

Exhibit "A"

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AGREEMENT, made as of February 23rd, 1993, by and among I.G. FEDERAL ELECTRICAL SUPPLY CORPORATION, a New York corporation, with offices at 47-20 30th Street, Long Island City, New York 11101 (hereinafter "Corporation"); IRA M. FRIEDMAN, residing at 20 West 64th Street, New York, New York 10023 (#31R) (hereinafter "Ira"); JODI B. EHREN, residing at 2 Bay Club Drive, Bayside, New York 11360 (#19G) (hereinafter "Jodi") and MERYL R. BERGER residing at 70-31 108th Street, Forest Hills, New York 11375 (#9D) (hereinafter "Meryl"); Ira, Jodi and Meryl are hereinafter sometimes individually referred to as "Stockholder" and collectively referred to as "Stockholders". As of the date of this Agreement each of the Stockholders is employed by Corporation. For the purposes of this Agreement, a person shall be deemed to be "employed full time" if his or her normal work week is not less than forty (40) hours. During the term of this Agreement, those Stockholders who remain employed full time by Corporation will hereinafter sometimes be referred individually or collectively as "Working Stockholders".

W I T N E S S E T H :

WHEREAS, Corporation is authorized to issue three hundred (300) shares of common stock without par value, two hundred and forty (240) of which are issued and outstanding; and

WHEREAS, the Stockholders each own eighty (80) shares of stock of Corporation; and

WHEREAS, each of the Stockholders acquired twelve (12) of his or her shares by gift, and sixty-eight (68) of his or her shares by purchase; the purchase price for the purchased shares having been paid for by the execution and delivery by each Stockholder of a self cancelling Note (hereinafter the Note so executed by each Stockholder may be referred to as the "Stockholder's SCIN"); and

WHEREAS, the purchased shares (hereinafter the "Collateralized Shares") are being held by the Seller thereof as collateral under separate Security Agreements made as of February 23, 1993, entered into by and between Seller and each Stockholder; and

WHEREAS, the Stockholders intend that certain of the Corporation's activities are to be conducted in accordance with and subject to the provisions of this Agreement and desire to promote their mutual interest and the interest of the Corporation by imposing certain restrictions and obligations on themselves, the Corporation and the shares of stock of the Corporation; and

WHEREAS, the Stockholders believe it to be in their best interest and in the best interest of the Corporation that provision be made with respect to the sale of stock by the Stockholders under the circumstances hereinafter set forth; and

WHEREAS, the parties hereto desire to reduce to writing the terms and conditions of the association of the parties hereto and the conduct of the business of the Corporation.

NOW, THEREFORE, it is mutually agreed as follows:

1. Election of Officers and Directors and Control.

(a) The Stockholders jointly and severally agree that in their opinion and in the exercise of their sound discretion, it will be in the best interest of Corporation to limit management and control of the business of Corporation in the hands of the Stockholders; therefore, at any annual or special meeting which may be called for the election of directors and the election of officers during the term of this Agreement, the Stockholders will at all times cast their respective votes in their capacities as Stockholders and Directors to:

(1) Elect and maintain themselves as the Directors of Corporation;

(2) Elect the following named persons to hold the offices set forth after their respective names:

<u>Name</u>	<u>Office</u>
Meryl R. Berger	President
Ira M. Friedman	Executive Vice President
Jodi B. Ehren	Secretary, Treasurer

(b) Each Stockholder agrees to resign any office and/or directorship of, and/or terminate any employment with Corporation in the event and at the time that such Stockholder transfers title to the shares owned by such Stockholder unless otherwise agreed to in writing by all of the other Stockholders.

(c) Each Stockholder hereby grants to the other Stockholders an irrevocable proxy to vote all of the shares owned by the grantor of the proxy for the election of such person(s) as the grantee of the proxy shall be entitled to designate pursuant to

this Article 1.

(d) As the parties have elected Subchapter S status for Corporation under the provisions of the Internal Revenue Code, no Stockholder shall take or permit any action or event which would unilaterally cause Corporation's Subchapter S status to be terminated.

