanup costs, remediation, removal, or other response or site rehabilitation costs (including, without limitation, costs to bring the Business into compliance with all applicable Environmental Laws), investigation costs (including, without limitation, the reasonable fees and costs of consultants, legal counsel and other experts in connection with any environmental investigation, testing, audits, assessments or studies), losses, liabilities, obligations, payments, damages (including, without limitation, any actual, punitive or consequential damages (a) to third parties (including employees) for personal injury or damage to property, or (b) to natural resources), fines, penalties, judgments, and amounts paid in settlement arising out of or resulting from any Environmental Matter.

2. Environmental Representations and Warranties of Seller and Delta. Seller and Delta, jointly and severally, hereby represent and warrant to Buyer that:

e. all permits, approvals, authorizations, licenses, certificates of authorization, registrations or other consents required under all applicable Environmental Laws for the operation of the Business and the occupancy as tenant of the properties listed on Schedule 1.A.2 hereto, (the "Environmental Permits") have been obtained and there are no pending or threatened actions to modify, restrict, rescind or challenge any Environmental Permit;

f. there are no violations of any Environmental Permit, and to the best knowledge of Seller, no condition at any of the properties listed on Schedule 1.A.2 hereof which, with notice to the appropriate governmental agency, would constitute a violation of any Environmental Permit;

g. Seller has not received any notice of the violation of any Environmental Laws by Seller in connection with the operation of the Business at any of the properties listed on Schedule 1.A.2 hereof or of any pending or threatened legal action against Seller in connection with the operation of the Business at any of the properties listed on Schedule 1.A.2 hereof under the authority of any Environmental Law or related to the release of or exposure to any Hazardous Material;

h. except as disclosed in Schedule 4.P hereto, no amounts of Hazardous Materials were disposed of by Seller or by any other person prior to the Closing Date in, on, under, above or around the properties listed on Schedule 1.A.2;

i. the processes, policies and activities of Seller with respect to the Business are in full compliance with all applicable Environmental Laws and regulations and Seller possesses all required permits, certificates and licenses required to operate the Business, and all such permits, certificates and licenses are valid; and

j. to the best knowledge of Seller there are no underground storage tanks on, at or below any of the real property owned or leased by Seller.

Q. Absence of Certain Changes and Events. Except as set forth in Schedule 4.Q and as otherwise contemplated by this Agreement, since December 31, 1996, Seller has conducted the Business only in the ordinary course, and has not:

a. Suffered any damage or destruction adversely affecting the properties or Business;

b. Made any declaration, setting aside or payment of any dividend or other distribution of assets (whether in cash, stock or property) with respect to the capital stock of Seller or any direct or indirect redemption, purchase or other acquisition of such stock;

c. Suffered any material adverse change in its assets, liabilities, financial condition, or relationships with any suppliers or customers;

d. Increased the compensation payable or to become payable to any employee or increased any bonus, insurance, pension or other employee benefit plan, payment or arrangement for such employees or entered into or amended any employment, consulting, severance or similar agreement other than increases and bonuses in the ordinary course of the Business;

e. Incurred any liability or obligation (absolute, accrued, contingent or otherwise) not incurred in the ordinary course of business consistent with past practice;

f. Paid, discharged or satisfied any claim, liability or obligation other than payment in the ordinary course of business consistent with past practice;

g. Waived any material claims or rights;

h. Sold, transferred or otherwise disposed of any of its assets, except in the ordinary course of business consistent with past practice;

i. Made any change in any method of accounting, or any material practice or principle of accounting;

j. Paid, loaned or advanced any amount to or sold, transferred or leased any asset to any employee except for normal compensation involving salary and benefits;

k. Entered into any material commitment or transaction, other than in the ordinary course of business, affecting the operations of Seller; or

l. Agreed in writing, or otherwise, to take any action described in this Section.

R. Transactions with Affiliates. Schedule 4.R sets forth a complete and correct list of any material contract, agreement, business arrangement or relationship between Seller and any affiliate of Seller related to the Business.

S. Powers of Attorney. Except as noted on Schedule 4.S, other than in the ordinary course of business, Seller has not granted any power of attorney to any person for any purpose whatsoever related to the Business, which power of attorney is currently in force.

T. Customers. Except as disclosed on Schedule 4.T, Seller is not involved in any material controversy with any of Seller's customers of the Business, nor has Seller received written notice from a customer of the Business that any of Seller's customers intends to terminate or materially adversely alter its relationship with Seller or with Buyer after the Closing.

U. No Third Party Options. There are no existing agreements, options, commitments or rights with, of or to any person to acquire any of Seller's assets, properties, or rights or any interest therein, except for those contracts entered into in the normal course of business consistent with past practice for the sale of inventory of Seller.

V. Warranty and Product Liability Claims.

1. Each product manufactured, sold, leased or delivered by Seller through the Closing related to the Business has been in conformity in all material respects with all applicable contractual commitments and applicable laws and all express and implied warranties to customers. Under the historic warranty experience of Seller, Seller has not been required, pursuant to generally accepted accounting principles, consistently applied, to create a reserve for product warranty claims of the Business other than as set forth on the Financial Statements. No product manufactured, sold, leased, serviced or delivered by Seller prior to the Closing related to the Business is subject to any guaranty, warranty or other indemnity beyond the applicable standard terms and conditions of sale or lease. Schedule 4.V sets forth the standard terms and conditions of sale, service or lease for Seller for products of the Business (including applicable guaranty, warranty and indemnity provisions).

2. Except for routine warranty claims for the return of defective or nonconforming merchandise, there exist no claims and to the knowledge of Seller there is no reasonable basis for the assertion of any claim against Seller for injury to persons or property suffered by any person as a result of the sale, service or manufacture of any product by Seller related to the Business prior to the Closing, including, but not limited to, claims arising out of the defective or unsafe nature of the products of Seller. Schedule 4.V sets forth a complete and correct list and brief description of all product liability claims that have been filed or made against Seller since January 1, 1994.

W. Inventory and Accounts Receivable. Except as set forth on Schedules 2.A.1 and 2.A.1.e:

1. The Inventory is of a quality and quantity usable and salable in the ordinary course of the Business.

2. The accounts receivable of Seller are bona fide and arose out of arm's length transactions in the ordinary course of business of Seller in accordance with the terms and provisions contained in any documents relating thereto. There are no material setoffs, counterclaims or disputes asserted or conditions precedent to payment therefor with respect to any such accounts receivable, and no

discount or allowance from any such accounts receivable has been made or agreed to. All such accounts receivable are collectible in full in the ordinary course of business.

X. Full Disclosure. No representation or warranty by Seller or Delta contained in this Agreement and no statement contained in any certificate or other instrument furnished or to be furnished to Buyers hereunder contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact necessary to make the statements contained herein or therein not misleading in any material respect.

5 Representations and Warranties of Buyer. In order to induce Seller to enter into this Agreement and to consummate the transactions contemplated hereunder, Buyer makes the following representations and warranties to Seller.

A. Organization and Qualification. Buyer is a corporation validly existing and in good standing under the laws of the State of Delaware with corporate power to own its properties and to carry on its business as presently conducted.

B. Power and Authority. Buyer has the corporate power to execute and deliver this Agreement and to incur and perform its obligations hereunder. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Buyer, and this Agreement is the legal, valid and binding obligation of Buyer enforceable in accordance with its terms.

C. Approvals and Consents; Noncontravention. The execution, delivery, and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby, will not (i) conflict with, result in the breach of, or constitute a violation or default under any of the provisions of the Certificate of Incorporation or By Laws of Buyer, or (ii) conflict with or result in a breach of any agreement, deed, contract, mortgage, indenture, writ, order, decree, contractual obligation or instrument to which Buyer is a party or by which it or any of its assets are or may be bound, or constitute a default (or an event which, with the lapse of time or the giving of notice, or both, would constitute a default) thereunder.

D. Full Disclosure. No representation or warranty by Buyer contained in this Agreement and no statement contained in any certificate or other instrument furnished or to be furnished to Sellers hereunder contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact necessary to make the statements contained herein or therein not misleading in any material respect.

6. Covenants.

A. Publicity. Buyer and Seller shall consult with each other before issuing any press release concerning the transactions contemplated by this Agreement and, except as may be required by applicable law or any listing agreement with or regulation or rule of any stock exchange or over the counter market on which the securities of Seller or Buyer (or any affiliate thereof) are listed or traded, will not issue any such press release prior to such consultation. If Buyer or Seller is so required to issue such press release it shall use its best efforts to inform the other parties hereto prior to issuing such press release, but the approval of the other parties shall not be required.

B. Retention of and Access to Books and Records and Personnel. For a period of seven (7) years after the Closing Date, the parties shall retain all books or records relating to the Business, and any party, wishing to dispose or destroy books or records, shall provide not less than thirty (30) days prior written notice to the other party of such proposed action. If the recipient of such notice desires to obtain any of such documents, it may do so by notifying the other party in writing at any time prior to the scheduled date for such destruction or disposal. Such notice must specify the documents which the requesting party wishes to obtain. The parties shall then promptly arrange for the delivery of such documents. All out-of-pocket costs associated with the delivery of the requested documents shall be paid by the requesting party. Buyer shall, subject to such reasonable limitations as may be necessary to protect proprietary information, at the expense of Seller, and on reasonable prior notice to Buyer, (a) afford Seller, and its counsel, accountants, consultants and other representatives reasonable access during

normal business hours at the business locations of the Purchased Assets to examine and copy the books, tax returns, records and files of Seller which relate to periods prior to the Closing Date, (b) cooperate with reasonable requests of Seller with respect to gathering information contained therein which may be necessary to respond to inquiries or requests made by any governmental authority or courts which relate to any tax returns or other documents filed by or on behalf of Seller prior to or relating to the periods prior to the Closing Date, and (c) provide Seller with reasonable access to employees of Buyer previously associated with Seller who have knowledge needed by Seller with respect to the foregoing. Seller shall, at Buyer's sole expense, during normal business hours, afford Buyer and its agents reasonable access to and the opportunity to review and make copies of, all canceled checks of Seller relating to the Business in connection with any reasonable request of Buyer.

C. Covenants of Seller, Delta, Impactdata and Millar.

1. Noncompetition. For a period of five (5) years after the Closing Date, each of Seller, Delta, Impactdata and Millar will not, directly or indirectly, engage in, or own an interest in or be involved or connected in any manner with any person or entity which engages in, any present or future business activity in the United States in competition with the Business as presently conducted. If any portion of this restrictive covenant is held to be unreasonable, arbitrary or against public policy, each covenant shall be considered to be divisible both as to time and geographic area; and each one (1) week of the specified period shall be deemed to be a separate period of time and, each political subdivision within each state in the United States, shall be deemed to be a separate geographic area, so that the maximum time and geographic area shall remain effective so long as the same is not unreasonable, arbitrary or against public policy. This covenant shall not prohibit Seller from honoring warranty claims arising from the Business as may be required hereunder.

2. Protection of Confidential Information. Each of Seller, Delta, Impactdata and Millar hereby agrees, for a period of five (5) years after the Closing Date to safeguard against disclosure to third parties all Trade Secrets transferred to Buyer hereunder, by using reasonable secrecy measures and not less than the same degree of care as for its own similar proprietary information.

3. Solicitation of Employees. For a period of five (5) years after the Closing Date, each of Seller, Delta, Impactdata and Millar shall not, without Buyer's prior written consent, directly or indirectly solicit any then-current employee of Buyer nor shall Seller, Delta, Impactdata or Millar encourage any such employee to terminate his or her employment with Buyer.

4. Intellectual Property. To the extent Seller fails to transfer any Intellectual Property Rights or Know-How or to make available any which are currently used in the operation of the Business as it is presently conducted, Seller shall take all commercially reasonable actions required to effect or assist such transfer so as to confer upon Buyer those benefits held by Seller which attend a use of such Intellectual Property Rights in connection with the Business. Nothing in this Section 6.C.4 shall be construed as limiting the representations and warranties contained in Section 4.N.

5. Name. As soon as possible following Closing, Seller shall amend its articles of incorporation to change its name to a name not similar to "Datatape," and reasonably acceptable to Buyer, and Delta shall amend its articles of incorporation to change its name to a name not similar to "Delta Tango," and reasonably acceptable to Buyer.

6. Bond Notices. As soon as practicable after Closing, Seller shall deliver notices providing for the termination of Seller's bond financing.

7. Instructions. As of the Closing Seller shall execute with Buyer instruction letters to the paying entities under the accounts receivable included in the Purchased Assets and promptly thereafter such documents as provided by Buyer to perfect the transfer of governmental receivables included in the accounts receivable included in the Purchased Assets.

8. Seller Plan. Seller will, promptly after the Closing, take the necessary steps to amend the Datatape Incorporated Capital Accumulation Plan (the "Plan") to allow for the tax-free rollover of outstanding Plan loans to the tax-qualified deferred contribution retirement plan maintained by Buyer for those employees of Seller who are eligible to make rollover contributions to Buyer's plan (the "Acquired Employees"). Said Plan amendment and rollover of the loans shall occur before the loans default under the terms of the loan policy maintained under the Plan. If the Plan loans will default before Seller can obtain an IRS determination letter on the termination of the Plan, Seller shall amend the Plan to allow for distributions to the Acquired Employees pursuant to Section 401(k)(10) of the Internal Revenue Code of 1986, as amended, and further to allow for the tax-free rollover of the loans as stated above. Said Plan amendment and rollover of the loans shall occur before the loans default under the terms of the loan policy maintained under the Plan.

D. Covenants of Buyer.

1. Employment.

m. Buyer shall offer employment to certain of the employees of the Business set forth on Schedule 6.D.1 who are actively employed regular full time workers as of the Closing Date at a salary amount in excess of ninety percent (90%) of the salary paid to each such employee by Seller immediately prior to the Closing. Eligible employees shall be extended offers of employment by Buyer immediately after the Closing on terms and conditions to be determined by Buyer in its sole discretion (except that Buyer shall provide deferred compensation under a plan of Buyer as listed on Schedule 6.D.1.a.(1)) (the "Transferred Employees").

n. Seller shall retain responsibility for all obligations to any employee of the Business who is not deemed to be a Transferred Employee including the following:

(1) employees of the Business who are not willing to accept an offer of employment with Buyer;

(2) employees of the Business who are on leave of absence (other than vacation) as of the Closing Date;

(3) employees of the Business who are on medical leave of absence due to a short or long term disability as of the Closing Date;

(4) employees of the Business who are not actively at work on the Closing Date due to a work-related injury for which they are collecting workers' compensation benefits;

(5) retirees; and

(6) any employees of the Business not deemed to be a Transferred Employee.

2. Rights of Third Parties. Notwithstanding anything to the contrary, the foregoing provisions of Section 6.D.1 of this Agreement constitute agreements between Buyer and Seller, and no Transferred Employee, any other employee, or any other person or entity, shall be deemed to be a third-party beneficiary or have the right to claim any particular benefit to aggregation of benefits as a result of such provisions.

3. Warranty Claims. Buyer shall honor and be responsible for all warranty, repair and service obligations (the "Warranty Claims") for the Business for goods manufactured or sold by Buyer after the Closing Date. Buyer shall also perform in-warranty service and repair work on behalf of Seller for goods manufactured and sold by Seller prior to the Closing Date to the extent such service and repair work is accrued for and reserved on the Closing Balance Sheet. Buyer shall be indemnified by Seller pursuant to Section 8.A.3 for all other Warranty Claims.

7. Taxes.

A. Taxes Related to Purchase of Assets. Seller shall bear sole responsibility for all taxes, including, but not limited to bulk sales or equivalent sale or transfer taxes which are due and payable in connection with the transactions contemplated by this Agreement. Buyer shall provide Seller or the relevant taxing authority any documents which would reduce, mitigate or eliminate any liability arising from this paragraph.

B. Pre-Closing Taxes. Seller shall be solely responsible for all income, sales, use, personal property and other taxes which are attributable to the operation of the Business for periods ending on or prior to the Closing Date, regardless of whether such taxes are due and payable after the Closing Date, and similarly shall be entitled to any tax refunds with respect thereto. Real property taxes assessed in 1997 against any real property included in the Purchased Assets shall be prorated by Seller and Buyer based on the number of days of their respective ownership of such property in 1997.

C. Post-Closing Taxes. Buyer shall bear full responsibility for all income, sales, use, personal property and other taxes which are attributable to the operation of the Business solely for periods after the Closing Date.

8. Indemnification.

A. Seller and Delta. Seller and Delta shall jointly and severally indemnify, defend and hold harmless Buyer, its officers, directors and employees and their respective successors and assigns (collectively, the "Buyer Indemnitees") from and against, and shall reimburse the Buyer Indemnitees for, all suits, claims, demands, actions, causes of action, losses, costs, assessments, judgments, damages, or expenses (including, without limitation, any fines, penalties, punitive damages, and reasonable fees and disbursements of counsel and other expenses incurred investigating or defending any of the foregoing or enforcing this Agreement) (collectively, "Losses") imposed upon or incurred by any of the Buyer Indemnitees, directly or indirectly, and whether or not the result of any third party claim, resulting from or arising out of or with respect to (i) any breach of any of Seller's or Delta's representations and warranties in this Agreement or in any other schedule, certificate or instrument delivered by Seller or Delta pursuant hereto (whether discovered before, during or after the Closing), (ii) any breach by Seller, Delta, Impactdata, or Millar of its covenants and agreements in this Agreement or in any other instrument delivered pursuant hereto at the Closing, and (iii) Seller's failure to pay, discharge or perform any of its liabilities or obligations which are not expressly assumed by Buyer under this Agreement.

B. Buyer. Buyer shall indemnify, defend and hold harmless Seller, its officers, directors and employees and their successors and assigns (collectively, the "Seller Indemnitees") from and against, and shall reimburse the Seller Indemnitees for, all Losses imposed upon or incurred by any of the Seller Indemnitees, directly or indirectly, and whether or not the result of any third party claim, resulting from or arising out of or with respect to (i) any breach of any of Buyer's representations and warranties in this Agreement or in any other schedule, certificate or instrument delivered by Buyer pursuant hereto (whether discovered before, during or after the Closing), (ii) any breach by Buyer of its covenants and agreements in this Agreement or in any other instrument delivered pursuant hereto at the closing, and (iii) Buyer's failure to pay, discharge or perform any of the Assumed Liabilities.

C. Indemnity Procedure. Subject to the time limitations and amounts set forth in Section 8.D below, Buyer, Seller and Delta shall each follow the following procedures, as the case may be:

1. If By Seller and Delta. Buyer shall promptly notify Seller (for itself and on behalf of Delta) in writing of the existence of any claim, demand or other matter ("Claim") to which, in

Buyer's reasonable judgment, Seller and Delta indemnification obligations hereunder would apply. Seller and Delta shall thereafter have ten (10) business days to determine whether, in their reasonable judgment, they are obligated to indemnify Buyer with respect to such claim. If Seller and Delta determine, within such ten (10) business day period, that they are so obligated, they shall notify Buyer of their determination thereof. Thereafter, Seller and Delta, upon Buyer's request, shall assume the defense thereof, including retaining counsel reasonably satisfactory to Buyer to represent Buyer, and shall pay the fees and expenses of any such counsel related to such proceeding as well as any fees or expenses incurred by Buyer to the date of Seller's and Delta's assumption of the defense. In any such proceeding, Buyer shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of Buyer.

If Seller and Delta find that they are not so obligated, or they fail to notify Buyer of their determination during such ten (10) business day period, Seller, Delta and Buyer shall submit the issue of whether Seller and Delta are obligated to indemnify Buyer with respect to such Claim, to binding arbitration to be held in Louisville, Kentucky, in accordance with, and with a single arbitrator to be selected under, the Commercial Arbitration Rules of the American Arbitration Association as then in effect. The arbitrator so selected shall use his or her best efforts to resolve this issue within thirty (30) days after his or her selection. If the arbitrator determines that Seller and Delta are obligated to indemnify Buyer with respect to such Claim, then Seller and Delta shall immediately assume the defense thereof, reimburse Buyer for all Buyer's reasonable costs directly related to the defense of such Claim, including Buyer's reasonable costs directly related to the arbitration, and shall pay the fees and expenses of the arbitrator. If the arbitrator determines that Seller and Delta are not obligated to indemnify Buyer with respect to such Claim, then Buyer shall retain the defense thereof, reimburse Seller and Delta for all their reasonable costs directly related to the defense of such Claim (if any), including their reasonable costs directly related to the arbitration, and shall pay the fees and expenses of the arbitrator. The decision of the arbitrator will be final, conclusive and binding on the parties to the arbitration, and no party will institute any suit with regard to the dispute or controversy except to enforce the award.

All costs incurred by Buyer in the defense, settlement or compromise of such Claim shall, to the extent Seller and Delta would otherwise be obligated to pay such costs, be reimbursed to Buyer by Seller and Delta. If the Claim is one that cannot by its nature be defended solely by Seller and Delta (including, without limitation, any federal or state tax proceeding), then Buyer shall make available information and assistance (but not financial assistance) reasonably required to defend the Claim.

2. If By Buyer. Seller shall promptly notify Buyer in writing of the existence of any claim, demand or other matter ("Claim") to which, in Seller's reasonable judgment, Buyer indemnification obligations hereunder would apply. Buyer shall thereafter have ten (10) business days to determine whether, in its reasonable judgment, it is obligated to indemnify Seller with respect to such claim. If Buyer determines, within such ten (10) business day period, that it is so obligated, it shall notify Seller of its determination thereof. Thereafter, Buyer, upon Seller's request, shall assume the defense thereof, including retaining counsel reasonably satisfactory to Seller to represent Seller, and shall pay the fees and expenses of any such counsel related to such proceeding as well as any fees or expenses incurred by Seller to the date of Buyer's assumption of the defense. In any such proceeding, Seller shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of Seller.

If Buyer finds that it is not so obligated, or it fails to notify Seller of Buyer's determination during such ten (10) business day period, Buyer and Seller shall submit the issue of whether Buyer is obligated to indemnify Seller with respect to such Claim, to binding arbitration to be held in Louisville, Kentucky, in accordance with, and with a single arbitrator to be selected under, the Commercial Arbitration Rules of the American Arbitration Association as then in effect. The arbitrator so selected shall use his or her best efforts to resolve this issue within thirty (30) days after his or her selection. If the arbitrator determines that Buyer is obligated to indemnify Seller with respect to such Claim, then Buyer shall immediately assume the defense thereof, reimburse Seller for all Seller's reasonable costs directly related to the defense of such Claim, including Seller's reasonable costs directly related to the arbitration, and shall pay the fees and expenses of the arbitrator. If the arbitrator determines that Buyer is not obligated to indemnify Seller with respect to such Claim, then Seller shall retain the defense thereof, reimburse Buyer

for all Buyer's reasonable costs directly related to the defense of such Claim (if any), including Buyer's reasonable costs directly related to the arbitration, and shall pay the fees and expenses of the arbitrator. The decision of the arbitrator will be final, conclusive and binding on the parties to the arbitration and no party will institute any suit with regard to the dispute or controversy except to enforce the award.

All costs incurred by Seller in the defense, settlement or compromise of such Claim shall, to the extent Buyer would otherwise be obligated to pay such costs, be reimbursed to Seller by Buyer. If the Claim is one that cannot by its nature be defended solely by Buyer (including, without limitation, any federal or state tax proceeding), then Seller shall make available information and assistance (but not financial assistance) reasonably required to defend the Claim.

D. Limitations of Indemnities.

1. Notwithstanding the provisions of Sections 8.A, 8.B and 8.C hereof, no payment shall be made by an indemnifying party to an indemnified party based upon any claim of an indemnified party under this Section 8 until the amount of all such claims (after deducting insurance proceeds and third party recoveries paid to or for the benefit of the indemnified party) shall total, in the aggregate of fifty thousand dollars ($50,000) for products liability and other liabilities (excluding environmental and tax liabilities, which shall be fully reimbursed)(the "Minimum Damages"), in which event only the amount of such claims of the indemnified party in excess of the Minimum Damages (after deducting any insurance proceeds and third party recoveries paid to or for the benefit of the indemnified party) shall be subject to indemnification in accordance with the terms of Sections 8.A, 8.B and 8.C hereof, but in no event shall the aggregate of such claims exceed the Purchase Price, except in the case of indemnification for tax liability, which shall be made without limit.

o. The parties' respective obligations to indemnify each other under Sections 8.A, 8.B and 8.C hereof shall expire on the following anniversaries of the Closing Date:

p. the applicable statute of limitations with respect to all matters involving tax claims; and

q. the third (3rd) anniversary, with respect to all other matters, (except those involving claims regarding environmental matters, which shall have no time limit).

2. The parties hereto intend that the literal provisions of Section 8.D shall give effect to the terms of the following table:

LIABILITY	TERM LIMIT	CAP
BASKET		
Environmental	None	Purchase Price
$0		
Product Liability	3 Years	Purchase Price
$50,000*		
Taxes	Statute of Limitations	None
$0		
All Others	3 Years	Purchase Price
$50,000*		

* This is an aggregate total for product liabilities and all other liabilities.

E. Remedies. The indemnification provisions set forth in this Article 8 shall be Seller's and Buyer's sole and exclusive remedy against each other and Delta for any breach or misrepresentation of any covenant or representation made herein; provided that, Seller and Buyer shall retain all remedies at law or in equity in the event of any willful misconduct or fraudulent act committed by the other party hereto in connection with the terms of this Agreement.

9. Closing Documents.

A. Provided By Buyer.

1. Funds. Wire transfer of the full amount of the Purchase Price as set forth in Section 3.B.

2. Assumptions. Executed assignments of lease agreements as specified in Schedule 2.A.1.a hereto and such other bills of sale, assignments, other instruments and documents as shall be necessary to vest in Buyer the Purchased Assets and to carry out the transactions contemplated by the Agreement.

3. Secretary's Certificates. All resolutions of the Board of Directors of Buyer authorizing the transactions contemplated by this Agreement, certified by the Secretary of Buyer.

4. Escrow Agreement. Executed Escrow Agreement substantially in the form of Exhibit A attached hereto (the "Escrow Agreement").

5. Transition Services Agreement. Executed Transition Services Agreement substantially in the form of Exhibit B attached hereto (the "Transition Services Agreement").

6. Reseller Agreement. Executed Distributor Agreement substantially in the form of Exhibit C attached hereto (the "Distributor Agreement").

7. Reciprocal Purchase Agreement. Executed Reciprocal Purchase Agreement substantially in the form of Exhibit D attached hereto (the "Reciprocal Purchase Agreement").

B. Provided By Seller.

1. Assignments and Bills of Sale. Executed Assignment and Bill of Sale in the form attached hereto as Exhibit E and executed assignments of lease agreements as specified in Schedule 2.A.1.a hereto and such other bills of sale, assignments, other instruments and documents as shall be necessary to vest in Buyer the Purchased Assets and to carry out the transactions contemplated by the Agreement.

2. Secretary's Certificates. All resolutions of the Board of Directors of Seller, of Delta and of Impactdata (including as the shareholder of Seller) authorizing the transactions contemplated by this Agreement, certified by the Secretary of Seller and Delta.

3. Amendment of Articles. Seller and Delta shall deliver to Buyer executed Articles of Amendment to their Articles of Incorporation as contemplated by Section 6.C.5.

