AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JUNE 26, 1996
REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

TRANSACT TECHNOLOGIES INCORPORATED
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	3577	06-1456680
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

7 LASER LANE, WALLINGFORD, CT 06492
(203) 949-9933
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER,
INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

BART C. SHULDMAN
CHIEF EXECUTIVE OFFICER
7 LASER LANE, WALLINGFORD, CT 06492
(203) 949-9933
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER,
INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

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ONE FINANCIAL CENTER
BOSTON, MASSACHUSETTS 02111-2625
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MICHAEL J. ERICKSON, ESQ.
HELLER, EHRMAN, WHITE & MCAULIFFE
6100 COLUMBIA CENTER
701 FIFTH AVENUE
SEATTLE, WASHINGTON 98104-7098
(206) 447-0900

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:
As soon as practicable after the effective date of the Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. / /

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered(1)	Proposed Maximum Offering Price per Share(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common Stock, par value $.01.....	1,322,500	$11.00	$14,547,500	$5,016

(1) Includes 172,500 shares subject to the Underwriters' over-allotment option.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

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TRANSACT TECHNOLOGIES INCORPORATED

Cross Reference Sheet Pursuant to
Item 501(b) of Regulation S-K

FORM S-1 ITEM NO.	ITEM CAPTION	PROSPECTUS CAPTION
1.	Forepart of the Registration Statement and Outside Front Cover Page of Prospectus....	Front Cover Page; Inside Front Cover of Prospectus
2.	Inside Front and Outside Back Cover Pages of Prospectus.....	Inside Front and Outside Back Cover of Prospectus
3.	Summary Information, Risk Factors.....	Prospectus Summary; Risk Factors; The Company
4.	Use of Proceeds.....	Use of Proceeds
5.	Determination of Offering Price.....	Underwriting
6.	Dilution.....	Dilution
7.	Selling Security Holders.....	Not Applicable
8.	Plan of Distribution.....	Outside Front Cover Page; Underwriting
9.	Description of Securities to be Registered.....	Outside Front Cover Page; Description of Capital Stock
10.	Interests of Named Experts and Counsel....	Not Applicable
11.	Information with Respect to the Registrant	
	(a) Description of Business.....	The Company; Business; Management's Discussion and Analysis of the Results of Operations and Financial Condition; Relationships Between the Company and Tridex
	(b) Description of Property.....	Business -- Properties
	(c) Legal Proceedings.....	Business -- Litigation
	(d) Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters.....	Risk Factors; Shares Eligible for Future Sale; Dividend Policy
	(e) Financial Statements.....	Index to Financial Statements
	(f) Selected Financial Data.....	Selected Financial Data
	(g) Supplementary Financial Information...	Not Applicable
	(h) Management's Discussion and Analysis of the Results of Operations and Financial Condition.....	Management's Discussion and Analysis of the Results of Operations and Financial Condition
	(i) Disagreements with Accountants.....	Not Applicable
	(j) Directors and Executive Officers.....	Management
	(k) Executive Compensation and Transactions.....	Management -- Compensation of Executive Officers
	(l) Security Ownership of Certain Beneficial Owners and Management.....	Tridex as Principal Stockholder
	(m) Certain Relationships and Related Transactions.....	The Company; Relationship Between the Company and Tridex
12.	Disclosure of Commission Position on Indemnification for Securities Act Liabilities.....	Not Applicable

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

PROSPECTUS

SUBJECT TO COMPLETION, DATED JUNE 26, 1996

1,150,000 SHARES

TRANSACT
T E C H N O L O G I E S
I N C O R P O R A T E D

COMMON STOCK

All of the 1,150,000 shares of Common Stock offered hereby are being sold by Transact Technologies Incorporated ("Transact" or the "Company"), which is currently a wholly-owned subsidiary of Tridex Corporation ("Tridex"). Prior to this offering (the "Offering"), there has been no public market for the Common Stock of the Company. It is currently estimated that the initial public offering price will be between $9.50 and $11.00 per share. See "Underwriting" for a discussion of the factors considered in determining the initial public offering price. The Company is applying for quotation of the Common Stock on the Nasdaq National Market under the symbol "TACT."

Upon completion of the Offering, Tridex will own approximately 82.4% (approximately 80.3% if the Underwriters' over-allotment option is exercised in full) of the outstanding Common Stock. Tridex has announced its intent, subject to the satisfaction of certain conditions, to divest its ownership interest in the Company by means of a tax-free distribution to its stockholders. See "The Company -- Background of the Offering and the Distribution" and "Tridex as Principal Stockholder."

SEE "RISK FACTORS" BEGINNING ON PAGE 6 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE COMMON STOCK.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PRICE TO PUBLIC	UNDERWRITING DISCOUNT(1)	PROCEEDS TO COMPANY(2)
Per Share.....	$	$	$
Total(3).....	$	$	$

(1) Excludes non-accountable expense allowance payable to Cruttenden Roth Incorporated, representative of the Underwriters (the "Representative"), and the value of warrants to purchase up to 115,000 shares of Common Stock at an exercise price of 120% of the public offering price to be issued to the Representative (the "Representative's Warrant"). The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). See "Underwriting."
(2) Before deducting expenses, estimated at $1,040,000, payable by the Company, including the Representative's non-accountable expense allowance of $240,000. See "Underwriting."
(3) The Company has granted the Underwriters a 30-day option to purchase up to 172,500 additional shares of Common Stock on the same terms and conditions set forth above, solely to cover over-allotments, if any. If all such shares are purchased the total Price to Public, Underwriting Discount and Commissions and Proceeds to Company will be $, $ and $, respectively. See "Underwriting."

The shares of Common Stock are being severally offered by the Underwriters named herein, subject to prior sale, when, as and if delivered to and accepted by them, and subject to certain other conditions. The Underwriters reserve the right to reject any order in whole or in part and to withdraw, cancel or modify the offer without notice. It is expected that the certificates representing the shares of Common Stock offered hereby will be available for delivery at the offices of the Representative, in Irvine, California, on or about , 1996.

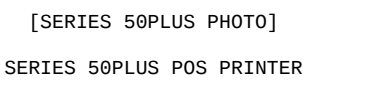
CRUTTENDEN ROTH

I N C O R P O R A T E D

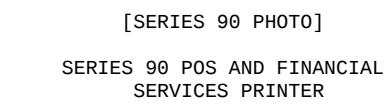
THE DATE OF THIS PROSPECTUS IS , 1996

TRANSACT

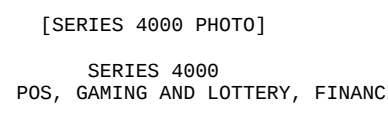
MADE TO ORDER, BUILT TO LAST.



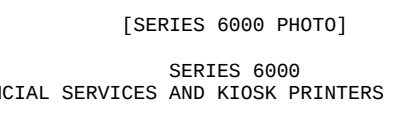
SERIES 50PLUS POS PRINTER



SERIES 90 POS AND FINANCIAL SERVICES PRINTER



SERIES 4000
POS, GAMING AND LOTTERY, FINANCIAL SERVICES AND KIOSK PRINTERS



SERIES 6000

Ithaca, 50Plus and PcOS are registered trademarks of the Company. The Company has applied for registration of TRANSACT, MAGNETEC and Made to Order, Built to Last. This Prospectus may also contain trademarks other than those of the Company.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK OF THE COMPANY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NASDAQ NATIONAL MARKET, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. DURING THE OFFERING, CERTAIN PERSONS AFFILIATED WITH PERSONS PARTICIPATING IN THE DISTRIBUTION MAY ENGAGE IN TRANSACTIONS IN THE COMMON STOCK FOR THEIR OWN ACCOUNTS OR FOR THE ACCOUNTS OF OTHERS PURSUANT TO EXEMPTIONS FROM RULES 10B-6, 10B-7 AND 10B-8 UNDER THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT").

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements, including the notes thereto, appearing elsewhere in this Prospectus. As used herein, (i) references to the "Company" include each of the subsidiaries of the Company and the historical operating results and activities of the business operations which comprise the Company as of the date hereof, (ii) references to "fiscal 1994" mean the fiscal year of the Company ended April 2, 1994 and (iii) references to "fiscal 1995" mean the fiscal year of the Company ended April 1, 1995. Unless otherwise specified, all information in this Prospectus assumes no exercise of the over-allotment option granted to the Underwriters. See "Underwriting." Investors should carefully consider the information set forth under the heading "Risk Factors."

THE COMPANY

Transact designs, develops, manufactures and markets transaction based printers and related products under the Ithaca and MAGNETEC brand names. The Company's printers are used to provide transaction records such as receipts, tickets, coupons, register journals and other documents. The Company focuses on four vertical markets: point-of-sale ("POS") (from which the Company derived approximately 57.6% of its net sales in the nine months ended December 31, 1995); gaming and lottery (approximately 27.0% of net sales); financial services (approximately 7.7% of net sales); and kiosks (approximately 7.7% of net sales). The Company sells its products directly to end users, original equipment manufacturers ("OEMs"), value added resellers ("VARs") and selected distributors, primarily in the United States and Canada.

Transact manufactures and sells customizable and custom dot matrix and thermal printers for applications requiring up to 60 character columns in each of its four vertical markets. The Company also sells an 80 column laser printer for kiosk applications. The Company's customizable products include several series of printers which offer customers the ability to choose from a variety of features and functions. Options typically include different printing technologies, print speeds, paper handling capacities and numbers of print stations. In addition to its customizable printers, Transact manufactures custom printers for certain OEM customers. In collaboration with these customers, the Company provides engineering and manufacturing expertise for the design and development of specialized printers.

Transact markets its products through a network of selected distributors, OEMs, VARs and systems integrators, as well as directly to end users. The Company's use of multiple sales channels allows it to reach customers of all sizes in each of its four vertical markets. Customers of the Company include OEM customers such as GTECH Holdings Corporation ("GTECH"), the leading worldwide supplier of on-line lottery systems, Interbold ("Interbold," a joint venture of Diebold Incorporated and IBM Corporation), a leading worldwide supplier of automatic teller machines ("ATMs"), Indiana Cash Drawer ("ICD"), a leading distributor of POS products, and Ultimate Technology Corporation ("Ultimate"), a VAR and distributor of POS products. In May 1996, the Company entered into a strategic marketing agreement with Okidata of America, a division of Oki of America, Inc. ("Okidata"), and, pursuant to that agreement, a separate sales agreement with its affiliate Oki Europe Limited ("Oki Europe"), establishing Oki Europe as the exclusive distributor of the Company's POS and kiosk products in Europe, the Middle East and North Africa. The Company also has a significant supplier relationship with Okidata, which provides critical components for the Company's POS printers.

The Company's goal is to become a leading worldwide supplier of transaction based printers and related products in each of its markets. The Company believes that significant opportunities exist to satisfy increasing demand for new and replacement POS equipment, to leverage its existing strategic relationship in the gaming and lottery market in order to take advantage of the proliferation of lottery and keno systems, to develop and supply new products for emerging applications in ATMs and kiosks, and to capture international market share as worldwide usage of transaction based electronics grows. Key elements of the Company's strategy for achieving its objectives are: (i) to focus on its four vertical markets; (ii) to expand its product lines; (iii) to increase its geographic market penetration; (iv) to emphasize its engineering expertise; and (v) to capitalize on the efficiencies of its flexible manufacturing systems.

SEPARATION FROM TRIDEX

Upon completion of the Offering, Tridex will beneficially own approximately 82.4% (approximately 80.3% if the Underwriters' over-allotment option is exercised in full) of the Company's common stock, par value $.01 per share ("Common Stock"). Tridex has advised the Company that it intends to distribute its

ownership interest in the Company to the stockholders of Tridex as soon as practicable after the completion of the Offering through a distribution of Common Stock of the Company to all Tridex stockholders as a tax-free dividend (the "Distribution"). The Distribution will be subject to certain conditions, including the receipt of a ruling from the Internal Revenue Service (the "IRS") confirming the tax-free nature of the transaction. See "The Company -- Background of the Offering and the Distribution." In connection with the Distribution, the Company and Tridex have entered into, or prior to completion of the Offering will enter into, certain agreements which govern various interim and ongoing relationships. See "Tridex as Principal Stockholder" and "Relationship Between the Company and Tridex."