(e) In the event of the total disability of a Working Stockholder, Corporation shall continue to pay to the disabled Working Stockholder his or her full salary if he or she has been paid a salary, (as the same existed immediately preceding the disability) for a period of one (1) year following the inception of such total disability. Total disability shall be understood to mean the inability of the Working Stockholder to perform at least one-half (1/2) of his or her normal duties as a result of physical injury, sickness, or mental illness, due to natural and/or accidental causes. If the Working Stockholder resumes at least one-half (1/2) of his or her normal duties for a period of at least two (2) consecutive months, the foregoing provision shall be deemed to apply to any subsequent period of disability.

In the event of the total disability of a Working Stockholder extending for a continuous period of over one (1) year, then and in such event, at any time thereafter so long as such total disability continues, Corporation shall have the option to purchase the interest of the disabled Stockholder, with the same force and effect, and under the same terms and conditions as if the disabled Stockholder had given notice of withdrawal from Corporation pursuant to the provisions of Article 4 of this Agreement.

Corporation may exercise this option by notice to the disabled Stockholder-Employee, and in such case, the date of the "Event Requiring Sale" under Article 4 shall be deemed to be the last day of the month in which the notice of exercise of option is sent to the disabled Stockholder.

2. Required Board of Directors Approval with Respect to Certain Actions.

Corporation shall not, without the prior unanimous vote of all of the members of the Board of Directors:

- (a) Issue, reissue, or acquire any equity securities of Corporation except in accordance with the applicable provisions of this Agreement;
- (b) Amend its Certificate of Incorporation or By-Laws;
- (c) Voluntarily liquidate, dissolve or otherwise wind up the business of Corporation, except in accordance with the provisions of this Agreement;
- (d) Consolidate with or merge with any other corporation or permit any other corporation to consolidate or merge with it or directly or indirectly sell, lease, abandon or otherwise dispose of all or any substantial portion of its properties or assets;
- (e) Borrow from banks or factors;
- (f) Open additional offices, showrooms or factories or change or surrender existing facilities;
- (g) Make capital expenditures in excess of \$25,000 per annum (said amount to be increased, each year on the anniver-

sary date of this Agreement, by the annual rate of increase in the Consumer Price Index (C.P.I.)). The C.P.I. shall mean the average for all items shown as the "U.S. city average for urban wage earners and clerical workers all items, groups, subgroups and special groups of items" as promulgated by the Bureau of Labor Statistics of the U.S. Department of Labor.

(h) Make investments other than in the ordinary course of business;

(i) Make loans to Stockholders or others;

(j) Establish or change salaries of Working Stockholders;

(k) Take other "major actions" which, for purposes of this Agreement, shall mean actions in those areas which do not involve the normal, routine day to day management of Corporation but, rather, involve those activities which may have a major impact on the corporation and its economic stability.

3. Restriction on Sale, etc. of Stock.

Except as otherwise set forth in Article 4 hereof, a Stockholder shall not (whether by operation of law or otherwise), without notifying and obtaining the prior written consent of the other Stockholders, directly or indirectly, sell, assign, transfer, pledge, encumber or otherwise dispose of all or any portion of his or her stock in Corporation now owned or hereafter acquired or any interest in said stock.

Except as otherwise provided for herein, it shall be a condition to any transfer or sale of shares that the transferee or purchaser (if not already a party to this Agreement) become a party

to this Agreement by delivering to each of the other parties hereto a counterpart of this Agreement signed by such transferee or purchaser. In such event, references herein to "Stockholder" or "Stockholders" shall be taken to include such transferee or purchaser, as the case may be.

4. Events Requiring Sale.

(a) Upon the occurrence of any of the following events, the affected Stockholder, or his estate, (the "Seller") shall be deemed to have offered to sell and transfer the shares of stock in Corporation held by such Stockholder to Corporation and Corporation shall be obligated to purchase said stock at the price and upon the terms and conditions hereinafter set forth in Articles 5 and 6 hereof.

(1) the death of a Stockholder;

(2) the filing by a Stockholder in any Court pursuant to any statute either of the United States or of any State, of a petition in bankruptcy or insolvency, or for reorganization, or for the appointment of a receiver or trustee of all or a portion of the Stockholder's property, or the assignment by a Stockholder for the benefit of creditors;

(3) the filing against a Stockholder in any Court pursuant to any statute either of the United States or of any State, of a petition in bankruptcy or insolvency, or for reorganization, or for the appointment of a receiver or trustee of all or a portion of the Stockholder's property provided that within sixty (60) days thereafter the Stockholder fails to secure a discharge

thereof;

(4) the written notification by a Stockholder to Corporation that he or she wishes to dispose of the shares of stock in Corporation held by such Stockholder.