4. Transition Services Agreement. Executed Transition Services Agreement.

5. Escrow Agreement. Executed Escrow Agreement.

6. Reseller Agreement. Executed Reseller Agreement.

7. Reciprocal Purchase Agreement. Executed Reciprocal Purchase Agreement.

8. Section 6.C Items. The other items required to be delivered by Seller at Closing pursuant to Section 6.C of this Agreement.

10. Miscellaneous.

A. Successor and Assigns. Except as otherwise provided in this Agreement, no party hereto shall assign this Agreement or any rights or obligations hereunder (including by operation of law) without the prior written consent of the other parties hereto and any such attempted assignment without such prior written consent shall be void and of no force and effect. Notwithstanding the foregoing, Buyer may assign its rights and delegate its obligations to one or more subsidiary or affiliated corporations of Buyer; provided, however, that Buyer shall remain liable hereunder. This Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the parties hereto.

B. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

C. Expenses. Seller and Buyer will pay their respective costs and expenses, including the expenses of their accounting and legal representatives, in connection with the origin, negotiation, execution and performance of this Agreement.

D. Force Majeure. No party hereto shall be liable for any failure of or delay in the performance of this Agreement for the period that such failure or delay is due to acts of God, public enemy, civil war, strikes or labor disputes or any other cause beyond the parties' reasonable control. Each party agrees to notify the other party promptly upon the occurrence of any such cause and to carry out this Agreement as promptly as practicable after such cause is terminated.

E. Severability. If any part or provision of this Agreement shall be determined to be invalid or unenforceable by a court of competent jurisdiction or any other legally constituted body having jurisdiction to make such determination, such part or provision shall be valid and enforceable to the maximum extent permitted by law and the remaining provisions of this Agreement shall be fully effective.

F. Brokers' and Finders' Fees. Each of the parties represents and warrants that it has dealt with no broker or finder in connection with any of the transactions contemplated by this Agreement and no broker or other person is entitled to any commission or finder's fee in connection with any of these transactions.

G. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of service if served personally on the party to whom notice is to be given, (ii) on the day of transmission if sent by facsimile transmission to the facsimile number given below, and telephonic confirmation of receipt is obtained promptly after completion of transmission, (iii) on the day after delivery to Federal Express or similar overnight courier or the Express Mail service maintained by the United States Postal Service, or (iv) on the fifth (5th) day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid and properly addressed, to the party as follows:

If to Seller or Delta:
Delta Tango, Inc.
1444 School House Road
Santa Barbara, California 93108
Attention: Mr. M. Stuart Millar
Telephone: (805) 969-2328
Facsimile: (805) 969-4124

If to Buyer:
Metrum-D, Inc.
c/o Group Financial Partners, Inc.
455 South Fourth Street
Louisville, Kentucky 40202
Attention: Mr. Jeffrey T. Gill
Telephone: (502) 585-5544
Facsimile: (502) 585-1602

Any party may change its address for the purpose of this Section 11.G by giving the other party notice of its new address in the manner set forth above.

H. Amendments; Waivers. This Agreement may be amended, modified, superseded or canceled, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, only by written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance. Any waiver by any party of any condition, or of the breach of any provision, term, covenant, representation or warranty contained in this Agreement, in any one or more instances, shall not be deemed to be nor construed as further or continuing waiver of any such condition, or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

I. Entire Agreement. This instrument and the exhibits and schedules referred to herein contain the entire agreement of the parties hereto with respect to the sale and purchase of the Purchased Assets and the other transactions contemplated herein, and any reference herein to this Agreement shall be deemed to include the exhibits and schedules attached hereto. All oral or written agreements, statements, representations, warranties, and understandings with respect to the subject matter of this Agreement made or entered into by the parties prior to or contemporaneously with the execution of this Agreement are hereby rendered null and void and are merged herewith.

J. Further Matters. Each party agrees to execute such further instruments of assignment and transfer and to perform such additional acts as are necessary to consummate the transactions contemplated by this Agreement.

K. Parties in Interest. Nothing in this Agreement is intended to confer, or confers, any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns. Nothing in this Agreement is intended to, or does, relieve or discharge the

obligations or liability of any third persons to any party to this Agreement. No provision of this Agreement shall give any third persons any right of subrogation or action over or against any party to this Agreement.

L. Survival. The representations, warranties and covenants of the parties set forth herein shall survive the Closing date of this Agreement for the periods set forth in Section 8.D hereof.

M. Section and Paragraph Headings. The section and paragraph headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

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

O. Knowledge of Breach. In the event that Buyer has actual knowledge prior to Closing that Seller has breached any representation or warranty set forth herein, Buyer shall notify Seller of such breach.

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

"Seller"

DATATAPE INCORPORATED

By: /s/ M.S. Millar

Title: President

"Delta"

DELTA TANGO, INC.

By: /s/ M.S. Millar

Title: President

"Impactdata"

IMPACTDATA, INC.

By: /s/ M.S. Millar

Title: President

"Millar"

/s/ M. S. Millar

M. STUART MILLAR

"Buyer"

METRUM-D, INC.

By: /s/ Richard L. Davis

Title: Vice President

1998B AMENDMENT TO LOAN DOCUMENTS

This is the 1998B Amendment to Loan Documents (this "Amendment") dated as of February 18, 1998, among (i) BANK ONE, KENTUCKY, NA, 416 West Jefferson Street, Louisville, Kentucky 40202, as Agent Bank (in such capacity, "Agent Bank"); (ii) BANK ONE, KENTUCKY, NA, 416 West Jefferson Street, Louisville, Kentucky 40202, as a Bank (in such capacity, "Bank One"), LASALLE NATIONAL BANK, 135 South LaSalle Street, Chicago, Illinois 60603 ("LaSalle") and UNION BANK OF CALIFORNIA, N.A., 350 California Street, 6th Floor, San Francisco, California 94104 ("Union Bank") (Bank One, LaSalle and Union Bank, each a "Bank"); (iii) BT HOLDINGS, INC. ("BT Holdings"), BELL TECHNOLOGIES, INC. ("Bell"), TUBE TURNS TECHNOLOGIES, INC. ("Tube Turns"), GROUP TECHNOLOGIES CORPORATION ("GTC") and METRUM-DATATAPE, INC. ("MD")(BT Holdings, Bell, Tube Turns, GTC and MD are collectively referred to as the "Borrowers") and (iv) GROUP FINANCIAL PARTNERS, INC., as Guarantor ("GFP" or the "Guarantor"). Any terms not specifically defined herein shall have the meaning set forth in the 1997A Amended and Restated Loan Agreement dated as of November 1, 1997 between the Agent Bank and the Borrowers, as amended by the 1998A Amendment to Loan Documents (the "Loan Agreement").

RECITALS

A. The Borrowers, the Agent Bank and Bank One have entered into the Loan Agreement, pursuant to which, among other things, the Agent Bank and Bank One have agreed to provide the Borrowers with the Revolving Credit Facility, the Letter of Credit Subfacility, the Swing Line Credit Subfacility and the Term Loans.

B. The Borrowers, the Agent Bank and Bank One wish to amend the Loan Documents to add LaSalle and Union Bank as Banks and to effect certain other modifications to the Loan Documents.

NOW, THEREFORE, the Borrowers, the Guarantor, the Agent Bank and the Banks agree as follows:

1. AMENDMENTS TO LOAN AGREEMENT.

A. The introductory paragraph of the Loan Agreement is amended and restated as follows:

> THIS 1997A AMENDED AND RESTATED LOAN AGREEMENT (this "Loan Agreement"), is made and entered into as of the 1st day of November, 1997, by and among (i) BANK ONE, KENTUCKY, NA, a national banking association with principal office and place of business in Louisville, Kentucky, in its capacity as Agent Bank hereunder ("the Agent Bank"); (ii) BANK ONE, KENTUCKY, NA, in its capacity as a Bank hereunder ("Bank One"), LASALLE NATIONAL BANK, a national banking association, as a Bank hereunder ("LaSalle"), and UNION BANK OF CALIFORNIA, N.A., a national banking association, as a Bank hereunder ("Union Bank"), (Bank One, LaSalle and Union Bank each, a "Bank," and all of the foregoing collectively the "Banks"); (iii) BT HOLDINGS, INC., a Kentucky corporation with principal office and place of business and registered office in Louisville, Jefferson County, Kentucky ("BT"), BELL TECHNOLOGIES, INC., a Florida corporation with principal office and place of business in Orlando, Orange County, Florida ("Bell"), TUBE TURNS TECHNOLOGIES, INC., a Kentucky corporation with principal office and place of business and registered office in Louisville, Jefferson County, Kentucky ("TT"), GROUP TECHNOLOGIES CORPORATION, a Florida corporation with principal office and place of business in Tampa, Hillsborough County, Florida ("GTC"), and METRUM-DATATAPE, INC., a Delaware corporation with principal office and place of business in Louisville, Kentucky ("MD") (BT, Bell, TT, GTC, and MD each, a "Borrower," and all of the foregoing collectively, the "Borrowers"), and (iv) GROUP FINANCIAL PARTNERS, INC., a Kentucky corporation with principal office and place of business in Louisville, Kentucky, solely in its capacity as guarantor (the "Guarantor").

B. Section 1 (DEFINITIONS AND CROSS REFERENCES) is amended by the amendment and restatement of the following definitions:

1.25 "Business Day" means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the Commonwealth of Kentucky or is a day on which banking institutions located in the Commonwealth of Kentucky or the State of California are authorized or required by law or other governmental action to close.

1.58 "Funded Debt" means, with respect to the Borrowers on a Combined basis in accordance with GAAP, (i) all indebtedness for borrowed money, including, without limitation, all Revolving Credit Loans, all Swing Line Loans, all reimbursement obligations in respect of all letters of credit, including the Letters of Credit and the Term Loans, (ii) mandatorily redeemable preferred stock of a Borrower (except any mandatorily preferred stock owned by another Borrower or the Guarantor), (iii) that portion of obligations with respect to capital leases which is properly classified as a liability on a balance sheet in conformity with GAAP , (iv) that portion of obligations with respect to Synthetic Leases which is not classified as a liability on a balance sheet in conformity with GAAP, (v) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money, (vi) any obligation owed for all or any part of the deferred purchase price of property or services which purchase price is (y) due more than six months from the date of the incurring of the obligation in respect thereof, or (z) evidenced by a note or similar written instrument, but excluding trade payables incurred in the ordinary course of business, (vii) all indebtedness secured by any lien on any property or asset owned by the Borrowers regardless of whether the indebtedness secured thereby shall have been assumed by the Borrowers or is non-recourse to the credit of the Borrowers but only to the extent of the fair market value of any such property or assets, and (viii) all other Contingent Obligations of the Borrowers not otherwise included in clauses (i) through (vii) of this Section. For purposes of calculating Funded Debt to be used in financial ratios in this Agreement, the Borrowers, shall reduce Funded Debt on a dollar-for-dollar basis by an amount equal to cash then on deposit with the Agent Bank in excess of $2,000,000.

1.111 "Revolving Credit Facility Commitment Fees" has the meaning set forth in Section 2.3A hereof.

1.114 "Revolving Credit Notes" means (i) that certain Amended and Restated Revolving Credit Promissory Note made by the Borrowers, payable to the order of Bank One, and in the face principal amount of Thirteen Million Three Hundred Thirty Five Thousand and 00/100 Dollars ($13,335,000.00), the form of which is annexed to this Loan Agreement as Exhibit A-1, as the same may hereafter be amended, modified,
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renewed, replaced and/or restated from time to time; (ii) that certain Amended and Restated Revolving Credit Promissory Note made by the Borrowers, payable to the order of LaSalle, and in the face principal amount of Nine Million Nine Hundred Ninety Nine Thousand and 00/100 Dollars ($9,999,000.00), the form of which is annexed to this Loan Agreement as Exhibit A-2, as the same may hereafter be amended,
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modified, renewed, replaced and/or restated from time to time; (iii) that certain Amended and Restated Revolving Credit Promissory Note made by the Borrowers, payable to the order of Union Bank, and in the face principal amount of Six Million Six Hundred Sixty Six Thousand and 00/100 Dollars ($6,666,000.00), the form of which is annexed to this Loan Agreement as Exhibit A-3, as the same may hereafter be
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amended, modified, renewed, replaced and/or restated from time to time and (iv) each future Revolving Credit Promissory Note, if any, made by the Borrowers pursuant to the Revolving Credit Facility.

1.133 "Term Notes" means (i) that certain Amended and Restated Term Promissory Note made by the Borrowers, payable to the order of Bank One, and in the face principal amount of Six Million Four Hundred Forty Five Thousand Two Hundred Fifty and 00/100 Dollars ($6,445,250.00), the form of which is annexed to this Loan Agreement as Exhibit B-1, as the same may hereafter be amended, modified,
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renewed, replaced and/or restated from time to time; (ii) that certain Amended and Restated Term Promissory Note made by the Borrowers, payable to the order of LaSalle, and in the face principal amount of Four Million Eight Hundred Thirty Two Thousand Eight Hundred Fifty and 00/100 Dollars ($4,832,850.00), the form of which is annexed

to this Loan Agreement as Exhibit B-2, as the same may hereafter be amended, modified, renewed, replaced and/or restated from time to time; (iii) that certain Amended and Restated Term Promissory Note made by the Borrowers, payable to the order of Union Bank, and in the face principal amount of Three Million Two Hundred Twenty One Thousand Nine Hundred and 00/100 Dollars ($3,221,900.00), the form of which is annexed to this Loan Agreement as Exhibit B-3, as the same may hereafter be amended, modified, renewed, replaced and/or restated from time to time and (iv) each future Term Promissory Note, if any, made by the Borrowers pursuant to the Term Facility.

C. Section 1 (DEFINITIONS AND CROSS REFERENCES) is further amended by the addition of the following definition:

1.141 "Synthetic Lease" means any lease (i) that is treated as an operating lease for accounting purposes, with the result that the obligations with respect to such lease are not classified as a liability on a balance sheet, in conformity with GAAP, and (ii) that is treated as a conditional sale for Federal income tax purposes, with the result that the lessee of such lease is entitled to take depreciation on the leased property and to characterize rental payments as payments of principal and interest for Federal income tax purposes.

1.142 "Bank One 1-Day Funds Transfer Pricing Rate" means an interest rate established daily by the Agent Bank, based on its cost of funds, and used in connection with Swing Line Loans.

D. Section 2.4C (General Provisions Regarding Payments - Revolving Credit Loans). Section 2.4C (i) is hereby amended by adding the following at the end of such section:

The payments to be made by the Borrowers with respect to the Revolving Credit Notes for the benefit of the Banks shall be aggregated into a single payment made by the Borrowers to the Agent Bank for the benefit of the Banks. The Agent Bank shall be responsible for remitting to each Bank its portion of such payment based upon its Revolving Credit Facility Pro Rata Share of such payment.

E. Section 2.6A (Swing Line Loans). Section 2.6A(i) is hereby amended by deleting the words "the Base Rate" in the first sentence and substituting therefor "the Bank One 1-Day Funds Transfer Pricing Rate".

F. Section 3.3C (General Provisions Regarding Payments - Term Loans). Section 3.3C (i) is hereby amended by adding the following at the end of such section:

The payments to be made by the Borrowers with respect to the Term Notes for the benefit of the Banks shall be aggregated into a single payment made by the Borrowers to the Agent Bank for the benefit of the Banks. The Agent Bank shall be responsible for remitting to each Bank its portion of such payment based upon its Term Loan Pro Rata Share of such payment.

G. Section 7.3B (Quarterly Statements) is hereby amended and restated as follows:

B. Quarterly Statements. BT, for itself and as agent for the other Borrowers, shall furnish to the Agent Bank, as soon as available, and within forty five (45) days after the end of each Fiscal Quarter, an unaudited Combined balance sheet of the Borrowers as at the end of such Fiscal Quarter, and related unaudited divisional and Combined statements of income, retained earnings and cash flows of the Borrowers for such Fiscal Quarter, all in reasonable detail, prepared in accordance with GAAP consistently applied and certified to be true, accurate and complete in all material respects by the President or Chief Financial Officer of BT, for itself and as agent for the other Borrowers.

H. Section 12.A (Assignments to Eligible Assignees) is hereby amended by the amendment and restatement of the last sentence of Section 12.A to read as follows:

The Bank assigning a portion or all of its Revolving Loan Commitment, Revolving Credit Loans and Term Loans pursuant to this Section 12, or the bank purchasing the interest of the Assigning Bank, shall pay a fee to the Agent Bank in the amount of $3,000.

I. Section 15 (Notice) is hereby amended to change the notice provisions with respect to the Banks, as follows:

If to the Banks:

BANK ONE, KENTUCKY, NA
416 West Jefferson Street
Louisville, KY 40202
Attn: Mr. Todd D. Munson

LASALLE NATIONAL BANK
135 South LaSalle
Chicago, Illinois 60603
Attn: Ms. Susan Kaminski

UNION BANK OF CALIFORNIA, N.A.
350 California Street, 6th Floor
San Francisco, California 94104
Attn: Ms. Gail Fletcher

Also, a final sentence is hereby added to the end of Section 15 as follows:

Except where the Guarantor or the Borrowers are expressly required by the provisions of this Loan Agreement to give notice to all of the Banks, it shall be sufficient whenever the Guarantor or the Borrowers are required to give notice hereunder for the Guarantor or the Borrowers to give such notice solely to the Agent Bank.

J. Section 16.11 (Modifications) is hereby amended and restated in its entirety as follows:

16.11 Modifications. This Loan Agreement may be modified only in writing executed by the Borrowers and the Banks. Neither this Loan Agreement nor the other Loan Documents nor any terms hereof or thereof may be changed, waived, discharged or terminated unless such change, waiver, discharge or termination is in writing signed by Banks holding at least sixty six and 66/100 percent (66 2/3%) of the aggregate of the Revolving Credit Facility Pro Rata Shares and the Term Loan Pro Rata Shares (the "Majority Banks"); provided, however, that no such change, waiver, discharge or termination, shall, without the consent of each Bank, (i) extend the Revolving Loan Commitment Termination Date or the final maturity of the Revolving Credit Note or the Term Note of such Bank, or change the rate or extend the time of payment of interest, principal or fees, or reduce the principal amount thereof, or increase the aggregate amount of the Revolving Loan Commitments above the maximum amount provided for in Section 2.1 hereof, or increase any Bank's commitment to disburse its Revolving Loan Pro Rata Share of Revolving Credit Loans requested by the Borrowers as set forth in Section 2.1 hereof, or (ii) release any Collateral except as it shall otherwise be provided in any Loan Document, or (iii) amend, modify or waive any provisions of this Section 16.11 (Modifications), Section 2 (Revolving Credit Facility), Section 2.6 (Swing Line Credit Subfacility), Section 2.7 (Letter of Credit Subfacility), Section 3 (Term Loans), Section 8.1 (Mergers, Acquisitions and Other Extraordinary Events), Section 9 (Events of Default; Acceleration), Section 10 (Remedies Upon Default, Etc.), Section 11 (The Agent Bank), Section 16.2 (Ratable Sharing), or (iv) amend, modify or waive any provision requiring consent of all Banks, or (v) reduce the percentages specified in this Section 16.11 or (vi) consent to the assignment or transfer by the Borrowers of any of their rights and obligations under this Agreement.

K. Schedule 2.1. Schedule 2.1 is hereby amended and restated in its entirety by Schedule 2.1 attached to this Agreement.

L. Schedule 3.1. Schedule 3.1 is hereby amended and restated in its entirety by Schedule 3.1 attached to this Agreement.

M. Exhibit A-1. Exhibit A-1 is hereby amended and restated in its entirety by Exhibit A-1 attached to this Agreement. Additionally, Exhibit A-2 and Exhibit A-3, attached hereto, are added as Exhibits to the Loan Agreement.

N. Exhibit B-1. Exhibit B-1 is hereby amended and restated in its entirety by Exhibit B-1 attached to this Agreement. Additionally, Exhibit B-2 and Exhibit B-3, attached hereto, are added as Exhibits to the Loan Agreement.

O. Miscellaneous.

The parties agree that the Applicable Commitment Fee Percentage used in calculating the Revolving Credit Facility Commitment Fees for the period from November 1, 1997 through March 31, 1998, pursuant to Section 2.3A of the Loan Agreement, is 0.30%.

The parties further agree that the Borrowers shall have until March 15, 1998 to provide the Agent Bank with updated listings of all material patents and trademarks of the Borrowers and to execute and deliver to Agent Bank a collateral assignment of patents and trademarks. The Borrowers shall complete and file with the U.S. Patent and Trademark Office such forms as may be necessary to collaterally assign to the Agent Bank or to perfect the Agent Bank's security interests in such U.S. patents and trademarks. The Borrowers shall use their best efforts to assist the Agent Bank, as requested, in making filings outside the United States to perfect the Agent Bank's security interest in material patents and trademarks of the Borrowers outside the United States.

P. Ratification. Except as specifically amended by the provisions hereinabove, the Loan Agreement remains in full, force and effect. The Borrowers hereby reaffirm and ratify all of their obligations under the Loan Agreement, as amended and modified hereby.

2. AMENDMENTS TO AMENDED AND RESTATED REVOLVING CREDIT PROMISSORY NOTES

The Borrowers shall execute and deliver to the Banks the following Amended and Restated Revolving Credit Promissory Notes, which are executed and delivered in amendment, restatement and replacement of, but not in novation of, the indebtedness evidenced by the Amended and Restated Revolving Credit Promissory Note of the Borrowers dated March 21, 1997, amended and restated as of November 1, 1997:

(i) that certain Amended and Restated Revolving Credit Promissory Note, made by the Borrowers, payable to the order of Bank One, and in the face principal amount of Thirteen Million Three Hundred Thirty Five Thousand and 00/100 Dollars ($13,335,000.00), the form of which is annexed to this Amendment as Exhibit A-1;

(ii) that certain Amended and Restated Revolving Credit Promissory Note, made by the Borrowers, payable to the order of LaSalle, and in the face principal amount of Nine Million Nine Hundred Ninety Nine Thousand and 00/100 Dollars ($9,999,000.00), the form of which is annexed to this Amendment as Exhibit A-2; and

(iii) that certain Amended and Restated Revolving Credit Promissory Note, made by the Borrowers, payable to the order of Union Bank, and in the face principal amount of Six Million Six Hundred Sixty Six Thousand and 00/100 Dollars ($6,666,000.00), the form of which is annexed to this Amendment as Exhibit A-3.

3. AMENDMENTS TO AMENDED AND RESTATED TERM PROMISSORY NOTES

As of the date hereof, the Borrowers have repaid Five Hundred Thousand Dollars ($500,000) of principal on the Term Loan, reducing the outstanding principal balance of the Term Loans to Fourteen Million Five Hundred Thousand Dollars ($14,500,000). The Borrowers shall execute and deliver to the Banks the following Amended and Restated Term Promissory Notes, which are executed and delivered in amendment, restatement and replacement of, but not in novation of, the indebtedness evidenced by the Amended and Restated Term Promissory Note of the Borrowers dated March 21, 1997, amended and restated as of November 1, 1997:

(i) that certain Amended and Restated Term Promissory Note made by the Borrowers, payable to the order of Bank One, and in the face principal amount of Six Million Four Hundred Forty Five Thousand Two Hundred Fifty and 00/100 Dollars ($6,445,250.00), the form of which is annexed to this Amendment as Exhibit B-1;

(ii) that certain Amended and Restated Term Promissory Note made by the Borrowers, payable to the order of LaSalle, and in the face principal amount of Four Million Eight Hundred Thirty Two Thousand Eight Hundred Fifty and 00/100 Dollars ($4,832,850.00), the form of which is annexed to this Amendment as Exhibit B-2;

(iii) that certain Amended and Restated Term Promissory Note made by the Borrowers, payable to the order of Union Bank, and in the face principal amount of Three Million Two Hundred Twenty One Thousand Nine Hundred and 00/100 Dollars ($3,221,900.00), the form of which is annexed to this Amendment as Exhibit B-3.
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4. AMENDMENTS TO MORTGAGES

The Bell Mortgage and the TT Mortgage are hereby amended by the execution and delivery of the Amendment to Mortgages, respectively, attached hereto as Exhibit C-1 and Exhibit C-2. The Amendments to Mortgage shall be recorded in the appropriate filing offices in Florida and in Jefferson County, Kentucky.
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5. AMENDMENTS TO UCC-1S.

The Borrowers shall execute and deliver to the Agent Bank UCC-3 amendments, amending previously filed UCC-1 financing statements to reflect that the secured party is Bank One, Kentucky, NA, as Agent Bank, on behalf of itself and the other Banks.

6. OTHER LOAN DOCUMENTS.

Except as specifically amended by the provisions hereinabove, the Loan Documents remain in full, force and effect. The Borrowers reaffirm and ratify their obligations to Agent Bank under all of the Loan Documents, as amended and modified hereby, including, but not limited to, the Loan Agreement, the Amended and Restated Revolving Credit Promissory Notes, the mended and Restated Term Promissory Notes, the Mortgages, the Security Agreements, the Application and Agreements for Letter of Credit, the Stock Pledge Agreement, the Security Agreements, the Mortgages and all other agreements, documents and instruments now or hereafter evidencing and/or pertaining to the Loan Agreement.

7. GUARANTY AGREEMENT.

Except as specifically amended by the provisions hereinabove, the Guaranty Agreement remains in full, force and effect. The Guarantor reaffirms and ratifies its obligations to Agent Bank under the Guaranty Agreement, as amended and modified hereby.

8. CONDITIONS PRECEDENT. The Agent Bank's obligations under this Agreement are expressly conditioned upon, and subject to the following:

A. The execution and delivery by the Borrowers of this Amendment;

B. The execution and delivery by the Borrowers of the Revolving Credit Notes;

C. The execution and delivery by the Borrowers of the Term Notes;

D. The execution and delivery by the Borrowers of the Amendments to Mortgages.

E. The execution and delivery by the Borrowers of the UCC-3s amending the UCC-1s currently on file.

F. Delivery to the Agent Bank of a copy of the certificate of the corporate secretary of each of the Borrowers certifying resolutions of each Borrower's board of directors to the effect that execution, delivery and performance of this Amendment and subsequent amendments and extensions have been duly authorized and as to the incumbency of those authorized to execute and deliver this Amendment, subsequent amendments and all other documents to be executed in connection herewith and therewith;

G. Delivery to the Agent Bank of a copy of the certificate of the corporate secretary of the Guarantor certifying resolutions of the Guarantor's board of directors to the effect that execution, delivery and performance of this Amendment and subsequent amendments and extensions have been duly authorized and as to the incumbency of those authorized to execute and deliver this Amendment, subsequent amendments and all other documents to be executed in connection herewith and therewith;

H. The representations and warranties of the Borrowers and the Guarantor shall be true and accurate in all respects.

9. REPRESENTATIONS, WARRANTIES, AND COVENANTS OF THE BORROWERS. To induce the Agent Bank and the Banks to enter into this Amendment, the Borrowers represent and warrant to Agent Bank and the Banks as follows:

A. Each Borrower has full power, authority, and capacity to enter into this Amendment, and this Amendment constitutes the legal, valid and binding obligations of each Borrower, enforceable against it in accordance with its terms.

B. No Event of Default under the Notes or any of the other Loan Documents has occurred which continues unwaived by the Agent Bank, and no event which with the passage of time, the giving of notice or both would constitute an Event of Default, exists as of the date hereof.

C. The person executing this Amendment on behalf of each Borrower is duly authorized to do so.

D. The representations and warranties made by each Borrower in any of the Loan Documents are hereby remade and restated as of the date hereof.

