

<html>  
<head>  
<title>sec document</title>  
</head>  
<body>  
<PRE>

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

-----  
FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): September 14, 2004  
-----

LYNCH CORPORATION

-----  
(Exact Name of Registrant as specified in Charter)

Indiana	1-106	38-1799862
----- (State or other jurisdiction of incorporation)	----- (Commission File Number)	----- (IRS Employer Identification No.)
50 Kennedy Plaza, Suite 1250, Providence, RI		02903
----- (Address of Principal Executive Offices)		----- (Zip Code)

Registrant's telephone number, including area code: 401-453-2007  
-----

-----  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

<PAGE>

Item 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On September 14, 2004, Lynch Corporation, Inc. (the "Company") signed a definitive agreement with Piezo Technology, Inc., a Florida corporation ("PTI"), the shareholders of PTI (the "Shareholders") and the trustees of the Amended and Restated Employee Stock Ownership Plan and Trust for Employees of Piezo Technology, Inc. dated September 23, 2002 (the "Trustees") to purchase all of the issued and outstanding common stock of PTI for approximately \$8.7 million cash.

Consummation of this transaction will be effective September 30, 2004 and is scheduled to occur on October 12, 2004. Consummation of this transaction is subject to customary closing conditions, including the receipt of a satisfactory fairness opinion.

Item 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

EXHIBIT NO.	EXHIBITS
10.1	Agreement for Purchase and Sale of Shares dated September 14, 2004, by and among M-tron, PTI, the Shareholders and the Trustees.

SIGNATURE

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 hereunto duly authorized.

LYNCH CORPORATION

By: /s/ Raymond H. Keller

-----  
Raymond H. Keller  
Chief Financial Officer and Vice President

September 14, 2004

</PRE>  
</body>  
</html>

```
<html>  
<head>  
<title>sec document</title>  
</head>  
<body>  
<PRE>
```

-----  
AGREEMENT FOR PURCHASE AND SALE OF SHARES  
-----

M-TRON INDUSTRIES, INC.  
PIEZO TECHNOLOGY, INC.  
THE SHAREHOLDERS OF PIEZO TECHNOLOGY, INC.  
AMENDED AND RESTATED EMPLOYEE STOCK OWNERSHIP PLAN AND  
TRUST FOR EMPLOYEES OF PIEZO TECHNOLOGY, INC.

September 14, 2004

<PAGE>

AGREEMENT FOR PURCHASE AND SALE OF SHARES

AGREEMENT FOR PURCHASE AND SALE OF SHARES (the "Agreement"), dated this 14th day of September, 2004, by and among M-tron Industries, Inc., a Delaware corporation (the "Buyer"), Piezo Technology, Inc., a Florida corporation ("PTI"), the shareholders of PTI listed at the foot of this Agreement and the trustees of the Amended and Restated Employee Stock Ownership Plan and Trust for Employees of Piezo Technology, Inc. dated September 23, 2002 (the "ESOP"). The shareholders of PTI other than the ESOP are referred to herein collectively as the "Sellers" and individually as a "Seller."

W I T N E S S E T H:  
-----

WHEREAS, the Sellers and the ESOP own all of the issued and outstanding shares (the "PTI Shares") of common stock, par value \$1.00 per share (the "PTI Common Stock"), of PTI; and

WHEREAS, the Buyer desires to purchase and the Sellers and the ESOP desire to sell the PTI Shares in a transaction under Section 607.1102 of the Florida Business Corporation Act (the "FBCA"), upon the terms and subject to the conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements herein contained, the Buyer, PTI, the Sellers, and the ESOP hereby agree as follows:

ARTICLE I

SALE OF PTI SHARES

Section 1.1. SALE OF PTI SHARES. On the terms and subject to the conditions of this Agreement, on the date of closing of the transactions contemplated by this Agreement (the "Closing Date"), the Buyer shall purchase the PTI Shares from the Sellers and the ESOP, and the Sellers and the ESOP shall sell the PTI Shares to the Buyer in a transaction under Section 607.1102 of the FBCA for the Purchase Price (as hereinafter defined). The PTI Shares shall be conveyed free and clear of all liens, claims, security interests, encumbrances charges, equities or restrictions of any kind (the "Encumbrances"). On the Closing Date, the Sellers and the ESOP shall deliver to the Buyer certificates representing all of the PTI Shares, duly endorsed in blank for transfer or accompanied by appropriate stock powers duly executed in blank.

Section 1.2. PURCHASE PRICE. The purchase price for the PTI Shares (the "Purchase Price") is \$8,754,929 in cash, adjusted as provided in Section 11.1 hereof. The Purchase Price shall be allocated among the Sellers and the ESOP as provided on Schedule 1.2 hereto. Schedule 1.2 also identifies those of the Sellers who have incurred indebtedness to PTI in connection with the purchase of certain of the PTI Shares (the "Share Indebtedness") and the principal amounts of such Share Indebtedness. At the Closing, the principal amounts of such Share Indebtedness, together with accrued and unpaid interest thereon to and including the Closing Date, shall be paid by the Buyer to PTI for the accounts of such Sellers and shall reduce the sum paid to the Sellers' Agent (as hereinafter defined) for the accounts of such Sellers.

<PAGE>

Section 1.3. DELIVERY OF PURCHASE PRICE. On the Closing Date, the Buyer shall pay the Purchase Price as follows: (i) to the Sellers' Agent an amount in cash equal to the Purchase Price less the sum of the amounts set forth in clauses (ii) and (iii) of this Section 1.3 for the account of the Sellers and the ESOP; (ii) the sum of \$900,000 (the "Escrow Amount") to Olshan Grundman Frome Rosenzweig & Wolosky LLP, as escrow agent (the "Escrow Agent"), connection with the indemnification by the Sellers and the ESOP set forth in Article IX hereof, to be held in escrow and applied in accordance with the terms and conditions of this Agreement and the escrow agreement to be entered into among the Buyer, Sellers, the ESOP, the Sellers' Agent and the Escrow Agent substantially in the form attached hereto as Exhibit A (the "Escrow Agreement"); and (iii) to PTI for the account of certain Sellers, as contemplated by Section 1.2 hereof, an amount in cash equal to the aggregate Share Indebtedness, together with accrued and unpaid interest thereon to and including the Closing Date. in

Section 1.4. DISSENTING SHARES. The provisions of this Article I shall not apply to PTI Shares (the "Dissenting Shares") held by shareholders of PTI who are entitled to an appraisal of their PTI Shares under the FBCA, and who have properly exercised, perfected and not subsequently withdrawn or lost their appraisal rights with respect to such PTI Shares in accordance with the FBCA. The holders of Dissenting Shares shall be entitled only to such rights as are granted by the FBCA. Each holder of Dissenting Shares who becomes entitled to payment for such shares pursuant to the FBCA shall receive payment therefor from PTI in accordance with the FBCA; provided, however, that (i) if any such holder of Dissenting Shares shall have failed to establish his entitlement to appraisal rights as provided in the FBCA, (ii) if any such holder of Dissenting Shares shall have effectively withdrawn his demand for appraisal of such shares or lost his right to appraisal and payment for his shares under the FBCA, or (iii) if neither any holder of Dissenting Shares nor PTI shall have filed a petition demanding a determination of the value of all Dissenting Shares within the time provided in the FBCA, such holder shall forfeit the right to appraisal of such shares and each such share shall be treated as all other outstanding PTI Shares.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES OF THE SELLERS AND PTI

The Sellers and PTI hereby jointly and severally represent and warrant to the Buyer as set forth below. Each reference to PTI set forth in this Agreement shall be deemed a reference to PTI and each of its subsidiaries, unless such a reference would be inappropriate in the context in which it is made.

Section 2.1. CORPORATE ORGANIZATION; REQUISITE AUTHORITY TO CONDUCT BUSINESS; ARTICLES OF INCORPORATION AND BY-LAWS. PTI is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. PTI has heretofore provided the Buyer with true and complete copies of its Articles of Incorporation (certified by the Secretary of State of the State of Florida) and By-laws (certified by the Secretary of PTI) as in effect on the date hereof. PTI is not in default under or in violation of any provision of its Articles of Incorporation or By-laws. The minute books of PTI heretofore made available for inspection and copying by the Buyer and its representatives contain true and complete records of all meetings and consents in lieu of meeting of PTI's Board of Directors (and committees thereof) and of PTI's

<PAGE>

shareholders since the incorporation of PTI, which accurately reflect all transactions referred to in such minutes and consents in lieu of meeting. The stock certificate and stock record books of PTI heretofore made available for inspection and copying by the Buyer are correct and complete. PTI has all corporate power and authority to own, operate and lease its properties and to carry on its business as the same is now being conducted. PTI is duly qualified or licensed to do business and is in good standing as a foreign corporation in those jurisdictions listed on Schedule 2.1 hereto, which are all of the jurisdictions in which the conduct of its business or the ownership or leasing of its properties requires it to be so qualified or licensed, except for such jurisdictions where the failure to be qualified or licensed would not reasonably be expected, individually or in the aggregate, to have a material adverse effect on PTI or the conduct of its business.

Section 2.2. AUTHORITY RELATIVE TO AND VALIDITY OF AGREEMENTS. Each of the Sellers and PTI has full power and authority, corporate and otherwise, to execute and deliver this Agreement, the Escrow Agreement, the Employment Agreement by and between Paul A. Dechen, Jr. ("Dechen") and Buyer in the form of Exhibit B attached hereto (the "Employment Agreement") and the Consulting Agreement by and between William H. Horton ("Horton") and Buyer in the form of Exhibit C attached hereto (the "Consulting Agreement") and together with this Agreement, the Escrow Agreement and the Employment Agreement, the "Transaction Agreements") and to assume and perform all of his or its obligations hereunder and thereunder. The execution and delivery of the Transaction Agreements and the performance by PTI of its obligations hereunder and thereunder has been duly authorized by its Board of Directors and shareholders as provided in Section 607.1102 of the FBCA and no further authorization on the part of or with respect to PTI is necessary to authorize the execution and delivery by it of, and the performance of its obligations under, the Transaction Agreements. There are no corporate, contractual, statutory or other restrictions of any kind upon the power and authority of the Sellers or PTI to execute and deliver the Transaction Agreements and to consummate the transactions contemplated hereunder and thereunder and no action, waiver or consent by any foreign, federal, state, municipal or other governmental department, commission or agency (a "Governmental Authority") is necessary to make the Transaction Agreements valid and binding upon the Sellers and PTI in accordance with their respective terms. The Transaction Agreements have been duly executed and delivered by the Sellers and PTI and constitute the respective legal, valid and binding obligations of the Sellers and PTI, enforceable against the Sellers and PTI in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization and moratorium laws and other laws of general application affecting the enforcement of creditors' rights generally, and the fact that equitable remedies or relief (including, but not limited to, the remedy of specific performance) are subject to the discretion of the court from which such relief may be sought.

Section 2.3. CAPITALIZATION AND SHAREHOLDINGS. The authorized capital stock of PTI consists of 30,000 shares of PTI Common Stock, 9,087 of which are issued and outstanding and are owned of record and beneficially as set forth on Schedule 1.2 hereto. Except as set forth on Schedule 2.3 hereto, the Sellers own 6,102 of the PTI Shares free and clear of all Encumbrances. The Sellers have full right, power, legal capacity and authority to transfer and deliver the PTI Shares pursuant to this Agreement and, except as set forth on Schedule 2.3 hereto, none of the Sellers or PTI is a party to or bound by any agreements, arrangements or understandings restricting in any manner the sale or transfer of the PTI Shares. The capital stock of PTI is duly authorized and all issued

<PAGE>

capital stock has been duly and validly issued and is fully paid and non-assessable and free of preemptive rights. Except as set forth on Schedule 2.3 hereto, there is not outstanding, and none of the Sellers or PTI is bound by or subject to, any subscription, option, warrant, call, right, contract, commitment, agreement, understanding or arrangement to issue any additional shares of capital stock of PTI, including any right of conversion or exchange under any outstanding security or other instrument, and no shares of Common Stock are reserved for issuance for any purpose. Except as set forth on Schedule 2.3 hereto, neither PTI nor any Seller is subject to any obligation, contingent or otherwise, to repurchase or otherwise acquire the capital stock of PTI.