(5) the termination of a Stockholder's full time employment by Corporation, or his or her retirement as an employee of Corporation.

(6) The permanent disability of a Working Stockholder as provided in Paragraph 1(e) of this Agreement.

(b) Notwithstanding anything contained in Paragraph 4(a) to the contrary, as of the date hereof, Meryl's husband, JASON BERGER (hereinafter "Jason") and Jodi's husband, TODD EHREN (hereinafter "Todd") are full time employees of Corporation. If either Meryl or Jodi shall cease to be a full time employee of Corporation, but their said respective husband(s) shall continue to work as full time employees of Corporation, so long as said husband(s) shall be so employed, neither Meryl nor Jodi (as the case may be), shall be required to offer her (or their) shares of stock in Corporation for sale under the terms of this Agreement. However, if, following the termination of Meryl or Jodi's employment, by Corporation, either Jason or Todd (as the case may be) shall cease to be a full time employee of Corporation, if Meryl or Jodi (as the case may be) shall not then resume full time employment by Corporation, the shares of stock in Corporation owned by either or both of them (as the case may be) shall be offered for sale to Corporation as provided in this Agreement..

5. Purchase Price.

The purchase price of the shares of stock owned by a Stockholder and sold hereunder shall be the "certificate value" plus or minus any adjustment for loans, etc. as provided herein in subparagraph (b). For purposes of this Agreement, the "certificate value" of shares shall be the amount set forth in the annexed initial Certificate of Value as the same may be amended from time to time as hereinafter provided. The initial certificate value of the shares of Corporation has been determined by the independent appraisal firm of Deloitte & Touche. A copy of said report is attached hereto, as Exhibit "A".

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(a) The Certificate of Value annexed hereto and made a part hereof shall constitute the agreement of the Stockholders and Corporation establishing the initial value of the shares as at the valuation date specified therein. The initial certificate value may be amended from time to time by written agreement or memorandum signed by all of the Stockholders, or their designees and, as amended, shall be considered an amendment to this Agreement. The certificate value of the shares of Corporation shall be redetermined as of the last day of each fiscal year of Corporation using methods and criteria similar to those utilized by Messrs. Deloitte & Touche in the preparation of the appraisal report attached hereto as Exhibit "A". Failing any such re-determination according to the procedure set forth above, the most recent certificate value agreed upon shall continue in full force and effect, subject to adjustment as hereinafter provided.

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(b) If the Event requiring Sale shall be more than twelve (12) months after the date on which the then effective Certificate Value has been executed, then the certificate value of each share sold by such Stockholder shall be subject to an upward or downward adjustment, as the case may be, to reflect the per share amount of after-tax earnings or losses (that is, net of tax refunds or carry-back losses) and the per share amount of any cash dividends or other distributions with respect to the shares (other than dividends payable in shares of Corporation), any contributions to capital by the Stockholders, and any unrealized appreciation or depreciation in marketable securities, in each case from such valuation date through the end of the calendar year prior to the year in which the Acceptance Date falls. There shall not be added to the value set forth in the initial Certificate of Value or any subsequent Certificates of Value the net proceeds (actual proceeds less cash surrender value) realized from any insurance policy collected by Corporation (as the beneficiary thereof) on the life of a deceased Stockholder whose shares are being purchased hereunder. A charge for the accounting services in making such adjustment shall be paid by Corporation and accrued as a liability in such determination. Provided; however, if Corporation's Subchapter S election remains in full force and effect upon the Closing Date (as defined in Article 6); (i) each of the Stockholders agrees to and shall make the special election to terminate Corporation's taxable year permitted under Section 1377 (a)(2) of the Internal Revenue Code of 1986 (as amended from time to time),

and (ii) Corporation shall distribute to the Seller the Accumulated Adjustment Account allocable to the Seller for the year in which the Closing Date falls.

(c) The determination of after-tax earnings or losses shall be made in accordance with generally accepted accounting principles, consistently applied, and, to the extent consistent therewith, in accordance with the methods and practices theretofore used by Corporation in keeping its books of account, and shall be made by the then regularly engaged independent certified public accountant of Corporation, which determination shall be final, conclusive and binding upon all of the parties hereto, including the personal representatives of any deceased party.