THE OFFERING

Common Stock offered	1,150,000 shares
Common Stock to be outstanding after the Offering	6,550,000 shares(1)
Use of proceeds	Repayment of indebtedness to Tridex, and for working capital and other general corporate purposes.
Proposed Nasdaq National Market symbol	TACT

SUMMARY FINANCIAL DATA (2)
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS AND RATIOS)

	FISCAL YEARS ENDED				NINE MONTHS ENDED		THREE MONTHS ENDED	
	MARCH 28, 1992	APRIL 3, 1993	APRIL 2, 1994	APRIL 1, 1995	DECEMBER 31, 1994	DECEMBER 31, 1995	APRIL 1, 1995	MARCH 30, 1996
COMBINED STATEMENT OF INCOME DATA:								
Net sales	$19,509	$25,949	$23,798	$33,362	$ 25,426	$ 25,497	$7,936	$10,463
Gross profit	5,204	8,016	8,213	11,013	8,391	7,968	2,622	3,479
Operating expenses	4,502	5,223	6,490	7,308	5,361	6,389	1,947	2,208
Operating income	702	2,793	1,723	3,705	3,030	1,579	675	1,271
Net income	372	1,632	1,093	2,304	1,883	916	416	865

	AS OF							PRO FORMA
	MARCH 28, 1992	APRIL 3, 1993	APRIL 2, 1994	APRIL 1, 1995	DECEMBER 31, 1994	DECEMBER 31, 1995	MARCH 30, 1996	MARCH 30, 1996(3)
COMBINED BALANCE SHEET DATA:								
Working capital	$ 4,495	$ 6,254	$ 5,920	$ 6,301	$ 5,367	$ 6,281	$ 8,547	$ 9,852
Current ratio	2.55	2.74	2.92	2.69	2.41	2.64	3.25	3.59
Plant and equipment, net	1,250	1,709	1,696	2,237	2,140	3,041	3,018	3,018
Tridex investment in the Company	9,418	11,326	10,839	11,280	10,591	11,645	13,621	--
Stockholders' equity	--	--	--	--	--	--	--	14,926
Total assets	12,323	14,910	13,916	15,358	14,392	15,969	17,961	19,266

PRO FORMA COMBINED STATEMENT OF INCOME DATA (4)

	NINE MONTHS ENDED DECEMBER 31, 1995	THREE MONTHS ENDED MARCH 30, 1996
Net sales	$ 25,497	$ 10,463
Gross profit	7,968	3,479
Operating income	2,291	1,247
Net income	1,333	851
Earnings per share	0.20	0.13

(1) Does not include (i) 600,000 shares to be reserved for issuance under the Company's 1996 Stock Plan (the "Stock Plan"), of which 264,000 are subject to options to be granted as of the date of the Offering (ii) 60,000 shares to be reserved for issuance under the Company's Non-Employee Directors' Stock Plan (the "Directors' Plan"), of which 30,000 are subject to options to be granted as of the date of the Offering and (iii) 115,000 shares of Common Stock issuable upon exercise of the Representative's Warrant. See "Underwriting."

(2) The table sets forth selected financial data of the Company. The data should be read in conjunction with the historical financial statements, notes and other financial information included herein. The combined statement of income data for the fiscal years ended April 2, 1994 and April 1, 1995 and the nine months ended December 31, 1995, and the combined balance sheet data at April 1, 1995 and December 31, 1995 are derived from the audited financial statements of the Company. The combined statement of income data for the fiscal years ended March 28, 1992 and April 3, 1993, the nine months ended December 31, 1994, and the three months ended April 1, 1995 and March 30, 1996 and the combined balance sheet data at March 28, 1992, April 3, 1993, April 2, 1994, December 31, 1994 and March 30, 1996 are derived from unaudited financial statements but, in the opinion of the Company's management, reflect all the adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of such data. In December 1995, the Company's fiscal year end was changed to December 31 from the Saturday closest to March 31. The fiscal year ended April 3, 1993 was a 53 week year. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

The historical financial statements of the Company may not necessarily reflect the results of operations or financial position that would have been obtained had the Company been a stand alone entity. See "Management's Discussion and Analysis of the Results of Operations and Financial Condition."

(3) The pro forma combined balance sheet data are prepared by adjusting the historical balance sheet to reflect the net proceeds from the Offering and the repayment of $8.5 million of intercompany indebtedness to Tridex.

(4) The pro forma combined statement of income data for the three months ended March 30, 1996 and the nine months ended December 31, 1995 are prepared by adjusting the historical results of operations to reflect the Offering and other costs and expenses had the Company been a stand alone entity at the beginning of the most recent period presented. Earnings per share data are presented elsewhere in this Prospectus and on a pro forma basis only. See unaudited "Pro Forma Financial Data."

RISK FACTORS

In addition to the other information contained in this Prospectus, the following factors should be considered carefully in evaluating the Company and its business before purchasing any shares of the Common Stock offered hereby.

DEPENDENCE ON CERTAIN SUPPLIER

Okidata is the sole supplier of a printer component kit consisting of a printhead, control board and carriage (the "Oki Kit"), which is used in virtually all of the Company's Ithaca brand impact printers, under an agreement which expires in August 2000. Sales of these printers amounted to approximately 61.0% of the Company's net sales in the nine months ended December 31, 1995. The time required for delivery of Oki Kits averages 120 days. Any delay or other disruption in the supply of Oki Kits would have a material adverse effect on the Company's results of operations. In addition, there can be no assurance that the agreement will be renewed or, if renewed, that the renewal will be on terms comparable to those under the current agreement.

RELIANCE ON DISTRIBUTORS AND OTHER SIGNIFICANT CUSTOMERS

A material portion of the Company's net sales are to certain distributors, VARs, systems integrators and to certain OEM customers. During fiscal 1994, fiscal 1995 and the nine months ended December 31, 1995, ICD accounted for approximately 14.9%, 13.6% and 8.6% of the Company's net sales, respectively, and Diebold Incorporated ("Diebold"), purchasing on behalf of Interbold, accounted for approximately 9.5%, 9.3% and 5.7% of net sales, respectively. During the nine months ended December 31, 1995, the first period of significant shipments to GTECH, sales to GTECH accounted for approximately 12.4% of Transact's net sales. In addition, sales to Ultimate, a wholly-owned subsidiary of Tridex, represented approximately 10.9%, 7.9% and 9.2% of Transact's sales in fiscal 1994, fiscal 1995 and the nine months ended December 31, 1995, respectively. The Company's results of operations are substantially dependent on sales to GTECH, Ultimate, ICD and Diebold, and the loss of any of these customers, or a significant reduction in sales to them, could have a material adverse effect on the Company's results of operations. There is no obligation on the part of GTECH, Ultimate, ICD or Diebold to place any additional orders with the Company.

COMPETITION

The market for transaction based printers is extremely competitive, and the Company expects such competition to intensify in the future. The Company competes with a number of companies, many of which have greater financial, technical and marketing resources than the Company. Transact believes its ability to compete successfully depends on a number of factors both within and outside its control, including durability, reliability, quality, design capability, product customization, price, customer support, success in developing new products, manufacturing expertise and capacity, supply of component parts and materials, strategic relationships with suppliers, the timing of new product introductions by the Company and its competitors, general market and economic conditions and, in some cases, the uniqueness of its products. Two of the Company's competitors, Epson America, Inc. ("Epson") and Star Micronics America, Inc. ("Star") together control approximately 50% to 60% of the United States market for POS printers, a market in which the Company's strategy calls for increased market share. Other principal competitors include Axiohm Incorporated ("Axiohm"), Citizen -- CBM America Corporation ("Citizen") and DH Technology Incorporated ("DH Technology"). Certain competitors of the Company with lower costs, attributable to higher volume production and off-shore manufacturing locations, offer lower prices than the Company from time to time.

In the gaming and lottery, financial services and kiosk markets, no single supplier holds a dominant position. Certain of the Company's products sold for gaming and lottery, kiosk and financial service applications compete based upon the Company's ability to provide highly specialized products, custom engineering and ongoing technical support. See "Business -- Competition."

RELATIONSHIP WITH PARENT COMPANY

Upon completion of the Offering, Tridex will own approximately 82.4% (approximately 80.3% if the Underwriters' over-allotment option is exercised in full) of the Company's outstanding Common Stock. Tridex has filed an application with the IRS seeking a ruling that the proposed Distribution will constitute a tax-free reorganization for purposes of the Internal Revenue Code of 1986, as amended (the "Code"). Until

the Distribution is completed, Tridex will control the Company and will continue to be able to elect the entire Board of Directors of the Company and to determine the outcome of Company actions requiring stockholder approval. The Board of Directors of the Company currently consists of five directors, two of whom are also directors of Tridex. In addition, after the Distribution, Seth M. Lukash, the Chairman and Chief Executive Officer of Tridex and its largest stockholder, will own approximately 9% of the outstanding Common Stock of the Company. This overlap of directors, Tridex's ownership of Common Stock pending the Distribution, Mr. Lukash's ownership interests in both companies and senior management position at Tridex and other contractual relationships described under "Relationship Between the Company and Tridex" give rise to conflicts of interest between Tridex and the Company. Pursuant to a Plan of Reorganization dated June 24, 1996 (the "Plan of Reorganization"), Tridex has agreed not to pursue the manufacture of transaction based printers which would be directly competitive with the Company. As a matter of corporate policy, both Tridex and the Company will seek the approval of their respective independent directors for transactions perceived to involve significant potential conflicts of interest. See "Tridex as Principal Stockholder" and "Relationship Between the Company and Tridex."

RISK OF NON-COMPLETION OF THE DISTRIBUTION TRANSACTION

If the IRS issues a ruling that the Distribution will constitute a tax-free reorganization under the Code and certain other conditions are satisfied, Tridex will proceed with the Distribution, after which approximately 17.6% (approximately 19.7% if the Underwriters' over-allotment option is exercised in full) of the outstanding Common Stock will be owned by holders of shares sold in the Offering, approximately 82.4% (approximately 80.3% if the Underwriters' over-allotment option is exercised in full) of the outstanding Common Stock will be owned by the holders of Tridex common stock as of the record date for the Distribution, and the Company will no longer be a subsidiary of Tridex. No assurance can be given as to whether or when the IRS will issue a favorable ruling or that the Distribution will occur. If the IRS does not grant the ruling, Tridex may either request reconsideration, resubmit its request based on changes in facts and circumstances, if any, or abandon the Distribution. If Tridex abandons the Distribution, it may either maintain ownership of the Company as a consolidated subsidiary or sell shares of Common Stock in subsequent public offerings or private sales. Although Tridex expects to effect the Distribution, it is possible that the failure of the Distribution to occur within the time frame contemplated, or at all, would materially adversely affect the trading market for the Company's Common Stock. See "Relationship Between the Company and Tridex."

POSSIBILITY OF SUBSTANTIAL SALES OF COMMON STOCK

The Distribution, if effected as expected, would involve a tax-free dividend in early 1997 of approximately 5,400,000 shares of Common Stock to the stockholders of Tridex. All of such shares, other than shares held by affiliates of the Company, would be eligible for immediate resale in the public market. The Company is unable to predict whether substantial amounts of Common Stock will be sold in the open market in anticipation of, or following, the Distribution. Any sales of substantial amounts of Common Stock in the public market, or the perception that such sales might occur, whether as a result of the Distribution or otherwise, could materially adversely affect the market price of the Common Stock. See "Shares Eligible for Future Sale" and "Tridex as Principal Stockholder."

ABSENCE OF HISTORY AS AN INDEPENDENT COMPANY

The Company has never operated as an independent company. After the Offering and prior to the Distribution, the Company will continue to be a subsidiary of Tridex, but will, subject to Tridex's rights as a controlling stockholder, operate as an independent entity, and Tridex will have no obligation to provide assistance to the Company or any of its subsidiaries except as described herein. See "Relationship Between the Company and Tridex."