Section 2.4. REQUIRED FILINGS AND CONSENTS; NO CONFLICT. Except as set forth on Schedule 2.4 hereto, neither the Sellers nor PTI are required to submit any notice, report or other filing to or with any Governmental Authority in connection with the execution, delivery or performance of the Transaction Agreements. Except as set forth on Schedule 2.4 hereto, the execution, delivery and performance of the Transaction Agreements by the Sellers and PTI and the consummation of the transactions contemplated hereby and thereby do not and will not (a) conflict with or violate any law, regulation, judgment, order or decree binding upon the Sellers or PTI, (b) conflict with or violate any provision of the Articles of Incorporation or By-laws of PTI, or (c) conflict with or result in a breach of any condition or provision of, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or result in the creation or imposition of any Encumbrance upon any properties or assets of the Sellers or PTI pursuant to, or cause or permit the acceleration prior to maturity of any amounts owing under, any indenture, loan agreement, mortgage, deed of trust, lease, contract, license, franchise or other agreement or instrument to which the Sellers or PTI is a party or which is or purports to be binding upon the Sellers or PTI or by which any of their respective properties are bound. The execution, delivery and performance of the Transaction Agreements by PTI and the consummation of the transactions contemplated hereby and thereby will not result in the loss of any license, franchise, legal privilege or permit possessed by PTI or give a right of termination to any party to any agreement or other instrument to which PTI is a party or by which any of its properties are bound.

Section 2.5. LEGAL PROCEEDINGS, CLAIMS, INVESTIGATIONS, ETC. There is no legal, administrative, arbitration or other action or proceeding or governmental investigation pending, or to the knowledge of the Sellers or PTI, threatened, against (i) PTI, its assets and properties, or (ii) any director, officer or employee thereof or any Seller relating to PTI. PTI is not in violation of or default under, any laws, ordinances, regulations, judgments, injunctions, orders or decrees (including without limitation, any immigration laws or regulations) of any court, governmental department, commission, agency, instrumentality or arbitrator applicable to it. PTI is not currently subject to any judgment, order, injunction or decree of or settlement enforceable by any court, arbitral authority, administrative agency or Governmental Authority.

Section 2.6. BROKER. No broker, finder or investment banker is entitled to any brokerage or finder's fee or other commission in connection with the transactions contemplated hereby based on arrangements made by or on behalf of PTI or the Sellers.

<PAGE>

Section 2.7. SUBSIDIARIES, ETC. Except as set forth on Schedule 2.7 hereto, PTI does not own (directly or indirectly) any equity interest in any corporation, partnership, limited liability company, joint venture, association or other entity.

Section 2.8. FINANCIAL STATEMENTS. Attached as Schedule 2.8 hereto are (i) consolidated balance sheets of PTI and its subsidiaries at September 30, 2001, 2002 and 2003 and related statements of income and retained earnings and changes in cash flows for the years then ended (collectively the "Audited Financial Statements"), all of which have been certified by the independent public accountants of PTI ("PTI's Accountants") as having been prepared in accordance with generally accepted accounting principles ("GAAP") throughout the periods indicated, and (ii) a consolidated balance sheet of PTI and its subsidiaries at March 31, 2004 (the "Interim Balance Sheet" and together with the Audited Financial Statements, the "Financial Statements"), certified by the President of PTI as having been prepared in accordance with GAAP (but subject to year end adjustments and footnotes that are customarily made to interim financial statements, the kind and character of which are described on Schedule 2.8 hereto). Except as set forth in Schedule 2.8, the Financial Statements, including in all cases the notes thereto, if any (i) are true, correct and complete, (ii) are in accordance with the books and records of PTI, and (iii) fairly, completely and accurately present the consolidated financial position of PTI and its subsidiaries at the dates specified and the results of their operations for the periods covered.

Section 2.9. LIABILITIES. Except as set forth on Schedule 2.9, PTI has no liability or obligation of any nature (whether liquidated, unliquidated, accrued, absolute, contingent or otherwise and whether due or to become due) except:

(i) those set forth or reflected in the Financial Statements that have not been paid or discharged since the date thereof;

(ii) those arising under agreements or other commitments listed on any schedule hereto;

(iii) current liabilities arising in the ordinary and usual course of business subsequent to March 31, 2004 that are accurately reflected on its books and records in a manner consistent with past practice; and

(iv) ordinary course warranty and product liability obligations and liabilities for product returns and allowances.

Section 2.10. ABSENCE OF CERTAIN CHANGES AND EVENTS. Since September 30, 2003, except as disclosed on Schedule 2.10, there has not been with respect to PTI:

(i) any material adverse change in its business operations (as now conducted or as presently proposed to be conducted), assets, properties or rights, prospects or condition (financial or otherwise), or combination thereof (collectively, the "Business") that reasonably could be expected to result in any such material adverse change;

(ii) any strike, picketing, work slowdown or labor disturbance;



<PAGE>

(iii) any material damage, destruction or loss (whether or not covered by insurance) with respect to any material assets or properties;

(iv) any issuance of any capital stock or other securities convertible, exchangeable or exercisable into capital stock;

(v) any redemption or other acquisition by it of PTI Common Stock or any declaration or payment of any dividend or other distribution in cash, stock or property with respect thereto;

(vi) any entry into any material commitment or transaction (including, without limitation, any borrowing or capital expenditure) other than in the ordinary course of business or as contemplated by this Agreement;

(vii) any transfer of, or rights granted under, any material leases, licenses, agreements, patents, trademarks, trade names, or copyrights other than those transferred or granted in the ordinary course of business and consistent with past practice;

(viii) any mortgage, pledge, security interest or imposition of any other encumbrance on any assets or properties except in the ordinary course of business; any payment of any debts, liabilities or obligations (the "Liabilities") of any kind other than Liabilities currently due; any cancellation of any debts or claims or forgiveness of amounts owed to PTI;

(ix) any change in accounting principles or methods (except insofar as may have been required by a change in GAAP); or

(x) other than in the usual and ordinary course of business, any increase in amounts payable by PTI to or for the benefit of or committed to be paid by PTI to or for the benefit of any officer, director, shareholder, consultant, agent or employee of PTI, in any capacity, or in any benefits granted under any bonus, option, profit sharing, pension, retirement, deferred compensation, insurance, or other direct or indirect benefit plan with respect to any such person.

Since September 30, 2003, PTI has conducted its business only in the ordinary course and in a manner consistent with past practice and has not made any material change in the conduct of its business or operations. Without limiting the generality of the foregoing, since September 30, 2003, PTI has not made any payments (except in the ordinary course of business and in amounts and in a manner consistent with past practice) under any Employee Benefit Plan (as hereinafter defined) or to any employee, independent contractor or consultant, entered into any new Employee Benefit Plan or any new consulting agreement, granted or established any awards under any such Employee Benefit Plan or agreement, in any such case providing for payments of more than \$15,000 or adopted or otherwise amended any of the foregoing.

Section 2.11. TAXES AND TAX RETURNS. (a) For purposes of this Agreement (i) the term "Taxes" shall mean all taxes, charges, fees, levies or other assessments, including, without limitation, income, gross receipts, excise, property, sales, use, license, payroll and franchise taxes, imposed by the United States, or any state, local or foreign government or subdivision or agency thereof whether computed on a unitary, combined or any other basis; and such term shall include any interest and penalties or additions to tax; and (ii)

<PAGE>

the term "Tax Return" shall mean any report, return or other information required to be filed with, supplied to or otherwise made available to a taxing authority in connection with Taxes.

(b) PTI has (i) duly filed with the appropriate taxing authorities all Tax Returns required to be filed by or with respect to PTI or such Tax Returns are properly on extension, and all such duly filed Tax Returns are true, correct and complete in all respects, and (ii) PTI has paid in full, or made adequate provisions for on its balance sheet (in accordance with GAAP), all Taxes shown to be due on such Tax Returns. All credits claimed on such Tax Returns for research and development costs were properly claimed and are not subject to disallowance or reduction. There are no liens for Taxes upon the assets of PTI except for statutory liens for current Taxes not yet due and payable or that may thereafter be paid without penalty or are being contested in good faith. PTI has not received any notice of audit, is not undergoing any audit of its Tax Returns, and has not received any notice of deficiency or assessment from any taxing authority with respect to liability for Taxes of PTI which has not been fully paid or finally settled. There have been no waivers of statutes of limitations by PTI with respect to any Tax Returns that relate to PTI. PTI has not filed a request with the Internal Revenue Service for changes in accounting methods within the last four years, which change would affect the accounting for tax purposes, directly or indirectly, of PTI and has not within such four-year period made an installment sale or open transaction disposition.

(c) PTI has withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, shareholder, or other third party, and all Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

(d) PTI is not a party to any agreement, contract, arrangement or plan that has resulted or would result, separately or in the aggregate, in the payment of any "excess parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") or any corresponding provision of state, local, or foreign Tax law. PTI has not been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code. Within the 10-year period prior to the Closing Date, PTI has not filed a consolidated federal Income Tax Return and has no liability for the Taxes of any person or entity under Regulation Section 1.1502-6 under the Code (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise.

Section 2.12. EMPLOYEE BENEFIT PLANS. (a) Listed on Schedule 2.12 hereto is a true, accurate and complete list of all pension, retirement, profit-sharing, deferred compensation, bonus, stock option or other incentive plan, or other employee benefit program, arrangement, agreement or understanding, or medical, vision, dental or other health plan, or life insurance or disability plan, or any other employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (whether or not any such employee benefit plans are otherwise exempt from the provisions of ERISA, whether or not legally binding), adopted, established, maintained or contributed to by PTI or under which it would otherwise be a party or have liability and under which employees or former employees (whether or not retired employees) of PTI (or their beneficiaries) are

<PAGE>

eligible to participate or derive a benefit (collectively, the "Employee Benefit Plans").

(b) Full payment has been made of all amounts that PTI is required, under applicable law or under any Employee Benefit Plan or any agreement relating to any Employee Benefit Plan to which it is a party, to have paid as contributions to or benefits under any Employee Benefit Plan as of the last day of the most recent fiscal year of such Employee Benefit Plan ended prior to the date hereof. PTI has made adequate provisions in accordance with GAAP for liabilities to meet current contributions or benefit payments.

(c) Except as provided in Schedule 2.12, a favorable determination letter has been issued by the Internal Revenue Service (the "Service") with respect to the qualified status of each of the Employee Benefit Plans intended or required to be qualified under Section 401(a) of the Code, and with respect to the tax exempt status under Section 501(a) of the Code of (i) any trust through which such Employee Benefit Plans are funded and (ii) any trust or other entity established with respect to an Employee Benefit Plan and intended to be qualified as a tax exempt organization under Section 501(c) of the Code. Since the date of the most recent determination letter, each such qualified Employee Benefit Plan has been, or can be (within 120 days after the Closing Date), filed with the Service within the time required to preserve the rights of PTI to adopt such amendment as may be required by the Service in order to issue a favorable determination letter with respect to each such Plan's continued tax-qualified and/or exempt status. No act or omission has occurred since the date of the last favorable determination letter issued with respect to an Employee Benefit Plan that resulted or is likely to result in the revocation of any such Plan's tax-qualified or exempt status.

(d) PTI has performed all obligations required to be performed by it under the Employee Benefit Plans. PTI has not engaged in any transaction with respect to the Employee Benefit Plans that would subject it or the Buyer to a tax, penalty or liability for a prohibited transaction under Sections 406, 407 or 502(i) of ERISA or Section 4975 of the Code, nor have its directors, officers, employees or agents, to the extent they or any of them are fiduciaries under Title I of ERISA. PTI and any "administrator(s)" (as described in Section 3(16)(A) of ERISA) of the Employee Benefit Plans have complied in all material respects with the applicable requirements of ERISA, the Code and all other statutes, orders, rules or regulations, specifically including, without limitation, material compliance with all reporting and disclosure requirements of Part 1 of Title 1 of ERISA and of the Code in a timely and accurate manner, and no penalties have been or will be imposed, nor is PTI or any administrator liable for any penalties imposed, under ERISA, the Code or otherwise with respect to the Employee Benefit Plans or any related trusts. PTI is not delinquent in the payment of any federal, state or local taxes with respect to the Employee Benefit Plans. There is no pending litigation, arbitration, or disputed claim, settlement adjudication or proceeding with respect to the Employee Benefit Plans, and neither PTI nor any administrator is aware of any threatened litigation, arbitration or disputed claim, adjudication proceeding, or any governmental or other proceeding, or investigation with respect to the Employee Benefit Plans or with respect to any fiduciary or administrator thereof (in their capacities as such), or any party-in-interest thereto (with respect to their relationship as such). There is no multiemployer plan to which PTI has been a party or has been required to make any contributions at any time during the last 10 years.