6. Purchase of and Payment for Stock.

(a) The purchase of the Selling Stockholder's shares and the delivery of said shares shall be made in the following manner:

(1)(i) Within forty-five (45) days after the occurrence of any of the events specified in Article 4 hereof to a Stockholder (in case of death, ninety (90) days after the appointment of a legal representative of the estate or one hundred fifty (150) days after death, whichever is earlier), (hereinafter, the "Acceptance Date") Corporation shall notify Seller of the purchase price of the shares to be redeemed.

(ii) Within seven (7) days thereafter the Seller shall give Corporation ten (10) days' notice by registered or certified mail, return receipt requested, of his or her intention to deposit his or her shares that are fully paid for with any

escrow agent in the City of New York designated by Seller, specifying also the time and place of the contemplated deposit. Such date shall be known as the "Closing Date". Any Collateralized Shares shall not be delivered until fully paid for.

(iii) On the Closing Date, Seller shall deposit his or her fully paid shares with the designated escrow agent at the time and place specified in such notice. Said shares shall be duly endorsed in blank for transfer, and shall be accompanied by all other documents necessary for an effective transfer, and the Seller shall deposit with the escrow agent sufficient funds to pay for any necessary stock transfer stamps.

(b) In the event the purchase takes place during the lifetime of the Seller, or upon the death of a Seller whose life is not insured by a policy of life insurance owned by and payable to Corporation:

(1) With respect to Seller's fully paid shares, ten (10%) percent of the Purchase Price attributable to such shares shall be paid by Corporation simultaneously with the deposit of the shares by the Seller with the escrow agent, and the balance of the purchase price shall be paid by depositing with the escrow agent a non-negotiable promissory note signed by Corporation (hereinafter "Note") and made payable to the Seller at the place of business of the escrow agent. Such Note shall be payable in one hundred twenty (120) equal monthly installments with the first becoming due and payable five (5) months following the date of deposit with the escrow agent, and the remaining installments at

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monthly intervals thereafter.

(2) With respect to Seller's not fully paid Collateralized Shares, if the certificate value of said shares exceeds the unpaid balance of his or her Stockholder's SCIN, the purchase price shall be paid by delivering to Seller, a non-negotiable promissory note made payable to Seller (hereinafter "Note") signed by Corporation. That portion of the total amount of the Note as is equal to the unpaid balance of said SCIN, shall be payable in that number of equal monthly installments (the first of which shall be payable one (1) month after the Closing) as shall be equal to the stated number of installments remaining under said SCIN. The balance of the amount of said Note shall be payable in one hundred twenty (120) equal monthly installments, the first of which shall be payable five (5) months after the Closing. Said Note shall provide that for so long as payments are due to the Holder of Stockholder's SCIN, that portion of Corporation's monthly obligation to Seller under the Note as shall be equal to the monthly payment due the Holder of said SCIN, shall be satisfied by Corporation's payment directly to the Holder of said SCIN of the monthly amount due thereunder. Should the SCIN be cancelled because of the death of the Holder thereof prior to payment of the last stated installment thereunder, all amounts payable under the Note shall be paid directly to Seller.

(3) With respect to Seller's not fully paid Collateralized Shares, if the certificate value of said shares is less than the unpaid balance of his or her Stockholder's SCIN, the

purchase price shall be paid by delivering to Seller a non-negotiable promissory note made payable to Seller (hereinafter "Note") signed by Corporation, payable in that number of equal monthly installments (the first of which shall be payable one (1) month after the Closing) as shall be equal to the stated number of installments remaining under said SCIN. Said Note shall provide that for so long as payments are due to the Holder of Stockholder's SCIN, Corporation's monthly obligation to Seller under the Note shall be satisfied by Corporation's payment directly to the Holder of said SCIN of the monthly amount due thereunder. Should the SCIN be cancelled because of the death of the Holder thereof prior to payment of the last stated installment thereunder, the remaining installments payable under the Note shall be paid directly to Seller.

(4) If a Stockholder's SCIN shall be cancelled prior to payment of the last stated installment thereunder, the Holder of the non paid Collateralized Shares shall deliver same to the Escrow Agent duly endorsed for transfer to be held and distributed as hereinabove provided.