E. Except as previously disclosed to the Agent Bank, there are no material actions, suits, legal, equitable, arbitration or administrative proceedings pending or threatened against any of the Borrowers, the adverse determination of which could have a material adverse effect on the Loan Documents, the business operations or financial condition of the Borrowers or the ability of the Borrowers to fulfill their obligations under the Loan Documents.

10. REPRESENTATIONS, WARRANTIES, AND COVENANTS OF THE GUARANTOR. To induce the Agent Bank and the Banks to enter into this Amendment, the Guarantor represents and warrants to the Agent Bank and the Banks as follows:

A. The Guarantor has full power, authority, and capacity to enter into this Amendment, and this Amendment constitutes the legal, valid and binding obligations of the Guarantor, enforceable against it in accordance with its terms.

B. The person executing this Amendment on behalf of the Guarantor is duly authorized to do so.

C. The representations and warranties made by the Guarantor in any of the Loan Documents to which it is party are hereby remade and restated as of the date hereof.

D. There are no material actions, suits, legal, equitable, arbitration or administrative proceedings pending or threatened against the Guarantor, the adverse determination of which could have a material adverse effect on the Loan Documents, the business operations or financial condition of the Guarantor or the ability of the Guarantor to fulfill its obligations under the Guaranty Agreement.

11. MISCELLANEOUS.

A. Notices. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder must be in writing and will be effective upon receipt if delivered personally to such party, or if sent by facsimile transmission with confirmation of delivery, or by nationally recognized overnight courier service, or within seven (7) days after deposit in the U.S. Mail to the address set forth below or to such other address as any party may give to the other in writing for such purpose:

To the Agent Bank:
Bank One, Kentucky, NA
416 West Jefferson Street
Louisville, Kentucky 40202
Attention: Todd D. Munson

To the Banks:
Bank One, Kentucky, NA
416 West Jefferson Street
Louisville, KY 40202
Attn: Mr. Todd D. Munson

LaSalle National Bank
135 South LaSalle
Chicago, Illinois 60603
Attn: Ms. Susan Kaminski

Union Bank of California, N.A.
350 California Street, 6th Floor
San Francisco, California 94104
Attn: Ms. Gail Fletcher

To the Borrowers:
BT Holdings, Inc.
c/o Group Financial Partners, Inc.
455 South Fourth Avenue, Suite 350
Louisville, KY 40202
Attention: President

Bell Technologies, Inc.
6120 Hanging Moss Road
Orlando, FL 32807
Attention: President

Tube Turns Technologies, Inc.
2900 West Broadway
P.O. Box 32160
Louisville, KY 40232-2160
Attention: President

Group Technologies Corporation
10901 Malcolm McKinley Drive
Tampa, Florida 33612
Attn: President

Metrum-Datatape, Inc
c/o Group Financial Partners, Inc.
455 South 4th Avenue, Suite 350
Louisville, KY 40202
Attn: President

To the Guarantor: Group Financial Partners, Inc.
455 South 4th Avenue, Suite 350
Louisville, KY 40202
Attn: President

Except where the Guarantor or the Borrowers are expressly required by the provisions hereof to give notice to all of the Banks it shall be sufficient whenever the Guarantor or the Borrowers are required to give notice hereunder for the Guarantor or the Borrowers to give such notice to the Agent Bank.

B. Preservation of Rights. No delay or omission on the part of the Agent Bank to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power or any acquiescence therein, nor will the action or inaction of the Agent Bank impair any right or power arising hereunder. The Agent Bank's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Agent Bank may have under other agreements, at law or in equity.

C. Illegality. In case any one or more of the provisions contained in this Amendment should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

D. Changes in Writing. No modification, amendment or waiver of any provision of this Amendment nor consent to any departure by any of the Borrowers therefrom, will in any event be effective unless the same is in writing and signed by the Agent Bank, 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 Borrowers in any case will entitle the Borrowers to any other or further notice or demand in the same, similar or other circumstance.

E. Counterparts. This Amendment may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument.

F. Successors and Assigns. This Amendment will be binding upon and inure to the benefit of the Borrowers and the Agent Bank and their respective heirs, executors, administrators, successors and assigns; provided, however, that none of the Borrowers may assign this Amendment in whole or in part without the prior written consent of the Agent Bank and the Agent Bank at any time may assign this Amendment in whole or in part, as provided in Section 12 of the Loan Agreement.

G. Interpretation. In this Amendment, unless the Agent Bank and the Borrowers otherwise agree in writing, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to articles, sections (or subdivisions of sections) or exhibits are to those of this Amendment unless otherwise indicated; and references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Amendment. Section headings in this Amendment are included for convenience of reference only and shall not constitute a part of this Amendment for any other purpose. Unless otherwise specified in this Amendment, all accounting terms shall be interpreted and all accounting determinations shall be made in

accordance with GAAP. If this Amendment is executed by more than one party as the Borrowers, the obligations of such persons or entities will be joint and several.

H. Governing Law and Jurisdiction. This Amendment has been delivered to and accepted by the Agent Bank in Louisville, Kentucky. THIS AMENDMENT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF KENTUCKY, EXCLUDING ITS CONFLICT OF LAWS RULES. Each of the Borrowers hereby irrevocably consents to the exclusive jurisdiction of any state or federal court for the county or judicial district where the Agent Bank's office indicated above is located, and consent that all service of process be sent by nationally recognized overnight courier service directed to the Borrowers at the Borrowers' address set forth herein and service so made will be deemed to be completed on the business day after deposit with such courier; provided that nothing contained in this Amendment will prevent the Agent Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Borrowers individually, against any security or against any property of the Borrowers within any other county, state or other foreign or domestic jurisdiction. The Agent Bank and the Borrowers agree that the venue provided above is the most convenient forum for both the Agent Bank and the Borrowers. Each of the Borrowers waive any objection to venue and any objection based on a more convenient forum in any action instituted under this Amendment.

I. Waiver of Jury Trial. EACH OF THE BORROWERS, THE BANKS AND THE AGENT BANK IRREVOCABLY WAIVE ANY AND ALL RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS AMENDMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AMENDMENT OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. EACH OF THE BORROWERS AND THE AGENT BANK ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

Each of the Borrowers and the Guarantor acknowledges that it has read and understood all the provisions of this Amendment, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

IN WITNESS WHEREOF, witness the signatures of the parties hereto on the date set forth above.

BANK ONE, KENTUCKY, NA
(as "Agent Bank" and a "Bank")

/s/ Todd D. Munson

By Todd D. Munson
Title: Senior Vice President

LASALLE NATIONAL BANK
(as a "Bank")

/s/ Susan Kaminski

By Susan Kaminski
Title:

UNION BANK OF CALIFORNIA, N.A.
(as a "Bank")

/s/ Gail Fletcher

By Gail Fletcher
Title:

BT HOLDINGS, INC.
(as a "Borrower")

/s/ Richard L. Davis

By: Richard L. Davis, Treasurer

BELL TECHNOLOGIES, Inc.
(as a "Borrower")

/s/ Anthony C. Allen

By: Anthony C. Allen, Assistant Treasurer

TUBE TURNS TECHNOLOGIES, INC.
(as a "Borrower")

/s/ Richard L. Davis

By: Richard L. Davis, Treasurer

GROUP TECHNOLOGIES CORPORATION
(as a "Borrower")

/s/ David D. Johnson

By: Vice President and CFO

METRUM-DATATAPE, INC.
(as a "Borrower")

/s/ Richard L. Davis

By: Vice President

GROUP FINANCIAL PARTNERS, INC.
(as the "Guarantor")

/s/ Richard L. Davis

By:

EXHIBIT 10.14

SYPRIS SOLUTIONS, INC.
INDEPENDENT DIRECTORS' STOCK OPTION PLAN
ADOPTED ON OCTOBER 27, 1994

AS AMENDED AND RESTATED EFFECTIVE MARCH 30, 1998

PREAMBLE

The Sypris Solutions, Inc. Independent Directors' Stock Option Plan is a restatement of the Group Technologies Corporation Independent Directors' Stock Option Plan adopted by Group Technologies Corporation effective October 27, 1994. Group Technologies Corporation was merged into Sypris Solutions, Inc. effective March 30, 1998, with Sypris Solutions, Inc. being the surviving corporation. Pursuant to the provisions of the plan, Group Technologies Corporation common stock subject to the plan and outstanding options under the plan are automatically by virtue of the merger converted into and replaced by Sypris Solutions, Inc. common stock. The plan is hereby amended and restated, as set forth herein, to reflect the changes caused by the merger.

1. Purpose. The purpose of the Sypris Solutions, Inc. Independent Directors' Stock Option Plan is to promote the interests of Company by affording an incentive to certain persons not affiliated with Company and its Subsidiaries to serve as a director of Company in order to bring additional expertise and business judgment to Company through the opportunity for stock ownership offered under this Plan.

2. Definitions.

A. "Board" means Company's Board of Directors.

B. "Code" means the Internal Revenue Code of 1986, as amended.

C. "Common Stock" means Company's common stock, $.01 par value, or the common stock or securities of a Successor that have been substituted theretofore pursuant to Section 9.

D. "Company" means Sypris Solutions, Inc., a Delaware corporation, with its principal place of business at 455 South Fourth Street, Suite 350, Louisville, Kentucky 40202.

E. "Compensation Committee" means the Compensation Committee of the Board that administers the Plan pursuant to Section 4.

F. "Independent Director" means an individual serving as a director on Company's Board of Directors and who is not otherwise employed by Company or its Subsidiaries or an affiliate thereof.

G. "Option Price" means the price to be paid for Common Stock upon the exercise of an option granted under the Plan, in accordance with Section 7.B.

H. "Optionee" means an Independent Director to whom options have been granted under the Plan.

I. "Optionee Representative" means the Optionee's estate or the person or persons entitled thereto by will or by applicable laws of descent and distribution.

J. "Plan" means the Sypris Solutions, Inc. Independent Directors' Stock Option Plan, as set forth herein, and as amended from time to time.

K. "Subsidiary" means any corporation which at the time an option is granted under the Plan qualifies as a subsidiary of Company under the definition of "subsidiary corporation" contained in Code Section 424(f), or any similar provision thereafter enacted.

L. "Successor" means the entity surviving a merger or consolidation with Company, or the entity that acquires all or a substantial portion of Company's assets or outstanding capital stock (whether by merger, purchase or otherwise).

3. Shares Subject to Plan.

A. Authorized Unissued or Treasury Shares. Subject to the provisions of Section 9, the shares to be delivered upon exercise of options granted under the Plan shall be made available, at the discretion of the Board, from the authorized unissued shares or treasury shares of Common Stock.

B. Aggregate Number of Shares. Subject to adjustments and substitutions made pursuant to the provisions of Section 9, the aggregate number of shares that may be issued upon exercise of all options that may be granted under the Plan shall not exceed two hundred fifty thousand (250,000) of Company's authorized shares of Common Stock.

C. Shares Subject to Expired Options. If any option granted under the Plan expires or terminates for any reason without having been exercised in full in accordance with the terms of the Plan, the shares of Common Stock subject to, but not delivered under, such option shall become available for any lawful corporate purpose, including for transfer pursuant to other options granted to the same employee or other employees without decreasing the aggregate number of shares of Common Stock that may be granted under the Plan.

4. Administration. The Plan shall be administered by the Compensation Committee of the Board. The Compensation Committee shall have full power and authority to construe, interpret, and administer the Plan and to adopt such rules and regulations for carrying out the Plan as it may deem proper and in the best interests of Company.

5. Grant of Options. Subject to the terms, provisions and conditions of the Plan, the Board shall have full and final authority in its discretion: (i) to select the Independent Directors to whom options shall be granted; (ii) to determine the number of shares of Common Stock subject to each option; (iii) to determine the time or times when options will be granted, the manner in which each option shall be exercisable, and the duration of the exercise period; and (iv) to fix such other provisions of the option agreement as it may deem necessary or desirable consistent with the terms of the Plan. Subject to the terms, provisions and conditions of the Plan, either the Board or the Compensation Committee shall have full and final authority in its discretion to determine all other questions relating to the administration of the Plan. The interpretation of any provisions of the Plan by either the Board or the Compensation Committee shall be final, conclusive, and binding upon all persons and the officers of Company shall place into effect and shall cause Company to perform its obligations under the Plan in accordance with the determinations of the Board or the Compensation Committee in administering the Plan.

6. Eligibility. Independent Directors of Company shall be eligible to receive options under the Plan. No Company director who is also a Company employee or a Subsidiary employee shall be entitled to receive an option under the Plan. Independent Directors to whom options may be granted under the Plan will be those selected by the Board from time to time who, in the sole discretion of the Board, have contributed in

the past or who may be expected to contribute materially in the future to the successful performance of Company and its Subsidiaries.

7. Terms and Conditions of Options. Each option granted under the Plan shall be evidenced by an option agreement signed by the Optionee and by a member of the Board. An option agreement shall constitute a binding contract between Company and the Optionee, and every Optionee, upon acceptance of such option agreement, shall be bound by the terms and restrictions of the Plan and of the option agreement. Such agreement shall be subject to the following express terms and conditions and to such other terms and conditions that are not inconsistent with the Plan and that the Board may deem appropriate.

A. Option Period. Options granted under the Plan shall be exercisable immediately and, if not exercised, shall lapse at the earliest of the following times:

(i) ten (10) years from the date of grant; or

(ii) the date set by the grant and specified in the applicable option agreement.

B. Option Price. The Option Price per share of Common Stock shall be the fair market value of the Common Stock on the date the option is granted and shall be subject to adjustments in accordance with the provisions of Section 9.

C. Fair Market Value. The fair market value of the Common Stock on any given measurement date shall be determined as follows:

(i) if the Common Stock is traded on the over-the-counter market, the sale price for the Common Stock in the over-the-counter market on the measurement date (or if there was no sale of the Common Stock on such date, on the immediately preceding date on which there was a sale of the Common Stock), as reported by the National Association of Securities Dealers Automated Quotation System; or

(ii) if the Common Stock is listed on a national securities exchange, the closing sale price for the Common Stock on the Composite Tape on the measurement date; or

(iii) if the Common Stock is neither traded on the over-the-counter market nor listed on a national securities exchange, such value as the Board, in good faith, shall determine.

D. Payment of Option Price. Each option shall provide that the purchase price of the shares as to which an option shall be exercised shall be paid to Company at the time of exercise either in cash or in such other consideration as the Board deems acceptable, and which other consideration in the Board's sole discretion may include: (i) Common Stock of Company already owned by the Optionee having a total fair market value on the date of exercise, determined in accordance with Section 7.C, equal to the purchase price, (ii) Common Stock of Company issuable upon the exercise of a Plan option and withheld by Company having a total fair market value on the date of exercise, determined in accordance with Section 7.C, equal to the purchase price, or (iii) a combination of cash and Common Stock of Company (either shares already owned by the Optionee or shares being withheld upon the exercise of a Plan option) having a total fair market value on the date of exercise, determined in accordance with Section 7.C, equal to the amount of the purchase price not paid in cash.

E. Manner of Exercise. Subject to the terms and conditions of any applicable option agreement, any option granted under the Plan may be exercised in whole or in part. To initiate the process for the

exercise of an option: (i) the Optionee shall deliver to Company, or to a broker-dealer in the Common Stock with the original copy to Company, a written notice of intent to exercise an option specifying the number of shares as to which the option is being exercised and, if determined by counsel for Company to be necessary, representing that such shares are being acquired for investment purposes only and not for the purpose of resale or distribution; and (ii) the Optionee, or the broker-dealer, shall pay for the exercise price of such shares with cash, or if the Board in its discretion agrees to so accept, by delivery to Company of Common Stock of Company (either shares already owned by the Optionee or shares being withheld upon the exercise of a Plan option), or in some combination of cash and such Common Stock acceptable to the Board. If payment of the Option Price is made with Common Stock, the value of the Common Stock used for such payment shall be the fair market value of the Common Stock on the date of exercise as determined in accordance with Section 7.C. The date of exercise of a stock option shall be determined under procedures established by the Board, but in no event shall the date of exercise precede the date on which both the written notice of intent to exercise an option and full payment of the exercise price for the shares as to which the option is being exercised have been received by Company. Promptly after receiving full payment for the shares as to which the option is being exercised and, provided that all conditions precedent contained in the Plan are satisfied, Company shall, without transfer or issuance tax or other incidental expenses to Optionee, deliver to Optionee a certificate for such shares of the Common Stock. If the Optionee fails to accept delivery of the Common Stock, the Optionee's rights to exercise the applicable portion of the option shall terminate.

F. Investment Representation. Each option agreement may provide that, upon demand by the Board for such a representation, the Optionee or Optionee Representative shall deliver to the Board at the time of any exercise of an option or portion thereof a written representation that the shares to be acquired upon such exercise are to be acquired for investment and not for resale or with a view to the distribution thereof. Upon such demand, delivery of such representation before delivery of Common Stock issued upon exercise of an option and before expiration of the option period shall be a condition precedent to the right of the Optionee or Optionee Representative to purchase Common Stock.

G. Exercise in the Event of Death or Termination of Service. Upon termination of service as an Independent Director, for whatever reason, any and all stock options held by the Optionee shall remain effective and may be exercised by the Optionee or the Optionee Representative until the expiration of the applicable option term.

H. Transferability of Options. An option granted under the Plan may not be transferable and may be exercised only by the Optionee during Optionee's lifetime, or by the Optionee Representative in the event of Optionee's death, to the extent the option was exercisable by Optionee at the date of his death.

I. No Rights as Shareholder. No Optionee or Optionee Representative shall have any rights as a shareholder with respect to Common Stock subject to his option before the date of transfer to him of a certificate or certificates for such shares.

J. Tax Withholding. To the extent required by applicable law, the Optionee shall, on the date of exercise, make arrangements satisfactory to Company for the satisfaction of any withholding tax obligations that arise by reason of an option exercise or any sale of shares. The Board, in its sole discretion, may permit these obligations to be satisfied in whole or in part with: (i) cash paid by the Optionee or by a broker-dealer on behalf of the Optionee, (ii) shares of Common Stock that otherwise would be issued to the Optionee upon exercise of the option, and/or (iii) shares of Common Stock previously acquired. Company shall not be required to issue shares for the exercise of an option until such tax obligations are satisfied and Company may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the Optionee.

8. Compliance With Other Laws and Regulations. The Plan, the grant and exercise of options thereunder, and the obligation of Company to sell and deliver Common Stock under such options, shall be subject to all applicable federal and state laws, rules and regulations and to such approvals by any government or regulatory agency as may be required. Company shall not be required to issue or deliver any certificates for Common Stock before: (i) the listing of the Common Stock on any stock exchange or over-the-counter market on which the Common Stock may then be listed and (ii) the completion of any registration or qualification of any governmental body which Company shall, in its sole discretion, determine to be necessary or advisable. To the extent Company meets the then applicable requirements for the use thereof and to the extent Company may do so without undue cost or expense, and subject to the determination by the Board of Directors of Company that such action is in the best interest of Company, Company intends to register the issuance and sale of such Common Stock by Company under federal and applicable state securities laws using a Form S-8 registration statement under the Securities Act of 1933, as amended, or such successor Form as shall then be available.

9. Capital Adjustments Affecting Stock, Mergers and Consolidations.

A. Capital Adjustments. In the event of a capital adjustment in the Common Stock resulting from a stock dividend, stock split, reorganization, merger, consolidation, or a combination or exchange of shares, the number of shares of Common Stock subject to the Plan and the number of shares under option shall be automatically adjusted to take into account such capital adjustment. By virtue of such a capital adjustment, the price of any share under option shall be adjusted so that there will be no change in the aggregate purchase price payable upon exercise of any such option.

B. Mergers and Consolidations. In the event Company merges or consolidates with another entity, or all or a substantial portion of Company's assets or outstanding capital stock are acquired (whether by merger, purchase or otherwise) by a Successor, the kind of shares of Common Stock that shall be subject to the Plan and to each outstanding option shall, automatically by virtue of such merger, consolidation or acquisition, be converted into and replaced by shares of common stock, or such other class of securities having rights and preferences no less favorable than the Common Stock of the Successor, and the number of shares subject to the option and the purchase price per share upon exercise of the option shall be correspondingly adjusted, so that, by virtue of such merger, consolidation or acquisition, each Optionee shall have the right to purchase: (i) that number of shares of common stock of the Successor that have a book value equal, as of the date of such merger, conversion or acquisition, to the book value, as of the date of such merger, conversion or acquisition, of the shares of Common Stock of Company theretofore subject to the Optionee's option, (ii) for a purchase price per share that, when multiplied by the number of shares of common stock of the Successor subject to the option, shall equal the aggregate exercise price at which the Optionee could have acquired all of the shares of Common Stock of Company theretofore optioned to the Optionee.

C. No Effect on Company's Rights. The granting of an option pursuant to the Plan shall not effect in any way the right and power of Company to make adjustments, reorganizations, reclassifications, or changes of its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or transfer all or any part of its business or assets.

10. Amendment, Suspension, or Termination. The Board shall have the right, at any time, to amend, suspend or terminate the Plan. Notwithstanding the foregoing, without the consent of the Optionee, no amendment shall make any changes in an outstanding option which would adversely affect the rights of the Optionee.

11. Effective Date, Term and Approval. The Plan is effective October 27, 1994 (the date of Board adoption of the Plan). The Plan was approved by stockholders of Company holding not less than a

majority of the shares present and voting at its 1995 annual meeting on April 21, 1995. The Plan shall terminate ten (10) years after the effective date of the Plan and no options may be granted under the Plan after such time, but any option granted prior thereto may be exercised in accordance with its terms.

12. Governing Law; Severability. The Plan shall be governed by the laws of the State of Delaware. The invalidity or unenforceability of any provision of the Plan or any option granted pursuant to the Plan shall not affect the validity and enforceability of the remaining provisions of the Plan and the options granted hereunder, and such invalid or unenforceable provision shall be stricken to the extent necessary to preserve the validity and enforceability of the Plan and the options granted hereunder.

Dated this 28th day of April, 1998.

SYPRIS SOLUTIONS, INC.

By: /s/ Jeffrey T. Gill
Jeffrey T. Gill
President & CEO

SYPRIS SOLUTIONS, INC.
1994 STOCK OPTION PLAN FOR KEY EMPLOYEES
ADOPTED ON OCTOBER 27, 1994

AS AMENDED AND RESTATED EFFECTIVE MARCH 30, 1998

PREAMBLE

The Sypris Solutions, Inc. Stock Option Plan for Key Employees is a restatement of the Group Technologies Corporation 1994 Stock Option Plan for Key Employees adopted by Group Technologies Corporation effective October 27, 1994. Group Technologies Corporation was merged into Sypris Solutions, Inc. effective March 30, 1998, with Sypris Solutions, Inc. being the surviving corporation. Pursuant to the provisions of the plan, Group Technologies Corporation common stock subject to the plan and outstanding options under the plan are automatically by virtue of the merger converted into and replaced by Sypris Solutions, Inc. common stock. The plan is hereby amended and restated, as set forth herein, to reflect the changes caused by the merger.

1. Purpose. The purpose of the Sypris Solutions, Inc. 1994 Stock Option Plan for Key Employees is to promote the interests of Company by affording an incentive to certain key employees to remain in the employ of Company and its Subsidiaries and to use their best efforts in its behalf and to aid Company and its Subsidiaries in attracting, maintaining, and developing capable personnel of a caliber required to ensure the continued success of Company and its Subsidiaries by means of an offer to such persons of an opportunity to acquire or increase their proprietary interest in Company through the granting of incentive stock options and nonstatutory stock options to purchase Company's stock pursuant to the terms of the Plan.

2. Definitions.

A. "Board" means Company's Board of Directors.

B. "Code" means the Internal Revenue Code of 1986, as amended.

C. "Common Stock" means Company's common stock, $.01 par value, or the common stock or securities of a Successor that have been substituted theretofore pursuant to Section 9.

D. "Company" means Sypris Solutions, Inc., a Delaware corporation, with its principal place of business at 455 South Fourth Street, Suite 350, Louisville, Kentucky 40202.

E. "Disability" means, as defined by and to be construed in accordance with Code Section 22(e)(3), any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than twelve (12) months, and that renders Optionee unable to engage in any substantial gainful activity. An Optionee shall not be considered to have a Disability unless Optionee furnishes proof of the existence thereof in such form and manner, and at such time, as the Committee may require.

F. "ISO" means an option to purchase Common Stock which at the time the option is granted under the Plan qualifies as an incentive stock option within the meaning of Code Section 422.

G. "NSO" means a nonstatutory stock option to purchase Common Stock which at the time the option is granted under the Plan does not qualify as an ISO.

H. "Option Price" means the price to be paid for Common Stock upon the exercise of an option granted under the Plan in accordance with Section 7.B.

I. "Optionee" means an employee to whom options have been granted under the Plan.

J. "Plan" means the Sypris Solutions, Inc. 1994 Stock Option Plan for Key Employees, as set forth herein, and as amended from time to time.

K. "Compensation Committee" means the Compensation Committee of the Board that administers the Plan, pursuant to Section 4.

L. "Optionee Representative" means the Optionee's estate or the person or persons entitled thereto by will or by applicable laws of descent and distribution.

M. "Subsidiary" shall mean any corporation which at the time an option is granted under the Plan qualifies as a subsidiary of Company under the definition of "subsidiary corporation" contained in Code Section 424(f), or any similar provision thereafter enacted.

N. "Successor" means the entity surviving a merger or consolidation with Company, or the entity that acquires all or a substantial portion of Company's assets or outstanding capital stock (whether by merger, purchase or otherwise).

O. "Ten Percent Shareholder" means an employee who, at the time an option is granted, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of Company or Subsidiary employing the Optionee or of its parent (within the meaning of Code Section 424(e)) or subsidiary (within the meaning of Code Section 424(f)) corporation.

3. Shares Subject to Plan.

A. Authorized Unissued or Treasury Shares. Subject to the provisions of Section 9, the shares to be delivered upon exercise of options granted under the Plan shall be made available, at the discretion of the Board, from the authorized unissued shares or treasury shares of Common Stock.

B. Aggregate Number of Shares. Subject to adjustments and substitutions made pursuant to the provisions of Section 9, the aggregate number of shares that may be issued upon exercise of all options that may be granted under the Plan effective March 30, 1998 shall not exceed one million two hundred fifty thousand (1,250,000) of Company's authorized shares of Common Stock. Effective as of the date of approval by shareholders of Company holding not less than a majority of the votes represented and entitled to be voted at a duly held meeting of Company's shareholders, the aggregate number of shares shall be increased to two million five hundred thousand (2,500,000) of Company's authorized shares of Common Stock.

C. Shares Subject to Expired Options. If any option granted under the Plan expires or terminates for any reason without having been exercised in full in accordance with the terms of the Plan, the shares of Common Stock subject to, but not delivered under, the option shall become available for any lawful corporate purpose, including for transfer pursuant to other options granted to the same employee or other employees without decreasing the aggregate number of shares of Common Stock that may be granted under the Plan.

4. Administration. The Plan shall be administered by the Compensation Committee of the Board. The Compensation Committee shall have full power and authority to construe, interpret, and administer the Plan and to adopt such rules and regulations for carrying out the Plan as it may deem proper and in the best interests of Company.