<PAGE>

(e) PTI has delivered or caused to be delivered to the Buyer, true and complete copies of (i) all Employee Benefit Plans and any related trust agreements, custodial agreements, investment management agreements, insurance contracts or policies, and administrative service contracts, all as in effect, together with all amendments thereto which will become effective at a later date; (ii) the latest Summary Plan Description and any modifications thereto for each Employee Benefit Plan requiring same under ERISA; (iii) the latest Service determination letter obtained with respect to any such Employee Benefit Plan qualified under Section 401 or 501 of the Code; (iv) the Summary Annual Report for the current and prior fiscal years for each Employee Benefit Plan requiring same under ERISA; (v) each Form 5500 and/or Form 990 series filing (including required schedules and financial statements) for the current and prior fiscal years for each Employee Benefit Plan required to file such form; and (vi) the most recent actuarial evaluation, analysis or other report issued with respect to any Employee Benefit Plan. From the date of the most recent actuarial evaluation to the Closing Date, for each defined benefit plan, there has been no increase in the unfunded actuarial liability under any such defined benefit plan, assuming the years of the same actuarial assumptions as used in the most recent applicable actuarial evaluation. Neither PTI nor any officer, employee representative or agent thereof, has made any written or oral representations or statements to any current or former employees, dependents, participants or beneficiaries or other persons which are inconsistent in any material manner with the provisions of these documents.

(f) With respect to any of PTI's employee welfare plans (as defined in Section 3(1) of ERISA and including those Employee Benefits Plans that qualify as such) that are "group health plans" under Section 162(k) or Section 4980B of the Code and Section 607(1) of ERISA and related regulations (relating to the benefit continuation rights imposed by COBRA), there has been timely compliance in all material respects with all requirements imposed thereunder, as and when applicable to such plans, so that PTI has no (nor will it incur any) loss, assessment, penalty, loss of federal income tax deduction or other sanction, arising on account of or in respect of any failure to comply with any COBRA benefit continuation requirement, that is capable of being assessed or asserted directly or indirectly against or against the Buyer or any of its subsidiaries or other member of the Buyer's corporate control group, with respect to any such plan.

Section 2.13. LABOR MATTERS. None of PTI's employees is represented by any labor union, association or other organization. PTI has not received any notice from any labor union, association or other organization that it represents or intends to represent PTI's employees. PTI has complied in all material respects with all applicable laws affecting employment and employment practices, terms and conditions of employment and wages and hours. PTI has not received any notice of and there is no complaint alleging unfair labor practices against PTI pending, or to the knowledge of the Sellers or PTI, threatened before the National Labor Relations Board or any other charges or complaints pending, or to the knowledge of the Sellers or PTI, threatened before the Equal Employment Opportunity Commission, any state or local Human Rights Commission or any other state or local agency in respect of labor or employment matters. Except as set forth on Schedule 2.13 hereto, no labor strike, material dispute, slowdown or stoppage has occurred with respect to PTI's employees and there is no labor strike, material dispute, slowdown or stoppage pending or threatened with respect to PTI's employees. Schedule 2.13 hereto sets forth all pending grievances or arbitration proceedings against PTI.

&lt;PAGE&gt;

## Section 2.14. [Intentionally Omitted]

Section 2.15. PROPERTIES. (a) PTI has good and marketable title, or valid leasehold rights (in the case of leased property), to all real property and good title to all personal property owned or leased by it or used in the operation of the Business, free and clear of all Encumbrances, except as listed on Schedule 2.15 hereto, excluding (i) liens for taxes, fees, levies, imposts, duties or governmental charges of any kind that are not yet delinquent or are being contested in good faith by appropriate proceedings that suspend the collection thereof; (ii) liens for mechanics, materialmen, laborers, employees, suppliers or others that are not yet delinquent or are being contested in good faith by appropriate proceedings; (iii) liens or defects in title or leasehold rights that either individually or in the aggregate are not material to PTI. All of such owned or leased property with a value in excess of \$5,000 is listed on Schedule 2.15 hereto. PTI is not in violation of any covenant, condition, restriction, easement, agreement, order or regulation of any Governmental Authority having jurisdiction over any such real property that affects such real property or the use or occupancy thereof or the health or safety of employees thereon. No current use by PTI of any such real property is dependent on a non-conforming use or other approval of a Governmental Authority, the absence of which would significantly limit the use thereof in the Business.

(b) Schedule 2.15 hereto includes a complete and correct list of (i) all real property or premises owned in whole or in part by PTI together with, in each case, a brief description of such property or premises, including the area and the current uses thereof, the record title holder thereof, the location thereof, the material buildings, structures, fixtures and other improvements thereon (the "Improvements") and all indebtedness secured by a lien, mortgage or deed of trust thereon and (ii) all real property or premises leased in whole or in part by PTI, together with, in each case, a brief description of such property or premises, including the area and the current uses thereof and the name of the lessor thereof. Complete and correct copies of all such deeds, mortgages, deeds of trust, leases, guarantees of leases and other documents concerning such real property and the interests of PTI or any subsidiary therein have been heretofore delivered to the Buyer. PTI has legal and valid occupancy permits and other required licenses or government approvals for each of the properties and premises owned, leased, used or occupied by it (copies of which have been heretofore delivered to the Buyer). Each lease of PTI or any subsidiary for real property is legal, valid and binding as between PTI or the subsidiary and the other party or parties thereto is a tenant or possessor in good standing thereunder, free of any default or breach whatsoever and quietly enjoys the premises provided for therein.

(c) All Improvements included within such real property and all items of personal property listed on Schedule 2.15 hereto are in good condition and repair and sufficient for the continued operation of the Business. There are no structural deficiencies or latent defects affecting any of the Improvements, and there are no facts or conditions affecting any of the Improvements that would, individually or in the aggregate, interfere in any material respect with the use or occupancy thereof in the continued operation of the Business.

Section 2.16. TRADEMARKS, PATENTS AND COPYRIGHTS. (a) For purposes of this Agreement, the term "PTI Rights" shall mean all worldwide industrial and intellectual property rights, including, without limitation, each patent, patent rights, license, patent application, trade name, trademark, trade name and

<PAGE>

trademark registration, copyright, copyright registration, copyright application, service mark, brand mark and brand name, URL, trade secrets relating to or arising from any proprietary process, formula, source or object code, owned or possessed by PTI. PTI owns or has the right to use, sell or license all PTI Rights and such PTI Rights are sufficient for the conduct of the Business as being conducted as of the date hereof. Schedule 2.16 hereto lists each patent, patent right, patent application, tradename registration, trademark registration, copyright registration, copyright application, copyrightable work, URL, source and object code owned, licensed or possessed by PTI;

(b) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not constitute a breach of any instrument or agreement governing any PTI Rights, will not cause the forfeiture or termination or give rise to a right of forfeiture or termination of any PTI Rights or impair the right of PTI to use, sell or license any PTI Rights or any portion thereof;

(c) None of the manufacture, marketing, license, sale or intended use of any product currently licensed or sold by PTI or currently under development by PTI violates any license or agreement between PTI and any third party relating to such product or infringes any intellectual property right of any other party, and there is no pending or, to the best knowledge of PTI, threatened claim or litigation contesting the validity, ownership or right to use, sell, license or dispose of any PTI Right nor, to the best knowledge of PTI, is there any basis for any such claim, nor has PTI received any notice asserting that any PTI Right or the proposed use, sale, license or disposition thereof conflicts or will conflict with the rights of any other party, nor, to the best knowledge of PTI, is there any basis for any such assertion; and

(d) No current or prior officers, employees or consultants of PTI have or claim any ownership interest in any PTI Rights as a result of having been involved in the development of such property while employed by or consulting to PTI or otherwise.

Section 2.17. LICENSES, PERMITS, ETC. Schedule 2.17 hereto lists all franchises, licenses, permits, consents, authorizations, approvals and certificates of any Governmental Authority used in conducting the Business (collectively, the "Permits"). Each of the Permits is currently valid and in full force and effect and the Permits constitute all franchises, licenses, permits, consents, authorizations, approvals and certificates of any Governmental Authority necessary to the conduct of the Business. PTI is not in violation of any of the Permits, the transaction contemplated hereby neither constitutes such a violation nor requires consent of the owner of any Permit rights, and there is no pending or threatened proceeding that could result in the revocation or cancellation of, or inability of PTI to renew, any Permit.

Section 2.18. INSURANCE. Schedule 2.18 hereto sets forth a list and brief description of all existing insurance policies maintained by PTI pertaining to its business properties, personnel or assets. PTI is not in default with respect to any provision contained in any insurance policy, and has not failed to give any notice or present any claim under any insurance policy in due and timely fashion. Each such policy is in full force and effect. All payments with respect to such policies are current and PTI has not received any notice threatening a suspension, revocation, modification or cancellation of any such policy.

&lt;PAGE&gt;

Section 2.19. CONTRACTS. (a) Except as set forth in Schedule 2.19 hereto, PTI is not a party to and is not bound by any contract or has any commitment, whether written or oral that has a term in excess of one year and will result in payments in excess of \$10,000 or require material performance on the part of PTI, other than (i) contracts or commitments entered into in the ordinary course of business with vendors and customers and (ii) contracts or commitments cancelable upon not more than 30 days' notice. Each of the contracts and commitments set forth in Schedule 2.19 hereto and each of the other material contracts and commitments to which PTI is a party, is valid and existing, in full force and effect and enforceable in accordance with its terms (subject to equitable principles and limitations on indemnity) and there is no material default or claim of default against PTI or any notice of termination with respect thereto. PTI has complied in all material respects with all requirements of, and performed all of its obligations under, such contracts and commitments. In addition, no other party to any such contract or commitment is, to the best of PTI's knowledge, in default under or in breach of any material term or provision thereof, and, to the best of PTI's knowledge there exists no condition or event which, after notice or lapse of time or both, would constitute a material default by any party to any such contract or commitment. Copies of all the written documents and a synopsis of all oral contracts and commitments described in Schedule 2.19 hereto have heretofore been made available to the Buyer and are true and complete and include all amendments and supplements thereto and modifications thereof to and including the date hereof.

(b) Except as set forth in Schedule 2.19 hereto, PTI is not a party to any oral or written (i) agreement with any consultant, executive officer or other key employee the benefits under which are contingent, or the terms of which are materially altered, upon the occurrence of the transactions contemplated by this Agreement, or (ii) agreement or Employee Benefit Plan, including any stock option plan and the like, any of the benefits under which will be increased, or the vesting of the benefits of which will be accelerated, by the occurrence of the transactions contemplated by this Agreement.

Section 2.20. INVENTORY. Except as set forth on Schedule 2.20 hereto, inventory reflected on the Interim Balance Sheet as of the date thereof was determined in accordance with GAAP consistently applied, stated, on an aggregate basis, at the lower of cost (based on the first-in, first-out method) or market value and consists solely of merchandise usable or salable in the ordinary course of business at not less than gross cost. The inventory conforms to customary trade standards for marketable goods. Proper recognition has been given in the Interim Balance Sheet to damaged, obsolete, slow-moving, irregular or defective stock and to appropriate markdowns. Since the date of the Interim Balance Sheet, there have been no changes in the inventory reflected on the Interim Balance Sheet except in the ordinary course of business.

Section 2.21. ACCOUNTS RECEIVABLE. All accounts receivable relating to or arising out of the operation of the Business (the "Receivables") are or will represent bona fide arm's length sales that arose or will arise in the ordinary and usual course of the Business; and are not and will not be subject to any counterclaim, set-off or defense known to the Sellers or PTI and are not and will not be subject to any Encumbrance, except as set forth on Schedule 2.21. Since September 30, 2003, no customers of PTI have notified Sellers or PTI, orally or in writing, that they intend to return any products, or assert any right to a discount, allowance or chargeback with respect to any products, the sale of which products by PTI gave rise to amounts aggregating in excess of \$10,000 and included in the Receivables.