(c) In the event the purchase is occasioned by the death of a Stockholder whose life is insured by a policy of life insurance owned by and payable to Corporation, the proceeds of such life insurance, to the extent of the purchase price of the deceased Stockholder's fully paid shares, shall be paid to the estate of the deceased Stockholder simultaneously with the deposit of said shares with the escrow agent. Any insurance proceeds in excess of the

purchase price of the deceased Stockholder's fully paid shares shall be retained by Corporation. If the proceeds of such insurance are less than twenty (20%) percent of the purchase price of the fully paid shares, then simultaneously with the deposit of the fully paid shares with the escrow agent, Corporation shall pay to the estate of the deceased Stockholder the proceeds of such insurance (if any) plus an amount in cash equal to the difference between said insurance proceeds and twenty (20%) percent of the purchase price of said shares. Payment of the balance of the purchase price of such shares, if any, shall be determined as follows: If said insurance proceeds are less than seventy-five (75%) percent of the purchase price, said balance shall be paid over five (5) years, in sixty (60) equal monthly payments; if said insurance proceeds equal or exceed seventy-five (75%) percent of the purchase price, said balance shall be paid over seven (7) years in eighty-four (84) equal monthly payments. In either case, there shall be deposited with the escrow agent a non-negotiable promissory note (hereinafter "Note") signed by Corporation and made payable to the estate of the deceased Stockholder at the place of business of the escrow agent. Said Note shall be payable in equal monthly installments equal to either one sixtieth (1/60th) or one eighty-fourth (1/84th) (as the case may be) of the unpaid purchase price, with the first becoming due and payable one (1) month following the date of deposit with the escrow agent, and the remaining installments at monthly intervals thereafter.

(d) The Note issued in connection with the purchase

of a Stockholder's stock during his or her lifetime shall bear interest at the minimum federal rate per annum from and after the Acceptance Date, and the Note issued in connection with the purchase of a deceased Stockholder's stock shall bear interest at the minimum federal rate per annum from and after the deceased Stockholder's date of death payable with each respective installment. The Note shall provide that Corporation shall have the right to prepay same, in whole or in part at any time without premium or penalty. The remaining Stockholders shall endorse said Note individually and severally on a pro rata basis, based upon their stock ownership, as their guarantee of the obligation of Corporation.

(e) All payments due pursuant to this Article 6 shall be paid in cash or by good certified bank check.

(f) So long as Corporation is not in default in the payment of any of the installments due under the Note and interest thereon, Corporation shall have the right to vote the stock on deposit with the escrow agent and Seller shall, on demand, execute and deliver an effective proxy or proxies in favor of Corporation, whenever demand is made upon Seller for such proxy or proxies by Corporation, provided, however, notwithstanding, anything herein to the contrary, so long as any part of the purchase price shall remain unpaid, no Stockholder shall vote for a resolution or resolutions in favor of, nor shall he or she permit, any of the following:

(i) Reorganizing its capital structure, or

(ii) Merging or consolidating with any other corporation or member or mortgaging a substantial portion of its assets, other than in the ordinary course of business.

(g) If any part of the purchase price shall be in default, then for the period of such default Seller shall have the right to examine the books and records of Corporation, from time to time, and to receive copies of all accounting reports and tax returns prepared for or on behalf of Corporation.

(h) In the event Corporation shall breach any of the terms and conditions of Section (f) of this Article 6, Seller may, at his or her option, declare the unpaid balance of the purchase price due and payable forthwith.

(i) Simultaneously with the payment of the last installment due on the Note, the escrow agent shall deliver to Corporation, duly endorsed for transfer all such shares of stock with the necessary stock transfer stamps duly affixed thereon and cancelled, and all other documents necessary to effectively transfer such shares.

(j) In the event Corporation defaults in the payment of any installment due on the Note and such default continues for a period of thirty (30) days, Seller may, at his or her option, declare the unpaid balance of the purchase price due and payable forthwith. In such event, Seller may, upon ten (10) days written notice to Corporation, cause the escrow agent to sell all the Stock so held at a bona fide public or private sale in such reasonable manner as the escrow agent may determine, free of any of

the restrictions imposed by this Agreement. At any such bona fide public or private sale, Seller shall be free to purchase all or any part of such pledged stock. Out of the proceeds of sale the escrow agent shall reimburse himself for all reasonable expenses of the sale, shall pay to the Seller an amount equal to the principal and interest then due, and shall pay over any balance of such proceeds to Corporation. In the event the proceeds of sale are insufficient to cover the expenses of sale together with the unpaid principal and interest, Corporation and the guarantors (pro rata) shall remain liable to Seller for any deficiency.