5. Grant of Options.

A. Board Authority. Subject to the terms, provisions and conditions of the Plan, the Board shall have full and final authority in its discretion: (i) to select the employees to whom options shall be granted; (ii) to authorize the granting of ISOs, NSOs or a combination of ISOs and NSOs; (iii) to determine the number of shares of Common Stock subject to each option; (iv) to determine the time or times when options shall be granted, the manner in which each option shall be exercisable, and the duration of the exercise period; (v) to fix such other provisions of the option agreement as it may deem necessary or desirable consistent with the terms of the Plan; and (vi) to determine all other questions relating to the administration of the Plan. The interpretation of any provisions

of the Plan by either the Board or the Compensation Committee shall be final, conclusive, and binding upon all persons and the officers of Company shall place into effect and shall cause Company to perform its obligations under the Plan in accordance with the determinations of the Board or the Compensation Committee in administering the Plan.

B. $100,000 ISO Limitation. Notwithstanding the foregoing, the aggregate fair market value (determined as of the date the option is granted) of the Common Stock for which ISOs shall first become exercisable by an Optionee in any calendar year under all ISO plans of Company and its Subsidiaries shall not exceed $100,000. Options in excess of this limitation shall constitute NSOs.

6. Eligibility. Key employees of Company and its subsidiaries including officers and directors, shall be eligible to receive options under the Plan. No director of Company who is not also an employee of Company or a Subsidiary shall be entitled to receive an option under the Plan. Key employees to whom options may be granted under the Plan shall be those elected by the Board from time to time who, in the sole discretion of the Board, have contributed in the past or who may be expected to contribute materially in the future to the successful performance of Company and its Subsidiaries.

7. Terms and Conditions of Options. Each option granted under the Plan shall be evidenced by an option agreement signed by the Optionee and by a member of the Board on behalf of Company. An option agreement shall constitute a binding contract between Company and the Optionee, and every Optionee, upon acceptance of such option agreement, shall be bound by the terms and restrictions of the Plan and of the option agreement. Such agreement shall be subject to the following express terms and conditions and to such other terms and conditions that are not inconsistent with the Plan and that the Board may deem appropriate.

A. Option Period. Each option agreement shall specify the period for which the option thereunder is granted and shall provide that the option shall expire at the end of such period. The Board may extend such period provided that, in the case of an ISO, such extension shall not in any way disqualify the option as an ISO without the Optionee's consent. In no case shall such period, including any such extensions, exceed ten (10) years from the date of grant, provided, however, that in the case of an ISO granted to a Ten Percent Stockholder, such period, including extensions, shall not exceed five (5) years from the date of grant.

B. Option Price. The Option Price for ISOs and NSOs shall be: (i) the fair market value of the Common Stock on the date the option is granted, or (ii) in the case of an ISO granted to a Ten Percent Shareholder, one hundred ten percent (110%) of the fair market value of the Common Stock on the date the option is granted and shall be subject to adjustments in accordance with the provisions of Section 9.

C. Fair Market Value. The fair market value of Common Stock on any given measurement date shall be determined as follows:

(i) if the Common Stock is traded on the over-the-counter market, the closing sale price for the Common Stock in the over-the-counter market on the measurement date (or if there was no sale of the Common Stock on such date, on the immediately preceding date on which there was a sale of the Common Stock), as reported by the National Association of Securities Dealers Automated Quotation System; or

(ii) if the Common Stock is listed on a national securities exchange, the closing sale price for the Common Stock on the Composite Tape on the measurement date; or

(iii) if the Common Stock is neither traded on the over-the-counter market nor listed on a national securities exchange, such value as the Board, in good faith, shall determine.

D. Payment of Option Price. Each option shall provide that the purchase price of the shares as to which an option shall be exercised shall be paid to Company at the time of exercise either in cash or in such other consideration as the Board deems acceptable, and which other consideration in the Board's sole discretion may include: (i) Common Stock of Company already owned by the Optionee having a total fair market value on the date of exercise, determined in accordance with Section 7.C., equal to the purchase price, (ii) Common Stock of

Company issuable upon the exercise of a Plan option and withheld by Company having a total fair market value on the date of exercise, determined in accordance with Section 7.C., equal to the purchase price, or (iii) a combination of cash and Common Stock of Company (either shares already owned by the Optionee or shares being withheld upon the exercise of a Plan option) having a total fair market value on the date of exercise, determined in accordance with Section 7.C, equal to the amount of the purchase price not paid in cash.

E. Manner of Exercise. Subject to the terms and conditions of any applicable option agreement, any option granted under the Plan may be exercised in whole or in part. To initiate the process for the exercise of an option: (i) the Optionee shall deliver to Company, or to a broker-dealer in the Common Stock with the original copy to Company a written notice specifying the number of shares as to which the option is being exercised and, if determined by counsel for Company to be necessary, representing that such shares are being acquired for investment purposes only and not for the purpose of resale or distribution; and (ii) the Optionee, or the broker-dealer, shall pay for the exercise price of such shares with cash, or if the Board in its discretion agrees to so accept, by delivery to Company of Common Stock of Company (either shares already owned by the Optionee or shares being withheld upon the exercise of a Plan option), or in some combination of cash and such Common Stock acceptable to the Board. If payment of the Option Price is made with Common Stock, the value of the Common Stock used for such payment shall be the fair market value of the Common Stock on the date of exercise, determined in accordance with Section 7.C. The date of exercise of a stock option shall be determined under procedures established by the Board, but in no event shall the date of exercise precede the date on which both the written notice of intent to exercise an option and full payment of the exercise price for the shares as to which the option is being exercised have been received by Company. Promptly after receiving full payment for the shares as to which the option is being exercised and, provided that all conditions precedent contained in the Plan are satisfied, Company shall, without transfer or issuance tax or other incidental expenses to Optionee, deliver to Optionee a certificate for such shares of the Common Stock. If an Optionee fails to accept delivery of the Common Stock, the Optionee's rights to exercise the applicable portion of the option shall terminate.

F. Exercises Causing Loss of Compensation Deduction. No part of an option may be exercised to the extent the exercise would cause the Optionee to have compensation from Company and its affiliated companies for any year in excess of $1 million and which is nondeductible by Company and its affiliated companies pursuant to Code Section 162(m). Any option not exercisable because of this limitation shall continue to be exercisable in any subsequent year in which the exercise would not cause the loss of Company's or its affiliated companies compensation tax deduction, provided such exercise occurs before lapse of the option, and otherwise complies with the terms and conditions of the Plan and option agreement.

G. Investment Representation. Each option agreement may provide that, upon demand by the Board for such a representation, the Optionee or Optionee Representative shall deliver to the Board at the time of any exercise of an option or portion thereof a written representation that the shares to be acquired upon such exercise are to be acquired for investment and not for resale or with a view to the distribution thereof. Upon such demand, delivery of such representation before delivery of Common Stock issued upon exercise of an option and before expiration of the option period shall be a condition precedent to the right of the Optionee or Optionee Representative to purchase Common Stock.

H. ISOs. Each option agreement which provides for the grant of an ISO to an employee shall contain such terms and provisions as the Board deems necessary or desirable to qualify such option as an ISO within the meaning of Code Section 422.

I. Exercise in the Event of Death or Termination of Employment. Unless the Board, in its sole discretion, provides otherwise in the option agreement, with these conditions shall apply to the ability of an Optionee to exercise his or her options:

[1] If an Optionee dies; (i) while an employee of Company or a Subsidiary, or (ii) within three (3) months after termination of employment with Company or a Subsidiary because of a Disability, the Optionee's options may be exercised by Optionee Representative, to the extent that the Optionee shall have been entitled to do so on the date of death or employment termination, but not later than the expiration date specified in Section 7.A or one (1) year after the Optionee's death, whichever date is earlier.

[2] If an Optionee's employment by Company or a Subsidiary terminates because of the Optionee's Disability and the Optionee has not died within the following three (3) months, the Optionee may exercise his or her options, to the extent that he or she shall have been entitled to do so at the date of employment termination, at any time, or from time to time, but not later than the expiration date specified in Section 7.A or one (1) year after termination of employment, whichever date is earlier.

[3] If an Optionee's employment terminates by reason of retirement in accordance with the terms of Company's tax-qualified retirement plans or with the consent of the Board, all right to exercise his or her options shall terminate at the expiration date specified in Section 7.A or three (3) months after employment termination, whichever date is earlier.

[4] If an Optionee's employment terminates for any reason other than death, Disability, or retirement, all rights to exercise his or her options shall terminate on the date of employment termination.

J. Leaves of Absence. The Board may, in its discretion, treat all or any portion of any period during which an Optionee is on military or on an approved leave of absence from Company or a Subsidiary as a period of employment of such Optionee by Company or Subsidiary for purposes of accrual of the Optionee's rights under the Plan. Notwithstanding the foregoing, if a leave of absence exceeds ninety (90) days and reemployment is not guaranteed by contract or statute, the Optionee's employment by Company or a Subsidiary for the purposes of the Plan shall be deemed to have terminated on the 91st day of the leave.

K. Transferability of Options. An option granted under the Plan may not be transferred by the Optionee otherwise than by will or the laws of descent and distribution, and during the lifetime of the Optionee to whom granted, may be exercised only by the Optionee.

L. No Rights as Shareholder. No Optionee or Optionee Representative shall have any rights as a shareholder with respect to Common Stock subject to option before the date of transfer to the Optionee of a certificate or certificates for the shares.

M. No Rights To Continued Employment. The Plan and any option granted under the Plan shall not confer upon any Optionee any right with respect to continuance of employment by Company or any Subsidiary, nor shall it interfere in any way with the right of Company or any Subsidiary by which an Optionee is employed to terminate employment at any time.

N. Tax Withholding. To the extent required by applicable law, the Optionee shall, on the date of exercise, make arrangements satisfactory to Company for the satisfaction of any withholding tax obligations that arise by reason of an option exercise or any sale of shares. The Board, in its sole discretion, may permit these obligations to be satisfied in whole or in part with: (i) cash paid by the Optionee or by a broker-dealer on behalf of the Optionee, (ii) shares of Common Stock that otherwise would be issued to the Optionee upon exercise of the option, and/or (iii) shares of Common Stock already owned by the Optionee. Company shall not be required to issue shares for the exercise of an option until such tax obligations are satisfied and Company may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the Optionee.

8. Compliance With Other Laws and Regulations. The Plan, the grant and exercise of options thereunder, and the obligation of Company to sell and deliver Common Stock under such options, shall be subject to all applicable federal and state laws, rules and regulations and to such approvals by any government or regulatory agency as may be required. Company shall not be required to issue or deliver any certificates for Common Stock before: (i) the listing of the Common Stock on any stock exchange or over-the-counter market on which the Common Stock may then be listed and (ii) the completion of any registration or qualification of any governmental body which Company shall, in its sole discretion, determine to be necessary or advisable. To the extent Company meets the then applicable requirements for the use thereof and to the extent Company may do so without undue cost or expense, and subject to the determination by the Board of Directors of Company that such action is in the best interest of Company, Company intends to register the issuance and sale of such Common Stock by Company under

federal and applicable state securities laws using a Form S-8 registration statement under the Securities Act of 1933, as amended, or such successor Form as shall then be available.

9. Capital Adjustments Affecting Stock, Mergers and Consolidations.

A. Capital Adjustments. In the event of a capital adjustment in the Common Stock resulting from a stock dividend, stock split, reorganization, merger, consolidation, or a combination or exchange of shares, the number of shares of Common Stock subject to the Plan and the number of shares under option shall be automatically adjusted to take into account such capital adjustment. By virtue of such a capital adjustment, the price of any share under option shall be adjusted so that there shall be no change in the aggregate purchase price payable upon exercise of any such option.

B. Mergers and Consolidations. In the event Company merges or consolidates with another entity, or all or a substantial portion of Company's assets or outstanding capital stock are acquired (whether by merger, purchase or otherwise) by a Successor, the kind of shares of Common Stock that shall be subject to the Plan and to each outstanding option shall, automatically by virtue of such merger, consolidation or acquisition, be converted into and replaced by shares of common stock, or such other class of securities having rights and preferences no less favorable than the Common Stock, of the Successor, and the number of shares subject to the option and the purchase price per share upon exercise of the option shall be correspondingly adjusted, so that, by virtue of such merger, consolidation or acquisition, each Optionee shall have the right to purchase (a) that number of shares of common stock of the Successor that have a book value equal, as of the date of such merger, conversion or acquisition, to the book value, as of the date of such merger, conversion or acquisition, of the shares of Common Stock of Company theretofore subject to the Optionee's option, (b) for a purchase price per share that, when multiplied by the number of shares of common stock of the Successor subject to the option, shall equal the aggregate Option Price at which the Optionee could have acquired all of the shares of Common Stock of Company theretofore optioned to the Optionee.

C. No Effect on Company's Rights. The granting of an option pursuant to the Plan shall not effect in any way the right and power of Company to make adjustments, reorganizations, reclassifications, or changes of its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or transfer all or any part of its business or assets.

10. Amendment, Suspension, or Termination. The Board shall have the right, at any time, to amend, suspend or terminate the Plan in any respect that it may deem to be in the best interests of Company, except that, without approval by shareholders of Company holding not less than a majority of the votes represented and entitled to be voted at a duly held meeting of Company's shareholders, no amendment shall be made that would:

A. increase the maximum number of shares of Common Stock which may be delivered under the Plan, except as provided in Section 9;

B. change the Option Price for an ISO, except as provided in Section 9;

C. extend the period during which an ISO may be exercised beyond the period provided in Section 7.A;

D. make any changes in any outstanding option, without the consent of the Optionee, which would adversely affect the rights of the Optionee; or

E. extend the termination date of the Plan.

11. Effective Date, Term and Approval. The effective date of the Plan is October 27, 1994 (the date of Board adoption of the Plan). The Plan was approved by stockholders of Company holding not less than a majority of the shares present and voting at its 1995 annual meeting on April 21, 1995. The Plan shall terminate ten (10) years after the effective date of the Plan and no options may be granted under the Plan after such time, but any option granted prior thereto may be exercised in accordance with its terms.

12. Governing Law; Severability. The Plan shall be governed by the laws of the State of Delaware. The invalidity or unenforceability of any provision of the Plan or any option granted pursuant to the Plan shall not affect the validity and enforceability of the remaining provisions of the Plan and the options granted hereunder, and such invalid or unenforceable provision shall be stricken to the extent necessary to preserve the validity and enforceability of the Plan and the options granted hereunder.

Dated this 28th day of April, 1998.

SYPRIS SOLUTIONS, INC.

By: /s/ Jeffrey T. Gill

Jeffrey T. Gill
President and Chief Executive Officer

SYPRIS SOLUTIONS, INC.
INDEPENDENT DIRECTORS COMPENSATION PROGRAM
ADOPTED ON SEPTEMBER 1, 1995

AMENDED AND RESTATED ON APRIL 28, 1998

DESCRIPTION OF THE PROGRAM

NAME. The name of this benefit program shall be the "Independent Directors Compensation Program."

PURPOSE. The purpose of the Independent Directors Compensation Program is to enable Sypris Solutions, Inc. (the "Company") to attract, retain and motivate experienced directors by providing compensation that is competitive with compensation offered to independent directors of other similarly-situated public corporations in the United States.

ELIGIBILITY AND PARTICIPATION. Only "Independent Directors," defined as those members of the Board of Directors of the Company (the "Board") who are not otherwise employed by the Company, its subsidiaries or any affiliate of the Company in any other capacity, are eligible to participate in the Independent Directors Compensation Program. Any Independent Director on the Board as of September 1, 1995 (the "Effective Date") and thereafter shall be eligible for compensation under the Independent Directors Compensation Program.

COMPENSATION. Independent Directors shall be compensated as set forth below:

a) Stock Options Upon Election and Reelection to the Board. The Company shall grant each Independent Director a nonstatutory stock option for the purchase of up to 10,000 shares of the Company's common stock, $.01 par value (the "Common Stock") at the time the Independent Director is initially elected to serve on the Board and at each time he or she is subsequently reelected by the shareholders to serve on the Board. In the event that an Independent Director is initially elected to the Board at a time other than the date of the Company's annual shareholders' meeting, he or she shall receive, at the time he or she is elected, stock options for a pro rated number of shares to be determined by multiplying 10,000 by a fraction, the numerator of which shall be twelve (12) minus the number of full months which have elapsed since the date of the Company's last annual shareholders' meeting and the denominator of which shall be twelve (12). All such stock options shall be granted by the Company to the Independent Directors pursuant to the Company's Independent Directors' Stock Option Plan (the "Option Plan"). Each of the options shall be: (i) granted on the dates each of the respective Independent Directors is elected and reelected to the Board, (ii) priced at the fair market value of the Company's common stock, as determined in accordance with Section 7.C. of the Option Plan, on the respective date of grant, (iii) immediately exercisable by each of the Independent Directors on the respective dates of grant, and (iv) subject to the terms and conditions of the Option Plan and any other terms and conditions which, in accordance with the Option Plan, are specified in the applicable Stock Option Agreement entered into by and between the Company and each of the Independent Directors.

b) Annual Retainer.

(i) Amount. Each Independent Director elected to the Board at the Company's annual shareholders' meeting shall receive an annual retainer in the amount of $15,000.00 (the "Annual Retainer"). In the event that an Independent Director is elected to the Board at a time other than the date of the Company's annual shareholders' meeting, he or she shall receive a pro rated Annual Retainer (the "Pro Rated Annual Retainer") the amount of which is to be determined by multiplying $15,000.00 by a fraction, the numerator of which shall be twelve (12) minus the number of full months which have elapsed since the date of the Company's last annual shareholders' meeting and the denominator of which shall be twelve (12).

(ii) Payment. The Annual Retainer or the Pro Rated Annual Retainer, as applicable, shall be earned by the Independent Directors and paid by the Company in equal quarterly installments for each Independent Director. The quarterly installments of the Annual Retainer or Prorated Annual Retainer shall be payable, together with any attendance fees (defined below), in arrears by checks issued to each Independent Director no later than the fifteenth (15th) calendar day following the end of each of the Company's fiscal quarters during which the respective Independent Director served on the Board. Alternatively, pursuant to Paragraph d) below, each Independent Director may elect to receive his or her Annual Retainer or Prorated Annual Retainer, together with any attendance fees, in the form of nonstatutory stock options in lieu of cash.

c) Attendance Fees.

(i) Board Meetings. Each Independent Director shall receive the sum of $1,000.00 for each meeting of the Board he or she attends in person or, alternatively, the sum of $300.00 for each meeting of the Board which he or she participates in by telephone (collectively, the "Board Meeting Attendance Fees"). For purposes of the Independent Directors Compensation Program, "attendance" shall not include execution of an action by written consent of the Board. Board Meeting Attendance Fees earned by each Independent Director during a fiscal quarter shall be payable, together with the quarterly installment of the Annual Retainer or Prorated Annual Retainer, by a check issued no later than the fifteenth (15th) calendar day following the end of the fiscal quarter. Alternatively, pursuant to Paragraph d) below, each Independent Director may elect to receive his or her Board Meeting Attendance Fees in the form of nonstatutory stock options in lieu of cash.

(ii) Committee Meetings. Independent Directors are entitled to compensation for attending or participating in meetings of committees of the Board only if such meetings are held on dates other than the dates of meetings of the full Board. In the event that committee meetings are held on dates other than the dates of meetings of the full Board, each Independent Director who attends a committee meeting in person and serves as the chairperson of the meeting shall receive the sum of $1,250.00 per meeting, and each of the other Independent Directors who attend such a committee meeting in person shall receive the sum of $1,000.00 per meeting. Alternatively, each Independent Director who, as the chairperson or as a committee member, participates by telephone in committee meetings of the Board which are held on dates other than the dates of meetings of the full Board, shall receive the sum of $300.00 per meeting. (All of the aforementioned fees in this subparagraph shall hereafter be collectively referred to as the "Committee Meeting Attendance Fees"). For purposes of the Independent Directors Compensation Program, "attendance" shall not include execution of an action by written consent for any committee. Committee Meeting Attendance Fees earned by each Independent Director during a fiscal quarter shall be payable, together with the Annual Retainer or Prorated Annual Retainer and the Board Meeting Attendance Fees, by a check issued to the Independent Director no later than the fifteenth (15th) calendar day following the end of the fiscal quarter. Alternatively, pursuant to Paragraph d) below, each

Independent Director may elect to receive his or her Committee Meeting Attendance Fees in the form of nonstatutory stock options in lieu of cash.

d) Form of Payment. Each Independent Director may elect to receive his or her Annual Retainer or Prorated Annual Retainer, Board Meeting Attendance Fees and Committee Meeting Attendance Fees in the form of nonstatutory stock options in lieu of cash. The election to receive stock options in lieu of cash must be made by the Independent Director before each January 1 and shall apply to the Annual Retainer, Prorated Annual Retainer, Board Meeting Attendance Fees and Committee Meeting Attendance Fees (collectively, the "Fees") earned during the following calendar year. Independent Directors initially elected to the Board mid-calendar year shall make the election no later than ten (10) calendar days after being elected to a term on the Board and such election shall apply to Fees earned during the remainder of such calendar year. An Independent Director who fails to make a timely election for the first calendar year such director is eligible to make an election shall be deemed to have elected to receive Fees in cash. An Independent Director who fails to make an election for any subsequent calendar year shall be deemed to have made the same election such director made for the immediately preceding calendar year. Such elections, including deemed elections, shall be irrevocable for the calendar year for which made.

Any stock options issued to an Independent Director in lieu of cash compensation shall be granted to the respective Independent Directors pursuant to the Option Plan on a quarterly basis, with each grant to be made on the first day following the end of each of the Company's fiscal quarters (the "Date of Grant"). The number of shares to be granted under such options shall be determined by dividing the total of the quarterly installment of the Annual Retainer or Prorated Annual Retainer, as applicable, plus any Board Meeting Attendance Fees and any Committee Meeting Attendance Fees earned by the respective Independent Director during the previous fiscal quarter by 33% of the fair market value of the Company's common stock, as determined in accordance with Section 7.C. of the Option Plan, on the Date of Grant. The options shall be: (i) priced at the fair market value of the Company's common stock, as determined in accordance with Section 7.C. of the Option Plan, on the Date of Grant, (ii) immediately exercisable by each of the Independent Directors on the respective date of grant, and (iii) subject to the terms and conditions of the Option Plan and any other terms and conditions which, in accordance with the Option Plan, are specified in the applicable Stock Option Agreement entered into by and between the Company and each of the Independent Directors.

EXPENSE REIMBURSEMENT. Each Independent Director shall be reimbursed for travel and other expenses incurred in the performance of his or her duties.

ABILITY TO DEFER CASH COMPENSATION. Each Independent Director may elect to participate in the Company's Management Deferred Compensation Plan. This plan, which effectively enables each Independent Director to defer recognition of any cash compensation earned hereunder, provides for a range of investment alternatives, including mutual funds. Any election to defer Fees under the Management Deferred Compensation Plan shall be made according to the election procedures set forth in Paragraph d) above.

ADMINISTRATION. The Independent Directors Compensation Program is administered by the Compensation Committee of the Board. The Committee members are selected by the Board and have no specific term of office.

RESIGNATION FROM THE BOARD OF DIRECTORS. The resignation of any Independent Director shall cause such director to be ineligible to receive any amount of the Annual Retainer or Prorated Annual Retainer

installments not yet paid to him or her as of the date of resignation. Any attendance fees which have been earned by the Independent Director in accordance with Paragraph c) above prior to the date of resignation shall be paid in the same form and according to the same timetables described in Paragraph c) above. To the extent the resigning director has opted to defer any cash compensation under the Company's Management Deferred Compensation Plan, all such compensation will be distributed to him or her in accordance with the provisions of the Company's Management Deferred Compensation Plan as applicable to terminated or resigning employees.

PROGRAM TERMINATION OR MODIFICATION. The Compensation Committee shall review the Independent Directors Compensation Program on at least an annual basis and may make changes, alterations or modifications to the program which are deemed to be in the Company's best interest, provided, however, that the provisions of the program shall not be changed, altered or modified more than once every six months. Any change, alteration or modification shall be made by a written instrument consented to by the Board. The Board may similarly terminate the Independent Directors Compensation Program at any time if, in the judgment of the Board, such termination is in the Company's best interest.

IN WITNESS WHEREOF, the Company has caused this Independent Directors Compensation Program to be executed in its name and on its behalf on April 28, 1998.

SYPRIS SOLUTIONS, INC.

By: /s/ Jeffrey T. Gill

Jeffrey T. Gill
President and CEO

EXHIBIT 10.25

INDUSTRIAL LEASE

LANDLORD

ALLIANT TECHSYSTEMS INC.

AND

TENANT

METRUM, INC.

4800 EAST DRY CREEK

LITTLETON, COLORADO 80122

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SECTION 1 - BASIC LEASE PROVISIONS

1.01 Date and Parties

This lease ("Lease") is made this 29th day of March, 1993, between Alliant Techsystems Inc. ("Landlord") and Metrum, Inc. ("Tenant"). Landlord is a Corporation organized under the laws of Delaware, with principal offices at 5901 Lincoln Drive, Edina, Minnesota 55436. Tenant is a Corporation organized under the laws of Colorado, with principal offices at 4800 East Dry Creek Road, Littleton, Colorado 80122.

1.02 Premises

Upon the terms and conditions hereinafter set forth, Landlord does hereby grant, demise and lease and Tenant does hereby take and hire from Landlord, certain of the space in the building located at 4800 East Dry Creek Road, Littleton, Colorado, which space contains approximately 75,000 square feet of rentable floor area ("Premises"), as shown on the attached Exhibit A.

1.03 Use of Premises

Tenant shall use the Premises for Offices, Light Manufacturing and Assembly and other such uses incidental to Tenant's business, as previously used by Tenant's predecessor, Metrum Information Storage, prior to the transfer of assets to the Tenant under the Purchase and Sale Agreement by and between Alliant Techsystems Inc. and MAC Acquisition I, Inc. dated December 31, 1992, unless Landlord gives its advance written consent to another use to the extent permitted by law and Landlord consents to the same in its sole discretion. Landlord warrants that applicable laws, ordinances, regulations and restrictive covenants permit the Premises to be used for Offices, Light Manufacturing and Assembly and other uses incidental to Tenant's business as the Premises have been used by Tenant's predecessor prior to the transfer of assets to the Tenant under the Purchase and Sale Agreement. Tenant shall not create a nuisance nor use the Premises for any immoral or illegal purposes.

1.04 TERM

1.04(a) The basic term of this Lease shall commence on January 1, 1993 ("Beginning Date"), and expire on December 31, 1997 ("Ending Date") unless earlier terminated under the terms of this Lease.

1.04(b) The Tenant shall have the option of extending the basic term of this Lease for an additional five (5) years for the same Base Rent. Such option shall be exercised no later than twelve (12) months prior to the end of the basic term of this Lease by written notice from the Tenant to the Landlord at the address contained herein. The provisions of this Lease shall govern the tenancy under such renewal term.

1.04(c) If during the term of this lease the Landlord shall find a tenant for or purchaser of the entire Building, Landlord shall offer Tenant the option to terminate this Lease without penalty or offset, but that Tenant shall be under no obligation to so terminate.

1.05 Acceptance of Premises

1.05(a) Landlord represents and warrants to Tenant that all mechanical components of the Premises, including without limitation, plumbing, electrical, life safety, sprinkler and heating, ventilating and air conditioning systems serving the Premises shall be in good working order and in no need of repair as of the date of the commencement of the second year of this Lease. The Landlord further represents that all structural items, including without limitation, the roof, foundations, floorings, structural walls, parking areas, fences, plate glass and lighting shall be in good condition and in no need of repair as of the date of the commencement of the second year of this Lease.