LIMITED RELEVANCE OF HISTORICAL FINANCIAL INFORMATION

The financial information included herein may not necessarily reflect the results of operations, financial position and cash flows of the Company in the future or what the results of operations, financial position and cash flows would have been had the Company been an independent entity during the periods presented. The historical financial information included herein does not reflect the effects on the Company of the Distribution

or the Offering. In addition, the combined financial statements of the Company include expenses allocated to the Company from Tridex. Actual expenses of the Company in the future may vary. See "Management's Discussion and Analysis of the Results of Operations and Financial Condition -- Overview" and Note 1 to the Combined Financial Statements.

DEPENDENCE ON KEY PERSONNEL

The Company's future success will depend in significant part upon the continued service of certain key management and other personnel and the Company's continuing ability to attract and retain highly qualified managerial, technical and sales and marketing personnel. There can be no assurance that the Company will be able to recruit and retain such personnel. The loss of Bart C. Shuldman, the Company's Chief Executive Officer and President, or the loss of certain groups of key employees, could have a material adverse affect on the Company's results of operations. Prior to the completion of the Offering, the Company intends to enter into employment agreements with Mr. Shuldman and certain other key employees. See "Management -- Executive Officers and Directors."

ABILITY TO SUSTAIN AND MANAGE GROWTH

As part of its business strategy, the Company intends to pursue an aggressive growth strategy. Assuming this growth occurs, it will require the establishment of distribution relationships in international markets, the successful development and marketing of new products, expanded customer service and support, an increased number of personnel throughout the Company and the continued implementation and improvement of the Company's operational, financial and management information systems. There can be no assurance that the Company will be able to successfully implement its growth strategy, or that the Company can successfully manage expanded operations. As the Company expands, it may from time to time experience constraints that will adversely affect its ability to satisfy customer demand in a timely fashion. Failure to manage growth effectively could adversely affect the Company's results of operations and financial condition. Demand for POS equipment, including printers, is dependent on the economic and financial well being of the retail industry which in turn is affected by the overall level of consumer demand and growth in the general economy. Any economic slowdown or contraction of the general economy could have a material adverse effect on retail sales and therefore adversely affect the demand for POS equipment, including printers manufactured by the Company. See "Business -- Business Strategy."

RISKS ASSOCIATED WITH INTERNATIONAL OPERATIONS

The Company's direct sales outside of the United States totalled approximately $3,697,000 (approximately 11% of net revenues) in fiscal 1995 and $1,875,000 (approximately 7% of net revenues) in the nine months ended December 31, 1995. Most of these sales were in Canada. As part of its business strategy, the Company intends to increase international sales as a percentage of its revenues. International sales are subject to inherent risks, including fluctuations in local economies, fluctuating exchange rates, increased difficulty of inventory management, greater difficulty in accounts receivable collection, costs and risks associated with localizing products for foreign countries, unexpected changes in regulatory requirements, tariffs and other trade barriers and burdens of complying with a variety of foreign laws. There can be no assurance that these factors will not have a material adverse impact on the Company's ability to increase or maintain its international sales or on its results of operations. A substantial portion of the value of the components used in the manufacture of the Company's POS products is represented by components purchased from Okidata, which is located in Japan. The Company purchases these components under an agreement, expiring in August 2000, with unit prices in U.S. dollar denominations. However, price negotiations, which occur whenever the contract is renewed, may be affected by a number of factors, including changes in the currency exchange rate between the U.S. dollar and the Japanese yen.

INTELLECTUAL PROPERTY AND PROPRIETARY RIGHTS

The Company regards portions of the hardware designs and operating software incorporated into its products as proprietary and attempts to protect them with a combination of copyright, trademark and trade

secret laws, employee and third party nondisclosure agreements and similar means. The Company owns one United States patent pertaining to an automatic paper cut-off device, which is a feature offered on certain of the Company's POS printers. It may be possible for unauthorized third parties to copy certain portions of the Company's products or to reverse engineer or otherwise obtain and use, to the Company's detriment, information that the Company regards as proprietary. Moreover, the laws of some foreign countries do not afford the same protection to the Company's proprietary rights as do United States laws. There can be no assurance that legal protections relied upon by the Company to protect its proprietary rights will be adequate or that the Company's competitors will not independently develop technologies that are substantially equivalent or superior to the Company's technologies. See "Business -- Intellectual Property and Proprietary Rights."

EVOLVING TECHNOLOGY AND MARKET CHANGE

The transaction based printer industry is characterized by evolving technology and industry standards. The introduction of products embodying new technology and the emergence of new industry standards could render existing products obsolete and unmarketable. The Company's future success will depend on its ability to continue to develop and manufacture new products and to enhance existing products, both of which will require continued investment in engineering and product development. See "Business -- Product Development" and "-- Competition."

BROAD MANAGEMENT DISCRETION AS TO USE OF PROCEEDS

A portion of the net proceeds to be received by the Company from the Offering is allocated to working capital. Accordingly, management will have broad discretion with respect to the expenditure of such proceeds. See "Use of Proceeds."

NO CASH DIVIDENDS

The Company intends to retain any future earnings for its business and does not anticipate paying any cash dividends in the foreseeable future. See "Dividend Policy."

NO PRIOR TRADING MARKET

Prior to the Offering, there has been no public market for the Company's Common Stock. Although the Company is applying to the Nasdaq National Market for approval of the Common Stock for quotation and trading, there can be no assurance that an active trading market will develop or be sustained after the Offering. Future sales by the holders of Tridex common stock, who will own approximately 82.4% (approximately 80.3% if the Underwriters' over-allotment option is exercised in full) of the outstanding Common Stock after the Distribution, could adversely affect the prevailing market price of Common Stock. Shares held by affiliates will be subject to certain volume limitations under Rule 144 promulgated under the Securities Act. See "-- Potential Substantial Sales of Common Stock" and "-- Shares Eligible for Future Sale."

IMMEDIATE AND SUBSTANTIAL DILUTION

The public offering price for shares of Common Stock in the Offering is substantially higher than the net tangible book value per share of Common Stock. Purchasers of shares of Common Stock in the Offering therefore will incur immediate and substantial dilution in net per share tangible book value of the Common Stock. See "Dilution."

SHARES ELIGIBLE FOR FUTURE SALE

Following the Offering and the completion of the Distribution, the holders of Tridex common stock as of the record date for the Distribution will own approximately 82.4% (approximately 80.3% if the Underwriters' over-allotment option is exercised in full) of the outstanding Common Stock. Based upon the position taken

by the Securities and Exchange Commission (the "SEC") in numerous similar transactions and upon a pending amendment to an applicable regulation under the Exchange Act, the Company believes the Common Stock distributed to stockholders of Tridex in the Distribution will be freely tradeable, subject only to the requirements of Rule 144, promulgated under the Securities Act, applicable to directors, executive officers and certain stockholders of the Company. Rule 144 generally provides that beneficial owners of Common Stock who have held such Common Stock for two years may sell, within a three-month period, a number of shares not exceeding the greater of 1% of the total outstanding shares or the average weekly trading volume of the shares during the four calendar weeks preceding such sale. The two-year holding period requirement under Rule 144 will not apply to shares of Common Stock owned by Transact's directors, executive officers and certain stockholders which could be sold pursuant to the other requirements of Rule 144, in the absence of "lockup" agreements with the Representative. Pursuant to the terms of the Underwriting Agreement, the Representative has required that Transact's officers, directors and certain holders of the Common Stock, as well as option holders who are officers and directors, not sell for 180 days from the date of this Prospectus, without the prior written consent of the Representative. Future sales of restricted Common Stock could adversely affect the market price of the Common Stock.

ANTI-TAKEOVER EFFECTS OF CERTAIN STATUTORY AND CHARTER PROVISIONS

Upon completion of the Offering, the Company will be subject to the anti-takeover provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. In addition, certain provisions of the Company's Certificate of Incorporation and By-laws could have the effect of making it more difficult for a third party to acquire control of the Company. These statutory and charter provisions could have the effect of delaying, deferring or preventing a change in control of the Company and could limit the price that certain investors might be willing to pay in the future for shares of the Common Stock. See "Description of Capital Stock -- Anti-Takeover Effects of Certain Statutory and Charter Provisions." In addition, the Company expects that its employment agreements with certain executive officers will include provisions accelerating severance payments and certain other benefits in the event of a change of control. See "Management -- Employment and Severance Agreements."

FORWARD LOOKING STATEMENTS AND ASSOCIATED RISKS

This Prospectus contains certain forward looking statements, including, among others: (i) the size and anticipated growth in the Company's markets; (ii) the ability of the Company to rely on cash generated from operations and the proceeds of the Offering to finance its working capital requirements; (iii) the Company's business strategy, as it relates to expanding product lines and increasing geographic market penetration; and (iv) the Company's ability to compete successfully with its current and future competitors. These forward looking statements are based largely on the Company's current expectations and are subject to a number of risks and uncertainties. Actual results could differ materially from these forward looking statements. In addition to the other risks described in this "Risk Factors" discussion, important factors to consider in evaluating such forward looking statements include: (i) in certain instances the Company has relied on secondary sources such as trade publications to report certain information regarding market size or growth potential available in studies, surveys or other primary sources not obtained directly by the Company; (ii) unanticipated working capital or other cash requirements; (iii) changes in the Company's business strategy or an inability to execute its strategy due to unanticipated changes in the Company's markets; and (iv) various competitive factors that may prevent the Company from competing successfully. In light of these risks and uncertainties, many of which are described in greater detail elsewhere in this "Risk Factors" discussion, there can be no assurance that the forward looking statements contained in this Prospectus will in fact transpire.

THE COMPANY

The Company was incorporated in Delaware on June 17, 1996 and is currently a wholly-owned subsidiary of Tridex. Upon the completion of the Offering, Tridex will own approximately 82.4% (approximately 80.3% if the Underwriters' over-allotment option is exercised in full) of the outstanding Common Stock. The Company and Tridex have two common directors. Tridex has filed with the IRS an application for a ruling that the Distribution will constitute a tax-free reorganization for federal income tax purposes. Until such time as the Distribution is effected, the Company will be a subsidiary of Tridex and will be consolidated in the Tridex affiliated group for purposes of Section 1504 of the Code. The Company and Tridex have undertaken as part of the Plan of Reorganization to conduct their affairs during the period after the closing of the Offering on a reasonable arms-length basis pursuant to certain written agreements. After the Distribution, the business of Tridex will consist of (i) two subsidiaries: Ultimate, a distributor and VAR of POS systems and components and a manufacturer of custom keyboards and pole displays; and Cash Bases GB Limited, which designs, manufactures and markets custom cash drawers, for sale primarily in Western Europe, and (ii) a line of business involving the manufacture, marketing and sale of ribbons for use in certain printers manufactured by the Company. See "Relationship Between the Company and Tridex."

The principal executive offices of the Company are located at 7 Laser Lane, Wallingford, Connecticut 06492 and its telephone number is (203) 949-9933.

BACKGROUND OF THE OFFERING AND THE DISTRIBUTION

In December 1995, the Board of Directors of Tridex approved a plan to combine the business operations of two wholly-owned subsidiaries, Magnetec Corporation ("Magnetec") and Ithaca Peripherials Incorporated ("Ithaca"), under unified management with Bart C. Shuldman as the Company's President. In May 1996, the Board of Directors of Tridex approved the merger of Ithaca into Magnetec, as a first step toward effecting the Offering and the Distribution.

Tridex, the Company, Magnetec and Ithaca entered into the Plan of Reorganization which, among other things, provides for: (i) the merger of Ithaca into Magnetec; (ii) the sale by the Company to Tridex of certain assets used in manufacturing a printer ribbon product line; (iii) the issuance by the Company of 5,400,000 shares of Common Stock to Tridex in exchange for all of the outstanding shares of capital stock of Magnetec; (iv) the Offering; (v) the repayment by the Company of approximately $8.5 million of indebtedness to Tridex with a portion of the proceeds of the Offering; (vi) the execution of certain agreements between the Company and Tridex relating to the allocation of tax attributes, the provision of certain services, and the purchase and supply of certain products; (vii) an undertaking by Tridex to apply for a ruling from the IRS that the Distribution would be tax-free to such stockholders for federal income tax purposes; and (viii) an undertaking by Tridex to effect the Distribution upon the satisfaction of certain conditions precedent, including the successful completion of the Offering, the completion of the transaction described under "Relationship Between the Company and Tridex" and the receipt of a favorable ruling from the IRS.