(k) The fees and expenses of the escrow agent shall be paid fifty (50%) percent by Corporation and fifty (50%) percent by Seller.

7. Failure to Purchase Stock of Seller. In the event that Corporation shall fail to purchase all of the stock of the Seller, Corporation shall, within ninety (90) days after the Acceptance Date, commence proceedings to dissolve, which dissolution shall be completed as expeditiously as possible and shall be effectuated in the following manner:

Special meetings of the Stockholders and Directors shall be held and each of the Stockholders, for himself, his heirs, representatives; and assigns, hereby agrees and covenants to vote as a Director and Stockholder at such meetings in favor of such dissolution and to do all other acts necessary to effectuate this provision. Further to this end, the Stockholders hereby grant to, and are deemed to have executed in favor of, the selling or

surviving Stockholder(s) (and their heirs, successors, personal representatives and/or assigns) an irrevocable proxy to vote all of the shares of the grantor of the proxy in favor of such dissolution by a written consent of Stockholders without a meeting, or at a meeting of the Stockholders held for the purpose of authorizing such dissolution. Each of the parties to this Agreement constitutes the others his attorney-in-fact to execute any and all instruments necessary to effect a legal dissolution of Corporation. In the event of a dissolution, the surviving Stockholder(s), together with the legal representatives of the estate of the deceased Stockholder, shall proceed with the liquidation of Corporation with reasonable speed and dispatch, nevertheless taking into consideration the need to effect a liquidation in such a manner as to minimize the losses attendant upon a liquidation. The legal representatives of the deceased Stockholder's estate shall participate with the surviving Stockholder(s) in all the decisions and procedures with respect to the liquidation.

8. Guarantees or Indebtedness Affecting Sale of Stock.

(a) If at the time of any purchase or retirement of stock by Corporation, Seller shall be indebted to Corporation, the amount of such indebtedness shall be deducted from the purchase price to be paid hereunder, and such sum shall be designated as the purchase price and shall be paid in the manner provided for in Article 6 hereof. Any indebtedness of Corporation to Seller shall be added to the purchase price and such aggregate sum shall be designated as the purchase price and shall be paid in the manner

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provided for in Article 6 hereof.

(b) In the event a Stockholder whose shares are being acquired by Corporation shall have guaranteed the monetary obligations of Corporation to a third party such as a bank or factor or landlord, the parties shall in good faith attempt to obtain the release of such Stockholder's guarantees and failing that, Corporation and the remaining Stockholders shall execute an agreement pursuant to which Corporation and the remaining Stockholders shall agree to indemnify and hold such selling Stockholder harmless from any and all liability under such guarantees.

9. Restrictive Covenant - Selling or Withdrawing Stockholder.

A Withdrawing Stockholder whose stock is being purchased as provided in this Agreement, shall, on the Closing Date at the time of deposit of the stock with the escrow agent, execute and deliver to Corporation an agreement in form reasonably satisfactory to counsel for Corporation wherein he or she shall agree that he or she will not, for a period of three (3) years from the Closing Date, directly or indirectly, whether as a principal or as an employee or agent or through any corporation or other business entity with which he or she may be associated, solicit or accept orders from any of the customers then doing business with Corporation or customers who may have done business with Corporation during the five (5) year period prior to such date.

10. Right to Acquire Insurance.

A Seller whose stock has been purchased as provided in

this Agreement shall have the right to purchase from Corporation any policies of insurance on his or her life owned by Corporation for a price equal to the cash surrender value of such policy or policies as of the Closing Date. Provided, however, Corporation shall have the right to maintain such insurance in force until the purchase price of the stock has been paid in full, conditioned upon its continued payment of premiums therefor; and should it exercise such right, the price to be paid by the Seller for such policy(ies) shall be equal to the cash surrender value of such policy(ies) at the time of payment of the last installment due under the Note. Upon payment for such policy(ies) as aforesaid, Corporation shall deliver the policy(ies) to Seller and shall execute any necessary instruments of transfer.