1.05(b) Tenant agrees to accept the Premises subject to Landlord's representations and warranties contained herein regarding the physical condition of the Premises. Tenant acknowledges that neither Landlord, nor any broker or property manager of Landlord, has made any representations or warranty to Tenant regarding the suitability of the Premises for the conduct of Tenant's business.

1.05(c) Landlord specifically indemnifies Tenant from any and all responsibility, liability and/or expense that may currently exist or arise from the Pre-Existing Environmental Conditions of the property, as more fully stated elsewhere in this Lease and in the Purchase and Sale Agreement by and between Alliant Techsystems Inc. and MAC Acquisition I, Inc.

1.06 Licenses and Permits

1.06(a) Landlord represents and warrants that it has not received any notice from any federal, state or local agency that Landlord is in violation of any building code or federal, state or local laws, regulations and ordinances pertaining to the building or the Premises. Landlord further represents and warrants that during the term of this Lease the Premises shall be in compliance with all federal, state and/or local laws, regulations and ordinances regarding building codes, safety and fire codes. Landlord is not aware of any facts which, if disclosed to any federal, state or local agency, would result in penal or remedial action by such agency. If Landlord receives notice from any federal, state or local agency that Landlord is in violation of any federal, state or local laws pertaining to the Premises, then Landlord shall indemnify and hold Tenant harmless from any requirements to remediate or renovate the Premises unless such remediation or renovation to the Premises is caused by the Tenant.

1.06(b) Tenant shall obtain and maintain at all times during the Lease term licenses and permits required to conduct or operate its business in and upon the Premises, which are required by any applicable governmental body or agency having jurisdiction over the Premises and shall pay the fee or charge imposed for issuance of such licenses or permits. Tenant shall renew any such licenses and permits in accordance with the rules, codes, statutes or ordinances requiring such licenses or permits. Tenant agrees to conduct and operate at all times during the Lease term only the business for which it is licensed and in the event of a change in the nature of its business or operation, to obtain any necessary new or additional licenses or permits. Tenant, at its expense, shall comply with all requirements and perform all necessary action required under such rules, codes, statutes or ordinances for the issuance and continuance of such permits or licenses.

1.06(c) The Landlord shall at its sole expense obtain and maintain at all times during the Lease term all licenses and permits required to meet the obligations and responsibilities retained by Landlord with regard to the Pre-Existing Environmental Conditions of the property which are required by any applicable governmental or regulatory body or agency having jurisdiction over the property and shall pay the fee or charge imposed for issuance of such license or permits. Landlord shall renew any such licenses and permits in accordance with the rules, codes,

statutes or ordinances requiring such licenses or permits. Landlord, at its expense, shall comply with all requirements and perform all necessary action required under such rules, codes, statutes or ordinances for the issuance and continuance of such permits or licenses.

SECTION 2 - RENT AND ADDITIONAL RENT

2.01 BASE RENT

2.01(a) BASE RENT Tenant shall pay Landlord during the term of this Lease base rent (Base Rent) for the Premises as set out below:

(i) For the period commencing on the Beginning Date and ending on December 31, 1993, annual rent of $0.00;

(ii) For the period commencing on January 1, 1994 and ending on December 31, 1997, annual rent of $337,500.00, $4.50 per square foot.

2.01(b) CONDITIONS OF BASE RENT PAYMENT Base Rent shall be paid:

(i) Monthly in advance in installments equal to one-twelfth (1/12) of the annual Base Rent due;

(ii) Without advance notice, demand, offset or deduction, except as set forth herein;

(iii) By the first day of each month during the term; and

(iv) To Landlord: Alliant Techsystems Inc., General Accounting-MN50-5550, Attention: 5901 Lincoln Drive, Edina, Minnesota 55436.

If the term does not begin on the first day or end on the last day of the month, the Base Rent for that partial month shall be prorated by multiplying the monthly Base Rent by a fraction, the numerator of which is the number of days of the partial month included in the term and the denominator of which is the total number of days in the full calendar month.

If the Tenant fails to pay part or all of the Base Rent within fifteen (15) days after it is due, the Tenant shall also pay a late charge equal to one percent (1%) of the unpaid Base Rent which is past due.

2.02 TAXES AND OPERATING EXPENSES

2.02(a) TAXES AND OPERATING EXPENSES In addition to the payment of Base Rent, Tenant shall also pay to Landlord during the term of this Lease Tenant's pro rata share of all Taxes and Operating Expenses, it being understood that this is a triple net lease. Tenant's pro rata share shall mean 29.08% (Tenant's Share), being that proportion which the number of square feet of floor space in the Premises bears to 257,900 square feet, the approximate total number of square feet mutually agreed upon by Landlord and Tenant for purposes of this Lease as being contained in the buildings on the property.

2.02(b) DEFINITION OF TAXES "Taxes" shall mean all federal, state or local taxes, fees and charges including real estate taxes; general and special assessments; sewer and water rents; transit taxes; personal property taxes imposed upon the fixtures, machinery, equipment, furniture and other personal property used in connection with the Premises, which Landlord shall pay during any calendar year and which portion occurs during the basic term or any renewal term of this Lease. Notwithstanding the foregoing, there shall be excluded from Taxes (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes and other taxes to the extent applicable to Landlord's general or net income and (ii) all taxes, assessments and fees that may be charged with regard to the Pre-Existing Environmental Conditions of the property.

2.02(c) DEFINITION OF OPERATING EXPENSES "Operating Expenses" shall mean those reasonable expenses, costs and amounts (other than Taxes) which Landlord shall pay during any calendar year and which portion occurs during the basic term or any renewal term of this Lease, as a result of the repair, replacement, and operation of the building including any amounts paid for the following:

(i) Utilities (other than those separately metered to Tenant), including electricity, power, gas, sewer, water, oil or other fuel;

(ii) Window cleaning, common area cleaning, ice and snow removal, maintenance and replacement of shrubs, trees, grass, sod and other landscaped items (any of which if provided by Landlord);

(iii) Permits, licenses and certificates necessary to operate the building;

(iv) Operation, repair and maintenance of all equipment, facilities and systems designed to supply heat, ventilation, air conditioning and humidity;

(v) Insurance applicable to the building; and

(vi) Labor, material and supplies of the Landlord used in the operation, service and repair of the Premises.

Notwithstanding the foregoing, there shall be excluded from Operating Expenses the following:

(i) All expenses of any nature incurred to lease, market, sell and finance the property;

(ii) All expenses of any nature associated with the care, maintenance and repair of space within the building or buildings not so occupied by the Tenant, including but not limited to utilities, insurance, service agreements and equipment maintenance and repair;

(iii) All expenses of any nature associated with the Pre-Existing Environmental Conditions including but not limited to utilities, insurance, service, repair and maintenance agreements, remediation, permits and licenses;

(iv) All expenses of any nature incurred for the repair or replacement of parking areas, driveways, sidewalks, fences (other than Tenant's), roofs, structural walls and delivery of utilities to the Premises;

(v) Depreciation, interest and amortization on any mortgages or other financing of the property, or ground lease payments, if any;

(vi) Costs of repairs or restoration to the extent Landlord receives reimbursement from insurance proceeds or from a third party (such proceeds to be deducted from Operating Expenses in the year in which received); and

(vii) Capital expenditures.

2.02(d) MANNER OF PAYMENT Tenant's Share of Taxes and Operating Expenses shall be paid in the following manner:

(i) Landlord may reasonably estimate in advance Tenant's Share of Taxes and Operating Expenses for any full or partial calendar year of the basic term or any renewal term of this Lease. In such event, Tenant shall pay such estimated amounts monthly in advance in installments equal to one-twelfth (1/12) of the estimate together with Tenant's payment of Base Rent by the first day of each calendar month during the Lease.

(ii) Following the end of each calendar year and the partial calendar year during the last year of this Lease (if any), Landlord shall provide a statement (Statement) to Tenant showing:

(A) The amount of actual Taxes and Operating Expenses for such calendar year or partial year;

(B) Any amount paid by Tenant towards Taxes and Operating Expenses during such calendar year or partial year on an estimated basis;

(C) The Landlord's reasonable estimate of Tenant's Share of Taxes and Operating Expenses for the coming calendar year or partial year.

Any deficiency or excess payment made by the Tenant when compared to the Tenant's Share of the actual Taxes and Operating Expenses for the previous calendar year shall be credited or debited, as the case may be, to the payments of Rent next due. If the term shall have expired and no further Rent shall be due, Tenant shall receive a refund, or make a payment, of such difference within thirty (30) days after having received such Statement.

(iii) After receiving the Statement, Tenant shall commence paying estimated payments towards Tenant's Share of Taxes and Operating Expenses;

(iv) Landlord shall provide the Statement within sixty (60) days following the end of the calendar year or partial year.

2.02(e) FIRST YEAR EXEMPTION Notwithstanding any of the above, the Landlord shall pay for all of Tenant's expenses associated with the Tenant's occupancy of the Premises including, but not limited to, all utilities,

taxes, janitorial services, repairs, service, maintenance and insurance (but excluding telephone charges) from the Beginning Date through December 31, 1993. The Tenant shall bill the Landlord for any such expenses incurred by it directly and the Landlord shall reimburse the Tenant for such expenses within thirty (30) days of having received such request for payment.

2.02(f) LANDLORD'S RECORDS Landlord shall maintain records regarding Taxes and Operating Expenses and determine the same in accordance with sound accounting and management practices. Tenant or its representative shall have the right to examine such records upon reasonable prior notice during normal business hours at the place or places where such records are normally kept by Landlord by sending such notice no later that fifteen (15) days following the furnishing of the Statement. Any objection by the Tenant must be communicated to Landlord no later than thirty (30) days after Landlord makes such records available for examination. If Tenant makes exception to any matter contained in the Statement as provided herein and is unable to reach an accord with Landlord regarding such exception, both Tenant and Landlord agree to submit the dispute to arbitration as provided for in Section 11 of this Lease.

2.02(g) BASE RENT, TAXES, OPERATING EXPENSES AND OTHER Base Rent, Taxes, Operating Expenses and any other amounts which Tenant is or becomes obligated to pay Landlord under this Lease, are sometimes herein referred to collectively as "Rent," and all remedies applicable to the non-payment of Rent shall be applicable thereto.

SECTION 3 - AFFIRMATIVE OBLIGATIONS

3.01 COMPLIANCE WITH LAWS

3.01(a) LANDLORD'S COMPLIANCE Landlord represents and warrants that during the term of this Lease, the Premises shall comply with all building, safety and fire code requirements.

3.01(b) TENANT'S COMPLIANCE Tenant shall comply with all applicable laws regarding the physical condition of the Premises during the term pertaining to the use of the Premises as defined in paragraph 1.03(a). If Tenant is required by the Landlord to make improvements to the Premises, the useful life of which exceeds the remaining term, Tenant shall be responsible only for the cost of such improvements multiplied by a fraction, the numerator of which is the number of years remaining in the term and the denominator of which is the life of the improvement. Tenant shall not make such improvements until Landlord has deposited with Tenant Landlord's share of the costs pursuant to this paragraph 3.01(b).

3.02 Utilities

3.02(a) METER SEPARATION On or before the commencement of the second year of this Lease, Landlord shall ensure that all utilities are separately metered for Tenant's Premises (unless otherwise specifically agreed to between the Landlord and Tenant) and Tenant shall be responsible for paying only those utilities it uses.

3.02(b) GENERAL GROUNDS The Tenant shall be responsible for its pro rata share (in accordance with paragraph 2.02(a) of this Lease) for utilities servicing the general grounds of the property, such as water, sewer and electricity for exterior lighting. However, Landlord expressly agrees to separately meter any and all utilities used in the remediation of the Pre-Existing Environmental Conditions and Landlord further agrees that any and all utility costs associated with such remediation shall be the sole responsibility of the Landlord.

3.02(c) INTERRUPTION OF SERVICES Landlord does not warrant that any services Landlord supplies shall not be interrupted. Services may be interrupted because of accidents, repairs, alterations, improvements or for any reason beyond the reasonable control of Landlord. Except as noted below, any interruption shall not:

(i) Be considered an eviction or disturbance of Tenant's use and possession of the Premises;

(ii) Make Landlord liable to Tenant for damages;

(iii) Abate Rent; or

(iv) Relieve Tenant from performing Tenant's Lease obligations.

If any essential services (such as HVAC, electricity, water) are interrupted and the interruption does not result from the negligence or willful misconduct of Tenant, its employees, invitees or agents, Tenant shall be entitled to an abatement of Rent. The abatement shall begin on the fifth consecutive business day of interruption, or when Tenant stops using the Premises because of the interruption, whichever is later. The abatement shall end when the services are restored. Tenant shall have the option to cancel the Lease if the interruption unreasonably and materially interferes with Tenant's use of, or access to, the Premises for at least thirty (30) consecutive days. To exercise this option, Tenant must give Landlord notice of the cancellation within (30) days from the end of the thirty (30) day period.

3.03 Repairs and Maintenance

3.03(a) TENANT'S CARE OF PREMISES Beginning in month thirteen (13), and subject to the obligations of the Landlord as stated in paragraph 3.03(b) herein, Tenant, at Tenant's expense, shall keep in good order, condition and repair, ordinary wear and tear excepted, including but not limited to, the repair and maintenance of all interior plumbing, mechanical, heating, ventilating and air conditioning systems serving the Premises, electrical and lighting, pipes, ducts, conduits and equipment in, upon or serving the Premises, fixtures, interior walls, interior surfaces of exterior walls, ceiling, windows, doors, glass and skylights in the Premises. Tenant shall take good care of the Premises and keep the Premises free from filth, overloading, danger of fire or any pest or nuisance, and repair and damage or breakage done by Tenant or Tenant's agents, employees, or invitees, including damage done to the building by Tenant's equipment or installations. Tenant shall furnish and pay for the upkeep, maintenance and periodic servicing of the heating, ventilating and air conditioning equipment servicing the Premises (unless such equipment is servicing more than the Premises, in which case Tenant shall pay Tenant's Share of such costs defined in paragraph 2.02(a)). At the end of the Lease, or any renewal thereof, Tenant shall quit and surrender the Premises broom clean and in as good condition as when received by Tenant, normal wear and tear excepted.

3.03(b) LANDLORD'S REPAIRS Except for repairs and replacements thereto that Tenant must make under paragraph 3.03(a), Landlord shall, at its expense, keep in good order, condition and repair, the common areas of the building, the roof of the building, the underground or otherwise concealed plumbing serving the building and the structural soundness of the foundations, exterior walls and the delivery of utilities to the Premises. Landlord shall, at its expense, keep in good order, condition and repair all driveways, parking lots, fences and signs (except for Tenant's fences and signs) located upon or comprising the property and all sidewalks and parkways adjacent to the Premises. Landlord shall provide for common area maintenance such as exterior grounds maintenance for which the

Tenant shall pay its pro rata share as defined in paragraph 2.02(a). Notwithstanding any of the above, Landlord shall agree to bear all of the costs of this paragraph 3.03(b) during the first twelve (12) months of the Lease.

3.03(c) TIME FOR REPAIRS Repairs or replacements required under paragraphs 3.03(a) or 3.03(b) shall be made within a reasonable time (depending on the nature of the repair or replacement needed) after receiving notice or having actual knowledge of the need for a repair or replacement and such repairs shall be commenced within fifteen (15) days (or such shorter time as is reasonable in the case of an emergency) after the Landlord receives notice or has actual knowledge of the need of repair or replacement. If Landlord fails to commence and thereafter diligently proceed to complete the repairs, Tenant may give Landlord a second notice, specifying the item to be repaired and stating Tenant's intent to complete the same if Landlord fails to do so. If Landlord fails to commence the work within fifteen (15) days thereafter, Tenant may complete such repair and shall be entitled to credit the reasonable cost of so doing against the next due installment of Rent. To the extent repairs to be performed by the Tenant are required in order to prevent the continued disruption of the operations of other tenants, then the Tenant shall make its repairs in accordance with this paragraph 3.03(c).

3.03(d) SURRENDERING THE PREMISES Upon the Ending Date, or the date of the last extension term, if any, whichever is later, Tenant shall surrender the Premises to Landlord in the same broom clean condition that the Premises were in on the Beginning Date except for:

(i) Ordinary wear and tear;

(ii) Damage by the elements, fire and other casualty unless Tenant would be required to repair under paragraph 3.03(a);

(iii) Condemnation;

(iv) Damage arising from any cause not required to be repaired or replaced by Tenant; and

(v) Alterations as permitted by this Lease, unless consent was conditioned upon their removal.

On surrender, Tenant shall remove from the Premises its personal property, trade fixtures and any alterations required to be removed under Section 4 and repair any substantial damage to the Premises caused by the removal. Tenant shall not be responsible for repairing any incidental damage caused by the removal of its personal property, trade fixtures and alterations. Any items not removed by the Tenant as required above shall be considered abandoned. Landlord may dispose of abandoned items as Landlord chooses and bill Tenant for the reasonable cost of their disposal, minus any revenues received by Landlord for their disposal.

SECTION 4 - NEGATIVE OBLIGATIONS

4.01 INITIAL TENANT IMPROVEMENTS

4.01(a) IMPROVEMENT ALLOWANCE Landlord shall provide Tenant with an allowance of five hundred thousand dollars ($500,000) to be used at Tenant's discretion to reorganize, design, improve, relocate and otherwise prepare the Premises for its longer term occupancy. It is the intent of both the Landlord and the Tenant to use these funds to pay for all services and material costs that are necessary and reasonably incurred to improve and relocate the

business within the Premises. To the extent the Tenant's employees are to be used for any of the work to be conducted herein, the Tenant shall secure the Landlord's prior written approval, which approval shall not be unreasonably withheld.

4.01(b) LANDLORD IMPROVEMENTS Landlord shall repair the roof, repair the parking areas and driveways, install an elevator in the Tenant's Premises and pay for the installation of any additional demising walls that may be required to separate the Premises from the rest of the building. The Landlord shall be responsible for any and all costs associated with ensuring the Tenant's Premises are in compliance with all applicable building, fire, safety and other such regulations as of the commencement of the second year of the Lease. Expenditures made under this paragraph 4.01(b) shall be in addition to the Improvement Allowance described in paragraph 4.01(a).

4.01(c) FEES AND EXPENSES Invoices for fees and expenses associated with this work shall be forwarded to the Landlord for payment from time to time as costs are incurred for any design, space planning, engineering, architectural or other such expenses incidental to improving and relocating the business within the Premises, including licenses and permits.

4.01(d) CONSTRUCTION APPROVAL Prior to the commencement of any construction work to be performed for the renovation of the Premises, the Tenant shall submit a set of reasonably detailed plans and specifications to the Landlord for its prior approval, which approval shall not be unreasonably withheld. Invoices for fees and expenses associated with the construction and relocation phase of this work shall be submitted to the Landlord for payment as the expenses are incurred. Requests for approval and payment shall be submitted to Landlord: Alliant Techsystems Inc., Facilities Engineering, 4800 East Dry Creek Road, Littleton, Colorado 80122.

Tenant shall commence the design and improvement of the Premises as quickly as possible in full recognition that time is of the essence. In any event, the Tenant shall strive to have completed its relocation within the Premises by October 31, 1993.

4.02 ALTERATIONS

4.02(a) DEFINITIONS "Alterations" shall mean additions, substitutions, installations, changes and improvements, but shall exclude minor decorations and the Initial Tenant Improvements provided for under paragraph 4.01 herein.

4.02(b) CONSENT Tenant shall not make structural Alterations without the Landlord's advance written consent, which consent shall not be unreasonably withheld or unduly delayed. Tenant shall have the right to install from time to time its trade fixtures in and upon the Premises and to make non-structural interior modifications to the arrangement of its offices and manufacturing space without the prior written consent of Landlord.

4.02(c) CONDITIONS OF CONSENT Landlord may condition its consent in paragraph 4.01(b) on all or any part of the following:

(i) Tenant shall furnish Landlord with reasonably detailed plans and specifications of the Alterations;

(ii) The Alterations shall be performed and completed as follows:

(A) In accordance with the submitted plans and specifications;

(B) In a workmanlike manner;

(C) In compliance with all applicable laws, regulations, rules, ordinances, and other requirements of governmental authorities;

(D) Using new materials and installations at least equal in quality to the original building materials and installations;

(E) By not disturbing the quiet possession of the other tenants;

(F) By not interfering with the construction, operation or maintenance of the building; and

(G) With due diligence.

(iii) Tenant's contractors shall carry builder's risk insurance in an amount then customarily carried by prudent contractors and workers' compensation insurance for its employees in statutory limits;

(iv) Tenant's workers or contractors shall work in harmony and not unreasonably interfere with Landlord's workers or contractors or other tenants and their workers or contractors.

(v) Tenant shall give Landlord at least fifteen (15) days advance before beginning any Alterations so that Landlord may post or record notices of non-responsibility;

(vi) Upon demand, Tenant shall give Landlord evidence that it complied with any condition set by Landlord;

(vii) Tenant shall remove the Alterations and repair any damage from their removal by the Ending Date, or the date of the last extension term ends, if any, whichever is later, if the removal of such Alterations was made a condition of Landlord's approval.

4.02(d) PAYMENT AND OWNERSHIP OF THE ALTERATIONS Alterations made under this paragraph 4.02 shall be at Tenant's expense. The Alterations shall belong to Landlord when this Lease and the extension term, if any, ends except for those Alterations required to be removed by Tenant. Nevertheless, Tenant may remove its trade fixtures, furniture, equipment and other personal property if Tenant promptly repairs any damage (other than incidental damage) caused by their removal.

4.03 ASSIGNMENT AND SUBLEASING

Neither this Lease nor any interest of Tenant therein shall be assigned, mortgaged, pledged, encumbered or in any manner transferred by Tenant without the prior written consent of Landlord, which consent shall not be unreasonably withheld. The use of the Premises by a proposed subtenant or assignee must not violate or create any potential violation of any laws or violate any other agreements affecting the Premises, Landlord or other tenants. Landlord's

consent to one (1) assignment, subletting or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting or use by another person.

SECTION 5 - INSURANCE

5.01 INSURANCE

5.01(a) LANDLORD'S BUILDING INSURANCE Landlord shall obtain and keep in good force during the term of this Lease a policy or policies of insurance covering loss or damage to the building, including rental value insurance, but not Tenant's fixtures, inventory, equipment or Tenant improvements, in an amount not to exceed the full replacement value of the building, as the value may exist from time to time, providing protection against all perils included within the classification so called all risks, such as fire, lightning, windstorm, tornado, hail, explosion, riots, civil commotion, aircraft, vehicles, smoke and extended coverage, but not plate glass insurance. The insurance shall include an extended coverage endorsement of the kind required by an institutional lender to repair and restore the building. The cost of all such insurance required to be maintained by Landlord hereunder shall be included in Operating Expenses.

5.01(b) PROPERTY INSURANCE Each party shall keep its personal property and trade fixtures in the Premises and building insured with "all risks" insurance in an amount to cover one hundred percent (100%) of the replacement cost of the property and fixtures. Tenant shall also keep any non-building-standard improvements made to the Premises at Tenant's request insured to the same degree as Tenant's personal property.

5.01(c) LIABILITY INSURANCE Each party shall maintain contractual and comprehensive general liability insurance, including public liability and property damage, with a minimum combined single limit of two million dollars ($2,000,000) for personal injuries or deaths of persons occurring in or about the building and Premises.

5.01(d) WAIVER OF SUBROGATION Landlord and Tenant each agree that all policies of insurance required to be obtained by each of them respectively shall, unless prohibited by applicable law or regulation, contain provisions in which the rights of subrogation against Landlord and Tenant are waived by the insurance company or carriers insuring the Premises or property in question. Landlord expressly waives any right of recovery against Tenant for damage to or loss of the building, land and Premises or improvements thereon which loss or damage may arise by fire or any other peril covered by any policy of insurance maintained pursuant to this Lease, which contains or is required to contain waiver of subrogation rights against Tenant pursuant to this Section 5 and shall make no claim for recovery against Tenant therefor.

Tenant expressly waives any right of recovery against Landlord for damage to or loss of the building, land and Premises or improvements thereon which loss or damage may arise by fire or any other peril covered by any policy of insurance maintained pursuant to this Lease, which contains or is required to contain waiver of subrogation rights against Landlord pursuant to this Section 5 and shall make no claim for recovery against Landlord therefor.

The waiver also applies to each party's directors, officers, employees, shareholders and agents. The waiver does not apply to claims caused by a party's willful misconduct.

5.01(e) INSURANCE CRITERIA Insurance policies required by this lease shall:

(i) Be issued by insurance companies licensed to do business in the state of Colorado with general policyholder's ratings of at least "A" and a financial rating of at least "XI" in the most current Best's Insurance Reports available on the date in paragraph 1.01. If the Best's ratings are changed or discontinued, the parties shall agree to an equivalent method of rating insurance companies. If the parties cannot agree, they shall submit the dispute to arbitration under Section 11;

(ii) Name the non-procuring party as an additional insured as its interest may appear. Other landlords or tenants may also be added as additional insureds in a blanket policy;

(iii) Provide that the insurance not be canceled or materially changed in the scope or amount of coverage unless thirty (30) days advance notice is given to the non-procuring party;

(iv) Be primary policies not as contributing with, or in excess of, the coverage that the other party may carry;

(v) Be permitted to be carried through a blanket policy or umbrella coverage;

(vi) Have deductibles not greater that twenty-five thousand dollars ($25,000); and

(vii) Be maintained during the entire term and any extension terms.

5.01(f) EVIDENCE OF INSURANCE By the Beginning Date and upon each renewal of its insurance policies, each party shall give certificates of insurance to the other party. The certificate shall specify amounts, types of coverage, the waiver of subrogation and the insurance criteria listed in paragraph 5.01(e). The policies shall be renewed or replaced and maintained by the other party responsible for that policy. If either party fails to give the required certificate with thirty (30) days after notice of demand for it, the other party may obtain and pay for that insurance and receive reimbursement from the party required to have the insurance.

5.02 INDEMNIFICATION

5.02(a) TENANT'S INDEMNITY Tenant indemnifies, defends and holds Landlord harmless from claims:

(i) For personal injury, death or property damage;

(ii) For incidents occurring in or about the Premises or building; and

(iii) Caused by the negligence or willful misconduct of Tenant, its agents, employees or invitees.

When the claim is caused by the joint negligence or willful misconduct of Tenant and Landlord, or Tenant and a third party unrelated to Tenant, except Tenant's agents, employees or invitees, Tenant's duty to defend, indemnify and hold Landlord harmless shall be in proportion to Tenant's allocable share of the joint negligence or willful misconduct.

5.02(b) LANDLORD'S INDEMNITY Landlord indemnifies, defends and holds Tenant harmless from claims:

(i) For personal injury, death or property damage;

(ii) For incidents occurring in or about the Premises or building; and

(iii) Caused by the negligence or willful misconduct of Landlord, its agents, employees or invitees.

When the claim is caused by the joint negligence or willful misconduct of Landlord and Tenant, or Landlord and a third party unrelated to Landlord, except Landlord's agents, employees or invitees, Landlord's duty to defend, indemnify and hold Tenant harmless shall be in proportion to Landlord's allocable share of the joint negligence or willful misconduct.