<PAGE>

Section 2.22. OFFICERS, EMPLOYEES AND COMPENSATION. Schedule 2.22 hereto lists each salaried employee of PTI employed during the period September 30, 2003 through the date hereof. Schedule 2.22 hereto also lists and describes as of March 31, 2004, the base salary, fringe benefits and perquisites of each employee of PTI whose total current base salary exceeds or exceeded in any of the last two years \$40,000 annually. Except as disclosed on Schedule 2.22 hereto, there are no other forms of compensation paid by PTI to any employee. Except as disclosed on Schedule 2.22 hereto, there has been no material increase since March 31, 2004 in the rate of compensation or other benefits paid to any employee. No shareholder or director or any person related to such person by blood or marriage holds any position or office with or has any material financial interest, direct or indirect, in any supplier, customer or account of, or other outside business that has had or will have material transactions with PTI. PTI has no agreements or understandings with any officer, employee or representative of PTI that would influence any such person not to continue to be associated from and after the date hereof or from serving PTI in a capacity similar to the capacity currently held. Schedule 2.22 hereto sets forth (i) PTI's present severance policy and the names, amounts and payment schedules relating to persons currently receiving severance payments or retiree medical benefits; and (ii) separately with respect to each employee of PTI, the amount of accrued vacation pay due to such employee.

Section 2.23. INDEPENDENT CONTRACTORS. Schedule 2.23 hereto lists each independent contractor, including, without limitation, each representative and agent, to whom or which PTI paid commissions and/or other forms of compensation in excess of \$40,000 in either of the past two calendar years.

Section 2.24. CUSTOMERS. Except as set forth on Schedule 2.24 hereto, no customer of PTI representing in excess of 3% of PTI's 2003 sales has advised the Sellers or PTI, formally or informally, that it intends to terminate or substantially reduce its business with PTI during 2004 or thereafter by reason of the transactions contemplated by this Agreement or otherwise.

Section 2.25. ENVIRONMENTAL MATTERS. (a) PTI is not the subject of, or, to the knowledge of the Sellers or PTI, being threatened to be the subject of (i) any enforcement proceeding, or (ii) any investigation, brought in either case under any Environmental Laws (as hereinafter defined), at any time in effect or (iii) any third party claim relating to environmental conditions on or off the properties of PTI. PTI has not been notified that it must obtain any Permits or file documents for the operation of its business under any Environmental Laws. PTI has not been notified of any conditions on or off the properties of PTI that will give rise to any liabilities, known or unknown, under any Environmental Laws, or as the result of any claim of any third party. For the purposes of this Section 2.25, an investigation shall include, but is not limited to, any written notice received by PTI that relates to the onsite or offsite disposal, release, discharge or spill of any Hazardous Material (as hereinafter defined).

(b) Except as set forth on Schedule 2.25, there is no Hazardous Material that PTI (or, to the knowledge of PTI or the Sellers, any previous occupant of PTI's facilities) has used, stored or otherwise held in or on any of the facilities of PTI, which, are present at or have migrated from the facilities, whether contained in ambient air, surface water, groundwater, land surface or subsurface strata, that violate any Environmental Laws. The facilities have been maintained by PTI in compliance with all Environmental Laws and occupational, health and safety or similar laws, ordinances, restrictions, licenses, and regulations, except in respect of the foregoing for such



<PAGE>

violations as would not reasonably be expected to have a material adverse effect on PTI or the conduct of its business. PTI has not disposed of or arranged (by contract, agreement or otherwise) for the disposal of any material or substance that was generated or used by PTI at any off-site location that has been or is listed or proposed for inclusion on any list promulgated by any Governmental Authority for the purpose of identifying sites that pose a danger to health and safety. Except as disclosed on Schedule 2.25 hereto, (i) there have been no environmental studies, reports and analyses made or prepared in the last five years relating to the facilities of PTI; and (ii) none of such facilities contains any underground storage tanks, incinerators, or waste treatment, storage or disposal units, landfills, disposal areas or surface impoundments.

(c) For the purposes hereof, Environmental Laws shall mean all federal, state and local laws, ordinances, rules and regulations and other provisions having the force or effect of law pertaining to pollution or protection of the environment, including without limitation, all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control or cleanup of any solid waste disposal, toxic substances, hazardous substances, hazardous materials, hazardous waste, toxic chemicals, pollutants, contaminants (collectively, "Hazardous Material") and air, water, ground or subsurface pollution and to the storage, use, handling, transportation, discharge, and disposal (including spills and leaks) of gaseous, liquid, semi-solid or solid materials.

Section 2.26. ILLEGAL PAYMENTS. PTI has not, directly or indirectly, paid or delivered any fee, commission or other sum of money or item of property, however characterized, to any finder, agent, government official or other party, in the United States of America or any other country, that is in any manner related to the business or operations of PTI, which PTI knows or has reason to believe to have been illegal under any federal, state or local laws or the laws of any other country having jurisdiction. PTI has not participated, directly or indirectly, in any boycotts affecting any of its actual or potential customers.

Section 2.27. BANKS; SAFE DEPOSIT BOXES. Schedule 2.27 hereto lists the names and locations of all banks or other financial institutions at which PTI has an account and/or safe deposit box, the numbers of any such accounts and boxes and the names of all persons authorized to draw thereon or to have access thereto.

Section 2.28. COMPLETE DISCLOSURE. No representation or warranty made by the Sellers or PTI in this Agreement, and no exhibit, schedule, statement, certificate or other writing furnished to the Buyer by or on behalf of the Sellers or PTI pursuant to this Agreement or in connection with the transactions contemplated hereby, contains or will contain, any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein and therein not misleading.

Section 2.29. CLOSING DATE EFFECT. All of the representations and warranties of the Sellers and PTI are true and correct as of the date hereof and shall be true and correct on and as of the Closing Date with the same force and effect as if such representations and warranties were made by the Sellers and PTI to the Buyer on the Closing Date.

<PAGE>

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE ESOP

The ESOP hereby represents and warrants to the Buyer as follows:

Section 3.1. ORGANIZATION AND STANDING. The ESOP is a duly organized and validly existing plan and trust.

Section 3.2. SHAREHOLDINGS. The ESOP owns 2,985 of the PTI Shares (the "ESOP PTI Shares"). The ESOP has full right, power, legal capacity and authority to sell, transfer and deliver the ESOP PTI Shares pursuant to this Agreement and the ESOP is not a party to or bound by any agreements, arrangements, or understandings restricting in any manner the sale or transfer of the ESOP PTI Shares.

Section 3.3. AUTHORIZATION; ENFORCEABILITY. The ESOP has all requisite trust power to hold the ESOP PTI Shares owned by it and to execute and deliver the Transaction Agreements and to consummate the transactions contemplated hereby. The execution, delivery and performance by the ESOP of the Transaction Agreements and the consummation by the ESOP of the transactions contemplated hereby and thereby are within the ESOP's powers and have been duly authorized by all necessary trust action on the part of the ESOP. No further authorization on the part of or with respect to the ESOP or its participants is necessary to authorize the execution and delivery by it of, and the performance of its obligation under, the Transaction Agreements. This Agreement constitutes, and each other Transaction Agreement or instrument executed and delivered or to be executed and delivered by the ESOP pursuant to this Agreement will, upon such execution and delivery, constitute a legal, valid and binding obligation of the ESOP, enforceable against it in accordance with its terms.

Section 3.4. TITLE TO SHARES. The ESOP is the record and beneficial owner of the ESOP PTI Shares, free and clear of any and all Encumbrances.

Section 3.5. GOVERNMENTAL APPROVAL AND FILINGS. Except as set forth on Schedule 3.5 hereto, no consent, action, waiver or notice of, by or to any Governmental Authority on the part of the ESOP is required in connection with the execution, delivery and performance of the Transaction Agreements by the ESOP.

Section 3.6. LITIGATION. There are no suits, actions, proceedings, investigations, claims or orders pending or, to the knowledge of the ESOP, threatened against the ESOP, nor is the ESOP subject to any judgment order or decree of any court or Governmental Authority. For the purposes hereof, the phrase "knowledge of ESOP" shall mean the knowledge of its trustees. Except as set forth on Schedule 3.6 hereto, the ESOP is not in violation of or default under, any laws, ordinances, regulations, judgments, injunctions, orders or decrees (including without limitation, any immigration laws or regulations) of any court, governmental department, commission, agency, instrumentality or arbitrator applicable to it. The ESOP is not currently subject to any judgment, order, injunction or decree of or settlement enforceable by any court, arbitral authority, administrative agency or Governmental Authority.

<PAGE>

Section 3.7. NO VIOLATION. The execution, delivery and performance of the Transaction Agreements by the ESOP does not, and the consummation by the ESOP of the transactions contemplated hereby or thereby will not, (a) violate any provision of the governing documents of the ESOP; (b) conflict with or violate any law, regulation, judgment, order or decree binding upon the ESOP; or (c) conflict with or violate any provision of, or result in the termination or acceleration of, or entitle any party to accelerate any obligation or indebtedness under, any mortgage, lease, franchise, license, permit, agreement, instrument, to which the ESOP is a party or by which the ESOP is bound.

Section 3.8. BROKERS. Except as set forth on Schedule 3.8 hereto, the ESOP has not employed any broker, finder, advisor or intermediary in connection with the transactions contemplated by this Agreement that would be entitled to a broker's, finder's or similar fee or commission in connection therewith or upon the consummation thereof, for which PTI, the ESOP or the Buyer may be liable.

Section 3.9. REGARDING THE ESOP. The representations and warranties made in Section 2.12(c), (d) and (e) hereof are accurate and complete insofar as they relate to the ESOP.

Section 3.10. COMPLETE DISCLOSURE. No representation or warranty made by the ESOP in this Agreement, and no exhibit, schedule, statement, certificate or other writing furnished to the Buyer by or on behalf of the ESOP pursuant to this Agreement or in connection with the transactions contemplated hereby, contains or will contain, any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein and therein not misleading.

Section 3.11. CLOSING DATE EFFECT. All of the representations and warranties of the ESOP are true and correct as of the date hereof and shall be true and correct on and as of the Closing Date with the same force and effect as if such representations and warranties were made by the ESOP to the Buyer on the Closing Date.

#### ARTICLE IV

##### REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer hereby represents and warrants to the Sellers, PTI and the ESOP as follows:

Section 4.1. CORPORATE ORGANIZATION. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

Section 4.2. AUTHORITY RELATIVE TO AND VALIDITY OF AGREEMENTS. The Buyer has full power and authority, corporate and otherwise, to execute and deliver the Transaction Agreements and to assume and perform all of its obligations hereunder and thereunder. The execution and delivery of the Transaction Agreements and the performance by the Buyer of its obligations hereunder and thereunder have been duly authorized by its Board of Directors and no further action or authorization on the part of or with respect to the Buyer, including without limitation any action or authorization by its shareholders, is necessary to authorize the execution and delivery by it of, and the performance of its obligations under, the Transaction Agreements. There are no corporate, contractual, statutory or other restrictions of any kind upon the power and

<PAGE>

authority of the Buyer to execute and deliver the Transaction Agreements and to consummate the transactions contemplated hereunder and thereunder and no action, waiver or consent by any Governmental Authority is necessary to make the Transaction Agreements valid and binding upon the Buyer in accordance with their respective terms. The Transaction Agreements have been duly executed and delivered by the Buyer and constitute its legal, valid and binding obligations, enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization and moratorium laws and other laws of general application affecting the enforcement of creditors' rights generally, and the fact that equitable remedies or relief (including, but not limited to, the remedy of specific performance) are subject to the discretion of the court from which such relief may be sought.

Section 4.3. REQUIRED FILING AND CONSENTS; NO CONFLICTS. The Buyer is not required to submit any notice, report or other filing with any Governmental Authority in connection with the execution, delivery or performance of the Transaction Agreements. The execution, delivery and performance of the Transaction Agreements by the Buyer and the consummation of the transactions contemplated hereby and thereby do not and will not conflict with or violate (a) the Certificate of Incorporation or By-laws of the Buyer, (b) any agreement governing the organization, management, business or affairs of the Buyer or, in any material respect, any agreement or instrument to which the Buyer is bound or (c) any material law, administrative regulation or rule or court order, judgment or decree applicable to the Buyer; nor will the execution and delivery of the Transaction Agreements or the consummation of the transaction contemplated hereby or thereby constitute a material breach of, or any event of default under, any material contract or agreement by which the Buyer may be bound or affected.