11. Insufficient Surplus.

If the surplus of Corporation shall be insufficient to enable Corporation to purchase or make any payments hereunder with respect to the shares which it is obligated to purchase, the Stockholders shall promptly take appropriate measures to vote their respective shares to reduce the capital of Corporation in order to create a sufficient surplus to enable such purchase or payments to be made. In lieu of effecting a reduction in capital of Corporation, the non-selling Stockholders may elect to contribute pro-rata, to Corporation, a sufficient amount of cash to enable Corporation to make such payments. If Corporation shall, nevertheless, be unable to or refuse to purchase or pay for all of the shares with respect to which it is under obligation so to do, the obliga-

tion of Corporation with respect to such shares shall be assumed by the non-selling Stockholders pro rata in accordance with their then respective shareholdings.

12. Application of Agreement to After-Acquired Shares; Additional Stockholders.

(a) The provisions of this Agreement shall apply to all of the shares of Corporation now owned or which may be acquired or transferred hereafter to a Stockholder in consequence of any additional issuance, purchase, exchange or reclassification of shares, corporate reorganization or other form of recapitalization, or consolidation, or merger, or share split, or share dividend which are acquired by the Stockholders in any other manner.

(b) The term "Stockholders" as used herein shall include each person who shall acquire shares of Corporation and shall become a party to this Agreement.

13. Construction.

This Agreement shall be construed under the laws of the State of New York.

14. Remedies of Parties.

The performance to be rendered by the parties under this Agreement includes items which are unique and for a breach of which an aggrieved party may not be adequately compensated by an action at law for damages, and which breach may cause an aggrieved party irreparable harm. Any party to this Agreement shall be entitled to any and all equitable remedies which may be found applicable, including specific performance, restraining order and injunctions

in the event of a breach or threatened breach of this Agreement. In the event that any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that an adequate remedy at law exists or request the posting of any bond or other security.

15. Corporation Name and List of Customers upon Dissolution.

In the event of a dissolution and liquidation of Corporation, Corporation's name and goodwill including copies of all customer names and records shall be offered for sale along with other corporate assets.

16. Arbitration.

Except as herein provided in Articles 5 and 21 hereof relating to decisions to be made by a C.P.A., any dispute arising under this Agreement shall be submitted to and determined by arbitration in the City of New York, State of New York, pursuant to the rules then obtaining of the American Arbitration Association. The parties consent to the jurisdiction of the Supreme Court of the State of New York, New York County, and of the United States District Court of the Southern District of New York, for all purposes in connection with said arbitration and further consent that any notice, process or notice of motion or other application to either of said Courts or Judge thereof, may be served inside or outside the State of New York or the Southern District of New York, by certified or registered mail, return receipt requested, or by personal service, provided a reasonable time for appearance is

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allowed, or in such other manner as may be permitted under the Rules of either of said Courts. Judgment may be entered upon the award of any arbitration hereunder by any court of competent jurisdiction. The determination of the arbitrator shall be final and conclusive upon all of the parties to this Agreement.

The expenses of arbitration (exclusive of attorneys' and accountants' fees which shall be borne by the respective parties) shall be borne equally by the parties to such Arbitration.

17. Modification.

This Agreement may be amended or modified only by a written instrument executed by each party hereto or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provisions hereof shall in no manner affect the party's rights at a later time to enforce the same. No waiver by any party of the breach of any term contained in this Agreement, whether by conduct or otherwise in any one or more instances, shall be deemed to be construed as a further or continuing waiver of any such breach or of the breach of any other term of this Agreement.

18. Adoption by Corporation.

The Stockholders shall cause Corporation to adopt an appropriate resolution adopting and ratifying the terms of this Agreement and undertaking to fulfill all the terms hereof with the same force and effect as if this Agreement had been executed by officers of Corporation pursuant to a resolution of the directors.

19. Severability of Provisions.

Nothing contained herein shall be deemed intended to be, or be deemed, an agreement in contravention of any policy, law, regulation, order or decree, state or federal, now in effect or hereafter in effect at the time that any provision hereof shall become applicable, and to the extent that any provision hereof shall be in such contravention, the provisions herein contained shall be deemed severable and inapplicable without affecting any of the other terms, covenants and conditions herein contained.