5.02(c) RELEASE OF CLAIMS Notwithstanding paragraphs 5.02(a) and 5.02(b), the parties release each other from any claims either party (injured party) has against the other. This release is limited to the extent the claim is covered by the injured party's insurance or the insurance the injured party is required to carry under Section 5, whichever is greater.

5.03 LIMITATION OF LANDLORD'S LIABILITY

5.03(a) TRANSFER OF PREMISES Landlord hereby acknowledges that Tenant has agreed to lease the Premises based upon the complete expressed indemnification of the Tenant by the Landlord with regard to the Pre-Existing Environmental Conditions on the property. In the event ownership of the Premises is transferred by the Landlord, such transfer shall not serve to limit the Landlord's responsibilities and obligations to indemnify the Tenant for the Pre-Existing Environmental Conditions or any other responsibilities or obligations so specified under the Purchase and Sale Agreement by and between Alliant Techsystems Inc. and MAC Acquisition I, Inc. dated December 31, 1992.

SECTION 6 - LOSS OF PREMISES

6.01 DAMAGES

6.01(a) DEFINITION "Relevant Space" means:

(i) The Premises as defined in paragraph 1.02, excluding Tenant's non-building-standard fixtures;

(ii) Access to the Premises; and

(iii) Any part of the building that provides essential services to the Premises.

6.01(b) REPAIR OF DAMAGE If the Relevant Space is damaged in part or in whole from any cause and the Relevant Space can be substantially repaired and restored within ninety (90) days from the date of the damage using standard work methods and procedures, Landlord shall, at its expense, promptly and diligently repair and restore the Relevant Space to substantially the same condition as existed before the damage. This repair and restoration shall be made within ninety (90) days from the date of the damage.

If the Relevant Space is not insured or cannot be repaired and restored within the ninety (90) day period, then either party may, within ten (10) days after determining that the repairs and restoration cannot be made within ninety (90) days (as prescribed in paragraph 6.01(b)), cancel the Lease by giving notice to the other party. Nevertheless, if the Relevant Space is not repaired and restored within ninety (90) days from the date of damage, then Tenant may cancel the Lease at any time after the ninetieth (90th) day and before the one hundred and twentieth (120th) day following the date of damage. Tenant shall not be able to cancel this Lease if its willful misconduct causes the damage unless Landlord is not promptly and diligently repairing and restoring the Relevant Space.

6.01(c) DETERMINING THE EXTENT OF DAMAGE If the parties cannot agree in writing whether the repairs and restoration described in paragraph 6.01(b) will take more than ninety (90) days to make, then the determination will be submitted to arbitration under Section 11.

6.01(d) ABATEMENT Unless the damage is caused by the Tenant's negligence or willful misconduct, the Rent shall abate in proportion to that part of the Premises that is unfit for use in the Tenant's business. The abatement shall consider the nature and extent of interference to Tenant's ability to conduct business in the Premises and the need for access and essential services. The abatement shall continue from the date the damage occurred until ten (10) business days after Landlord completes the repairs and restoration to the Relevant Space, or the part rendered unusable and notice to the Tenant that the repairs and restoration are completed, or until Tenant again uses the Premises or the part rendered unusable, whichever is first.

6.01(e) TENANT'S PROPERTY Notwithstanding anything else in Section 6, Landlord is not obligated to repair or restore damage to Tenant's trade fixtures, furniture, equipment or other personal property, or any Tenant improvements other than those listed and attached hereto.

6.01(f) DAMAGE TO PREMISES If any of the following events occur, Landlord may cancel this Lease:

(i) More than forty percent (40%) of the Premises is damaged and the Landlord decides not to repair and restore the Premises;

(ii) The damage is not covered by Landlord's insurance required by paragraphs 5.01(a) and 5.01(b).

To cancel, Landlord must give notice to Tenant within thirty (30) days after the Landlord knows of the damage. The notice must specify the cancellation date, which shall be at least thirty (30) days, but not more than sixty (60) days, after the date notice is given.

6.01(g) CANCELLATION If either party cancels this Lease as permitted by paragraphs 6.01(b) and 6.01(f), then this Lease shall end on the day specified in the cancellation notice. Rent and other charges shall be payable up to the cancellation date and shall account for any abatement. Landlord shall promptly refund to Tenant any prepaid, unaccrued Rent, accounting for any abatement, plus security deposit, if any, less any sum then owing by Tenant to Landlord.

If Landlord cancels this Lease as permitted by paragraphs 6.01(b) and 6.01(f), then Landlord must cancel all other similarly affected tenant leases in the building.

6.02 CONDEMNATION

6.02(a) DEFINITIONS The terms "eminent domain," "condemnation," "taken" and the like in paragraph 6.02 include takings for public or quasi-public use and private purchase in place of condemnation by any authority authorized to exercise the power of eminent domain.

6.02(b) ENTIRE TAKING If the entire Premises or the portions of the building required for reasonable access to, or the reasonable uses of, the Premises are taken by eminent domain, this Lease shall automatically end on the earlier of:

(i) The date title vests; or

(ii) The date the Tenant is dispossessed by the condemning authority.

6.02(c) PARTIAL TAKING If the taking of a part of the Premises materially interferes with Tenant's ability to continue its business operations in substantially the same manner and space, then Tenant may end this Lease on the earlier of:

(i) The date title vests; or

(ii) The date the Tenant is dispossessed by the condemning authority; or

(iii) Sixty (60) days following notice to Tenant of the date when vesting or disposition is to occur.

If there is a partial taking and this Lease continues, then the Lease shall end as to the part taken and the Rent shall abate in proportion to the part of the Premises taken and Tenant's pro rata share shall be equally reduced.

6.02(d) TERMINATION BY LANDLORD If title to a part of the building other than the Premises is condemned and in the Landlord's reasonable opinion, the building should be restored in a manner that materially alters the Premises, Landlord may cancel this Lease by giving notice to the Tenant. Cancellation notice shall be given within sixty (60) days following the date title vested. This Lease shall end on the date specified in the cancellation notice, which date shall be at least thirty (30) days, but not more than ninety (90) days, after the date notice is given.

6.02(e) RENT ADJUSTMENT If the Lease is canceled as provided for in paragraphs 6.02(b), 6.02(c) or 6.02(d), then the Rent and other charges shall be payable up to the cancellation date and shall account for any abatement. Landlord, considering any abatement, shall promptly refund to Tenant any unpaid, unaccrued Rent plus security deposit, if any, less any sum then owing by Tenant to Landlord.

6.02(f) REPAIR If the Lease is not canceled as provided for in paragraphs 6.02(b), 6.02(c) or 6.02(d), then Landlord, at its expense, shall promptly repair and restore the Premises to the condition that existed immediately before the taking, except for the part taken, to render the Premises a complete architectural unit, but to the extent of the:

(i) Condemnation award received for the damage; and

(ii) Building standard work.

6.02(g) AWARDS AND DAMAGES Landlord reserves all rights to damages paid because of any partial or entire taking of the Premises. Notwithstanding anything else in paragraph 6.02(g), Tenant may claim and recover from the condemning authority a separate award for Tenant's moving expenses, business dislocation damages, Tenant's personal property and fixtures, the unamortized costs of leasehold improvements paid for by Tenant and any other award that would not substantially reduce the award payable to Landlord. Each party shall seek its own award, as limited by paragraph 6.02(g), at its own expense and neither shall have any right to the award made to the other.

6.02(h) TEMPORARY CONDEMNATION If part or all of the Premises are condemned for a limited period of time of less than twenty (20) days (Temporary Condemnation), this Lease shall remain in effect. The Rent and Tenant's obligations for the part of the Premises taken shall abate during the Temporary Condemnation in proportion to the part of the Premises that Tenant is unable to use in its business operations as a result of the Temporary Condemnation. Landlord shall receive the entire award for any Temporary Condemnation; however, Tenant shall have the right to pursue a claim against the condemning authority separately.

6.03 HAZARDOUS MATERIALS

6.03(a) Landlord shall indemnify and hold Tenant harmless from any environmental costs relating to conditions existing on or before the effective date of this Lease and from the conduct of the Tenant's business during the first twelve (12) months of this lease; provided:

(i) Tenant shall operate its business and handle, store and dispose of all hazardous materials ("Operation") under the same policies and procedures that the business was operated under during the twelve (12) month period prior to the effective date of this Lease; or

(ii) Any change in the Operation is:

(A) Caused by cessation of a portion of the business, or

(B) Mutually agreed to in writing by Landlord and Tenant.

Tenant shall allow Landlord to inspect and audit the Operations without prior notification. Tenant shall, at its cost, comply with all changes in the Operations:

(i) As directed by Landlord in writing which are a result of Landlord's compliance audits or changes in Environmental Laws; or

(ii) As directed in writing by any local, state or federal agency.

Tenant, at its cost, shall continue maintaining or continue the application process of all permits and licenses necessary for the Operations (but in no way associated with any remediation work) as directed by the Landlord. Tenant's failure to comply with Landlord or agency directed changes in the Operations shall be considered a breach of this Lease, for which the Landlord shall be entitled to recover its actual damages and any reasonable attorney's and consulting fees.

6.03(b) After the initial twelve (12) months of this Lease, Tenant shall comply with all Environmental Laws and shall indemnify and hold Landlord harmless from any Environmental Cost which is different in nature from Pre-Existing Conditions of the Premises, or which is attributable to actions taken by the Tenant after the initial twelve (12) month period and which results in a liability to Landlord and only to the extent it is greater than, or different from, the Landlord's liability for the Pre-Existing Conditions. Nothing in this paragraph 6.03 extends Landlord's obligations to Tenant for any environmental liabilities unrelated to the Premises.

6.03(c) The terms "Environmental Costs" and "Environmental Laws" shall have the same definitions as they do in the Purchase and Sale Agreement by and between Alliant Techsystems Inc. and MAC Acquisition I, Inc. dated December 31, 1992. The "Pre-Existing Conditions" shall mean the soil and ground water contamination in existence on December 31, 1992, and the conditions for which Landlord is responsible during the first twelve (12) months of this Lease under this paragraph 6.03.

SECTION 7 - DEFAULT

7.01 TENANT'S DEFAULT

Each of the following constitutes a default ("Default"):

(i) Tenant's failure to pay Rent within fifteen (15) days after Tenant receives notice from Landlord of Tenant's failure to pay Rent;

(ii) Tenant's failure to pay Rent by the due date, at any time during a calendar year in which the Tenant has already received three (3) notices of its failure to pay Rent by the due date;

(iii) Tenant's failure to perform or observe any other Tenant obligation after a period of thirty (30) business days or the additional time, if any, that is reasonably necessary to promptly and diligently cure the failure, after it receives notice from Landlord setting forth in reasonable detail the nature and extent of the failure and identifying the applicable Lease provision(s);

(iv) Tenant's abandoning or vacating the Premises if Tenant fails to pay the Rent by the due date;

(v) The occurrence of any of the following events:

(A) The making by Tenant of any general arrangement or assignment for the benefit of creditors:

(B) The Tenant's becoming a "debtor" as defined in Chapter 11, U. S. C. 101 or any successor statute thereto (unless in the case of a petition filed against the Tenant the same is dismissed within ninety (90) days);

(C) The appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within sixty (60) days; or

(D) The attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease where such seizure is not discharged within sixty (60) days;

provided, however, in the event that any provision of this subparagraph 7.01(v) is contrary to any applicable law, such provision shall be of no force or effect and or affect the validity of the remaining provisions.

7.02 LANDLORD'S REMEDIES

If Tenant fails to perform any affirmative duty or obligation of Tenant under this Lease, within thirty (30) days after receipt of written notice to Tenant (or in the case of an emergency, such lesser time that is prudent under the circumstances), Landlord may at its option (but without obligation to do so), perform such duty or obligation on Tenant's behalf, including but not limited to the obtaining of reasonable required bonds, insurance policies or governmental licenses, permits or approvals. The costs and expenses of any such performance by Landlord shall be due and payable by Tenant to Landlord upon invoice therefor. If any check given to Landlord by Tenant shall not be honored by the bank upon which it is drawn, Landlord, at its option, may require all future payments to be made under this Lease by Tenant to be made only by cashier's check.

In the event of a Default of this Lease by Tenant, as defined in paragraph 7.01, Landlord may, in addition to all other remedies given to Landlord by law or in equity, by written notice to Tenant, declare the present value of all installments of Base Rent for the remainder of the term of this Lease to be immediately due and payable (whereupon the same shall be immediately due and payable), and terminate this Lease or, without terminating this Lease, reenter the Premises pursuant to proper legal proceedings (for which cost Landlord shall be reimbursed if such reentry is granted). In the event of such re-entry Landlord shall use its reasonable efforts to relet the Premises and in the event of such reletting shall apply the rent therefrom first to the payment of Landlord's expenses (including reasonable attorneys' fees) incurred by reason of Tenant's Default and the expense of reletting, including but not limited to repairs, renovation or alteration of the Premises, and then to the payment of Rent and all other sums due from Tenant hereunder.

All remedies available to Landlord under this Lease, at law, or in equity, are cumulative and concurrent. No termination of this Lease nor any taking or recovering of possession of the Premises shall deprive Landlord of any of its remedies or actions against Tenant for past or future rent or other sums due hereunder, nor shall the bringing of any action for rent or other Default be construed as a waiver of the right to obtain possession of the Premises.

7.03 LANDLORD'S DEFAULT

Landlord's failure to perform or observe any of its Lease obligations after a period of thirty (30) business days or the additional time, if any, that is reasonably necessary to promptly and diligently cure the failure after receiving notice from Tenant, is a Default. The notice shall give in reasonable detail the nature and extent of the failure and identify the Lease provision(s) containing the obligation(s). After Tenant receives notice of a mortgagee's name and address and request for notice upon Landlord's Default, Tenant shall provide the notice required by this paragraph to the mortgagee at the same time Tenant gives notice to Landlord.

If Landlord commits a Default, Tenant may pursue any remedies given in this Lease or under the law.

7.04 EXCEPTION TO CURE PERIODS

The cure periods in paragraphs 7.01 and 7.03 do not apply to:

(i) Emergencies;

(ii) Failure to maintain the insurance required by paragraph 5.01.

7.05 SELF-HELP

If either party Defaults ("Defaulting Party"), the other party ("Non-Defaulting Party") may, without being obligated and without waiving the Default, cure the Default. The Non-Defaulting Party may enter the Premises or building to cure the Default. The Defaulting Party shall pay the Non-Defaulting Party, upon demand, all costs, expenses and disbursements incurred by the Non-Defaulting Party to cure the Default.

7.06 SURVIVAL

The remedies permitted by Section 7, the parties' indemnities in paragraph 5.02 and Landlord's obligation to mitigate damages shall survive the ending of this Lease.

SECTION 8
SUBORDINATION/ATTORNMENT/NON-DISTURBANCE

8.01 SUBORDINATION/ATTORNMENT/NON-DISTURBANCE

8.01(a) SUBORDINATION This lease shall be subject and subordinate to any ground lease, mortgage, deed of trust or other hypothecation or security device (collectively "Security Device") now or hereafter placed by Landlord upon the real property of which the Premises are a part, to any and all advances made on the security thereof and to all renewal, modifications, consolidations, replacements and extensions thereof. Tenant agrees that the lenders holding any such Security Device shall have no duty, liability or obligation to perform any of the

obligations of Landlord under this Lease, but that in the event of Landlord's Default with respect to any such obligation, Tenant will give any lender whose name and address have been furnished Tenant in writing for such purposes notice of Landlord's Default and allow such lender thirty (30) days following receipt of such notice for the cure of said Default before invoking any remedies Tenant may have by reason thereof. If any lender shall elect to have this Lease superior to the lien of its Security Device and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recording thereof.

8.01(b) ATTORNMENT Subject to the non-disturbance provisions of paragraph 8.01(c), Tenant agrees to attorn to a lender or any other party who acquires ownership of the Premises by any reason.

8.01(c) NON-DISTURBANCE With respect to any Security Device entered into by Landlord after the execution of this Lease, Tenant's subordination of this Lease shall be subject to receiving assurance (a non-disturbance agreement) in a form reasonably acceptable to Tenant from the lender that Tenant's possession and this Lease, including any options to extend the term hereof, will not be disturbed so long as Tenant is not in breach hereof and attorns to the recorded owner of the Premises

8.01(d) SELF-OPERATING Paragraph 8.01 is self-operating. However, Tenant shall promptly execute and deliver any documents needed to confirm this arrangement.

8.02 ESTOPPEL CERTIFICATE

8.02(a) OBLIGATION Either party ("Answering Party") shall from time to time, within ten (10) business days after receiving a written request by the other party ("Asking Party"), execute and deliver to the Asking Party a written statement. This written statement, which may be relied upon by the Asking Party and any third party with whom the Asking Party is dealing, shall certify:

(i) The accuracy of the Lease document;

(ii) The Beginning and Ending Dates of the Lease;

(iii) That the Lease is unmodified and in full effect or in full effect as modified, stating the date and nature of the modification;

(iv) Whether to the Answering Party's knowledge the Asking Party is in Default or whether the Answering Party has any claims or demands against the Asking Party and, if so, specifying the Default, claim or demand; and

(v) To otherwise correct and reasonably ascertainable facts that are covered by the Lease terms.

8.02(b) REMEDY The Answering Party's failure to comply with its obligation in paragraph 8.02(a) shall be a Default. Notwithstanding subparagraphs 7.01(i), 7.01(iii), 7.01(v) and paragraph 7.03, the cure period for this Default shall be ten (10) business days after the Answering Party receives notice of the Default.

8.03 QUIET POSSESSION

Landlord covenants that, upon the payment of Rent and observance and performance by Tenant of all the terms, covenants and conditions of this Lease on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Premises, subject, nevertheless, to the terms and conditions of this Lease.

Landlord warrants that it owns the building free and clear of all encumbrances except those listed below:

(i) Credit Agreement dated September 25, 1990, by and between Alliant Techsystems Inc. and Morgan Guaranty Trust Company of New York acting as agent for certain banks and institutions.

If Tenant is not in Default and subject to the Lease terms and the above encumbrances, Landlord warrants that Tenant's peaceable and quiet enjoyment of the Premises shall not be disturbed by anyone.

SECTION 9 - LANDLORD'S RIGHTS

9.01 RULES

9.01(a) RULES Tenant, its employees and invitees shall comply with:

(i) The Rules attached as Exhibit B; and

(ii) Reasonable modifications and additions to the Rules adopted by Landlord provided that:

(A) Tenant is given thirty (30) days advance notice;

(B) The changes are for the safety, care, order or cleanliness of the common areas;

(C) The changes do not unreasonably and materially interfere with the Tenant's conduct of its business or Tenant's use and enjoyment of the Premises:

(D) The changes do not require payment of additional moneys by or result in an expense to Tenant; and

(E) The changes are enforced uniformly against all tenants.

9.01(b) CONFLICT WITH LEASE If a Rule issued under paragraph 9.01(a) conflicts with or is inconsistent with any Lease provision, the Lease provision controls.

9.01(c) ENFORCEMENT Although Landlord is not responsible for another tenant's failure to observe the Rules, Landlord shall not unreasonably enforce the Rules against Tenant.

9.02 MECHANIC'S LIENS

9.02(a) DISCHARGE LIEN Tenant shall, within sixty (60) days after receiving notice of any mechanic's lien for material or work claimed to have been furnished to the

Premises on Tenant's behalf and at Tenant's request, except for work contracted by Landlord:

(i) Discharge the lien; or

(ii) Post a bond equal to the amount of the disputed claim with companies reasonably satisfactory to Landlord.

If Tenant posts a bond, it shall contest the validity of the lien. Tenant shall indemnify, defend and hold Landlord harmless from losses incurred from these liens.

9.02(b) LANDLORD'S DISCHARGE If Tenant does not discharge the lien or post the bond within the sixty (60) day period, Landlord may pay any amounts, including interest and legal fees, to discharge the lien. Tenant shall then be liable to Landlord for the amounts paid by Landlord.

9.02(c) CONSENT NOT IMPLIED Paragraph 9.02 is not a consent to subject Landlord's property to these liens.

9.03 RIGHT TO ENTER

9.03(a) PERMITTED ENTRIES Landlord and its agents, servants and employees may enter the Premises (except restricted areas as designated by Tenant's Security Officer) at reasonable times, with twenty-four (24) hours notice to the Tenant (seven (7) days notice to make repairs, alterations, improvements or additions), without charge, liability or abatement of Rent to:

(i) Examine the Premises;

(ii) Make repairs, alterations, improvements and additions required by the Lease;

(iii) Comply with Applicable Laws under paragraph 3.01;

(iv) Show the Premises to prospective lenders or purchasers and, during the twelve (12) months immediately before this Lease ends, to prospective tenants if accompanied by an employee of Tenant (if so requested);

(v) Post notices of non-responsibility;

(vi) Remove any Alterations made by Tenant in violation of paragraph 4.02; and

(vii) Post "For Sale" signs and, during the twelve (12) months immediately before this Lease ends, post "For Lease" signs.

9.03(b) ENTRY CONDITIONS Notwithstanding paragraph 9.03(a), entry is conditioned upon Landlord:

(i) Giving Tenant at least twenty-four (24) hours advance notice, except in an emergency;

(ii) At the Tenant's option, to have an employee of Tenant accompany the Landlord, its employees or agents at all times while on the Premises;

(iii) Promptly finishing any work for which it entered; and

(iv) Causing the least practical interference to Tenant's business.

9.03(c) INTERFERENCE WITH TENANT Notwithstanding paragraphs 9.03(a) and (b):

(i) If Landlord's entry materially and substantially interferes with the conduct of the Tenant's business (and the entry is not needed because of Tenant's negligence or willful misconduct), the Rent shall abate in proportion to the extent of the interference; and

(ii) If the Landlord causes damage to Tenant's property, Landlord shall be liable for any damage to the extent the damage is not covered by Tenant's insurance or insurance Tenant is required to carry under Section 5, whichever is greater.

9.04 HOLDOVER

9.04(a) HOLDOVER STATUS If, at the expiration or termination of this Lease, Tenant shall, with the express consent of Landlord, hold over for any reason, the tenancy of Tenant thereafter shall be on a month-to-month basis only at 1.15 times the Base Rent with each party retaining the right to terminate the Lease by providing thirty (30) days advance notice to the other party.

9.04(b) HOLDOVER TERMS The Holdover period shall, in the absence of a written agreement to the contrary, be subject to all other terms and conditions of the Lease except:

(i) The term (paragraph 1.04);

(ii) Base Rent (paragraphs 2.01); and

(iii) The extension term is deleted (paragraph 1.04(b)).

9.05 SIGNS AND ADVERTISEMENTS

Landlord shall reasonably consent to the placement of signs on the property by the Tenant at Tenant's cost. At Landlord's option, Tenant shall remove all such signs at the expiration of the term of this Lease.

9.06 MORTGAGE AND TRANSFER

Landlord shall have the right to transfer, mortgage, pledge or otherwise encumber, assign and convey, in whole or in part, the rights now or hereafter existing and all Rent payable to Landlord under the provisions hereof, subject to:

(i) Tenant's right to terminate this Lease in the event the Landlord finds a tenant for or purchaser of the entire Premises; and

(ii) Tenant's right to indemnity by the Landlord for Pre-Existing Environmental Conditions.

SECTION 10 - OTHER LEASES AND ACCESS TO PREMTISES

10.01 THIRD PARTY LEASES

Landlord intends to lease to third parties portions of the building that are not being utilized by Tenant during the term of this Lease, provided that the Landlord agrees that it shall not lease any space on the property to any actual or reasonably potential competitors of the Tenant. Landlord further agrees that it shall include in all leases involving other portions of the buildings, requirements for the compliance with the applicable rules and regulations regarding the discharge, handling and storage of hazardous waste. The Landlord agrees to require each such tenant to provide Landlord with a list of all such hazardous materials used in or about its premises on or before the commencement date of its lease and that such list shall be updated on an annual basis. Landlord will make available a copy of this list to the Tenant upon Tenant's request.

10.02 ENVIRONMENTAL REMEDIATION

Landlord intends to perform investigations and remediation work with respect to the Pre-Existing Environmental Conditions on a portion of the Premises ("Work"). Tenant agrees to permit Landlord and its agents, contractors and employees access to the Premises, in compliance with any security requirements of Tenant, during normal business hours to perform the Work, provided that such access does not unreasonably interfere with Tenant's business. Landlord agrees to indemnify and hold Tenant harmless from all loss, cost, damage, suits and expenses incurred by Tenant by virtue of Tenant permitting such access and use as described in this paragraph 10.02. This indemnity shall survive the termination or earlier expiration of this Lease.

SECTION 11- DISPUTES

11.01 ARBITRATION

11.01(a) PROCEDURE For disputes subject to arbitration under paragraph11.01(c) that are not resolved by the parties within ten (10) days after either party gives notice to the other of its desire to arbitrate the dispute, the dispute shall be settled by binding arbitration by the American Arbitration Association in accordance with its then prevailing rules. Judgment upon the arbitration award may be entered in any courts having jurisdiction. The

arbitrators shall have no power to change the Lease provisions. The arbitration panel shall consist of three (3) arbitrators, one of whom must be a real estate attorney actively engaged in the practice of law for at least the last five (5) years. Both parties shall continue performing their Lease obligations pending the award in the arbitration proceeding. The arbitrators shall award the prevailing party reasonable expenses and costs (including reasonable attorneys' fees pursuant to paragraph 12.02), plus interest on the amount due at eighteen percent (18%) per annum, or the maximum then allowed by applicable law, whichever is less.

11.01(b) PAYMENT The losing party shall pay to the prevailing party the amount of the final arbitration award. If payment is not made within ten (10) business days after the date of the arbitration award is no longer appealable, then, in addition to any remedies under the law:

(i) If Landlord is the prevailing party, it shall have the same remedies for failure to pay the arbitration award as it has for Tenant's failure to pay Rent; and

(ii) If Tenant is the prevailing party, it may deduct any remaining unpaid award from its monthly payment of Rent or other charges.

11.01(c) ARBITRATION The following disputes are subject to arbitration:

(i) Any disputes that the parties agree to submit to arbitration;

(ii) The date when the Premises are substantially completed;

(iii) The amount of any abatement of Rent because of damage or condemnation;

(iv) The amount billed as Additional Rent or any component part of the calculation of Additional Rent or other charges;

(v) Which party must comply with Applicable Laws under paragraph 3.01;

(vi) Whether utilities are being provided in the quality and quantity required by paragraph 3.02:

(vii) Whether Tenant may abate Rent or cancel the Lease under paragraph 3.02(b)(iii);

(viii) Whether Landlord's withholding of consent is unreasonable or unduly delayed under Section 4; and

(ix) Whether either party can cancel the Lease under Sections 6 or 7.

SECTION 12 - MISCELLANEOUS

12.01 BROKER'S WARRANTY

The parties warrant that no broker was dealt with on this Lease. The party who breaches this warranty shall defend, hold harmless and indemnify the non-breaching party from any claims or liability arising from the breach.

12.02 ATTORNEY'S FEES

In any litigation between the parties regarding this Lease, the losing party shall pay to the prevailing party all reasonable expenses and court costs including attorneys' fees incurred by the prevailing party. A party shall be considered the prevailing party if:

(i) It initiated the litigation and substantially obtains the relief it sought, either through a judgment or the losing party's voluntary action before arbitration (after it is scheduled), trial or judgment;

(ii) The other party (who initiated the litigation) withdraws its action without substantially obtaining the relief it sought; or

(iii) The party who did not initiate the litigation and judgment is entered for either party, but without substantially granting the relief sought.