Section 4.4. LEGAL PROCEEDINGS, CLAIMS, ETC. There is no legal, administrative, arbitration or other action or proceeding pending, or to the knowledge of the Buyer, threatened, against the Buyer, any director, officer or employee either relating to this Agreement or the transactions contemplated hereunder, or relating to the assets or business operations of the Buyer, that in any of the foregoing cases would reasonably be expected to have a material adverse effect upon the Buyer's ability to perform its obligations hereunder. The Buyer has not been informed of, nor is it otherwise aware of, any violation or default under any laws, ordinances, regulations, judgments, injunctions, orders or decrees of any Governmental Authority, and is not subject to any judgment, order, injunction or decree of any court, arbitral authority or Governmental Authority, that in any of the foregoing cases, would reasonably be expected to have a material adverse effect on the Buyer's ability to perform its obligations hereunder.

Section 4.5. BROKER. No broker, finder or investment banker is entitled to any brokerage or finder's fee or other commission in connection with the transactions contemplated hereby based upon the arrangements made by or on behalf of the Buyer.

Section 4.6. COMPLETE DISCLOSURE. No representation or warranty made by the Buyer in this Agreement, and no exhibit, schedule, statement, certificate or other writing furnished to the Sellers and PTI by or on behalf of the Buyer pursuant to this Agreement or in connection with the transactions contemplated hereby, contains or will contain, any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein and therein not misleading.

<PAGE>

Section 4.7. CLOSING DATE EFFECT. All of the representations and warranties of the Buyer are true and correct as of the date hereof and shall be true and correct on and as of the Closing Date with the same force and effect as if such representations and warranties were made by the Buyer to the Sellers and PTI on the Closing Date.

ARTICLE V

COVENANTS

Section 5.1. COVENANTS OF THE SELLERS AND PTI REGARDING CONDUCT OF BUSINESS OPERATIONS PENDING THE CLOSING. The Sellers and PTI covenant and agree that between the date of this Agreement and the Closing Date, PTI shall carry on its business in the ordinary course and consistent with past practice, shall use its best efforts to (i) preserve its business organizations intact, (ii) retain the services of its present employees, and (iii) preserve the good will of its suppliers and customers, and shall not, except in the ordinary course of business, purchase, sell, lease or dispose of any property or assets or incur any liability or enter into any other extraordinary transaction. By way of amplification and not limitation, the Sellers and PTI shall not (except as contemplated hereunder), between the date of this Agreement and the Closing Date, directly or indirectly, do any of the following as to PTI without the prior written consent of the Buyer:

(a) (i) issue, sell, pledge, dispose of, encumber, authorize, or propose the issuance, sale, pledge, disposition, encumbrance or authorization of any shares of capital stock of any class, or any options, warrants, convertible securities or other rights of any kind to acquire any shares of capital stock, or any other ownership interest, of its shares; (ii) amend or propose to amend its Articles of Incorporation or By-Laws; (iii) split, combine or reclassify any of its outstanding shares, or declare, set aside or pay any dividend or other distribution payable in cash, stock, property or otherwise with respect thereto; or (iv) redeem, purchase or otherwise acquire any shares of its capital stock;

(b) (i) make any acquisition (by merger, consolidation, or acquisition of stock or assets) of any corporation, partnership or other business organization or division thereof; (ii) except in the ordinary course of business and in a manner consistent with past practice, sell, pledge, dispose of, or encumber or authorize or propose the sale, pledge, disposition or encumbrance of any of its assets; (iii) incur any indebtedness for borrowed money, assume, guarantee, endorse or otherwise become responsible for the obligations of any other individual, partnership, firm or corporation, or make any loans or advances to any individual, partnership, firm, or corporation, or enter into any contract or agreement to do so, except in the ordinary course of business and consistent with past practice; (iv) authorize any single capital expenditure or series of related capital expenditures each of which, individually or in the aggregate, is in excess of \$25,000; or (v) release or assign any indebtedness owed to it or any claims held by it, except in the ordinary course of business and consistent with past practice;

(c) take any action other than in the ordinary course of business and in a manner consistent with past practice (none of which actions shall be unreasonable or unusual) with respect to the grant of any severance or termination pay (otherwise than pursuant to its policies in effect on the date

<PAGE>

hereof) or with respect to any increase of benefits payable under its severance or termination pay policies in effect on the date hereof;

(d) make any payments (except in the ordinary course of business and in amounts and in a manner consistent with past practice) under any Employee Benefit Plan to any employee, independent contractor or consultant, enter into any new Employee Benefit Plan or any new consulting agreement grant or establish any awards under such Employee Benefit Plan or agreement, in any such case providing for payments of more than \$15,000, or adopt or otherwise amend any of the foregoing;

(e) take any action except in the ordinary course of business and in a manner consistent with past practice (none of which actions shall be unreasonable or unusual) with respect to accounting policies or procedures, other than such actions deemed necessary to comply with GAAP (including without limitation its procedures with respect to the payment of accounts payable);

(f) enter into or terminate any material contract or agreement or make any material change in any of its material contracts or agreements, other than (i) in the ordinary course of business, (ii) relating to indebtedness incurred in clause (b)(iii) above and (iii) agreements, if any, relating to the transactions contemplated hereby; or

(g) take, or agree in writing or otherwise to take, any of the foregoing actions or any action that would make any of their respective representations or warranties contained in this Agreement untrue or incorrect in any material respect as of the date when made or as of a future date.

Section 5.2. ACCESS TO INFORMATION AND FACILITIES. The Sellers and PTI agree that, prior to the Closing Date, the Buyer shall, upon reasonable notice, through its authorized officers, employees, agents and representatives (including, without limitation, its counsel and accountants), have reasonable access during normal business hours to all premises and personnel of PTI and shall be entitled to make such reasonable investigation of the properties, business and operations of PTI and such examination of the books, records and financial condition of PTI as they request and to make extracts and copies to the extent necessary of such books and records; provided, that the Buyer shall be bound by and shall comply with the terms of the Mutual Non-Disclosure Agreement between PTI and Buyer, dated May \_\_, 2004 (the "Mutual Non-Disclosure Agreement") with respect to Buyer's ability to use or disclose any such information; and provided, further, that any such investigation pursuant to this Section 5.2 shall not affect any representations or warranties made herein or the conditions to the obligations of the respective parties to consummate the transactions contemplated by this Agreement.

Section 5.3. ADDITIONAL COVENANTS OF THE PARTIES. Each of the Sellers, the ESOP, PTI and the Buyer covenants and agrees with respect to the period beginning on the date hereof and ending on the Closing Date:

(a) BEST EFFORTS. To proceed diligently and use its best efforts to take or cause to be taken all actions and to do or cause to be done all things necessary, proper and advisable to consummate the transactions contemplated by this Agreement.

<PAGE>

(b) COMPLIANCE. To comply in all material respects with all applicable rules and regulations of any Governmental Authority in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby; to use all reasonable efforts to obtain in a timely manner all necessary waivers, consents and approvals and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement.

(c) NOTICE. To give prompt notice to the other parties of (i) the occurrence, or failure to occur, of any event whose occurrence or failure to occur, would be likely to cause any representation or warranty contained in this Agreement to be untrue or incorrect in any material respect at any time from the date hereof to the Closing Date and (ii) any material failure on its part, or on the part of any of its officers, directors, employees or agents, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any such notice shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

(d) ANNOUNCEMENTS. That all public announcements, statements and press releases concerning the transactions contemplated by this Agreement shall be mutually agreed to by the Sellers' Agent and the Buyer before the issuance or the making thereof and, subject to the advice of counsel, no party shall issue any such press releases or make any such public statement prior to such mutual agreement, except as may be required by law.

Section 5.4. SECTION 338 ELECTION. No election under Section 338 of the Code shall be made with respect to the transactions contemplated by this Agreement, nor shall the Buyer take any action that would result in a deemed Section 338 election under Section 338(e) of the Code.

Section 5.5. CERTAIN TAX MATTERS. (a) The Sellers shall cause PTI to file all Tax Returns of PTI with the appropriate taxing authorities and shall be responsible for ensuring the timely payment (and/or refund) by PTI of all Taxes due with respect to the any periods ending before the Closing Date. Taxes for any period ending on, or the day prior to, the Closing Date, that are not yet due and payable on the Closing Date, shall be paid by PTI or the Buyer. With respect to any Tax Return of PTI covering a taxable period beginning on or before the Closing Date and ending after the Closing Date that is required to be filed after the Closing Date, the Buyer shall cause such Tax Return to be prepared, shall determine the Tax that is due thereunder and shall be responsible for the payment of any such Tax. No amendments to Tax Returns of PTI for any periods ending before the Closing Date shall be filed with any taxing authority without the prior written consent of the Sellers not to be unreasonably withheld or delayed. The Sellers shall have the right to control any tax audits, appeals, lawsuits or other investigations or proceedings regarding the income, gain, loss, deductions or credits of PTI for any period ending before the Closing Date, provided that the Sellers do not take any position in such tax audit, appeal, lawsuit or other investigational proceedings that, in the reasonable judgment of the Buyer, adversely affects the Buyer. The Buyer shall provide written notice to the Sellers' Agent of any notices or other correspondence from any taxing authority with respect to income, gain, loss, deductions or credits of PTI for any period ending before the Closing Date promptly after the Buyer or PTI receives any such notice.

<PAGE>

Section 5.6. NOTIFICATION REGARDING THE SELLERS' REPRESENTATIONS AND WARRANTIES. In the event that prior to the Closing Date Buyer has knowledge of any untrue, incomplete or incorrect representations and warranties of the Sellers contained in this Agreement or any exhibit, schedule, statement, article or other writing furnished to or on behalf of the Sellers hereunder, then the Buyer shall notify the Sellers' Agent of such fact prior to the Closing Date, and shall provide the Sellers the opportunity to cure such incomplete, incorrect or untrue representations and warranties prior to the then scheduled Closing Date or shall exercise the Buyer's rights under Section 10.1 below.

Section 5.7. SUBMISSION UNDER VOLUNTARY COMPLIANCE PROGRAM AND VOLUNTARY FIDUCIARY COMPLIANCE PROGRAM. PTI covenants and agrees that prior to the Closing Date, PTI shall submit the ESOP to the Voluntary Compliance Program of the Internal Revenue Service and the Voluntary Fiduciary Correction Program to report and correct an undervaluation of the ESOP accounts of 20 current ESOP participants and 41 former ESOP participants, as more fully described on Schedule 2.9. PTI shall pay all user fees and other amounts required to correct the operational failures.

Section 5.8. SHARE INDEBTEDNESS. Not later than three days prior to the Closing Date, Sellers and PTI shall furnish Buyer a schedule of Share Indebtedness, which shall confirm each Seller who has incurred Share Indebtedness and the principal amount thereof and shall include a calculation of accrued and unpaid interest thereon to and including the Closing Date.

Section 5.9. INTERIM FINANCIAL STATEMENTS. Not later than 10 days after the date hereof, PTI shall deliver to Buyer a consolidated balance sheet of PTI and its subsidiaries as of June 30, 2004 (the "June 30th Balance Sheet"), which shall include the certification provided in the penultimate sentence of Section 2.8 hereof. From and after the date of such delivery, the term "Financial Statements" when used herein shall include the June 30th Balance Sheet.

Section 5.10. CONCERNING THE ESOP. The ESOP shall not be liquidated prior to the second anniversary of the Closing Date; provided that nothing herein shall preclude the Buyer and PTI from taking such actions prior to such date as are required to permit such liquidation effective as of a date subsequent to such date. The Buyer shall not remove any trustee of the ESOP without the prior written consent of the trustees of the ESOP then serving as such, provided, that no such consent shall be required to appoint a bank or trust company as an additional trustee of the ESOP or as a replacement trustee for one or more of the trustees of the ESOP then serving as such; and provided, further, that the Buyer shall not appoint as a trustee of the ESOP any "affiliate" (as such term is defined in the rules and regulations under the Securities Act of 1933, as amended) of the Buyer.



<PAGE>

ARTICLE VI

CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SELLERS AND THE ESOP

The obligations of the Sellers and the ESOP under this Agreement are subject to the satisfaction, on or prior to the Closing Date, unless waived in writing, of each of the following conditions:

Section 6.1. REPRESENTATIONS AND WARRANTIES TRUE. The representations and warranties of the Buyer contained in this Agreement shall be true and correct in all material respects as of the date when made and at and as of the Closing Date, with the same force and effect as if made on and as of the Closing Date, and the Sellers shall have received a certificate to that effect and as to the matters set forth in Section 6.2 hereof, dated the Closing Date, from a responsible officer of the Buyer.