In the Plan of Reorganization, Tridex agrees, for five years after the completion of the Distribution, not to compete with the Company in the design, manufacture or sale of transaction based printers for the POS, gaming and lottery, financial services and kiosk markets in any geographic market in which the Company is then doing business. The Plan of Reorganization may be amended only by the agreement of the Company and Tridex.

USE OF PROCEEDS

The net proceeds to the Company from the sale of the 1,150,000 shares of Common Stock offered hereby are estimated to be $9.8 million ($11.4 million if the Underwriters' over-allotment option is exercised in full), after deducting the estimated underwriting discount and estimated offering expenses payable by the Company, based on an assumed initial public offering price of $10.25 per share. The Company expects to use $8.5 million of the net proceeds for the payment of amounts due to Tridex for intercompany indebtedness. As of March 30, 1996, the Tridex investment in the Company was approximately $13.6 million. Such amount includes, on a pro forma basis, $8.5 million of intercompany indebtedness, and the balance represents equity. Pursuant to the Plan of Reorganization described under "The Company -- Background of the Offering and the Distribution," upon completion of the Offering, the Company will repay such indebtedness. The Company may, at its election, pay such indebtedness in full or pay Tridex an amount not less than $7.5 million in cash and issue to Tridex a subordinated promissory note in an amount up to $1.0 million. If issued, such subordinated note would be payable in one year and bear interest at a rate equal to the rate under Tridex's revolving line of credit, currently the prime rate plus 1.00%. The balance of the net proceeds, after repayment of intercompany indebtedness, will be used for working capital and general corporate purposes. The Company has no specific plans for these net proceeds other than to finance anticipated growth. Pending use, the proceeds will be invested in short-term, investment-grade, interest-bearing securities.

DIVIDEND POLICY

The Company expects to retain earnings to finance the expansion and development of its business and has no plans to pay cash dividends on the Common Stock. See "Risk Factors -- No Cash Dividends."

DILUTION

The pro forma net tangible book value of the Company at March 30, 1996 was $.51 per share of Common Stock. The pro forma net tangible book value per share represents the tangible assets of the Company less its total liabilities, including the intercompany indebtedness to be repaid to Tridex, divided by the number of shares outstanding.

Without taking into account any changes in net tangible book value after March 30, 1996, other than to give effect to the Offering (assuming an initial public offering price of $10.25 per share), after deduction of the underwriting discount and commissions and other estimated Offering expenses payable by the Company and giving effect to the payment by the Company of $8.5 million of indebtedness to Tridex, the pro forma net tangible book value of the Company after the Offering at March 30, 1996 would have been $1.92 per share of Common Stock, representing an increase in net tangible book value of $1.41 per share to the existing stockholder and dilution of $8.33 per share to new investors. Dilution is determined by subtracting pro forma net tangible book value per share after the Offering from the amount of cash paid by a new investor for a share of Common Stock in the Offering. The following table illustrates this per share dilution.

Assumed public offering price per share.....		$10.25
Assumed pro forma net tangible book value per share before the Offering.....	$ .51	
Increase per share attributable to new investors.....	1.41	
Pro forma net tangible book value per share after the Offering.....		1.92
Dilution per share to new investors.....		$ 8.33

The following table summarizes, as of March 30, 1996, after giving effect to the Offering, the difference between the existing stockholder and the new investors in the Offering (at an assumed initial public offering price of $10.25 per share) with respect to the number of shares of Common Stock purchased from the Company, the total consideration paid to the Company and the average price per share paid.

	SHARES PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE
	NUMBER	PERCENT	AMOUNT	PERCENT	PER SHARE
Existing stockholder.....	5,400,000	82.4%	$ 5,121,000	34.3%	$0.95
New investors.....	1,150,000	17.6	9,805,000	65.7	8.53
Total.....	6,550,000	100.0%	$14,926,000	100.0%	

If the Underwriters' over-allotment option is exercised in full, the number of shares to be purchased by new investors will be increased to 1,322,500 or approximately 19.7% of the total number of shares of Common Stock outstanding after the Offering.

The foregoing computations exclude: (i) 600,000 shares to be reserved for issuance under the Stock Plan, of which 264,000 shares are subject to options to be granted as of the date of the Offering at a per share exercise price equal to not less than the Price to Public; (ii) 60,000 shares to be reserved for issuance under the Director's Plan, of which 30,000 are subject to options to be granted as of the date of the Offering; and (iii) 115,000 shares issuable on exercise of the Representative's Warrants. See "Management -- Compensation of Executive Officers -- Stock Plan," "Description of Capital Stock" and "Underwriting."

CAPITALIZATION

The following table sets forth the historical capitalization of the Company at March 30, 1996, and as adjusted to give effect to: (i) the issuance of 5,400,000 shares of Common Stock to Tridex; (ii) the sale of 1,150,000 shares of Common Stock offered hereby at the assumed initial public offering price of $10.25 per share, less applicable underwriting discount and commissions and other estimated offering expenses payable by the Company; and (iii) the repayment to Tridex of $8.5 million in intercompany indebtedness. This data should be read in conjunction with the unaudited pro forma combined balance sheet and the introduction to the unaudited pro forma combined financial statements appearing elsewhere in this Prospectus. The as adjusted capitalization table has been derived from the historical combined financial statements and reflects certain pro forma adjustments as if the Offering had been consummated and the intercompany indebtedness had been repaid as of March 30, 1996. The as adjusted information may not reflect the capitalization of the Company in the future or as it would have been had the Company been a stand alone entity at March 30, 1996. See "Pro Forma Financial Data."

	MARCH 30, 1996		
	HISTORICAL	PRO FORMA ADJUSTMENTS	AS ADJUSTED
		(IN THOUSANDS)	
Intercompany indebtedness	$ --	$ 8,500(1) (8,500)(1)	$ --
Stockholders' equity:			
Unrealized gain on securities available for sale, net of taxes	57	--	57
Tridex investment in the Company	13,621	(13,621)(2)	--
Stockholders' equity:			
Common stock, $.01 par value, 20,000,000 shares authorized, 6,550,000 shares issued and outstanding, pro forma	--	14,926(3)	14,926
Preferred stock, $.01 par value, 5,000,000 shares authorized, no shares issued and outstanding, pro forma	--	--	--
Total stockholders' equity	13,678	1,305	14,983
Total capitalization	$ 13,678	$ 1,305	$14,983

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(1) Reflects the reclassification to intercompany debt of $8,500 from the Tridex investment in the Company and reflects that portion of the estimated net proceeds used to repay this intercompany indebtedness.

(2) Reflects the change in Tridex investment in the Company for the issuance of all outstanding shares of the Company's Common Stock to Tridex ($5,121), and the intercompany indebtedness to be repaid to Tridex ($8,500).

(3) Reflects the issuance of shares of Common Stock to Tridex ($5,121), and the estimated net proceeds from the Offering ($9,805).

SELECTED FINANCIAL DATA
(IN THOUSANDS OF DOLLARS, EXCEPT FOR RATIO AMOUNTS)

The following table sets forth selected financial data of the Company. The data should be read in conjunction with the historical financial statements, notes and other financial information included herein. The statement of operations data for the years ended April 2, 1994 and April 1, 1995 and the nine months ended December 31, 1995, and the balance sheet data at April 1, 1995 and December 31, 1995 are derived from the audited financial statements of the Company. The statement of income data for the fiscal years ended March 28, 1992 and April 3, 1993, the nine months ended December 31, 1994, and the three months ended April 1, 1995 and March 30, 1996 and the balance sheet data at March 28, 1992, April 3, 1993, April 2, 1994, December 31, 1994 and March 30, 1996 are derived from unaudited financial statements but, in the opinion of the Company's management, reflect all the adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of such data. In December 1995, the Company's fiscal year end was changed to December 31 from the Saturday closest to March 31. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. The fiscal year ended April 3, 1993 was a 53-week year.

The historical financial statements of the Company may not necessarily reflect the results of operations or financial position that would have been obtained had the Company been a stand alone entity. See "Management's Discussion and Analysis of the Results of Operations and Financial Condition." Earnings per share data are presented elsewhere in this Prospectus and on a pro forma basis only. See unaudited "Pro Forma Financial Data."

	FISCAL YEARS ENDED				NINE MONTHS ENDED		THREE MONTHS ENDED	
	MARCH 28, 1992	APRIL 3, 1993	APRIL 2, 1994	APRIL 1, 1995	DECEMBER 31, 1994	DECEMBER 31, 1995	APRIL 1, 1995	MARCH 30, 1996
COMBINED STATEMENT OF INCOME DATA:								
Net sales	$19,509	$25,949	$23,798	$33,362	$ 25,426	$ 25,497	$7,936	$10,463
Cost of sales	14,305	17,933	15,585	22,349	17,035	17,529	5,314	6,984
Gross profit	5,204	8,016	8,213	11,013	8,391	7,968	2,622	3,479
Engineering, design and product development costs	1,218	1,330	1,687	1,708	1,244	1,533	464	666
Selling, general and administrative expenses	3,284	3,893	4,803	5,600	4,117	4,556	1,483	1,542
Provision for restructuring	--	--	--	--	--	300	--	--
Operating income	702	2,793	1,723	3,705	3,030	1,579	675	1,271
Other income (expense), net	14	(27)	176	127	108	(15)	18	170
Income before income taxes	716	2,766	1,899	3,832	3,138	1,564	693	1,441
Income tax provision	344	1,134	806	1,528	1,255	648	277	576
Net income	372	1,632	1,093	2,304	1,883	916	416	865

	MARCH 28, 1992	APRIL 3, 1993	APRIL 2, 1994	APRIL 1, 1995	DECEMBER 31, 1994	DECEMBER 31, 1995	MARCH 30, 1996
COMBINED BALANCE SHEET DATA:							
Working capital	$ 4,495	$ 6,254	$ 5,920	$ 6,301	$ 5,367	$ 6,281	$ 8,547
Current ratio	2.55	2.74	2.92	2.69	2.41	2.64	3.25
Plant and equipment, net	1,250	1,709	1,696	2,237	2,140	3,041	3,018
Tridex investment in the Company	9,418	11,326	10,839	11,280	10,591	11,645	13,621
Total assets	12,323	14,910	13,916	15,358	14,392	15,969	17,961

UNAUDITED PRO FORMA FINANCIAL DATA

The historical combined financial statements of the Company reflect periods during which the Company operated as wholly-owned subsidiaries of Tridex. The historical financial statements of the Company may not necessarily reflect the combined results of operations or financial position of the Company or what the results of operations would have been if the Company had been a stand alone entity during such periods.

The unaudited pro forma combined statements of income for the three months ended March 30, 1996 and the nine months ended December 31, 1995 and the pro forma combined balance sheet as of March 30, 1996 present the results of the Company's operations and financial position prepared by adjusting the historical statements for pro forma adjustments to reflect the Offering and other costs and expenses and the repayment of intercompany indebtedness to Tridex, as if the Company had been a stand alone entity at the beginning of the earlier period presented for the statement of income and as of the balance sheet date presented.

The unaudited pro forma financial statements should be read in conjunction with the financial data presented elsewhere in this Prospectus. The unaudited pro forma financial data are presented for informational purposes only and may not reflect the future results of operations or financial position of the Company or what the results of operations or financial position would have been had the Company been operated as a stand alone entity during such periods.

UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 30, 1996
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA
Net sales	$ 10,463	$ --	$10,463
Operating costs and expenses:			
Cost of sales	6,984	--	6,984
Engineering, design and product development costs	666	--	666
Selling, general and administrative expenses	1,542	24(1)	1,566
	9,192	24	9,216
Operating income	1,271	(24)	1,247
Other income, net	170	--	170
Income before income taxes	1,441	(24)	1,417
Income tax provision	576	(10)(2)	566
Net income	$ 865	$ (14)	$ 851
Income per share			$ 0.13
Weighted average shares of common stock outstanding		6,550(3)	6,550(3)

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(1) Adjustment reflects (a) the elimination of the allocation of general and administrative expenses from Tridex of $327 reflected in the Company's historical combined financial statements and (b) the inclusion of management's estimate of the cost associated with becoming a stand alone entity of $351, including costs related to (i) corporate administrative services such as tax, treasury, risk management and insurance, legal, accounting, consulting, and other public company related expenses ($193), (ii) incentive compensation to certain employees for attainment of certain operating goals ($75) and (iii) salaries and fringe benefits of corporate officers and other key personnel ($83).

(2) To reflect the tax effect of the pro forma adjustments.

(3) Pro forma weighted average common shares outstanding has been calculated as if all shares issued to Tridex prior to the Offering, and the shares issued from the Offering, had been outstanding throughout the period presented.

UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME
FOR THE NINE MONTHS ENDED DECEMBER 31, 1995
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA
Net sales	$ 25,497	$ --	$25,497
Operating costs and expenses:			
Cost of sales	17,529	--	17,529
Engineering, design and product development costs	1,533	--	1,533
Selling, general and administrative expenses	4,556	(412)(1)	4,144
Provision for restructuring	300	(300)(2)	--
	23,918	(712)	23,206
Operating income	1,579	712	2,291
Other income (expense), net	(15)	--	(15)
Income before income taxes	1,564	712	2,276
Income tax provision	648	295(3)	943
Net income	$ 916	$ 417	$ 1,333
Income per share			$ 0.20
Weighted average shares of common stock outstanding		6,550(4)	6,550(4)

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(1) Adjustment reflects (a) the elimination of the allocation of general and administrative expenses from Tridex of $1,203 reflected in the Company's historical financial statements and (b) the inclusion of management's estimate of the cost associated with becoming a stand alone entity of $791 including costs related to (i) corporate administrative services such as tax, treasury, risk management and insurance, legal, accounting, consulting, and other public company related expenses ($523) and (ii) salaries and fringe benefits of corporate officers and other key personnel($268).

(2) Adjustment reflects the elimination of the one-time provision for restructuring related to the combination of operations of Magnetec and Ithaca under unified management, principally severance costs.

(3) To reflect the tax effect of the pro forma adjustments.

(4) Pro forma weighted average common shares outstanding has been calculated as if all shares issued to Tridex prior to the Offering, and the shares issued from the Offering, had been outstanding throughout the period presented.

UNAUDITED PRO FORMA COMBINED BALANCE SHEET
MARCH 30, 1996
(IN THOUSANDS)

	HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA AS ADJUSTED
ASSETS:			
Current assets:			
Cash	$ --	$ 1,305(1)	$ 1,305
Receivables	5,230	--	5,230
Inventories	6,408	--	6,408
Deferred tax assets	374	--	374
Other current assets	335	--	335
Total current assets	12,347	1,305	13,652
Plant and equipment:			
Machinery, furniture and equipment	7,524	--	7,524
Leasehold improvements	254	--	254
	7,778	--	7,778
Less accumulated depreciation	4,760	--	4,760
	3,018	--	3,018
Excess of cost over fair value of net assets acquired, net	2,375	--	2,375
Other assets	221	--	221
	$ 17,961	$ 1,305	$19,266
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Current liabilities:			
Accounts payable	$ 2,671	$ --	$ 2,671
Accrued liabilities	1,129	--	1,129
Intercompany indebtedness		8,500(2)	
	--	(8,500)(2)	--
Total current liabilities	3,800	--	3,800
Deferred revenue	294	--	294
Deferred tax liabilities	189	--	189
	483	--	483
Stockholders' equity:			
Unrealized gain on securities available for sale, net of taxes	57	--	57
Tridex investment in the Company	13,621	(13,621)(3)	--
Stockholders' equity	--	14,926(4)	14,926
Total stockholders' equity	13,678	1,305	14,983
	$ 17,961	$ 1,305	$19,266

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(1) To record the estimated net proceeds from the Offering, net of repayment of intercompany indebtedness to Tridex of $8,500.

(2) Reflects the reclassification to intercompany debt of $8,500 from Tridex investment in the Company and reflects that portion of the net proceeds used to repay this intercompany indebtedness.

(3) Reflects the change in Tridex investment in the Company for the issuance of all outstanding shares of the Company's Common Stock to Tridex ($5,121), and the intercompany indebtedness to be repaid to Tridex ($8,500).

(4) Reflects the issuance of shares of Common Stock to Tridex ($5,121), and the net proceeds from the Offering ($9,805).

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE RESULTS OF OPERATIONS AND FINANCIAL CONDITION

OVERVIEW

Transact designs, develops, manufactures and markets transaction based printers and related products, under the Ithaca and MAGNETEC brand names. The Company's printers are used to provide transaction records such as receipts, tickets, coupons, register journals and other documents. The Company focuses on four vertical markets: POS; gaming and lottery; financial services; and kiosks. The Company operates in one industry segment, computer peripheral equipment, and sells its products, primarily in the United States and Canada.

For the nine months ended December 31, 1995, sales in the POS market represented approximately 57.6% of net sales of the Company; sales in the gaming and lottery market represented approximately 27.0% of net sales; sales in the financial services market represented approximately 7.7% of net sales; and sales in the kiosk market represented approximately 7.7% of net sales.

For the nine months ended December 31, 1995, the Company's direct sales outside of the United States amounted to $1,875,000, or approximately 7.4% of net sales. A component of the Company's strategic plan is to increase international sales. To implement this plan, the Company has entered into a strategic marketing agreement with Okidata and a sales agreement with Oki Europe, establishing Oki Europe as the exclusive distributor of the Company's POS and kiosk products in Europe, the Middle East and North Africa.

Prior to December 1995, Tridex conducted the business of the Company through its wholly-owned subsidiaries, Magnetec and Ithaca. In December 1995, Tridex began operating the businesses of Magnetec and Ithaca under a single management team. In June 1996, the Company was incorporated as a wholly-owned subsidiary of Tridex. Following the incorporation, Tridex, the Company, Magnetec and Ithaca entered into the Plan of Reorganization whereby, subject to certain conditions: (i) Ithaca will merge into Magnetec; (ii) the Company will sell certain assets used in manufacturing a printer ribbon product line to Tridex; (iii) the Company will issue 5,400,000 shares of Common Stock to Tridex in exchange for all the outstanding shares of Magnetec; (iv) the Company will effect the Offering and the Distribution; (v) the Company will repay $8,500,000 of intercompany indebtedness to Tridex; and (vi) the Company will agree to certain other matters. See "Relationship Between the Company and Tridex."

Because the Company was wholly-owned by Tridex during the periods presented, the Combined Financial Statements may not necessarily reflect the results of operations or financial position of the Company or what the results of operations would have been if the Company had been a stand alone entity during those periods. This discussion should be read in conjunction with these financial statements and notes thereto for such periods and such fiscal years included elsewhere in this Prospectus.

Retailers typically reduce purchases of new POS equipment in the fourth quarter, due to the increased volume of consumer transactions in that period, and the Company's sales of printers in the POS market historically have increased in the third quarter and decreased in the fourth quarter. However, the Company has not experienced material seasonality in its total net sales, due to offsetting increased sales in other markets.

In December 1995, the Company's fiscal year end was changed to December 31 from the Saturday closest to March 31.

RESULTS OF OPERATIONS

The following table summarizes certain components of net income as a percentage of net sales for the periods indicated.

	FISCAL YEAR ENDED		NINE MONTHS ENDED		THREE MONTHS ENDED	
	APRIL 2, 1994	APRIL 1, 1995	DECEMBER 31, 1994	DECEMBER 31, 1995	APRIL 1, 1995	MARCH 30, 1996
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	65.5	67.0	67.0	68.7	67.0	66.7
Gross profit	34.5	33.0	33.0	31.3	33.0	33.3
Operating expenses:						
Engineering, design and product development costs	7.1	5.1	4.9	6.0	5.8	6.4
Selling, general and administrative expenses	20.2	16.8	16.2	17.9	18.7	14.7
Provision for restructuring	--	--	--	1.2	--	--
	27.3	21.9	21.1	25.1	24.5	21.1
Operating income	7.2	11.1	11.9	6.2	8.5	12.2
Other income (expense), net	0.8	0.4	0.4	(0.1)	0.2	1.6
Income before income taxes	8.0	11.5	12.3	6.1	8.7	13.8
Income tax provision	3.4	4.6	4.9	2.5	3.5	5.5
Net income	4.6%	6.9%	7.4%	3.6%	5.2%	8.3%

THREE MONTHS ENDED MARCH 30, 1996 COMPARED TO THREE MONTHS ENDED APRIL 1, 1995

Net Sales. Net sales for the three months ended March 30, 1996 increased $2,527,000, or 32%, to $10,463,000 from $7,936,000 in the comparable period of the prior year. Approximately $1,700,000 of the increase was due to increased shipments of the Company's recently introduced on-line lottery printers. The remainder of the increase reflects increased shipments of printers for other applications in the gaming and lottery market.

Gross Profit. Gross profit increased $857,000, or 33%, to $3,479,000 from $2,622,000 in the prior year's quarter, primarily as a result of the higher volume of shipments of printers. The gross margin of 33.3% was essentially unchanged from the prior year's quarter. The Company currently expects that its gross profit will increase, as net sales are expected to continue to increase, while its gross margin will remain relatively stable.

Engineering and Product Development. Engineering, design and product development costs increased $202,000, or 44%, from $464,000 to $666,000 for the three months ended March 30, 1996, and increased as a percentage of net sales from 5.8% to 6.4%. This increase was due primarily to increases in the level of engineering staff, as well as increased product development and design costs, particularly for new products in the POS market.

Selling, General and Administrative. Selling, general and administrative expenses increased $59,000, or 4%, from $1,483,000 to $1,542,000 for the three months ended March 30, 1996, but decreased as a percentage of net sales from 18.7% to 14.7%. Selling expenses declined slightly due primarily to sales staff reductions which were largely offset by increased commissions resulting from higher unit sales volume. A slight increase in general and administrative expense was attributable primarily to compensation related costs and increased allocations of general and administrative expenses from Tridex.

Other Income. Other income (expense), net increased $152,000 from $18,000 to $170,000 in the three months ended March 30, 1996, and increased as a percentage of net sales from 0.2% to 1.6%. This increase was the result of the inclusion of a $179,000 gain on the sale of marketable securities available for sale during

the three months ended March 30, 1996. The Company acquired such securities in connection with the sale of its solenoid product line in fiscal 1994.

Provision for Income Taxes. The provision for income taxes for the three months ended March 30, 1996 reflects an effective tax rate of 40.0%. The effective rate in the comparable prior period was also 40%.

NINE MONTHS ENDED DECEMBER 31, 1995 COMPARED TO NINE MONTHS ENDED DECEMBER 31, 1994

Net Sales. Net sales for the nine months ended December 31, 1995 increased to $25,497,000 from $25,426,000 in the comparable period of the prior year as the Company's sales in its principal markets were consistent for the relevant periods.

Gross Profit. Gross profit decreased $423,000, or 5%, to $7,968,000 from $8,391,000 in the prior year's period. This decrease was primarily due to certain production start-up costs associated with the Company's new on-line lottery printer and the relocation of the Company's Connecticut facility in April 1995. The gross margin declined to 31.3% from 33.0%. In addition to the above, the Company's lower than historical gross margin in this period reflected an unfavorable change in the sales mix.

Engineering and Product Development. Engineering, design and product development costs increased $289,000, or 23%, from $1,244,000 to $1,533,000 for the nine months ended December 31, 1995, and increased as a percentage of net sales from 4.9% to 6.0%. The increase reflects the development of new products and the enhancement of existing products, primarily for the POS market.