12.03 NOTICES

Unless a Lease provision expressly authorizes verbal notice, all notices under this Lease shall be in writing and sent by registered mail, postage prepaid, as follows:

To Tenant: Metrum, Inc.
4800 East Dry Creek Road
Littleton, Colorado 80122
Attention: President & CEO

To Landlord: Alliant Techsystems Inc.
Lease Administration MN48-1470
7225 Northland Drive
Brooklyn Park, Minnesota 55428

Either party may change these persons or addresses by giving notice as provided above. Tenant shall also give required notices to Landlord's mortgagee after receiving notice from Landlord of the mortgagee's name and address. Notice shall be considered given and received on the latest original delivery or attempted delivery date as indicated on the postage receipt(s) of all persons and addresses to which notice is to be given.

12.04 PARTIAL INVALIDITY

If any Lease provision is invalid or unenforceable to any extent, then that provision and the remainder of this Lease shall continue in effect and be enforceable to the fullest extent permitted by law.

12.05 WAIVER

The failure of either party to exercise any of its rights is not a waiver of those rights. A party waives only those rights specified in writing and signed by the party waiving its rights.

12.06 DELETIONS

If the parties delete any provision or part of a provision, the Lease shall be interpreted as if the deleted language were never part of the Lease.

12.07 BINDING ON SUCCESSORS

This Lease shall bind the parties' heirs, successors, representatives and permitted assigns.

12.08 GOVERNING LAW

This Lease shall be governed by the laws of the state of Colorado.

12.09 RECORDING

Recording of this Lease is prohibited except as allowed in this paragraph. At the request of either party, the parties shall promptly execute and record, at the cost of the requesting party, a short form memorandum describing the Premises and stating the Lease's Term, its Beginning and Ending Dates and other information the parties agree to include.

12.10 SURVIVAL OF REMEDIES

The parties' remedies shall survive the ending of this Lease when the ending is caused by the Default of the other party.

12.11 AUTHORITY OF PARTIES

Landlord warrants that it owns the property free and clear of all mortgages, liens and encumbrances except for those listed in paragraph 8.03. Each party warrants that it is authorized to enter into the Lease, that the person signing on its behalf is duly authorized to execute the Lease and that no other signatures are necessary.

12.12 BUSINESS DAYS

Business days means Monday through Friday inclusive, excluding holidays. Throughout this Lease, wherever "days" are used, the term shall refer to calendar days. Wherever the term "business days" is used, the term shall refer to business days.

12.13 ENTIRE AGREEMENT

While this Lease is meant to contain the entire agreement between the parties for the use of the Premises, it is expressly acknowledged by both parties that this Lease is entered into pursuant to a Purchase and Sale Agreement by and between the parties effective December 31, 1992 ("Purchase and Sale Agreement"). If it is found that the Lease

and the Purchase and Sale Agreement conflict on material matters (such as representations, warranties, indemnities and survivability), the Purchase and Sale Agreement shall prevail. Except for the Rules for which paragraph 9.01(a) controls, this Lease shall be modified only by a writing signed by both parties.

12.14 DEFINITION OF LEASE

This Lease consists of the following:

(i) Title Page;

(ii) Table of Contents;

(iii) Sections 1 through 12;

(iv) Signature Page; and

(v) Exhibits A through D

LANDLORD:

ALLIANT TECHSYSTEMS INC.

Signature /s/ James M. Jaska

Name James M. Jaska

Title Director, Facility Operations & Services

Witness /s/ Mary Beth Del Gonda

Witness /s/ Lorraine Johnson

TENANT:

METRUM, INC.

Signature /s/ John C. Brenan

Name John C. Brenan

Title President / CEO

Witness /s/ Pat A. Fondy

Witness /s/ Kaye F. Hamilton

AMENDMENT NUMBER 1

INDUSTRIAL LEASE

LANDLORD

ALLIANT TECHSYSTEMS INC.

AND

TENANT

METRUM, INC.

JULY 29, 1993

THE KIRBY BUILDING
4800 EAST DRY CREEK ROAD
LITTLETON, COLORADO 80122

TABLE OF CONTENTS

SECTION A1-0 PURPOSE & LIMITATIONS OF AMENDMENT

A1-0.01 PURPOSE

This Amendment Lease ("Amendment l") is made to allow for the coterminous addition to the Industrial Lease between Alliant Techsystems Inc. and Metrum, Inc., dated March 29, 1993 for Lease of the property known as the Kirby Building, located adjacent to the Premises and on the same site and at the same address as the Premises.

A1-0.01 LIMITATIONS

The terms and conditions of the Lease, as the Lease concerns the Premises defined therein, shall remain unchanged by this Amendment l.

This Amendment 1 shall include by reference all those terms and conditions of the Lease not specifically amended by Amendment 1, which unamended terms and conditions shall constitute the balance of the Lease for the Building.

SECTION A1-1 BASIC LEASE PROVISIONS
Reference Section 1 of Lease

A1-1.01 DATE AND PARTIES (RE: LEASE 1.01)

This Amendment 1 is made this 8th day of August, 1993 between Landlord and Tenant, as defined in Section 1.01 of the Lease.

A1-1.02 AMENDMENT PREMISES (RE: LEASE 1.02)

Upon the terms and conditions previously set forth in the Lease, and subject to any revisions thereto hereinafter set forth, Landlord does hereby grant, demise and lease and Tenant does hereby take and hire from Landlord, the space in the building known as the Kirby Building located at 4800 East Dry Creek Road, Littleton, Colorado, which space contains approximately 6,000 square feet of rentable floor area ("Building"), as shown on the attached Exhibit Al-l.

A1-1.03 USE OF PREMISES (RE: LEASE 1.03)

Tenant shall use the unheated cold storage, nominal lighted Building for warehousing and other such uses incidental to Tenant's business. Landlord warrants that applicable laws, ordinances, regulation and restrictive covenants permit the Building to be used for warehousing. Tenant shall not create a nuisance nor use the Building for any immoral or illegal purposes.

A1 1.04 TERM (RE: LEASE 1.04)
A1-1.04(i) (RE: LEASE 1.04(a)

The basic Term of this Amendment 1 shall commence on January l, 1994 ("Amendment 1 Beginning Date"), and expire on the Ending Date unless earlier terminated under the Terms of the Lease.

SECTION A1-2 RENT AND ADDITIONAL RENT
Reference Section 2 of Lease

A1-2.01 BASE RENT (RE: LEASE 2.01(a))

Tenant shall pay to Landlord during the Term of this Amendment 1 base rent ("Base Rent") for the Building equal to $16,500.00 per year, or $2.75 per square foot. Tenant shall pay to Landlord on the first of each month rent of $1,375.00.

AL-2.02 TAXES AND OPERATING EXPENSES (RE: LEASE 1.02(a))

Landlord shall pay all Taxes and Operating Expenses associated with the Building for the Term of this Amendment 1, it being understood that this Amendment 1 is a gross lease.

SECTION A1-3 AFFIRMATIVE OBLIGATIONS
Reference Section 3 of Lease

A1-3.01 UTILITIES (RE: LEASE 3.02(a) AND 3.02(b))

Landlord shall pay all utilities associated with the Building for the Term of this Amendment 1 of which there is only minimal lighting.

A1-3.02 REPAIRS AND MAINTENANCE (RE: LEASE 3.03(a))

Landlord, for the Term of this Amendment l, shall bear, at Landlord's expense, the responsibility for the timely repair and maintenance of all interior conduits and equipment in, upon or serving the Building, fixtures, interior surfaces of exterior walls, ceiling, windows, doors, glass and skylights in the Building. Tenant shall take good care of the Building and keep same free from filth, overloading, danger of fire or any pest or nuisance, and repair any damage or breakage done by Tenant or Tenant's agents, employees, or invitees, including damage done to the Building by Tenant's equipment or installations. At the end of the Lease, or any renewal thereof, Tenant shall quit and surrender the Building broom clean and in as good condition as when received by Tenant, normal wear and tear excepted. Tenant shall, at Tenant's expense, and with prior Landlord approval, add some additional shelving and nominal lighting.

SECTION A1-4 OTHER LEASES AND ACCESS TO PREMISES
Reference Section 10 of Lease

A1-4.01 THIRD PARTY LEASES (RE: LEASE 10.01)

It is understood by both Landlord and Tenant that Tenant, by way of this Amendment 1, shall be leasing and in possession of all space contained within the Building, and that no third party leases for any portion of the Building are therefore permitted.

A1-4.02 ACCESS TO BUILDING

Landlord warrants and guarantees that Tenant, as well as Tenant's agents, employees, or invitees, shall have unimpeded vehicular and pedestrian access at all times to the building.

ALLIANT TECHSYSTEMS INC.	METRUM, INC.
By /s/ John D. Buck	By /s/ John C. Brenan
John D. Buck	John C. Brenan
Its Vice President, Administration	Its President/CEO
Date 08/17/93	Date 08/19/93

LEASE AMENDMENT

THIS AGREEMENT is made and entered into this 2nd day of May 1994, and it is hereby agreed that the lease dated March 29, 1993, between Alliant Techsystems Inc., as Landlord, and Metrum, Inc., as Tenant, be amended as follows:

1. Building Rentable Square Footage

   The total rentable square footage of the building is 244,328 sf. The rentable square footage of the Metrum demised premises is 103,908 sf (42.5%). Based on the above measurements, the monthly building rent is $38,965.50.

2. Material Acquisition Rate

   The Landlord's material acquisition rate for Tenant shall be reduced to 2%.

3. Separation of Utilities

   Until meters are installed on the electricity, gas and water, Tenant shall pay only their prorata share of the billed cost.

4. Flammable Storage Building

   At time of delivery to Tenant, on or about March 1, 1994, the flammable storage building shall be used by the Tenant, but the ownership shall remain as the Landlord's property and will be surrendered upon lease termination in the same condition as when delivered, less fair wear and tear. In any event, when surrendered, the flammable storage building will meet any and all local, State, and Federal closure requirements under any environmental law. Tenant shall comply with all local, state and federal law and regulations pertaining to the storage of flammable and hazardous materials in this building.

Except as specifically amended and modified herein, all of the terms, covenants and conditions of the Lease, as amended, shall remain in full force and effect.

IN WITNESS THEREOF, Landlord and Tenant have executed this Amendment as of the day and year first above written.

LANDLORD	TENANT
Alliant Techsystems Inc.	Metrum, Inc.
By /s/ John D. Buck	By /s/ John C. Brenan
Its Vice President, Administration	Its President/CEO
Date	Date 05/25/94

[Letterhead] Grubb and Ellis

November 14, 1995

Mr. Jack Krauss
Metrum, Inc.
4800 E. Dry Creek Road
Littleton, CO 80122-3700

RE: Letter of Understanding

Dear Mr. Krauss:

As you know, Alliant Techsystems, Inc. ("Alliant") has entered into negotiating with Chesapeake Park, Inc. ("Chesapeake"), as agent for Lockheed Martin Missile and Space, for the lease of space in the building located at 4810 Dry Creek Road, Littleton, Colorado 80112 ("Leased Building"). It is our understanding that Metrum, Inc. ("Metrum") has verbally agreed to vacate certain space which it currently leases in order to accommodate these negotiations.

Although Alliant and Chesapeake have arrived at a verbal understanding, they have not yet entered into a written agreement and do not expect to execute a formal document for at least sixty days. However, in order to meet Chesapeake's anticipated time frame, Alliant has asked Metrum to vacate certain space in the Leased Building within the next thirty days in the anticipation that Alliant and Chesapeake will reach a formal agreement. This letter of understanding is given to Metrum for the purpose of inducing Metrum to so vacate and take all other actions necessary to properly prepare for Chesapeake's occupancy of the Leased Building.

Based on such understanding, Alliant and Metrum hereby agree to the following:

1. Metrum will vacate approximately 34,000 square feet of currently leased space located on the east side of the Leased Building. The space will be vacated by November 30, 1995.

2. Metrum will pay its own expenses for relocating its Head and Motors manufacturing activities to its remaining leased space.

In the event that Alliant and Chesapeake reach formal agreement as per the Leased Building, Alliant and Metrum will be obligated as follows:

1. Metrum will be relieved of paying any rental expenses associated with the vacated space as of November 30, 1995.

2. Chesapeake's occupancy of the Leased Building may necessitate Metrum's relocation of its presently situated bathrooms and lobby. Alliant hereby agrees and pledges to reimburse Metrum for all costs incurred by Metrum should it become necessary to relocate such facilities. If building operations require additional bathrooms for either Metrum or Chesapeake's occupancy, every attempt shall be made for both parties to share the existing bathroom facilities. In the event that additional bathrooms need to be constructed, such bathrooms will be built next to existing bathrooms and plumbing. Moreover, Alliant agrees that such relocated facilities shall be of comparable quality and dimension and agrees to pay for the expense associated therewith. Such expenses for the lobby are not to exceed $50,000.00. Alliant shall be responsible for such costs.

3. Alliant and Metrum will enter into a written amendment to that certain Industrial Lease dated March 29, 1993 entered into by and between Alliant and Metrum which will formally recognize that Alliant has released Metrum from any and all obligations associated with the vacated square footage of the Leased Building.

4. The water tower lettering shall be painted to match the tower color with no identity for either party. The monument sign will be enlarged (subject to any city and county codes or comments) to accommodate both companies with Lockheed Martin Missile & Space on top. Any other site signage will be changed so as not to identify either company.

In the event that Alliant and Chesapeake fail to reach formal agreement as per the Leased Building, Alliant and Metrum will be obligated as follows:

1. Alliant hereby agrees to provide Metrum with formal notification of the irretrievable breakdown of its negotiations with Chesapeake within three days following such event.

2. Alliant hereby agrees to pay and reimburse Metrum for the actual expense incurred in its move from the leased space which occurred on November 30, 1995, and, if Metrum determines that it is necessary to move back into the vacated space. Alliant hereby agrees to pay and reimburse Metrum for the actual expenses incurred in such second move. The total amount of Alliant's liability for such reimbursed actual expenses shall not exceed $320,000.

Please show your acceptance of these terms and conditions by signing below.

Sincerely,

GRUBB & ELLIS COMPANY
COMMERCIAL REAL ESTATE SERVICES

BY: /s/ Mark A. Schuster	/s/ Barry J. Dorfman
Mark A. Schuster	Barry J. Dorfman
Industrial Properties Division	Senior Vice President

AGREED AND ACCEPTED THIS _____ DAY OF NOVEMBER, 1995.

METRUM, INC.

BY: /s/ Jack Krauss
Jack Krauss

AGREED AND ACCEPTED THIS _____ DAY OF NOVEMBER, 1995.

ALLIANT TECHSYSTEMS, INC.

BY:
Jim Fredkove

cc: Jim Fredkove

AMENDMENT FOUR TO LEASE AGREEMENT

Amendment made this 4th day of December, 1996 to the Industrial Lease by and between Bell Technologies Inc. formerly Metrum, Inc. ("Tenant") and Alliant Techsystems, Inc., formerly Honeywell, Inc. ("Landlord") dated March 29, 1993 and amended on July 29, 1993, May 2, 1994, and November 14, 1995 in a Letter of Understanding.

1. The option of Article 1 .04(b) is hereby exercised extending the Term of the Lease to December 31, 2002 for the same base rent which is $26,215.50 per month ($314,586 annually).

2. All other terms and conditions shall remain the same and said Industrial Lease is hereby ratified and confirmed accordingly.

Tenant: BELL TECHNOLOGIES INC.

By: /s/ John B. Krauss

Title: Vice President, General Manager

Date: 12/09/96

Landlord: ALLIANT TECHSYSTEMS, INC.

By: /s/ J. C. Fredkove

Title: Sr. Real Estate/Fleet Project Manager

Date: 12/19/96

AMENDMENT FIVE TO LEASE AGREEMENT

THIS AMENDMENT is entered into this 12th day of February, 1998, by and between Metrum, a division of Bell Technologies, Inc. (successor in interest to Metrum, In.) ("Tenant") and Alliant Techsystems Inc. ("Landlord").

RECITALS

WHEREAS, Landlord and Tenant entered into that certain Industrial Lease dated March 29, 1993, and amended on July 29, 1993, May 2, 1994, November 14, 1995 and December 4, 1996 (the "Lease"); and

WHEREAS, Tenant disputes certain charges assessed by Landlord pursuant to paragraph 2.02(a) of the Lease which are identified on Exhibit A attached hereto (the "Disputed Expenses"); and

WHEREAS, the parties desire to come to a mutual agreement regarding the treatment and payment of the Disputed Expenses.

NOW THEREFORE, in consideration of the payments and credits agreed to below, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The following shall be inserted into the Lease as paragraph 2.02(a)(1):

(1) 1996 OPERATING EXPENSES. Exhibit A attached hereto and incorporated herein by reference identifies certain expense items charged to Tenant which Tenant disputes (the "Disputed Expenses"). Tenant believes the Disputed Expenses are capital expenses. Landlord believes the Disputed Expenses are operating expenses. In full and final settlement of the Disputed Expenses due for calendar year 1996, the parties agree to the following:

(a) Landlord will provide Tenant with a credit equal to $27,852.58 against the March 1998 rent and expense payments; and

(b) Tenant agrees to pay an additional $464.20 per month beginning January1, 1998 through December 1, 2002.

2. The Landlord and Tenant acknowledge that this Amendment Five is given in compromise of the specified Disputed Expenses and that this Amendment and execution thereof shall not constitute an acknowledgment or admission by Landlord or Tenant of any position, wrong doing, improper action, liability, or potential liability whatsoever on the part of either party and shall not serve as a basis for resolution of claims relating to disputed expenses in the future.

SUBLEASE

THIS SUBLEASE is made as of November 14, 1997, between PHARMACIA & UPJOHN COMPANY, a Delaware corporation with an address of 7000 Portage Road, Kalamazoo, Michigan 49001-0199 ("Pharmacia"), and METRUM-D, INC., a Delaware corporation with an address of 455 Fourth Avenue, Suite 350, Louisville, Kentucky 40202 ("Metrum-D").

Recitals:

A. Boone/Fetter/Occidential I, a joint venture ("Landlord"), entered into a lease dated January 18, 1988 with Pharmacia Opthalmics, Inc., the corporate predecessor to Pharmacia, which lease was subsequently amended by a First Amendment to Lease dated as of September 1, 1988 (as so amended, the "Lease"). Pursuant to the Lease, Landlord leased the approximately 140,000 square feet of office and manufacturing space and adjacent parking spaces and parking structure located on the property in the City of Monrovia, County of Los Angeles, California, more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Leased Premises").

B. Pharmacia has heretofore subleased the Leased Premises to Datatape Incorporated ("Datatape") by an Assignment and Assumption of Lease dated May 8, 1995 (the "Datatape Sublease") and the Datatape Sublease will be terminated as to the portion of the Leased Premises more particularly described in Exhibit "B" attached hereto and made a part hereof (the "Premises") simultaneously with the execution and delivery of this Sublease.

C. Pharmacia desires to sublease the Premises to Metrum-D and Metrum-D desires to sublease the Premises upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual promises contained herein, Pharmacia and Metrum-D covenant and agree as follows:

1. Sublease.

(a) Effective on the Effective Date, as defined in Section 3(b), through and including January 31, 2004, Pharmacia subleases to Metrum-D the Premises under the terms and conditions of the Lease as if Pharmacia were the "Landlord" and Metrum-D the "Tenant" thereunder, other than as modified herein as to rent and other matters, excluding, however, any options under Articles XXVII and XXIX of the Lease, which options are hereby exclusively reserved to Pharmacia. Effective on the Effective Date, through and including January 31, 2004, Metrum-D accepts the sublease and further covenants and agrees to pay and perform and abide by all of the covenants, terms, conditions, agreements and other obligations on the part of the Tenant to be performed, paid or observed under the Lease as relates to the Premises, other than as modified herein as to rent and other matters. Notwithstanding anything herein to the contrary, Metrum-D's covenants, agreements and obligations hereunder shall relate only to the Premises and not to any other portion of the Leased Premises.

(b) The Premises are subleased to Metrum-D in their present condition by Pharmacia, without representation or warranty, express or implied, subject and subordinate to (i) all easements, agreements, covenants and recorded matters, (ii) all taxes not yet due and payable, and (iii) all applicable zoning rules, restrictions, regulations, resolutions and ordinances and building restrictions and governmental regulations now or hereafter in effect. Metrum-D has examined the Lease and the Premises and the title to each and has found the same satisfactory.

(c) Pharmacia will continue to pay all rent and other monetary obligations required by the Lease to Landlord.

(d) Metrum-D shall make payment of all rents and other sums due under this Sublease directly to Pharmacia. All notices, reports, negotiations and any other miscellaneous matters may be accomplished by direct dealing between Metrum-D and Landlord, provided that Metrum-D shall send a copy of any such notices or other correspondence or reports sent or received to Pharmacia.

(e) For each and every term of the Lease as relates to the Premises, Metrum-D shall be deemed to be "Tenant" thereunder. Metrum-D acknowledges that it has received and reviewed a copy of said Lease. Metrum-D agrees that, except for issues relating to rent and Lease Term, after obtaining the consent of the Landlord as contemplated by Section 3(a)(ii) hereof, it will look primarily to Landlord and not to Pharmacia for satisfaction of all rights and obligations under the Lease.

(f) Metrum-D shall periodically render to Pharmacia reports showing that the Lease as relates to the Premises is being kept free from default by Metrum-D. Such reports shall be provided on a quarterly basis, commencing three months after the Effective Date, within thirty days of the close of each quarterly period. Additionally, Metrum-D shall notify Pharmacia immediately in the event Metrum-D permits any default (or alleged or possible default) under the Lease as relates to the Premises to occur.

2. Tender of Possession.

(a) Subject to satisfaction of the conditions set forth in Section 3, on the Effective Date, Pharmacia shall deliver possession of the Premises to Metrum-D in the same condition it receives the Premises from Datatape with Pharmacia's fixtures, personal property and equipment present on the Leased Premises remaining thereon. After Datatape ceases its use of the Leased Premises not included in the Premises as contemplated below, Datatape shall leave such portion of the Leased Premises in "broom clean" condition. By execution of this Sublease, Metrum-D acknowledges and agrees that it has inspected the Premises and the FF&E and shall accept the Premises and the FF&E on the Effective Date in their then "as is" and "where is" condition. Metrum-D further acknowledges and agrees that neither Pharmacia, nor its employees, agents or others acting on its behalf, has made any representation or warranty regarding the condition of the Premises or the FF&E, the quality or workmanship of the Premises or the FF&E for any particular purpose or use (including, without limitation, the availability of any permit or consent in order to alter or operate the Premises or the FF&E) and that no such representation or warranty shall be implied by law or equity, it being agreed that all such risks are to be borne by Metrum-D. Metrum-D hereby releases Pharmacia from any liability, claim or demand arising out of or pertaining to the physical condition of the Premises or the FF&E.

(b) For a period of six (6) months after the Effective Date (or a shorter period if Pharmacia subleases such area to a third party), Pharmacia grants to Metrum-D and its employees, agents and invitees a license to enter and use the balance of the Leased Premises in order to transition the operations of Metrum-D into the Premises and Metrum-D will insure its activities thereon, indemnify Pharmacia with respect to its activities thereon and comply as to its activities concerning any hazardous substances, as if such portion of the Leased Premises were included in the Premises.

3. Effective Date.

(a) This Sublease is expressly subject to the satisfaction of the following conditions:

(i) Datatape shall have ceased business operations from the Premises and Pharmacia and Datatape shall have terminated the Datatape Sublease with respect to the Premises; and

(ii) Landlord shall have consented to this Sublease.

Metrum-D and Pharmacia acknowledge and agree that, although as between them and as to third parties other than Landlord, this Sublease shall constitute a sublease of the Premises, the consent of Landlord to this Sublease is expressly required.

(b) The "Effective Date," as used herein, shall mean November 14, 1997. Each party agrees to give prompt notice to the other party of the satisfaction of or the inability to satisfy any of the contingencies set forth in Section 3(a) of which such party shall become aware. The foregoing notwithstanding, if the condition subsequent set forth in Section 3(a)(ii) is not satisfied by December 31, 1997, then either party may, as its sole and exclusive remedy, terminate this Sublease by giving written notice to the other party within ten (10) days after the date

on which such contingency was required to be satisfied hereunder and such termination shall be effective four (4) months after the date of such notice of termination unless an earlier date is required by Landlord; provided that, in any event, if Landlord terminates the Lease as a result of the Sublease herein or the discontinuance of operations by Datatape from the Premises, this Sublease shall simultaneously terminate. If this Sublease is terminated pursuant to this Section 3, neither party shall have any further rights or obligations under this Sublease or the Lease and each party releases the other from any cost, loss, damage, claim, liability, expense, fee or charge related thereto or arising therefrom, other than the return by Pharmacia of the Deposit, defined in Section 3(c) below, and the indemnification provided in Section 5 below.

(c) Concurrently with the execution of this Sublease, Metrum-D shall pay to Pharmacia by certified or cashiers' check or wire transferred funds a security deposit ("Security Deposit") in the sum of Forty Five Thousand Dollars ($45,000). Pharmacia shall have no obligation to tender or deliver possession or occupancy of the Premises to Metrum-D prior to Metrum-D's payment to Pharmacia of the Security Deposit. The Security Deposit shall be held by Pharmacia as security for Metrum-D's faithful performance of Metrum-D's obligations thereunder. If Metrum-D fails to pay any sums due hereunder, either to Pharmacia or to Landlord, or otherwise defaults with respect to any provision of this Sublease, Pharmacia may use, apply or retain all or any portion of said Security Deposit for the payment of any such sums due in default or for the payment of any other sums to which Pharmacia may become obligated by reason of Metrum-D's default or to compensate Pharmacia for any loss or damage that Pharmacia may suffer thereby. If Pharmacia so uses or applies all or any portion of said Security Deposit, Metrum-D shall within ten (10) days after written demand therefor deposit cash with Pharmacia in an amount sufficient to restore said Security Deposit to the full $45,000. Pharmacia shall not be required to keep said Security Deposit separate from its general accounts. If Metrum-D performs all of Metrum-D's obligations hereunder, said Security Deposit, or so much thereof as has not theretofore been applied by Pharmacia, shall be returned without payment of interest or other increment for its use to Metrum-D at the expiration of the term hereof and after Metrum-D has vacated the Premises. No trust relationship is created herein between Pharmacia and Metrum-D with respect to said Security Deposit.

4. Rent and Proration; Expenses; Parking. As rent for the Premises, Metrum-D shall pay directly to Pharmacia the following sums: (i) a basic monthly rental of $45,000 per month (in lieu of the "Basic Monthly Rental" due under Section 4.1 of the Lease), and (ii) fifty percent (50%) of any and all rent (other than "Basic Monthly Rental"), charges, real estate taxes or other sums due from Pharmacia under the Lease, commencing on the Effective Date.

Notwithstanding the foregoing, Metrum-D shall not be liable or responsible for (i) any annual pro rata share of any property taxes required to be paid by Pharmacia under the Lease exceeding $144,000 per year, or (ii) any and all expenses related to or associated with the roof, the building structure, building systems (boilers, cooling towers, etc.) or with the leasing of the portion of the Leased Premises not included in the Premises. Metrum-D will be responsible for all expenses of and relating to the relocation of the prior operations of Datatape purchased by Metrum-D into the Premises. Pharmacia will cooperate with and assist Metrum-D, without incurring undue expense, in any effort to reduce the property taxes on the Leased Premises and will assist in obtaining any consent of Landlord in connection therewith.