Section 6.2. PERFORMANCE OF COVENANTS. The Buyer shall have performed or complied in all material respects with all agreements, conditions and covenants required by this Agreement to be performed or complied with by it on or before the Closing Date.

Section 6.3. NO PROCEEDINGS. No preliminary or permanent injunction or other order (including a temporary restraining order) of any state, federal or local court or Governmental Authority or of any foreign jurisdiction that prohibits the consummation of the transactions that are the subject of this Agreement or prohibits the Buyer's ownership of the PTI Shares shall have been issued or entered and remain in effect.

Section 6.4. CONSENTS AND APPROVALS. All filings and registrations with, and notifications to, all Governmental Authorities required for consummation of the transactions contemplated by this Agreement shall have been made, and all consents, approvals and authorizations of all Governmental Authorities and parties to material contracts, licenses, agreements or instruments required for consummation of the transactions contemplated by this Agreement shall have been received and shall be in full force and effect.

Section 6.5. FAIRNESS OPINION. The trustees of the ESOP shall have received the opinion (the "Fairness Opinion") of Sheldrick, McGehee and Kohler, Inc. or of another firm satisfactory to the trustees and the Buyer substantially to the effect that the consideration to be received for the ESOP PTI Shares pursuant to this Agreement is fair from a financial point of view, and the Fairness Opinion shall not have been withdrawn or adversely modified in any material respect.

Section 6.6. PROCEEDINGS AND DOCUMENTS SATISFACTORY. The Sellers and the ESOP shall have received such certificates, opinions, and other documents as their counsel may reasonably require in order to consummate the transactions contemplated hereby, all of which shall be in form and substance satisfactory to their counsel. All proceedings in connection with the purchase of the PTI Shares set forth herein and all certificates and documents delivered to the Sellers and the ESOP pursuant to this Agreement shall be satisfactory in form and substance to their counsel acting reasonably and in good faith.

<PAGE>

The Buyer shall proceed in a timely fashion and use its best efforts to cause the fulfillment at the earliest practicable date of all the conditions to Sellers' and the ESOP's obligations set forth in this Article VI.

ARTICLE VII

CONDITIONS PRECEDENT TO OBLIGATIONS OF THE BUYER

The obligations of the Buyer under this Agreement are subject to the satisfaction, on or prior to the Closing Date, unless waived in writing, of each of the following conditions:

Section 7.1. REPRESENTATION AND WARRANTIES TRUE. The representations and warranties of the Sellers, the ESOP and PTI contained in this Agreement shall be true and correct in all material respects as of the date when made and at and as of the Closing Date, with the same force and effect as if made on and as of the Closing Date, and the Buyer shall have received a certificate to that effect and as to the matters set forth in Section 7.2 hereof, dated the Closing Date, from a responsible officer of each of the Sellers and PTI and the trustees of the ESOP.

Section 7.2. PERFORMANCE OF COVENANTS. The Sellers, the ESOP and PTI shall have performed or complied in all material respects with all agreements, conditions and covenants required by this Agreement to be performed or complied with by them on or before the Closing Date.

Section 7.3. NO PROCEEDINGS. No preliminary or permanent injunction or other order (including a temporary restraining order) of any state, federal or local court or Governmental Authority or of any foreign jurisdiction that prohibits the consummation of the transactions that are the subject of this Agreement or prohibits the Buyer's ownership of the PTI Shares or operation of the PTI's business shall have been issued or entered and remain in effect.

Section 7.4. CONSENTS AND APPROVALS. All filings and registrations with, and notifications to, all Governmental Authorities required for consummation of the transactions contemplated by this Agreement shall have been made, and all consents, approvals and authorizations of all Governmental Authorities and parties to material contracts, licenses, agreements or instruments required for consummation of the transactions contemplated by this Agreement shall have been received and shall be in full force and effect.

Section 7.5. EMPLOYMENT OF KEY EMPLOYEES. The Buyer shall have received assurance satisfactory to it of the continued employment of the key employees listed on Schedule 7.5 hereto.

Section 7.6. ABSENCE OF MATERIAL CHANGES. Since the date hereof, there shall not have been any material adverse change in the business, operations, condition (financial or otherwise), assets, liabilities, prospects or regulatory status of PTI.

Section 7.7. CERTAIN FINANCIAL STATEMENT TESTS. As of the Closing Date, PTI shall have (i) a net worth, i.e., an excess of assets over liabilities, of not less than \$5,900,000 (after giving effect to the payments required to be made by the Buyer under Section 1.2 and the adjustments to the books and records of PTI agreed to by Sellers and Buyer), and (ii) cash and cash equivalent balances on deposit of not less than \$1,200,000. For this purpose,

<PAGE>

net worth shall be calculated in a manner consistent with the accounting principles and practices used in preparing the Audited Financial Statements.

Section 7.8. DISSENTING PTI SHARES. The total number of Dissenting Shares shall not exceed 6% of the outstanding PTI Shares.

Section 7.9. FAIRNESS OPINION. The trustees of the ESOP shall have received the Fairness Opinion and the Fairness Opinion shall not have been withdrawn or adversely modified in any material respect.

Section 7.10. PROCEEDINGS AND DOCUMENTS SATISFACTORY. The Buyer shall have received such certificates, opinions and other documents as its counsel may reasonably require in order to consummate the transactions contemplated hereby, all of which shall be in form and substance satisfactory to its counsel. All proceedings in connection with the purchase of the PTI Shares set forth herein and all certificates and documents delivered to the Buyer pursuant to this Agreement shall be satisfactory in form and substance to the Buyer's counsel acting reasonably and in good faith.

Sellers, the ESOP and PTI shall proceed in a timely fashion and use their best efforts to cause the fulfillment at the earliest practicable date of all the conditions to Buyer's obligations to consummate the transactions contemplated by this Agreement. The obligations of the ESOP under this undertaking are subject to applicable law.

#### ARTICLE VIII

##### CLOSING

Section 8.1. CLOSING. The closing (the "Closing") of the transactions contemplated by this Agreement shall take place after satisfaction or waiver of all conditions set forth herein, on October 12, 2004, at the offices of Olshan Grundman Frome Rosenzweig & Wolosky LLP, located at Park Avenue Tower, 65 East 55th Street, New York, New York 10022, or at such other time and place as the Buyer and the Sellers' Agent shall agree. The closing shall be effective with the close of business on September 30, 2004.

Section 8.2. DELIVERIES BY THE SELLERS, THE ESOP AND PTI. On the Closing Date, the Sellers, the ESOP and PTI, as applicable, shall deliver to the Buyer, duly and properly executed, the following:

(a) Certificates representing the PTI Shares, duly endorsed in blank for transfer or accompanied by separate stock powers duly executed in blank.

(b) Counterparts of the Escrow Agreement executed by Sellers, the ESOP and the Sellers' Agent.

(c) Counterparts of the Employment Agreement executed by Dechen.

(d) Counterparts of the Consulting Agreement executed by Horton.

<PAGE>

(e) Opinions of Counsel to PTI and the Sellers and to the ESOP in the forms of Exhibits D-1 and D-2 attached hereto.

(f) A copy of PTI's Articles of Incorporation, including all amendments thereto, certified by the Secretary of State of the State of Florida.

(g) A certificate from the Secretary of State of the State of Florida to the effect that PTI is in good standing in such jurisdiction and listing all charter documents of PTI on file in Florida.

(h) A certificate from the Secretary of State or other appropriate official in each State in which PTI is qualified to do business to the effect that it is in good standing in such State in each case, dated as of a date not more than five business days prior to the Closing Date.

(i) Resignations, effective immediately, executed by each incumbent director and officer of PTI.

(j) Resolutions of the Board of Directors and shareholders of PTI authorizing the execution and delivery of the Transaction Agreements by PTI and the performance of its obligations hereunder and thereunder, certified by the Secretary of PTI.

(k) PTI's minute books, stock certificate books, corporate records, books of account, deeds, leases, indentures, contracts, agreements, evidence of indebtedness, securities, correspondence, bank accounts and records, documents pertaining to all assets, claims, rights and liabilities and other existing documents and records (unless otherwise requested by the Buyer, delivery of the foregoing need not be effected by physical delivery at the Closing, but by surrendering to the Buyer access to the premises containing the foregoing).

(l) Such other separate instruments or documents that counsel to the Buyer may reasonably deem necessary or appropriate in order to consummate the transactions contemplated by the Transaction Agreements including, without limitation, all regulatory and contractual consents of third parties.

Section 8.3. DELIVERIES BY THE BUYER. On the Closing Date, the Buyer shall deliver to or for the account of the Sellers and the ESOP duly and properly executed, the following:

(a) The sum provided in clause (i) of Section 1.3 hereof in cash (by wire transfer to an account designated by the Sellers' Agent not fewer than five days prior to the Closing Date).

(b) The Escrow Amount (by wire transfer to an account of the Escrow Agent designated by it not fewer than five days prior to the Closing Date).

(c) The sum provided in clause (iii) of Section 1.3 hereof in cash (by wire transfer to an account designated by PTI not fewer than five days prior to the Closing Date).

(d) Counterparts of the Escrow Agreement executed by the Buyer and the Escrow Agent.

<PAGE>

(e) Counterparts of the Employment Agreement executed by the Buyer.

(f) Counterparts of the Consulting Agreement executed by the Buyer.

(g) An Opinion of Counsel to Buyer in the form of Exhibit E attached hereto.

(h) Resolutions of the Board of Directors of the Buyer authorizing the execution and delivery of the Transaction Agreements by the Buyer and the performance of its obligations hereunder and thereunder, certified by the Secretary of the Buyer.

(i) A certificate of the Secretary of State of Delaware as to the good standing of the Buyer in such state as of the date not more than five business days prior to the Closing Date.

(j) Such other separate instruments or documents that counsel to the Sellers, the ESOP and PTI may reasonably deem necessary or appropriate in order to consummate the transactions contemplated by the Transaction Agreements including, without limitation, all regulatory and contractual consents of third parties.

#### ARTICLE IX

##### INDEMNIFICATION

###### Section 9.1. SURVIVAL OF REPRESENTATIONS, WARRANTIES AND AGREEMENTS.

Subject to the limitations set forth in this Article IX and notwithstanding any investigation conducted at any time with regard thereto by or on behalf of the Buyer, the Sellers, the ESOP or PTI, all representations, warranties, covenants and agreements of the Buyer, the Sellers, the ESOP and PTI in the Transaction Agreements and the other documents and instruments delivered pursuant to this Agreement (the "Additional Documents") shall survive the execution, delivery and performance of this Agreement. All statements contained in any Transaction Agreement or Additional Document shall be deemed representations and warranties of the parties set forth in this Agreement within the meaning of this Article.

###### Section 9.2. INDEMNIFICATION.

(a) Subject to the limitations set forth in this Article IX, the Sellers shall jointly and severally indemnify and hold harmless the Buyer and the Buyer's affiliates (the "Buyer Parties") from and against any and all losses, liabilities, damages, demands, claims, suits, actions, judgments or causes of action, assessments, costs and expenses including, without limitation, interest, penalties, reasonable attorneys' fees, any and all reasonable expenses incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation (collectively, "Damages"), asserted against, resulting to, imposed upon, or incurred or suffered by the Buyer Parties, directly or indirectly, as a result of or arising from the following (individually an "Indemnifiable Claim" and collectively "Indemnifiable Claims" when used in the context of the Buyer Parties as the Indemnified Party (as hereinafter defined)):

<PAGE>

(i) Any inaccuracy in or breach of any of the representations, warranties or agreements made in the Transaction Agreements by the Sellers or PTI or the non-performance of any covenant or obligation to be performed by the Sellers or PTI;

(ii) Any misrepresentation in or any omission from any Additional Documents furnished or to be furnished by or on behalf of the Sellers or PTI under this Agreement;

(iii) The claims of any broker, finder or investment banker engaged by the Sellers, PTI or the ESOP;

(iv) Any action, suit, claim or proceeding by or on behalf of the Estate of Robert C. Smythe and any and all heirs, distributees, executors, administrators, legal and personal representatives, successors and assigns of such Estate of the late Robert C. Smythe relating to or arising out of the purchase or attempted purchase by PTI of PTI Common Stock owned by the late Robert C. Smythe and the transactions contemplated by this Agreement;

(v) Any inaccuracy and/or breach of any of the representations, warranties, or agreements made by the ESOP in the Transaction Agreements or the non-performance of any covenant or obligation to be performed by the ESOP; or

(vi) Any misrepresentation in or any omission from any Additional Document furnished to be furnished by or on behalf of the ESOP under this Agreement.