Selling, General and Administrative. Selling, general and administrative expenses increased $439,000, or 11%, from $4,117,000 to $4,556,000 for the nine months ended December 31, 1995, and increased as a percentage of net sales from 16.2% to 17.9%. The principal increase in general and administrative expense, constituting approximately 75% of the total increase, resulted primarily from increased allocations of general and administrative expenses from Tridex and, to a lesser degree, costs related to the relocation of the Company's Wallingford, Connecticut facility and increased incentive compensation expense.

Provision for Restructuring. During the nine months ended December 31, 1995, the Company recorded a provision for restructuring of $300,000 primarily to cover severance costs related to the combination of the Ithaca and Magnetec businesses under unified management.

Other Income. Other income (expense), net for the prior period includes a gain of $115,000 from a contingent payment from the fiscal 1995 sale of the Company's solenoid product line.

Provision for Income Taxes. The provision for income taxes for the nine months ended December 31, 1995 reflects an effective tax rate of 41.4%. The effective rate in the comparable prior period was 40%.

FISCAL 1995 COMPARED TO FISCAL 1994

Net Sales. Net sales for fiscal 1995 increased $9,564,000, or 40%, to $33,362,000 from $23,798,000 in fiscal 1994. The increase was primarily the result of increased unit shipments of printers into the POS and gaming and lottery markets.

Gross Profit. Gross profit increased $2,800,000, or 34%, to $11,013,000 from $8,213,000 in the prior year primarily due to increased sales in the gaming and lottery market. The gross margin declined to 33.0% from 34.5%. The decrease was due primarily to a larger proportion of sales of printers to distributors at lower average selling prices resulting from volume discount pricing.

Engineering and Product Development. Engineering, design and product development costs increased slightly from $1,687,000 to $1,708,000, but declined as a percentage of net sales from 7.1% to 5.1%. Increases in new product development costs related to printers for the POS market were offset by a reduction from the prior year in costs incurred related to a new on-line lottery printer, the development of which was substantially completed in fiscal 1994.

Selling, General and Administrative. Selling, general and administrative expenses increased $797,000, or 17%, from $4,803,000 to $5,600,000 in fiscal 1995, but declined as a percentage of net sales from 20.2% to 16.8%. The increase in selling expenses was the result of increased sales commissions and increased employee costs to support greater sales volume, as well as the opening of a European sales office. The increase in general and administrative expenses was primarily the result of additional employees to support business growth and increased compensation related expenses.

Other Income. Other income (expense), net for fiscal 1994 consisted primarily of a gain of $175,000 from the sale of the Company's solenoid product line. Other income (expense), net for fiscal 1995 included a gain of $115,000 from a contingent payment related to the same transaction.

Provision for Income Taxes. The provision for income taxes for fiscal 1995 reflects an effective tax rate of 39.9%. The effective rate in the prior period was 42.4%.

LIQUIDITY AND CAPITAL RESOURCES

The Company generated cash flows from operations of $1,431,000, $2,913,000, and $1,881,000 for fiscal years 1994 and 1995 and the nine months ended December 31, 1995, respectively. For the three months ended March 30, 1996, the Company used cash of $1,255,000 for operations, primarily for working capital to support increased sales.

Historically, the Company has participated in the centralized cash management system which Tridex uses to finance its domestic operations. Cash deposits from the Company have been transferred to Tridex on a daily basis and Tridex has funded the Company's disbursement bank accounts as required. Upon the completion of the Offering, the Company will no longer participate in the Tridex cash management system.

When necessary, the Company has obtained required funds in excess of cash flow from operations from Tridex. The Company provided sufficient cash to support its operations and to provide net cash to Tridex aggregating $1,580,000, $1,863,000 and $551,000 for fiscal years 1994 and 1995 and the nine months ended December 31, 1995, respectively. In the three months ended March 30, 1996, the Company required net funds in the aggregate amount of $1,111,000 from Tridex to fund its working capital needs, primarily to support increased sales.

The Company is currently negotiating to obtain an independent revolving credit facility from Tridex's lender. The Company expects to use borrowings on this credit facility to fund its short-term working capital requirements, as they arise.

The Company's capital expenditures were approximately $598,000, $1,203,000, $1,334,000 and $200,000 for fiscal years 1994 and 1995, the nine months ended December 31, 1995 and the three months ended March 31, 1996, respectively. These expenditures primarily included tooling and factory machinery and equipment. In addition, capital expenditures in fiscal 1995 and the nine months ended December 1995 included new leasehold and equipment purchases related to the relocation of the Company's Wallingford, Connecticut facility. The Company's capital expenditures for fiscal 1996 are expected to be approximately $2,400,000, relating primarily to new product tooling.

Management believes that the net proceeds from the Offering, after the payment of $8,500,000 of intercompany indebtedness to Tridex, together with the Company's cash flows from operations and available borrowings under its anticipated credit facility, will provide sufficient resources to meet the Company's working capital needs, finance its projected capital expenditures and meet its liquidity requirements through December 31, 1997.

BUSINESS

TRANSACT designs, develops, manufactures and markets transaction based printers and related products under the Ithaca and MAGNETEC brand names. The Company's printers are used to provide transaction records such as receipts, tickets, coupons, register journals and other documents. The Company focuses on four vertical markets: POS (from which the Company derived approximately 57.6% of its net sales in the nine months ended December 31, 1995); gaming and lottery (approximately 27.0% of net sales); financial services (approximately 7.7% of net sales); and kiosks (approximately 7.7% of net sales). The Company sells its products directly to end users, OEMs, VARs and selected distributors, primarily in the United States and Canada. The Company believes that its success to date has resulted, in part, from (i) the quality of its printers, which it believes exceed industry performance norms for durability and reliability and (ii) its flexible engineering and manufacturing systems, which enable it to design, manufacture and ship, on a short lead time basis, printers with features and functions chosen by its customers.

Transact manufactures and sells customizable and custom dot matrix and thermal printers for applications requiring up to 60 character columns in each of its four vertical markets. The Company also sells an 80 column laser printer for kiosk applications. The Company's customizable products include several series of printers which offer customers the ability to choose from a variety of features and functions. Options typically include different printing technologies, print speeds, paper handling capacities and numbers of print stations. In addition to its customizable printers, Transact manufactures custom printers for certain OEM customers. In collaboration with these customers, the Company provides engineering and manufacturing expertise for the design and development of specialized printers.

INDUSTRY OVERVIEW

The four vertical markets for transaction based printers addressed by the Company are as follows:

The POS Market. The POS market, the largest market served by the Company, consists primarily of retailers, including specialty stores, fast-food restaurants, convenience stores, gas stations, supermarkets and other retail outlets where a receipt or other printed transaction record is generated in connection with the sale of a product or service. Until the early 1980s, a small number of vertically integrated cash register manufacturers dominated the market for POS devices. The increased use of personal computers ("PCs") in the POS market and the trend toward open systems, in which hardware and software elements from different manufacturers can be combined to obtain the mix of features desired by the customer, has created opportunity in the POS market for manufacturers of peripheral devices, such as printers. Although PCs can be utilized in a wide range of POS applications with little or no alteration, a printer connected to a PC in a POS application must satisfy specialized requirements for features, functions and reliability. In the context of these requirements, manufacturers of POS printers have experienced increased demand for their products. According to a recent study by Venture Development Corp., the total number of POS printers sold in the United States in 1995 was estimated to be 570,000. The Company has identified the following four types of sales opportunities with respect to the POS market: (i) new POS systems being installed in existing retail operations; (ii) expansion by existing users of POS systems into additional locations; (iii) replacement of obsolete or worn out printers in the installed base of POS printers; and (iv) demand for POS printers in the international market.

The Gaming and Lottery Market. The gaming and lottery market is comprised of on-line lottery systems, casinos, keno systems, pari-mutuel betting, video lottery terminals ("VLTs") and other applications. The number of government sponsored lottery systems and licensed casinos has grown in recent years. The Company believes the gaming and lottery industry is established in the United States, with many states increasingly dependent on revenue from their lotteries and taxes on casinos and other forms of gaming. Total United States revenues from casinos, pari-mutuel betting and all forms of lotteries grew from approximately $643 million in 1984 to approximately $31.1 billion in 1994. Statistics obtained from LaFleur's World Lottery Almanac indicate that the number of installed on-line lottery terminals in the United States grew from approximately 96,000 in 1992 to approximately 125,000 in 1995, for a compound annual growth rate of approximately 9.3%, and that the number of installed on-line terminals outside the United States grew from

135,000 in 1994 to approximately 162,700 in 1995. This growth in the number of installed terminals has occurred while the number of states in the United States with on-line lottery systems has remained stable. The Company believes that the domestic installed base of on-line lottery systems will require new printers as existing terminals are replaced. The Company also believes that the international market will experience significant growth in new installations. The increased use of keno games, either in conjunction with on-line lottery systems or on a stand alone basis, has contributed to growth in the gaming and lottery market. From 1989 through 1995, revenue collected by state sponsored keno games grew from approximately $65.7 million in one state to approximately $1.3 billion in eleven states. Although the expansion of keno and other forms of gaming and lottery will depend, in part, on additional states and countries adopting enabling legislation, the Company believes that strong growth will continue and that, through its relationship with GTECH, it is well positioned to meet the increasing demand in this market.

The Financial Services Market. The financial services market is comprised of ATMs, bank teller systems and money order printers as well as printers used on the floor of the New York Stock Exchange and in brokerage houses. ATMs represent the largest sector of this market served by Transact. According to Retail Banking Research Ltd. ("Retail Banking"), the installed base of ATMs is approximately 123,000 units in the United States and approximately 483,000 units worldwide. Retail Banking reports that from 1994 to 1995 the number of ATMs installed worldwide increased 13.6% from approximately 425,000 units to approximately 483,000 units, and that regionally the number of installed ATMs increased 10.1% in Europe, from approximately 133,000 units to approximately 147,000 units, and 12.5% in the United States, from approximately 109,000 units to approximately 123,000 units. Many banks are deploying ATMs with an increasing array of products and services, which are available outside typical banking business hours. Mentis Corp. estimates that consumers used ATMs for approximately 15% of their retail banking transactions as of early 1996, that such utilization will increase to approximately 30% in 1997 and that by the year 2000 it will increase to between 40% and 50% of all retail banking transactions. As the banking industry has expanded applications for ATMs, the Company has sold over 60,000 ATM account statement printers. The Company has determined that, assuming utilization continues to rise and the banking industry continues to develop new applications, opportunities to sell existing products and develop new products should continue to expand.

The Kiosk Market. The kiosk market is an emerging market comprised of unattended, interactive devices used to supply information or otherwise complete transactions in retail, government, education and other settings. For example, home improvement retailers use kiosks to answer frequently asked questions and, based on consumer responses to computer prompting, generate printed reports with product suggestions and the in-store location of the products. State and local governments also use kiosks to provide routine services. Kiosk technology is an outgrowth of ATMs, but consumer acceptance and business utilization have not met the expectations of kiosk vendors. Studies indicate that by 1998 the total number of installed kiosks will approximate 500,000 and total sales will approximate $2.7 billion. The Company believes that as new applications and the installed base of kiosks increase, the opportunity for increased printer sales will follow.

Common Characteristics of the Four Vertical Markets. In each of the vertical markets discussed above, customers have, to varying degrees, a common set of requirements. These requirements include:

- Features and Functions -- A variety of features and functions, including, validation, journal and slip printing, paper cutting and paper handling, print speed, foreign language fonts, and firmware options, are required for applications in these markets;

- Durability and Reliability -- Printers in these four markets generally must be durable enough to provide a high level of performance while demonstrating high volume throughput, reduced service requirements and low error rates;

- Compatibility -- Users must be able to incorporate printers easily into a broad range of hardware/software configurations; and

- Service -- Customers require service in the following forms: (i) advice in selecting the appropriate printer for their particular application; (ii) real time order processing and tracking to inform them of the status of their orders; (iii) post-sale technical support to ensure satisfactory installation and use; and (iv) technical service and repair for warranty and non-warranty items. Large volume customers may also require maintenance and repair histories of individual products on a unit basis.