20. Additional Acts.

All parties agree that they shall execute and deliver any and all additional writings, instruments and other documents and take such further actions as shall be reasonably required in order to effectuate the terms and conditions of this Agreement. Each Stockholder agrees that so long as he or she shall be the holder of any shares of Corporation's stock entitled to vote, he or she will vote his or her shares so as to carry out and make effective all of the terms and provisions of this Agreement.

21. Banking, Books and Records.

Corporation's books and records shall be maintained at the principal office of Corporation and shall at all times be open to inspection by any Stockholder. All funds of Corporation are to be deposited in its name in such checking or other accounts as may be designated by all of the Stockholders. All withdrawals therefrom are to be made on the signature of any Stockholder without requirement of any counter signature. All books and records of Corporation shall be available for inspection and

copying to all of the Stockholders, their Executors and their respective designees, during normal business hours. All corporate financial statements and tax returns prepared by Corporation's regularly employed Certified Public Accountant shall be deemed final and binding upon all the parties hereto.

22. Counterparts.

This Agreement may be executed in counterparts and each counterpart when so executed and delivered shall constitute an original instrument, but all such separate counterparts shall constitute but one and the same instrument.

23. Restrictive Legend.

All of the shares of stock issued and delivered to the individual Stockholders shall have written, stamped, or printed on the face thereof the following statement:

"This stock is transferable only in accordance with the terms of a certain Agreement by and between Corporation and all of the Stockholders of Corporation, dated as of February 23, 1993, now on file with the records of Corporation. Any person becoming a holder of this Certificate or the stock represented thereby ipso facto becomes subject to the terms of said Agreement."

All certificates of stock of Corporation hereafter issued to any Stockholder shall bear the same endorsement.

24. Benefit.

This Agreement shall be binding upon and inure to the benefit of the respective parties hereto, their personal representatives, successors and assigns, to the full extent permitted under the Laws of the State of New York and the United States

of America.

25. Termination.

This Agreement shall terminate upon the happening of any one of the following events:

(a) Upon the mutual consent in writing of all of the Stockholders; or

(b) Upon the sale or other disposition by Stockholders of all of their shares in Corporation under circumstances which free such shares from the restrictions imposed by this Agreement so there is at that time only one Stockholder whose shares are subject to the terms of this agreement; or

(c) Upon the liquidation and dissolution of Corporation;
or

(d) Upon the expiration of thirty (30) days after a petition in bankruptcy shall have been filed by or against Corporation and such petition shall not have been discharged during such thirty (30) day period; or upon an assignment by Corporation for the benefit of its creditors; or upon the expiration of thirty (30) days after the commencement of any proceeding under any act of Congress or governmental authority for the relief of debtors seeking the relief or readjustment of indebtedness either through reorganization, composition, extension or otherwise, and such proceeding involving Corporation as debtor shall not have been vacated within such thirty (30) day period; or upon the voluntary or involuntary dissolution of Corporation.

26. Entire Agreement.

This Agreement sets forth the entire agreement and understanding of the parties in respect of the subject matter hereof and supersedes all prior agreements, arrangements and understandings relating to the subject matter hereof.

27. Amendment and Renewals.

References to this Agreement herein shall include any amendment or renewal thereof.

28. Headings.

The headings of the Articles hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

29. Method of Communication.

Any and all offers, acceptances, notices, requests, demands and other communications to be made under the provisions of this Agreement shall be in writing and sent by certified or registered mail, postage prepaid, return receipt requested, to the addresses set forth above or any other address the party shall designate in writing to the other and Corporation. Any such communication made by mail shall be deemed to have been given on the date such notice is mailed. Copies of all written offers to sell or acceptances to purchase stock of Corporation, as provided herein, must be sent to all Stockholders and Corporation.

IN WITNESS WHEREOF, the individual parties hereto have hereunto set their hands and Corporation has caused its corporate seal to be hereunto affixed and these presents to be signed by its

duly authorized officer, as of the day and year first above written.

I.G. FEDERAL ELECTRICAL
SUPPLY CORPORATION

By: Jodi B. Ehren

Ira M. Friedman
IRA M. FRIEDMAN

Jodi B. Ehren
JODI B. EHREN

Meryl R. Berger
MERYL R. BERGER