(vii) Any Indemnifiable Claim first asserted by the Buyer after the second anniversary of the Closing Date based solely on a breach by the ESOP of its representations and warranties set forth in Sections 3.4 and 3.9.

(b) Subject to the limitations set forth in this Article IX, the Buyer shall indemnify and hold harmless the Sellers and the ESOP from and against any and all Damages asserted against, resulting to, imposed upon, or incurred or suffered by the Sellers and the ESOP directly or indirectly, as a result of or arising from the following (individually an "Indemnifiable Claim" and collectively "Indemnifiable Claims" when used in the context of the Sellers as the Indemnified Party):

(i) Any inaccuracy in or breach of any of the representations, warranties or agreements made by the Buyer in the Transaction Agreements or the non-performance of any covenant or obligation to be performed by the Buyer;

(ii) Any misrepresentation in or any omission from any Additional Document furnished or to be furnished by or on behalf of the Buyer under this Agreement;

(iii) The claims of any broker, finder or investment banker engaged by the Buyer.

(c) Subject to the limitations set forth in this Article IX, the ESOP shall indemnify and hold harmless the Buyer Parties from and against any and all Damages asserted against, resulting to, imposed upon, or incurred or suffered by the Buyer Parties directly or indirectly as a result of or arising

<PAGE>

from the following (individually an "Indemnifiable Claim" and collectively, "Indemnifiable Claims" when used in the context of the Buyer Parties as the "Indemnified Party") provided that any such Indemnifiable Claim is asserted against the ESOP on or prior to the second anniversary of the Closing Date:

(i) Any inaccuracy and/or breach of any of the representations, warranties, or agreements made by the ESOP in the Transaction Agreements or the non-performance of any covenant or obligation to be performed by the ESOP;

(ii) Any misrepresentation in or any omission from any Additional Document furnished to be furnished by or on behalf of the ESOP under this Agreement; or

(iii) The claims of any broker, finder or investment banker engaged by the ESOP.

(d) For purposes of this Article IX, all Damages shall be computed net of any insurance coverage with respect thereto that reduces the Damages that would otherwise be sustained; provided, however, that in all cases, the timing of the receipt or realization of insurance proceeds shall be taken into account in determining the amount of reduction of Damages.

Section 9.3. LIMITATIONS ON INDEMNIFICATION. Rights to indemnification hereunder are subject to the following limitations:

(a) The obligation of indemnity provided herein with respect to the representations and warranties set forth in Section 2.11 of this Agreement shall terminate on:

(i) the expiration of the periods of limitations and any extensions thereof applicable to assessment and collection of federal taxes under the Code with respect to the representations as to the absence of unpaid or undisclosed federal taxes (including any interest, penalties or expenses) of PTI; and

(ii) the expiration of the periods of limitations and any extensions thereof applicable to assessment and collection of state, local or foreign taxes, with respect to the representations as to the absence of unpaid or undisclosed state, local or foreign taxes (including any interest, penalties or expenses) of PTI.

(b) The obligation of indemnity provided herein with respect to (i) the representations and warranties set forth in Sections 2.3 and 2.15 insofar as they relate to title to the PTI Shares and the assets and properties of PTI; and (ii) the representations and warranties set forth in the penultimate sentence of Section 2.3, shall not terminate (such representations and warranties and the representations and warranties referenced in clause (i) hereof being hereinafter collectively referred to as the "Designated Warranties").

(c) The obligation of indemnity provided herein with respect to the representations and warranties set forth in Sections 2.12 and 3.9 of this Agreement shall terminate upon expiration of the statutes of limitations applicable to the items contained therein.

<PAGE>

(d) The obligation of indemnity provided herein with respect to the representations and warranties set forth in Section 2.25 of this Agreement shall terminate three years after the Closing Date.

(e) The obligation of indemnity provided herein with respect to the representations and warranties of the ESOP set forth in Section 3.4 shall not terminate (and such representations and warranties shall be included in the definition of Designated Warranties).

(f) The obligation of indemnity provided herein with respect to the representations and warranties set forth in Articles II, III and IV (except as otherwise provided in Sections 9.3(a), (b), (c), (d) and (e) hereof) shall terminate two years after the Closing Date.

(g) If, prior to the termination of any obligation to indemnify as provided for herein, written notice of a claimed breach is given by the party seeking indemnification including in detail the basis therefor (the "Indemnified Party") to the party from whom indemnification is sought (the "Indemnifying Party") or a suit or action based upon a claimed breach is commenced against the Indemnified Party, the Indemnified Party shall not be precluded from pursuing such claimed breach or suit or action, or from recovering from the Indemnifying Party (whether through the courts or otherwise) on the claim, suit or action, by reason of the termination otherwise provided for above.

(h) An Indemnified Party shall be entitled to indemnification hereunder with respect to a breach by the Indemnifying Party of any representation or warranty only to the extent that the amount of all Damages suffered by the Indemnified Party as a result of the breach by the Indemnifying Party of one or more representations and warranties exceeds in the aggregate \$50,000 (the "Basket"), whereupon all amounts in excess of the Basket shall be subject to indemnification; provided that the foregoing limitation shall not be applicable to breach of the Designated Warranties or the representations and warranties contained in Section 2.6, Section 3.8 or Section 4.5 or any covenant contained in this Agreement. In no event shall the Buyer be entitled to indemnification hereunder with respect to one or more breaches by the Sellers or the ESOP of their representations or warranties in an aggregate amount that exceeds, in the case of the Sellers, the aggregate amount of the Purchase Price paid to the Sellers, and, in the case of the ESOP, the portion of the Purchase Price paid to the ESOP.

(i) Any claim for indemnification by Buyer, as the Indemnified Party, against Sellers or the ESOP, or both, as the Indemnifying Party(ies), shall, if otherwise established in accordance with the terms of this Article IX, be satisfied first from the Escrow Amount and, Buyer shall not be entitled to collect any such claim from Sellers or the ESOP (or both) until the Escrow Amount has first been exhausted.

Section 9.4. PROCEDURE FOR INDEMNIFICATION WITH RESPECT TO THIRD-PARTY CLAIMS. The Indemnified Party shall give the Indemnifying Party prompt written notice of any third party Indemnifiable Claim, which notice to be effective must describe such Indemnifiable Claim in reasonable detail (the "Indemnification Notice"). Notwithstanding the foregoing, the Indemnified Party shall not have any obligation to give any notice of any assertion of a third party Indemnifiable Claim unless such assertion is in writing, and the rights of the Indemnified Party to be indemnified hereunder in respect of any third party Indemnifiable Claim shall not be adversely affected by its failure to give



<PAGE>

notice thereof unless and, if so, only to the extent that, the Indemnifying Party is materially prejudiced thereby. The Indemnifying Party shall have the right to control the defense or settlement of any action or proceeding subject to the provisions set forth below, but the Indemnified Party may, at its election, participate in the defense of any action or proceeding at its sole cost and expense. Should the Indemnifying Party fail to defend any such action or proceeding (except for failure resulting from the Indemnified Party's failure to timely give the Indemnification Notice), then, in addition to any other remedy, the Indemnified Party may settle or defend such action or proceeding through counsel of its own choosing and may recover from the Indemnifying Party the amount of such settlement, demand, or any judgment or decree and all of its costs and expenses, including reasonable fees and disbursements of counsel. The Indemnified Party shall not compromise or settle any Indemnifiable Claim without the prior written consent of the Indemnifying Party which consent shall not be unreasonably withheld or delayed; provided, however, if such approval is unreasonably withheld or delayed, the liability of the Indemnified Party shall be limited to the total sum represented in the amount of the proposed compromise or settlement and the amount of the Indemnified Party's reasonable counsel fees incurred in defending such Indemnifiable Claim, as permitted by the preceding sentence, accrued at the time said approval is unreasonably withheld or delayed. Notwithstanding the preceding sentence, the foregoing limitation on the liability of the Indemnified Party shall only be applicable if (i) a complete release of the Indemnifying Party is contemplated to be part of the proposed compromise or settlement of such third party Indemnifiable Claim and (ii) the Indemnifying Party withholds its consent to such compromise or settlement.

Anything in this Section 9.4 to the contrary notwithstanding, (i) if there is a reasonable probability that an Indemnifiable Claim may materially and adversely affect an Indemnified Party other than as a result of money damages or other monetary payments, including without limitation, any Indemnifiable Claim (a) relating to or arising out of any criminal proceeding, action, indictment, allegation or investigation, or (b) seeking an injunction or other equitable relief against the Indemnified Party, the Indemnified Party shall have the right to control the prosecution, defense or settlement of such Indemnifiable Claim, and the Indemnifying Party shall nevertheless pay the reasonable fees and expenses of counsel retained by the Indemnified Party in the foregoing circumstances.

Section 9.5. PROCEDURE FOR INDEMNIFICATION WITH RESPECT TO NON-THIRD-PARTY CLAIMS. In the event that the Indemnified Party asserts the existence of an Indemnifiable Claim (but excluding claims resulting from the assertion of liability by third parties), it shall give prompt written notice to the Indemnifying Party specifying the nature and amount of the claim asserted (the "Non-Third Party Claim Indemnification Notice"). If the Indemnifying Party, within 30 days (or such greater time as may be necessary for the Indemnifying Party to investigate such Indemnifiable Claim not to exceed 60 days), after receiving the Non-Third Party Claim Indemnification Notice from the Indemnified Party, shall not give written notice to the Indemnified Party announcing its intent to contest such assertion of the Indemnified Party (the "Contest

<PAGE>

Notice"), such assertion shall be deemed accepted and the amount of claim shall be deemed a valid Indemnifiable Claim. During the time period set forth in the preceding sentence, the Indemnified Party shall cooperate fully with the Indemnifying Party in respect of such Indemnifiable Claim. In the event, however, that the Indemnifying Party contests the assertion of a claim by giving a Contest Notice to the Indemnified Party within said period, then the parties hereto, acting in good faith, shall attempt to reach agreement with respect to such claim.

Section 9.6. DISPOSITION OF ESCROW AMOUNT. The parties to the Escrow Agreement shall instruct the Escrow Agent to pay over to the Sellers' Agent the Escrow Amount on the second anniversary of the Closing Date (which payment shall be inclusive of interest and earnings on the portion of the Escrow Amount being paid over to the Sellers' Agent) less any amounts paid, if any, pursuant to this Article IX, unless at such time there is pending against the Sellers or the ESOP one or more Indemnifiable Claims, in which case that portion of the Escrow Amount equal to the aggregate amount of such pending Indemnifiable Claims shall continue to be held by the Escrow Agent in accordance with this Agreement and the Escrow Agreement and the remainder otherwise payable to the Sellers' Agent shall be paid over to it. If and to the extent that from time to time pursuant to the provisions of this Agreement, it is determined in accordance with this Article IX and the provisions of the Escrow Agreement that the Buyer Parties are entitled to indemnification with respect to Indemnifiable Claims, the parties to the Escrow Agreement shall instruct the Escrow Agent to pay over to the Buyer the Escrow Amount, or portion thereof, necessary to satisfy, to the extent possible, such Indemnifiable Claims in accordance with the terms of this Agreement and the Escrow Agreement. Upon resolution of all such then pending Indemnifiable Claims and the payment to the Buyer of all amounts due it in respect thereof, any remaining portion of the Escrow Amount shall be paid over to the Sellers' Agent.

Section 9.7. ADDITIONAL ESCROW PROVISIONS. The following additional provisions shall be applicable in respect of the Escrow Amount:

(a) Interest and earnings on the Escrow Amount shall be disposed of in the same manner as the Escrow Amount, e.g., if the Sellers and the ESOP receive the entire Escrow Amount they shall be entitled to all of the interest and earnings thereon; if the Sellers and the ESOP receive 80% of the Escrow Amount, they shall be entitled to 80% of the aggregate interest and earnings on the Escrow Amount.

(b) All taxes in respect of interest and earnings on the Escrow Amount shall be borne by the Sellers and the ESOP; provided that if and to the extent that any proportion of the Escrow Amount is paid to the Buyer, the Buyer shall bear such proportion of such interest and earnings and shall promptly reimburse the Sellers and the ESOP for same, together with interest thereon from the date of such payment through the date of reimbursement computed at the rate applicable to underpayments of federal income taxes during such period.