BUSINESS STRATEGY

Transact's goal is to become a leading worldwide supplier of transaction based printers and related products in each of its markets. Key elements of the Company's strategy include:

Focus on Four Vertical Markets. Transact has selected the four market sectors it currently serves based on the growth potential in each market, as well as the Company's evaluation of its ability to compete effectively with other suppliers. The Company believes it has significant brand recognition in each of these four markets. In its largest market, POS, Transact intends to leverage its brand recognition into a greater market share through the introduction of new products and broader distribution. In the gaming and lottery market, Transact intends to maintain its position as a primary supplier of on-line lottery impact printers to GTECH, the largest provider of on-line lottery systems in the world, and the primary supplier of impact printers for casino keno systems in Las Vegas and Reno, Nevada and Atlantic City, New Jersey. For the diverse financial services market, the Company intends to continue to offer a broad selection of products in the market for printing receipts, money orders, 60 column account statements and certain other financial transaction records. The Company currently provides bank account statement and money order printers to Interbold, the leading ATM manufacturer in the world. The kiosk market is in its development stage. In anticipation of future growth, Transact has developed a broad range of printers available for kiosk applications, including impact, thermal and laser printers. As this market grows, the Company intends to position itself as a leading supplier of kiosk printers.

Expand Product Lines. The Company is committed to capitalizing on its existing market position, technology and engineering expertise by developing new products as well as product line extensions. In January 1996, the Company announced its new Ithaca Series 90 impact printer, which will offer print speeds faster than similarly configured competitors' impact printers. Shipments in quantity are expected to commence later this year. The Company also has under development a new Ithaca thermal printer for the POS market, which it expects to release in the first half of 1997. The Company believes that continued introduction of technologically advanced products will increase its market share. The Company believes its accumulated engineering expertise and design technology enable it to complete new product designs in shortened development cycles.

Increase Geographic Market Penetration. Historically, the Company has sold its products primarily in the United States and Canada. The Company believes that significant opportunities exist to sell its products in markets outside North America. In order to penetrate these international markets, the Company has implemented a plan to establish distributor relationships in these growing markets. For example, the Company has entered into a strategic agreement with Okidata, pursuant to which the Company recently has entered into an exclusive sales and marketing agreement with Oki Europe to sell its POS and kiosk products in Europe, the Middle East and North Africa.

Emphasize Engineering Expertise. The Company has accumulated engineering expertise in transaction based printer applications and has built an interdisciplinary staff of design and engineering professionals to develop reliable printers with the features and functions required by its targeted markets. The Company believes its expertise in the technology required for printer applications in the transaction based market distinguish it from other printer manufacturers less focused on this market. For example, paper handling in a transaction based printer requires satisfying technical specifications which typically are significantly more demanding than specifications for other types of printers. Transact believes it has the ability to satisfy these specifications and to solve other technical requirements unique to its markets. The Company intends to fully utilize that ability in developing and marketing new products.

Capitalize on the Effectiveness of Its Flexible Manufacturing Systems. The Company's flexible manufacturing systems, based on standardized components and processes, enable the Company to produce customizable products without costly or time-consuming interruptions in manufacturing workflow. By utilizing such systems, the Company also achieves manufacturing efficiencies that allow it to ship products on a short lead time basis.

PRODUCTS AND SERVICES

Printers, in both stand alone and open frame configurations, are based on the following four technology platforms: dot matrix impact, thermal, laser or ink jet. Customers choose the technology required for an application based on compatibility, reliability and functionality requirements and operating costs. The Company's revenues result predominantly from sales of impact printers because most transaction based applications require the characteristics best provided by the impact technology platform. However, in accordance with its product line expansion strategy, the Company has begun pursuing market share and growth opportunities by providing printers based on thermal and laser technology. The Company manufactures customizable and custom printers. Custom printers are specialized products designed and manufactured for OEM customers. Customizable printers, based on a standardized chassis, include several series of printers which offer customers the ability to choose from a variety of optional features and functions available in that series.

Customizable Products. The Company's ability to produce customizable products is based upon its modular design approach, which facilitates the incorporation of optional features and functions into the standard model. List prices for Transact's customizable printers range from $400 to $3,000. Descriptions of the Company's printers are set forth below.

PRODUCT	TARGETED MARKETS	DATE FIRST SHIPPED	PRODUCT DESCRIPTION
Series 50.....	POS, Financial Services	1987	Stand alone dot matrix impact 40 column receipt and ticket printer which provides receipt, journal and/or 15 line validation printing.
Series 50Plus....	POS, Financial Services	1995	Series 50 printer enhanced to operate at a significantly higher speed.
Series 60.....	POS, Financial Services	1992	Stand alone printer for inserted forms, which provides any combination of slip, receipt and journal printing.
Series 70.....	Gaming and Lottery	1992	Open frame dot matrix printer, with cutting mechanism, designed to be integrated into a VLT with an optional paper transport and/or journal tape.
Series 90.....	POS, Financial Services	1996	Stand alone, high speed dot matrix printer with built-in universal power supply, which provides receipt, journal, slip and/or 17 line validation printing.
Series 3000.....	Kiosk	1993	Entry level open frame dot matrix impact printer with Transact's paper transport and cutting mechanisms.
Series 4000.....	POS, Gaming and Lottery, Financial Services, Kiosk	1985	Stand alone or open frame, dot matrix impact printer available with a full line of features.
Series 5000.....	Gaming and Lottery, Financial Services, Kiosk	1992	Direct thermal printer offering different types of exit systems such as automatic paper cutting, adjustable transport and patented self-clearing paper path.
Series 6000.....	POS, Gaming and Lottery, Financial Services, Kiosk	1986	Stand alone or open frame, 60 column dot matrix impact printer available with a full line of features.
Series 8000.....	Financial Services, Kiosk	1996	Laser printer to print on three paper sizes from software selectable bins, with a Transact paper transport system. Lowest operating cost currently available for laser printers.

Representative customers for the Company's customizable products include PAR Microsystems Corp. and Panasonic, systems integrators that provide POS systems to nationally recognized fast food outlets, Blockbuster Entertainment, Western Auto Supply and WMS Gaming Incorporated.

Custom Products. In addition to its customizable printers, Transact manufactures custom printers for certain OEM customers. The Company provides its engineering and manufacturing expertise to design and develop, in collaboration with these customers, specialized printers which meet the customer's specifications. Transact manufactures the following custom printers exclusively for the following OEM customers:

GTECH -- Transact manufactures for GTECH, the leading worldwide supplier of on-line lottery systems, a 27 wire printhead, open frame, open paper path, dot matrix printer. The Company began designing this printer in 1993 and manufacturing in 1995, and is the sole supplier of this printer pursuant to a manufacturing agreement, which expires in September 1998.

Interbold -- Transact manufactures for Interbold, a leading worldwide supplier of ATMs, a 60 column, 9 wire printhead, dot matrix printer with a document transport mechanism used to print bank account statements for customers at ATMs. Transact manufactures this custom printer for Interbold on an as ordered basis.

Other Products. In addition to printer products, the Company manufactures, designs and sells an optical mark-sense reader which uses a light source to read lottery, pari-mutuel betting and other gaming slips marked by consumers. Once the slips are read, a printer produces a lottery ticket or other gaming record. The Company also manufactures and sells document transport mechanisms required to deliver the finished printed output to the consumer in unattended applications, such as ATMs and kiosks. The Company also offers printer ribbons, paper and replacement parts for all its products.

Customer Service. The Company provides customers with telephone sales and technical support, a personal account representative for orders, shipping and general information and expedited shipping for orders of its customizable and custom products. Technical and sales support personnel receive training in all the Company's products and services manufactured at their facility. The Company's printers generally carry a one-year limited warranty. Two-year warranties are available for purchase to supplement the original warranty. During the nine months ended December 31, 1995 the Company derived approximately 10% of its revenues from the sale of spare parts and consumables, out-of-warranty services and extended maintenance agreements. The Company's costs to provide services and parts required under warranties have historically not been material.

PRODUCT DEVELOPMENT

In keeping with its strategy of enhancing and expanding its product lines, the Company has a number of products currently under development. Transact commenced shipments of its new Series 8000 laser printer for kiosk applications in June 1996. In January 1996, the Company announced its new Ithaca Series 90 impact printer, which offers print speeds faster than competitors' similarly configured impact printers. Shipments in quantity are expected to commence in the fourth quarter of 1996. The Company also has under development a new Ithaca thermal printer for the POS market, which it expects to release in the first half of 1997. In May 1996, Transact entered into a strategic agreement with Okidata, regarding a variety of joint sales, marketing and other opportunities. In conjunction with this agreement, the Company may collaborate with Okidata or its affiliates to design, manufacture and sell new products to meet a variety of market needs. Building on its proven products and technology, Transact intends to continue to develop new products that fulfill its customers' requirements at competitive prices.

MANUFACTURING

Transact's integration of computer aided design ("CAD") and computerized material requirements planning systems with its flexible manufacturing techniques supports efficient manufacturing and enables the delivery of finished products on a short lead time basis. The Company believes that these systems and techniques allow it not only to respond promptly to customer requirements but also to manage manufacturing operations in more efficient manner. The Company also believes this capability provides a significant advantage over Transact's principal competitors, most of which require substantial order lead time.

Transact utilizes CAD systems, designs its products on a modular basis that emphasizes the use of common parts in different models and organizes its manufacturing floors with a combination of assembly lines

and manufacturing cells. In the cell manufacturing system, a small group of employees, organized around a shared work area, assemble a complete product. Like assembly lines, these shared work areas are equipped with the tools and prepositioned components that may be needed to assemble a number of different products. The use of these cells enables the Company to switch from one product to another and to produce a large number of small orders efficiently using a small number of employees and floor space, compared to traditionally configured assembly lines. Employees at each of the Company's facilities are cross trained to assemble all products manufactured at their facility. The Company believes its utilization of CAD systems, manufacturing information systems, modularized product design, and standardized components and manufacturing processes provide an efficient combination of productivity and flexibility.

SALES, MARKETING AND DISTRIBUTION

Transact markets its products through a network of selected distributors, OEMs, VARs and systems integrators, as well as directly to end users. The Company's use of multiple sales channels allows it to reach customers of all sizes in each of its four vertical markets. The Company also utilizes a direct sales force comprised of eight employees located in Connecticut, New York, California, Georgia and the United Kingdom. Transact markets its custom products through a consultative sales process, in which its sales managers, engineers and designers collaborate with the technical staff of a customer or prospective customer to develop a printer which fulfills the customer's requirements. By contributing significantly to the product development process, Transact believes it also builds a competitive advantage into the customer relationship.

Transact also believes that its customer service activities constitute an integral part of the sales and marketing functions. Personal account representatives provide information regarding orders and shipping status, and technical support personnel receive training regarding other manufacturers' products, so they can assist customers with technical issues encountered when installing the Company's products in combination with products of other manufacturers.

In conjunction with the strategic agreement between Transact and Okidata, Transact entered into a separate agreement that establishes Oki Europe as the exclusive distributor of Transact's POS and kiosk products in Europe, the Middle East and North Africa. Although no minimum purchases are required under the agreement, based on Oki Europe's existing distribution network and the stage of development of the transaction based printer market in these areas, the Company anticipates this arrangement will contribute materially to its sales without requiring the Company to expand its own international sales and marketing infrastructure.

COMPETITION

The market for transaction based printers is extremely competitive, and the Company expects such competition to intensify in the future. The Company competes with a number of companies, many of which have greater financial, technical and marketing resources than the Company. The Company believes its ability to compete successfully depends on a number of factors both within and outside its control, including durability, reliability, quality, design capability, product customization, price, customer support, success in developing new products, manufacturing expertise and capacity, supply of component parts and materials, strategic relationships with other suppliers, the timing of new product introductions by the Company and its competitors, general market and economic conditions and, in some cases, the uniqueness of its products. Two of the Company's competitors, Epson and Star together control approximately 50% to 60% of the United States market for POS printers, a market in which the Company's strategy calls for increased market share. Other principal competitors include Axiohm, Citizen and DH Technology. Certain competitors of the Company with lower costs, attributable to higher volume production and off-shore manufacturing locations, offer lower prices than the Company from time to time. See "Risk Factors -- Competition."