Pharmacia will be responsible for all expenses of and relating to the reconfiguration of the improvements on the Leased Premises for use as a multi-tenant facility (excluding any expenses Metrum-D incurs in connection with its improvements of the Premises), including but not limited to (i) the reconfiguration of the lobby and other common areas of the Leased Premises to allow for convenient access to the Premises, (ii) the separation and separate metering of all utilities for individual tenant use if the cost of such separate metering is reasonable (provided if such separate metering is not done, any allocation of utility expense to Metrum-D shall not exceed Metrum-D's utility expense incurred by it prior to such multi-tenant reconfiguration, subject to increases in utility rates or utility usage by Metrum-D), (iii) the separation of all telephone, security, HVAC and other similar building systems, and (iv) the establishment of proper and convenient ingress and egress to the parking facilities of the Leased Premises. All of such reconfiguration shall be pursuant to plans and specifications as reasonably approved by Metrum-D and with such finish as consistent with the current finish on the Leased Premises. The foregoing reconfiguration by Pharmacia does not need to occur until such time as Pharmacia obtains one or more additional tenants for the balance of the Leased Premises and will include such reasonable modifications to the Premises required to comply with governmental security requirements imposed on Metrum-D as consistent with the current such security protections at the Leased Premises. Pharmacia will reserve for Metrum-D and its employees, agents and invitees no fewer than 50% of the parking spaces at the on site and

remote parking facilities directly associated with the Leased Premises as set forth on Exhibit "C" attached hereto. Metrum-D will reasonably cooperate with Pharmacia in the reconfiguration of the Leased Premises as described above.

5. Indemnification. Except as to claims regarding the condition of the Premises or claims not relating to the condition of the Premises of which Metrum-D had actual or constructive (but with no imputation of knowledge from Datatape) knowledge on or before the date of its execution hereof, Pharmacia shall defend, protect, indemnify and hold harmless Metrum-D, its affiliates, successors and assigns, from and against any and all damage, loss, liability, claim, cost, expense, action and cause of action (including, without limitation, reasonable attorneys' fees and the reasonable cost of investigation) incurred by or asserted against Metrum-D, its successors and assigns, accruing under the Lease prior to the Effective Date or arising from or pertaining to Pharmacia's or its prior assignees or subtenants (other than Datatape) use or occupation of the Leased Premises prior to the Effective Date. Metrum-D shall defend, protect, indemnify and hold harmless Pharmacia, its successors and assigns, from and against any and all damage, loss, liability, claim, cost, expense, action and cause of action (including, without limitation, reasonable attorneys' fees and the reasonable cost of investigation) incurred by or asserted against Pharmacia, its affiliates, successors and assigns, accruing under the Lease and related to the Premises on or after the Effective Date or arising from or pertaining to Metrum-D's use or occupation of the Premises on or after the Effective Date. The terms and conditions of this Section 5 shall survive the termination of this Sublease.

6. Additional Covenants. In addition to Metrum-D's agreement to perform and abide by the covenants and obligations of the Lease as relates to the Premises as set forth herein, Metrum-D agrees and covenants with Pharmacia as follows:

(a) Insurance. Metrum-D shall obtain and maintain during the term of the Lease, at its own expense, all insurance required under Article XIII of the Lease with respect to the Premises, naming Metrum-D as insured and Pharmacia and Landlord as additional insureds, insuring against any cost, loss, damage or expense, including, without limitation, attorneys' fees and the reasonable costs of investigation, incurred by reason of any claim, suit, liability or demand whatsoever for death, personal injury or property damage arising out of, pertaining to or involving the Lease and Metrum-D's use or occupancy of the Premises. Such insurance shall be effected under valid and enforceable policies issued by insurers of recognized responsibility, licensed to issue insurance in California and which shall provide that such policies shall not be cancelled or materially amended without at least thirty (30) days prior written notice to Pharmacia and Metrum-D. A certificate of such policy shall be delivered to Pharmacia upon execution of this Sublease by Pharmacia and thereafter not less than fifteen (15) days prior to the expiration date of such policy. Such policy shall not require Metrum-D or Pharmacia to pay any portion of any loss, damage or a claim prior to payment by the insurer.

(b) Alteration; Restoration. If any alteration, addition or change shall be desired to be made to the Premises pursuant to Article VII of the Lease or Metrum-D is obligated to restore the Premises pursuant to Article XIV of the Lease then, in addition to compliance with any obligation of the Tenant under the Lease with respect to the Premises (including without limitation, Metrum-D's obligation to obtain Landlord's and Pharmacia's prior written consent for any such alterations, additions or change pursuant thereto), Metrum-D shall, prior to commencing any construction: (i) obtain the written consent of Pharmacia to complete plans and specifications for each addition and each structural alteration or change, which consent shall not be unreasonably withheld, delayed or conditioned; and (ii) if the cost of work involved exceeds $50,000 in the aggregate for a given project undertaken after the Effective Date, obtain and deliver to Pharmacia a bond payable to Pharmacia (or other security acceptable to Pharmacia, in its sole discretion) securing the performance by Metrum-D to complete such alteration, addition or change in accordance with the Lease. Such bond or other security shall be in the amount of the estimated cost to complete such alteration, addition or change.

(c) Amendment. Metrum-D shall not enter into any amendment, modification or termination of the Lease without the prior written consent of Pharmacia, which consent shall not be unreasonably withheld. Metrum-D shall not release or discharge the Landlord from any term, condition, agreement, obligation or restriction on the part of the Landlord to be performed under the Lease nor waive its right to enforce any of the foregoing under the Lease without the prior written consent of Pharmacia, which consent shall not be unreasonably withheld.

(d) Assignment and Subletting. Metrum-D may not sublet all or any part of the Premises or assign or transfer its interest under this Sublease without the prior written consent of Pharmacia, which consent shall not be unreasonably withheld. Each such sublease, assignment or transfer shall expressly be made subject

to the provisions of the Lease and this Sublease, including without limitation the requirements of Article XVI of the Lease requiring the consent of the Landlord thereto. No assignment, transfer or sublease shall modify or limit any right or power of Pharmacia hereunder or affect or reduce any obligation of Metrum-D under the Lease or this Sublease, and all such obligations shall continue in full force and effect during the term of the Lease as obligations of a principal and not of a guarantor or surety, as though no assignment, transfer or subletting had been made. For purposes of this Section only, the words, "assign" or "transfer," shall include entering into any mortgage, deed of trust or other lien secured by the interest of the Metrum-D in the Sublease or the Premises.

(e) FF&E Ownership. If this Sublease remains in full force and effect on January 31, 2004, Pharmacia shall, at that time, convey all of its right, title and interest in and to the FF&E to Metrum-D, but only to the extent then owned by Pharmacia. Metrum-D acknowledges that Pharmacia is only the lessee of a substantial portion of the FF&E and that such leased FF&E will not be conveyed to Metrum-D. Notwithstanding the foregoing, Pharmacia agrees to make available to Metrum-D the leased FF&E through the term of this Sublease, if Metrum-D so requests.

7. Pharmacia's Representations. Pharmacia represents and warrants
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that, to the best of its knowledge: (a) the Lease is in full force and effect; (b) Pharmacia is not in default under the terms of the Lease or any assignment or sublease thereof and there has been no event or omission which, with the passage of time or the giving of notice, would constitute such a default by Pharmacia under the Lease or any such assignment or sublease; (c) Pharmacia is not aware of any default under the terms of the Lease by Landlord; (d) Pharmacia has not assigned the Lease nor currently sublet the Premises to any party other than Datatape; (e) it has the full right, power and authority to enter into this Sublease without the prior consent of any other person, corporation or governmental entity (except as described in Section 3(a)(ii) above); and (f) the lease term set forth in Article 2 of the Lease expires February 1, 2004.

8. Metrum-D's Representations. Metrum-D represents and warrants to
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Pharmacia that: (a) it is a corporation, validly existing and in good standing under the laws of Delaware and has the power to own its own property and is authorized to do business in California; (b) it has the full right, power and authority to enter into this Sublease without the prior consent of any other person, corporation or governmental entity; and (c) the execution of this Sublease and the performance of the Lease will not cause the breach of Metrum-D's Bylaws or Certificate of Incorporation or any agreement to which Metrum-D is or may be bound.

9. Default.

(a) The following shall constitute an "Event of Default" under this Sublease:

(i) Metrum-D fails to [x] pay any basic monthly rental or other monetary obligation hereunder within ten (10) days after the due date thereof, or [y] perform or pay any other material obligation under this Sublease and shall not remedy such failure within thirty (30) days after receipt of notice from Pharmacia, but in any event at least five (5) days prior to the expiration of any applicable cure period allowed under the Lease; or

(ii) Metrum-D files a proceeding in bankruptcy or is adjudicated a bankrupt or insolvent or makes an assignment for the benefit of creditors or is subject to an involuntary bankruptcy which is not dismissed within sixty (60) days of filing.

(b) If any Event of Default cannot be cured within the above described period (other than as to basic monthly rent or any other monetary obligation due hereunder) but Metrum-D commences a cure within such period and diligently pursues the cure to completion within a reasonable time, Pharmacia shall not exercise its remedies hereunder for such Event of Default so long as Metrum-D is pursuing such cure and so long as the Landlord has not given notice of any default or breach under the Lease.

(c) If Metrum-D fails to cure an Event of Default within the period provided above, Pharmacia may exercise one or more of the following remedies:

(i) remedy such default on behalf of Metrum-D and Metrum-D shall reimburse Pharmacia for all reasonable costs thereof within ten (10) days of receipt of written demand, which amount

shall bear yearly interest from the date due until paid at the rate ("default interest rate") of three percent (3%) plus the prime rate of interest established from time to time by Chase Manhattan Bank (or, if unavailable, the largest depository bank in California), or the highest rate permitted by law, whichever is less; and/or

(ii) terminate this Sublease whereupon Metrum-D shall immediately surrender the Premises to Pharmacia and remove its fixtures, equipment and personal property from the Premises (other than the FF&E), repairing any damage caused thereby; and/or

(iii) re-enter the Premises by summary proceedings, ejectment or other lawful manner ten (10) days after written notice to Metrum-D and expel Metrum-D, removing and storing Metrum-D's fixtures, equipment and property at Metrum-D's expense, and assign the Lease or sublet the Premises at the best available rent readily obtainable and receive the benefits therefor; and/or

(iv) pursue any other remedy or indemnity Pharmacia may have at law or equity.

(d) With regard to any remedy set forth in this Section 9, Metrum-D shall remain liable for the difference between the amount of rent and other charges under the Lease, with respect to the Premises, assumed in such re-assignment or subletting (after deducting therefrom all costs, including attorneys' fees, for obtaining possession of the Premises, reasonable costs of investigation, all storage costs, and any repairs or alterations necessary to re-assign the Lease or sublet the Premises, together with interest thereon at the default interest rate) and the rent and other charged assumed by Metrum-D hereunder. In the event Metrum-D shall be expelled, Metrum-D covenants and agrees to execute and deliver to Pharmacia within ten (10) days after demand therefor any and all documents reasonably necessary to deliver the Premises to Pharmacia. No re-entry to the Premises shall be construed as a termination of this Sublease unless Pharmacia shall deliver to Metrum-D written notice of such intention.

10. Hazardous Substances.

(a) Unless Metrum-D obtains, at its own expense, all governmental licenses and permits required therefor, Metrum-D shall not cause or permit any Hazardous Substance to be used, stored, generated, or disposed of on or in the Premises by Metrum-D, Metrum-D's agents, employees, contractors or invitees, without first obtaining Pharmacia's prior written consent, which may be withheld at Pharmacia's sole and absolute discretion. Metrum-D shall, immediately upon receipt, deliver a copy of all such licenses and permits (together with any related correspondence) directly to Pharmacia. If Hazardous Substances are so used, stored, generated, or disposed of on or in the Premises, or if the Premises become contaminated by Metrum-D in any manner for which Metrum-D is legally liable, Metrum-D shall indemnify, defend, protect and hold harmless Pharmacia and Landlord from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, a decrease in value of the Premises, damages because of adverse impact on marketing of the Premises, and any and all sums paid for settlement of claims, attorneys', consultants' and experts' fees) arising during or after the term of the Lease and arising as a result of such contamination by Metrum-D. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any cleanup, removal, or restoration mandated by a federal, state or local agency or political subdivision. In addition, if Metrum-D causes or permits the presence of any Hazardous Substance on the Premises and this results in contamination, Metrum-D shall promptly, at its sole expense, take any and all necessary actions as required by applicable law to remediate such contamination and shall repair any damage to the Premises caused by such remediation. The terms and conditions of this Section 10 shall survive the termination of this Sublease.

(b) As used herein, "Hazardous Substance" means any substance which is toxic, ignitable, reactive, or corrosive and which is regulated by any local government, the State of California, or the United States government. "Hazardous Substance" includes any and all material or substances which are defined as "hazardous waste", "extremely hazardous waste", or a "hazardous substance," pursuant to state, federal or local government law. "Hazardous Substance" includes but is not restricted to asbestos, polychlorinated biphenyls ("PCBs") and petroleum.

11. Brokerage Commissions. Pharmacia hereby represents and warrants to Metrum-D that no broker, salesman or finder has been engaged by it in connection with the transactions contemplated by this Sublease,

except for the John Alle Company, who shall be paid by Pharmacia pursuant to a separate agreement. Metrum-D hereby represents and warrants to Pharmacia that no broker, salesman or finder has been engaged by it in connection with the transactions contemplated by this Sublease. In the event of a claim for brokers' or finders' fees or commissions in connection with the negotiation or execution of this Sublease or the transactions contemplated hereby, Pharmacia shall indemnify, hold harmless, protect and defend (with counsel acceptable to Metrum-D in its subjective, good faith discretion) Metrum-D from and against such claim, if such claim shall be based upon any statement or representation or agreement alleged to have been made by Pharmacia and Metrum-D shall indemnify, hold harmless, protect and defend (with counsel acceptable to Pharmacia in its subjective, good faith discretion) Pharmacia if such claim shall be based upon any statement, representation or agreement alleged to have been made by Metrum-D.

12. Notices. Any notice, claim, request or demand required or permitted hereunder shall be in writing and shall be deemed given on the date received if delivered personally, on the date transmitted if sent by telecopy, or three days after the date mailed if sent by registered or certified mail, postage prepaid to the address indicated below:

Pharmacia: Pharmacia & Upjohn Company
7000 Portage Road
Kalamazoo, Michigan 49001-0199

With a copy to: Morgan, Lewis & Bockius
801 South Grand Avenue
Suite 2200
Los Angeles, California 90017
Attn: William D. Ellis, Esq.
Fax: (213) 612-2554

Metrum-D: Metrum-D, Inc.
455 Fourth Avenue
Suite 350
Louisville, Kentucky 40202
Attn: President
Fax: (502) 585-1602

With a copy to: Wyatt, Tarrant & Combs
2800 Citizens Plaza
Louisville, Kentucky 40202
Attn: Robert A. Heath
Fax: (502) 589-0309

13. Modification. This Sublease may not be modified or amended except by a written agreement executed by Pharmacia and Metrum-D (subject to any required Landlord's consent), and only to the extent set forth therein.

14. Attorneys' Fees. If any party to this Sublease shall bring any action or proceeding for any relief against the other, declaratory or otherwise, arising out of this Sublease, the losing party shall pay to the prevailing party a reasonable sum for attorneys' fees and costs incurred in bringing or defending such action or proceeding and/or enforcing any judgment granted therein, all of which shall be deemed to have accrued upon the commencement of such action or proceeding and shall be paid whether or not such action or proceeding is prosecuted to final judgment. Any judgment or order entered in such action or proceeding shall contain a specific provision providing for the recovery of attorneys' fees and costs, separate from the judgment, incurred in enforcing such judgment. The prevailing party shall be determined by the trier of fact based upon an assessment of which party's major arguments or positions taken in the proceedings could fairly be said to have prevailed over the other party's major arguments or positions on major disputed issues. For the purposes of this Section, attorneys' fees shall include, without limitation, fees incurred in the following: (1) post-judgment motions; (2) contempt proceedings; (3) garnishment, levy, and debtor and third party examinations;

(4) discovery; and (5) bankruptcy litigation. This Section is intended to be expressly severable from the other provisions of this Sublease, is intended to survive any judgment and is not to be deemed merged into the judgment.

15. Form of Documents. All instruments and documents to be executed and delivered under this Sublease by any party to any other party shall be in the form reasonably satisfactory to the other party and its counsel.

16. Successors and Assigns. This Sublease shall be binding upon, and shall inure to the benefit of, the successors and assigns of the parties.

17. Duplicate Counterparts. This Sublease may be executed in duplicate counterparts, all of which together shall constitute a single instrument, and each of which shall be deemed an original of this Sublease for all purposes, notwithstanding that less than all signatures appear on any one counterpart.

18. Section Headings. The various section headings in this Sublease are inserted for convenience of reference only, and shall not affect the meaning or interpretation of this Sublease or any provision hereof.

19. Days. When performance of an obligation or satisfaction of a condition set forth in this Sublease is required on or by a date that is a Saturday, Sunday, or legal holiday, such performance or satisfaction shall instead be required on or by the next business day following that Saturday, Sunday or holiday, notwithstanding any other provisions of this Sublease.

20. Recorded Memorandum. Either party may, at its cost, elect to record a memorandum of this Sublease acceptable to Landlord and the other party agrees to cooperate in executing all documents necessary to effect such recordation. If such memorandum is recorded, the parties will record a revocation of such memorandum upon the termination of this Sublease.

21. Exhibits. All Exhibits attached to, and to which reference is made in, this Sublease are incorporated into, and shall be deemed a part of, this Sublease.

22. Entire Agreement. This Sublease and the Lease are the entire agreement of Pharmacia and Metrum-D with respect to the Premises, containing all of the terms and conditions to which Pharmacia and Metrum-D have agreed. This Sublease supersedes and replaces entirely all previous oral and written understandings, if any, of Pharmacia and Metrum-D respecting the Lease.

23. Time. Time is of the essence in this Sublease and each and every provision of this Sublease.

24. Governing Law. This Sublease shall be governed by and interpreted and enforced in accordance with the substantive laws of the State of California, without reference to the principles governing the conflict of laws applicable in that or any other jurisdiction.

25. Severability and Reformation. Any provision of this Sublease which is adjudicated to be invalid or unenforceable in any jurisdiction or under any circumstances shall be ineffective to the extent of such invalidity or unenforceability only and shall be deemed reformed so as to continue to apply to the maximum extent and to provide the maximum release or indemnification, as the case may be, permissible under the applicable law of such jurisdiction. Any such adjudication shall not invalidate or render unenforceable the remaining provisions hereof and shall not invalidate or render unenforceable such provision in any other jurisdiction or under any other circumstances.

26. Further Assurances. The parties agree to promptly execute such additional documents and take such further actions as may be reasonably necessary or convenient to consummate the transactions contemplated by this Sublease and to carry out the intent and purpose of the provisions of this Sublease.

27. No Presumption Regarding Drafter. The parties hereto acknowledge and agree that the terms and provisions of this Sublease have been negotiated and discussed among the parties, and that this Sublease reflects their mutual agreement regarding the subject matter of this Sublease. Because of the nature of such negotiations and

discussions, neither party shall be deemed to be the drafter of this Sublease, and therefore no presumption for or against the drafter shall be applicable in interpreting or enforcing this Sublease.

28. Authority. The parties executing this Sublease represent that they have the power and authority to execute, deliver and perform this Sublease. Each person executing this Sublease on behalf of a party hereto represents and warrants to all of the parties to this Sublease that it has the full power and authority to execute this Sublease on behalf of such party and that the Sublease is binding on said party as a result of such execution.

29. No Third Party Beneficiary. The parties do not intend the benefits of this Sublease to inure to any third party, other than Landlord.

30. No Joint Venture. It is expressly agreed and understood by the parties hereto, that neither party is an agent, partner, or joint venturer with or of any of the other parties.

IN WITNESS WHEREOF, the parties have executed this Sublease as of the day and year first above written.

"Pharmacia"

PHARMACIA & UPJOHN COMPANY
a Delaware corporation

By: /s/ Jack J. Jackson

Its: Senior Vice President and President,
North America, Pharma Market Region

"Metrum-D"

METRUM-D, INC.
a Delaware corporation

By: /s/ Richard L. Davis

Its: Vice President

EXHIBIT 10.27

GROUP FINANCIAL PARTNERS INC.
PROFIT SHARING BONUS PLAN

1998 FISCAL YEAR

1. Establishment of Plan.

Group Financial Partners Inc. (the "Company"), established this profit sharing and bonus plan effective as of January 2, 1998 (the "Plan"), to provide a financial incentive for employees of the Company to advance the growth and prosperity of the Company.

2. Eligibility.

All full-time employees of the Company shall be eligible to participate in the Plan, other than those employees who are specifically included in another plan.

3. Profit Sharing Pool.

Award amounts shall be based on a Profit Sharing Pool that shall be comprised of eight percent (8.0%) of the increase in the consolidated Profit Before Bonus and Taxes for the current Plan year from the previous Plan year, as reported on the consolidated financial statements of the Company. No award shall be granted should the consolidated Profit Before Bonus and Taxes decline from year-to-year.

4. Participants.

(a) Eligibility. Employees of the Company who are specifically designated by the Board of Directors for participation during the current Plan year. A list of the participants shall be attached to a copy of this Plan and shall include each participant's name, salary, start date (for purposes of the current Plan year), maximum percentage share, and objectives for the year.

(b) Amount of Award. Each eligible employee shall be entitled to an amount equal to his or her maximum percentage share, subject to an adjustment to reflect actual contribution during the course of the Plan year, the portion of the Plan year employed, performance to goals, and the recommendation of the President and CEO, subject to the approval of the Board of Directors. The maximum amount payable to an eligible employee shall be equal to the lesser of his or her maximum percentage share or one hundred percent (100%) of the eligible employee's base salary.

(c) Time of Payment. Awards shall ordinarily be payable to each eligible employee within a reasonable period of time after release of the consolidated audited annual financial statements of the Company; provided, however, that such employee shall be employed by the Company as of the date of payment.

5. Method of Payment.

Awards shall be payable by check in lump sum. All such payments shall be subject to withholding for income, social security or other such payroll taxes as may be appropriate.

6. Administration.

The Plan shall be administered by the Board of Directors of the Company. The decisions of the Board of Directors in interpreting and applying the Plan shall be final.

7. Miscellaneous.

(a) Employment Rights. The adoption and maintenance of this Plan is not an employment agreement between the Company and any employee. Nothing herein contained shall be deemed to give any employee the right to be retained in the employ of the Company nor to interfere with the right of the Company to discharge any employee's right to terminate his or her employment at any time.

(b) Amendment and Termination. The Company may, without the consent of any employee, amend or terminate the Plan at any time and from time to time.

(c) Construction. The headings and subheadings of this Plan have been inserted for convenience for reference only and are to be ignored in any construction of the provisions hereof. The masculine shall be deemed to include the feminine, the singular shall include the plural, and the plural shall include the singular unless the context otherwise requires. The invalidity or unenforceability of any provision hereunder shall not affect the validity or enforceability of the balance hereof. This Plan represents the entire undertaking by the Company concerning its subject matter and supersedes all prior undertakings with respect thereto. No provision hereof may be waived or discharged except by a written document signed by a duly authorized representative of the Company.

GROUP FINANCIAL PARTNERS INC.

/s/ Robert E. Gill

Chairman of the Board

January 2, 1998

Date

EXHIBIT 10.28

SYPRIS SOLUTIONS INC.
SHARE PERFORMANCE PROGRAM
FOR
STOCK OPTION GRANTS

OBJECTIVE: To provide key executives of the Company with the opportunity to earn potentially significant amounts of equity-based incentive based upon the price performance of the Company's shares of Common Stock on the Nasdaq Stock Market over the longer term.

PLAN: Participants will receive a grant of stock options based upon the achievement of specific stock price performance levels. Each price performance level will have been achieved when: (i) the average daily closing price for the shares of Sypris common stock is equal to or in excess of the specified price target for any full calendar quarter; (ii) the Compensation Committee shall have validated this event and forwarded its recommendation to the Board; and (iii) the Board of Directors shall have approved the grant of options.

PROVISIONS: The target price per share will be adjusted from time-to-time to reflect any stock dividends, stock splits, subdivisions, reclassifications, recapitalizations and/or combinations. The target price will not be adjusted to reflect the issuance of shares for purposes of raising capital or completing acquisitions.

PROGRAM DATE: July 1, 1998.

TERMINATION DATE: June 30, 2006.

AWARD LEVELS:

Share Price	Section 16 Officers	Other Key
$15.00	3,500-7,000	500-3,500
$20.00	3,500-7,000	500-3,500
$25.00	3,500-7,000	500-3,500
$30.00	3,500-7,000	500-3,500
$35.00	3,500-7,000	500-3,500
$40.00	3,500-7,000	500-3,500
$45.00	3,500-7,000	500-3,500
$50.00	3,500-7,000	500-3,500

The actual award level for a participant will be determined by the Compensation Committee at the time of the individual's admission to the Program based upon a number of factors, including the nature and scope of the individual's responsibility and/or contribution relative to other Program participants.

The Compensation Committee may, at its sole discretion, change a participant's award level within the prescribed range based upon the performance of the individual and his or her progression into increasingly responsible positions of responsibility within the Company. The Compensation Committee may also decrease, or terminate, an individual's participation in the Program should the individual be demoted to a position of lesser responsibility or otherwise fail to live up to the Company's performance expectations.

If the individual's participation in the Program is terminated for reasons of performance (which may or may not include a demotion to a position of lesser responsibility), then the Compensation Committee may, in its sole discretion, call any and all options granted to such individual under the Program, in which case the individual will have thirty (30) days in which to exercise vested options. Any options that have yet to vest, or remain unexercised after thirty (30) days of such call, will become null and void.

STRIKE PRICE: The strike price will be set at the greater of (i) the specific share price target that has been achieved, or (ii) the closing price of the stock on the day the Board approves the grant of options.

VESTING: The options will vest in equal annual increments of 20% each (of the total option award) beginning 24 months after the date of grant. The options will expire on the eighth anniversary of the date of grant, unless exercised prior to such date.

SHARES: The shares of common stock to be issued upon the exercise of any stock options granted under the Program may be of a class that may or may not contain voting rights, subject to Board determination at the time of exercise.

ADMINISTRATION: The Compensation Committee of the Board will be responsible for the administration of the Share Performance Program for Stock Option Grants. All stock options that are granted to participants under the Program will be governed by the Sypris Solutions Inc. 1994 Stock Option Plan for Key Employees and the related Stock Option Agreement.

OTHER: Should a participant leave the employ of the Company for any reason, all unexercised options will become null and void and of no further value.

MISCELLANEOUS: The Company may, without the consent of any employee, amend or terminate the Program at any time and from time-to-time.

SYPRIS SOLUTIONS INC.	AGREED TO:
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Jeffrey T. Gill President & CEO	Participant

	Date

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE ACCOMPANYING FINANCIAL STATEMENTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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6-MOS
DEC-31-1998
JAN-01-1998
JUN-28-1998
11,683
0
28,636
0
39,351
81,709
25,788
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122,462
54,971
15,858
0
0
94
46,160
122,462
110,686
110,686
86,622
86,622
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156
750
5,208
2,060
3,148
0
0
0
3,148
0.33
0.32