Section 9.8. NON-EXCLUSIVE REMEDY. Nothing herein shall be construed as prohibiting any party to this Agreement from pursuing any other remedies available at law or in equity for any breach or threatened breach of the representations, warranties, covenants and agreements contained herein.

Section 9.9. INDEMNIFICATION OF THE SELLERS IN CERTAIN CIRCUMSTANCES. Each of the Sellers agrees that, notwithstanding any provisions of the Articles of Incorporation or By-laws of PTI or of any agreement, arrangement or understanding between such Seller and PTI, he will not make any claim for indemnification by PTI for Damages by reason of the fact that he was a director,

<PAGE>

officer, employee or agent of PTI or is or was serving at the request of PTI as a director, officer, employee or agent of another entity, with respect to any action, suit, proceeding, complaint, claim or demand brought by PTI or the Buyer if such action, suit, proceeding, complaint, claim or demand arises under the Transaction Agreements. PTI agrees that, notwithstanding any provisions of the Articles of Incorporation or Bylaws of PTI or any agreement, arrangement or understanding between the Sellers and PTI, PTI will not make any claim for indemnification from a Seller for damages by reason of the fact that such Seller was a director, officer, employee or agent of PTI or is or was serving at the request of PTI as a director, officer, employee or agent of another entity with respect to any action, suit, proceeding, complaint, claim or demand brought against PTI or the Buyer Parties, if such action, suit, proceeding, complaint, claim or demand is the subject of a representation and warranty made by the Sellers and/or the ESOP hereunder, is subject to indemnification hereunder and PTI and the Buyer Parties are fully indemnified for any resultant Damages, subject to the limitations contained in Section 9.3(h) hereof.

ARTICLE X

TERMINATION

Section 10.1. TERMINATION. This Agreement may be terminated prior to the Closing as follows:

(i) by mutual written agreement of the Buyer and the Sellers' Agent;

(ii) by either the Buyer or the Sellers' Agent if there shall be in effect a final nonappealable court order restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby;

(iii) by either the Buyer or the Sellers' Agent acting for the Sellers and/or the ESOP (provided that the terminating party, which in the case of termination by the Sellers' Agent means the Sellers and/or the ESOP, is not then in material breach of any representation, warranty, covenant or other agreement contained herein) if there shall have been a breach of any of the representations or warranties set forth in this Agreement on the part of the other party (and for this purpose, the Sellers and/or the ESOP shall be deemed to be the same party), which breach is not cured within 15 days following written notice to the party committing such breach or which breach, by its nature, cannot be cured prior to the Closing;

(iv) by the Buyer if it shall have reasonably determined that one or more conditions set forth in Article VII cannot be fulfilled or satisfied prior to the date specified in Section 10.1(vi) below;

(v) by the Sellers' Agent if it shall have reasonably determined that one or more conditions set forth in Article VI cannot be fulfilled or satisfied prior to the date specified in Section 10.1(vi) below; or

(vi) by the Buyer or the Sellers' Agent, if the Closing shall not have been consummated on or prior to October 31, 2004 (or by such later date as shall be mutually agreed to by the Buyer and the Sellers' Agent in writing), unless the failure of such occurrence shall be due to the failure of

<PAGE>

the Buyer (if the Buyer is terminating) or the Sellers and/or the ESOP (if the Sellers' Agent is terminating) to perform or observe their respective agreements as set forth in this Agreement required to be performed or observed by such party on or before the Closing Date.

Section 10.2. EFFECT OF TERMINATION. If this Agreement is terminated in accordance with Section 10.1 hereof and the transactions contemplated hereby are not consummated, this Agreement shall become null and void and of no further force and effect, except (i) for this Section 10.2, (ii) for the provisions of Section 11.1, Section 11.2, Section 11.3, Section 11.5, Section 11.6, Section 11.7, Section 11.8, Section 11.10, Section 11.11 hereof, and (iii) that the termination of this Agreement for any cause shall not relieve any party hereto from any liability that at the time of termination had already accrued or that thereafter may accrue in respect of any act or omission of such party prior to such termination.

#### ARTICLE XI

##### MISCELLANEOUS

Section 11.1. EXPENSES. Except as otherwise provided herein, all costs and expenses incurred in connection with the Transaction Agreements and the transactions contemplated hereby and thereby shall be paid by the party incurring such costs and expenses regardless of the termination of this Agreement or the failure to consummate the transactions contemplated hereby. If any such expenses of the Sellers or the ESOP shall have been borne by PTI, the Purchase Price shall be reduced dollar-for-dollar by the amount of any such expenses. Not later than three days prior to the Closing Date, Sellers, PTI and the ESOP shall furnish Buyer a schedule setting forth any such expenses. The parties hereto acknowledge that the Purchase Price has already been reduced to reflect the inventory adjustment set forth on Schedule 2.20 in the amount of \$400,000, the operational failure with respect to the ESOP set forth on Schedule 2.9 in the amount of \$121,161 and 573,910 to reflect the outstanding obligation due with respect to PTI's redemption of the PTI Shares held by the Estate of R.C. Smythe.

Section 11.2. NOTICES. All notices, requests, demands and other communications that are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally (which personal delivery shall include delivery by responsible overnight courier), or seven days after being sent by registered or certified mail, return receipt requested, postage prepaid:

(a) If to the Buyer to:

M-tron Industries, Inc.  
c/o Lynch Corp.  
50 Kennedy Plaza, Suite 1250  
Providence, Rhode Island 02903  
Attention: Ralph R. Papitto, Chairman of the Board

<PAGE>

with a copy to:

Olshan Grundman Frome Rosenzweig & Wolosky LLP  
Park Avenue Tower  
65 East 55th Street  
New York, New York 10022  
Attention: David J. Adler, Esq.

(b) If to the Sellers or PTI to:

Piezo Technology, Inc.  
2525 Shader Road  
Orlando, Florida 32804  
Attention: William H. Horton; and

William H. Horton  
2525 Shader Road  
Orlando, Florida 32804

with a copy to:

Dean, Mead, Egerton, Bloodworth, Capouano & Bozarth, P.A.  
800 North Magnolia Avenue, Suite 1500  
Orlando, Florida 32803  
Attention: Charles H. Egerton, Esq.

(c) If to the ESOP to:

William H. Horton, Trustee  
Herbert A. Nold, III, Trustee  
Donald C. Malocha, Trustee  
2525 Shader Road  
Orlando, Florida 32804

with a copy to:

Gray Robinson, P.A.  
301 East Pine Street, Suite 1400  
Orlando, Florida 32801  
Attention: Michael A. Canan, Esq.

or to such other address as any party shall have specified by notice in writing to the other in compliance with this Section 11.2.

Section 11.3. SELLERS' AGENT. Each of the Sellers and the ESOP by its execution of this Agreement hereby appoints Horton as the Sellers' Agent (the "Sellers' Agent") to act on behalf of such Seller and the ESOP for all purposes

<PAGE>

under this Agreement. Whenever this Agreement requires that notice be given to or by the Sellers or the ESOP, or provides for an action to be taken by the Sellers or the ESOP, such notice shall be given to Sellers' Agent, and such action may be taken by such Sellers' Agent on behalf of all of the Sellers and the ESOP. In the event that Horton shall for any reason be unable to act in such capacity, Sellers and the ESOP shall be deemed to have appointed Dechen to act as Horton's successor in such capacity.

Section 11.4. ENTIRE AGREEMENT. This Agreement including, all schedules and exhibits attached hereto and all documents referenced herein constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof and supersedes all prior agreements, representations and understandings among the parties hereto including the letter of intent dated May 14, 2004 among certain of the parties hereto.

Section 11.5. BINDING EFFECT, BENEFITS, ASSIGNMENTS. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns; nothing in this Agreement, expressed or implied, is intended to confer on any other person, other than the parties hereto or their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement. This Agreement may not be assigned without the prior written consent of the other parties hereto.

Section 11.6. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to the principles of conflicts of law thereof.

Section 11.7. CONSENT TO JURISDICTION. Each of the parties hereto hereby irrevocably submits to the exclusive jurisdiction of the Florida state court, or the United States District Court, Southern District of Florida, in each case sitting in Palm Beach County, Florida over any action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby and each of the parties hereto hereby irrevocably agrees that all claims in respect of such action or proceeding shall be heard and determined in such Florida state or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent legally possible, the defense of an inconvenient forum to the maintenance of such action or proceeding.

Section 11.8. HEADINGS. The headings and captions in this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

Section 11.9. COUNTERPARTS. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

Section 11.10. WAIVER; CONSENT. This Agreement may not be changed, amended, terminated, augmented, rescinded or discharged (other than by performance), in whole or in part, except by a writing executed by each of the parties hereto (which may include a writing executed by Sellers' Agent on behalf of each of the Sellers), and no waiver of any of the provisions or conditions of this Agreement or any of the rights of a party hereto shall be effective or

<PAGE>

binding unless such waiver shall be in writing and signed by the party claimed to have given or consented thereto. Except to the extent that a party hereto may have otherwise agreed to in writing, no waiver by that party of any condition of this Agreement or breach by any other party of any of its obligations, representations or warranties hereunder shall be deemed to be a waiver of any other condition or subsequent or prior breach of the same or any other obligation or representation or warranty by such other party, nor shall any forbearance by the first party to seek a remedy for any noncompliance or breach by such other party be deemed to be a waiver by the first party of its rights and remedies with respect to such noncompliance or breach.

Section 11.11. NO THIRD PARTY BENEFICIARIES. Subject to Section 11.5 hereof, nothing herein, expressed or implied, is intended or shall be construed to confer upon or give to any person, firm, corporation or legal entity, other than the parties hereto, any rights, remedies or other benefits under or by reason of this Agreement.

Section 11.12. GENDER. Whenever the context requires, words used in the singular shall be construed to mean or include the plural and vice versa, and pronouns of any gender shall be deemed to include and designate the masculine, feminine or neuter gender.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year hereinabove first set forth.

M-TRON INDUSTRIES, INC.

By: /s/ Richard E. McGrail

-----  
Name: Richard E. McGrail  
Title: Vice President

PIEZO TECHNOLOGY, INC.

By: /s/ William H. Horton

-----  
William H. Horton, President

THE WILLIAM H. HORTON REVOCABLE TRUST  
DATED THE 20TH DAY OF DECEMBER 1977

By: /s/ William H. Horton

-----  
William H. Horton, Co-trustee

By: /s/ William H. Horton

-----  
William H. Horton, Co-trustee

<PAGE>

THE JUNE T. HORTON REVOCABLE TRUST

By: /s/ William H. Horton

-----  
William H. Horton

By: /s/ June T. Horton

-----  
June T. Horton, Co-trustee

/s/ Robert B. Angove

-----  
Robert B. Angove

/s/ Robert C. Helmbold

-----  
Robert C. Helmbold

/s/ Yansheng S. Zhou

-----  
Yansheng S. Zhou

/s/ Michael D. Howard

-----  
Michael D. Howard

/s/ David A. Symonds

-----  
David A. Symonds

/s/ Blaine D. Andersen

-----  
Blaine D. Andersen

/s/ Parminder S. Beesla

-----  
Parminder S. Beesla

/s/ Paul A. Dechen, Jr.

-----  
Paul A. Dechen, Jr.

/s/ Dominic A. Gutierrez

-----  
Dominic A. Gutierrez



<PAGE>

/s/ G. Eric Hague

-----  
G. Eric Hague

/s/ Stephen E. Davis

-----  
Stephen E. Davis

/s/ Gary Archibald

-----  
Gary Archibald

/s/ Zurong Cai

-----  
Zurong Cai

/s/ Trung Lively

-----  
Trung Lively

/s/ Huong Nguyen

-----  
Huong Nguyen

AMENDED AND RESTATED EMPLOYEE STOCK  
OWNERSHIP PLAN AND TRUST FOR EMPLOYEES  
OF PIEZO TECHNOLOGY, INC.

By: /s/ William H. Horton

-----  
William H. Horton, Trustee

By: /s/ Herbert A. Nold, III

-----  
Herbert A. Nold, III, Trustee

By: /s/ Donald C. Malocha

-----  
Donald C. Malocha, Ph.D., Trustee

-38-

</PRE>  
</body>  
</html>