In the gaming and lottery, financial services and kiosk markets, no single supplier holds a dominant position. Certain of the Company's products sold for gaming and lottery, kiosk and financial service applications compete based upon the Company's ability to provide highly specialized products, custom engineering and continuous technical support.

PROPERTIES

The Company leases approximately 36,000 square feet of manufacturing and office space in Ithaca, New York and approximately 44,000 square feet of manufacturing and office space in Wallingford, Connecticut, which includes the Company's corporate headquarters. The Company anticipates expanding the warehouse space in its Ithaca, New York facility. The Company believes its properties and equipment are in good operating condition and, with the expanded warehouse space, adequate for present needs.

SOURCES AND AVAILABILITY OF MATERIALS

The principal materials used in manufacturing are copper wire, magnetic metals, injection molded plastic parts, formed metal parts and electronic components. Although the Company could experience temporary disruption if certain suppliers ceased doing business with the Company, the Company's requirements generally are available from a number of sources. However, the Company is dependent upon Okidata for Oki Kits. The loss of the supply of Oki Kits would have a material adverse effect on the Company. Transact has a contract with Okidata to provide a sufficient quantity of Oki Kits until August 2000. Transact believes its relations with Okidata are good and has received no indication that the supply agreement will not be renewed beyond the expiration of the current contract. Transact cannot be certain, however, that the supply agreement will be renewed, or if renewed, that the terms will be as favorable as those under the current contract. See "Risk Factors -- Dependence on Certain Supplier."

INTELLECTUAL PROPERTY AND PROPRIETARY RIGHTS

The Company owns several patents, one of which it considers material. That patent covers an automated paper cut-off device, which is a feature offered on certain of the Company's POS printers. The Company regards certain manufacturing processes and designs to be proprietary and attempts to protect them through employee and third-party nondisclosure agreements and similar means. It may be possible for unauthorized third parties to copy certain portions of the Company's products or to reverse engineer or otherwise obtain and use, to the Company's detriment, information that the Company regards as proprietary. Moreover, the laws of some foreign countries do not afford the same protection to the Company's proprietary rights as do United States laws. There can be no assurance that legal protections relied upon by the Company to protect its proprietary position will be adequate or that the Company's competitors will not independently develop technologies that are substantially equivalent or superior to the Company's technologies.

The Company currently holds United States trademarks on the names Ithaca, 50Plus and PcOS, and has applied for registration of TRANSACT, MAGNETEC and Made to Order, Built to Last. Although the Company regards its trademarks and other proprietary rights as valuable assets and believes that they have significant value in the marketing of its products, the Company does not believe that its overall success is dependent upon legal protections afforded to its intellectual property rights. See "Risk Factors -- Intellectual Property and Proprietary Rights."

GOVERNMENT REGULATION AND INDUSTRY STANDARDS

Certain of the Company's products must comply with regulations promulgated by the Federal Communications Commission in the United States and CE Mark in the European Union. In addition, the Company must satisfy industry standards set by the Underwriters Laboratory in the United States, the Canadian Standards Association and TUV Rheinland or VDE in Germany. The Company's operations are also subject to certain federal, state and local requirements relating to environmental, waste management, health and safety regulations. In connection with the Plan of Reorganization, Tridex has agreed to indemnify the Company from any liabilities, including certain environmental liabilities, which could arise in connection with a manufacturing facility owned by Tridex and formerly operated by the Company. The Company believes its business currently is operated in compliance with applicable government regulations. There can be no assurance that future regulations will not require the Company to modify its products or operations to meet revised requirements. Failure to comply with future regulations could result in a material adverse effect on the Company's results of operations.

One of the Company's key customers, GTECH, must comply with statutes and regulations regarding on-line lotteries in the United States and numerous foreign jurisdictions. Failure by GTECH to comply with such statutes or regulations could result in a loss of orders from GTECH and have a material adverse effect on the Company's results of operations.

EMPLOYEES

As of June 1, 1996, the Company employed 218 persons, of which 195 were full-time and 23 were temporary employees. Of the full-time employees, 18 were employed in sales and marketing functions, 161 were employed in engineering and manufacturing functions, and the remaining 16 employees performed general and administrative functions. None of the Company's employees are covered by collective bargaining agreements. The Company considers its relationship with its employees to be good.

LITIGATION

As of the date of this Prospectus, the Company is not a party to any litigation which, if adversely determined, could have a material adverse impact on the business, financial condition or results of operations of the Company. From time to time the Company may be involved in litigation in the ordinary course of business, but the Company does not believe that such matters represent a material risk to the business, financial condition or results of operations of the Company.

MANAGEMENT

EXECUTIVE OFFICERS AND DIRECTORS

Information with respect to the executive officers and directors of the Company, all of whom were elected or appointed to such positions in June 1996, is set forth below:

NAME	AGE	POSITION
Thomas R. Schwarz(1)(2)	59	Chairman of the Board
Bart C. Shuldman	39	Chief Executive Officer, President and Director
Richard L. Cote	54	Executive Vice President, Chief Financial Officer, Treasurer and Director
Lucy H. Staley	45	Senior Vice President -- General Manager (Ithaca, New York facility)
John Cygielnik	51	Senior Vice President -- General Manager (Wallingford, Connecticut facility)
Michael S. Kumpf	46	Senior Vice President -- Engineering
Graham Y. Tanaka(1)(2)	48	Director
Charles A. Dill(1)(2)	57	Director

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(1) Member-designate of the Audit Committee

(2) Member-designate of the Compensation Committee

THOMAS R. SCHWARZ, Chairman of the Board, was Chairman of Grossman's Inc., a retailer of building materials, from 1990 to 1994. From 1980 to 1990, he was President, Chief Operating Officer and a director of Dunkin' Donuts Incorporated, a food service company. Mr. Schwarz has been a Director of Tridex since 1995. He is also a director of Lebhar-Friedman Publishing Company.

BART C. SHULDMAN, Chief Executive Officer, President and Director, joined Magnetec as Vice President of Sales and Marketing in April 1994 and has served as President of Magnetec since August 1994 and President of the combined operations of Ithaca and Magnetec since December 1995. Prior to joining Magnetec, he held several management positions with Mars Electronics International, a division of Mars, Incorporated from 1989 to 1993. Most recently, he was Business Manager for the North American Amusement, Gaming and Lottery operations. From 1979 to 1989, he held manufacturing and sales management positions with General Electric Company.

RICHARD L. COTE, Executive Vice President, Chief Financial Officer and Director, has served as Senior Vice President and Chief Financial Officer of Tridex since September 1993. Mr. Cote joined Tridex as a Vice President in June 1993. From October 1991 to March 1993, he was a self-employed management consultant. From January 1991 to September 1991, he was Vice President and Corporate Controller of Wang Laboratories, Inc. From November 1989 to December 1990, he was Executive Vice President of Capital Resources Management, Inc. Previously, Mr. Cote held management positions with Emhart Corporation, Xerox Corporation and Price Waterhouse LLP.

LUCY H. STALEY, Senior Vice President-General Manager (Ithaca, New York facility), has served as a Vice President of Ithaca since she joined the Company in 1984. From 1984 until 1990, when Tridex acquired Ithaca, Ms. Staley also served as Treasurer of Ithaca. From 1982 until 1984, Ms. Staley served as Vice President and Treasurer of Rome Cable Corporation, and from 1975 until 1982 was employed as a certified public accountant with KPMG Peat Marwick.

JOHN CYGIELNIK, Senior Vice President-General Manager (Wallingford, Connecticut facility) joined Magnetec as Controller in 1992, and has served as Vice President of Finance of Magnetec since 1993. From 1976 until 1992, Mr. Cygielnik was employed by Data General Corporation, a computer hardware manufacturer, where he served in various positions, most recently as Controller for Manufacturing and Field Service Operations.

MICHAEL S. KUMPF, Senior Vice President-Engineering, has served as Vice President of Engineering of Ithaca since he joined the Company in 1991. From 1973 until 1991, Mr. Kumpf was employed by NCR Corporation, where his most recent position was Director of Engineering-Retail Systems Printer Division.

GRAHAM Y. TANAKA, Director, has served as a Director of Tridex since 1988. Mr. Tanaka has been President of Tanaka Capital Management, Inc., an investment management firm, since 1986. From 1989 until 1996, Mr. Tanaka was a limited partner of McFarland Dewey & Co., a financial advisor to the Company and Tridex.

CHARLES A. DILL, Director, is a General Partner of Gateway Associates, a venture capital firm. Mr. Dill has served as Chairman of Saleskit Software Inc. since 1995. From 1991 until 1995 Mr. Dill served as President, Chief Executive Officer and a Director of Bridge Information Systems, Inc. and from 1988 to 1990 he was President, Chief Operating Officer and a Director of AVX Corporation. Mr. Dill currently serves as a Director of Zoltek Companies, Inc. and Stifel Financial Corp. Prior to 1988, Mr. Dill was Senior Vice President and a member of the Office of the Chief Executive of Emerson Electric Company.

THE BOARD OF DIRECTORS AND CERTAIN BOARD COMMITTEES

The Certificate of Incorporation of the Company provides for the Board of Directors to be divided into three classes of directors serving staggered three year terms, with the initial terms of Messrs. Schwarz and Shuldman expiring in 1999, the initial terms of Messrs. Cote and Tanaka expiring in 1998 and the initial term of Mr. Dill expiring in 1997. See "Description of Capital Stock -- Anti-Takeover Effects of Certain Statutory and Charter Provisions -- Classified Board of Directors."

The Board of Directors will establish an Audit Committee to recommend the firm to be appointed as independent accountants to audit the Company's financial statements and to perform services related to the audit, review the scope and results of the audit with the independent accountants, review with management and the independent accountants the Company's year-end operating results, consider the adequacy of the Company's internal accounting and control procedures, review the non-audit services to be performed by the independent accountants and consider the effect of such performance on the accountants' independence. The Audit Committee will consist of Messrs. Schwarz, Tanaka and Dill, with Mr. Dill as the Chairman.

The Board of Directors will also establish a Compensation Committee and a Nominating Committee. The Compensation Committee, which will consist of Messrs. Schwarz, Tanaka and Dill, with Mr. Schwarz as the Chairman, will review and recommend the compensation arrangements for all directors and officers, approve such arrangements for other senior level employees and administer and take such other action as may be required in connection with certain compensation plans of the Company. The Nominating Committee, which will consist of the full Board of Directors, will nominate persons for election to the Board of Directors. The Nominating Committee will consider nominees recommended by stockholders in accordance with the procedure described under "Description of Capital Stock -- Anti-Takeover Effects of Certain Statutory and Charter Provisions."

COMPENSATION OF DIRECTORS

The Company's policy for compensation of Directors will provide that each outside director, in addition to participation in the Directors' Plan described below under "Stock Plans," of the Company will be entitled to receive (i) $750 for each Board of Directors' meeting attended ($250 for each telephonic meeting), (ii) $300 for each Board of Directors' committee meeting attended and (iii) $2,000 for each fiscal quarter served as Director as compensation for services rendered and expenses incurred. Chairmen of committees will receive $600 for each committee meeting. Directors occasionally may be asked to perform additional services for the Company for additional compensation.

COMPENSATION OF EXECUTIVE OFFICERS

The following table summarizes the compensation paid or accrued by the Company to its Chief Executive Officer and each of its three most highly compensated executive officers who earned more than $75,000 ($100,000 if annualized) in salary and bonus in the nine months ended December 31, 1995 for services rendered in all capacities to the Company during that period.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	ANNUAL COMPENSATION SALARY(1)	BONUS	ALL OTHER COMPENSATION(2)
Bart C. Shuldman..... Chief Executive Officer and President	$ 107,963	$16,000	$ 5,217
Richard L. Cote(3)..... Executive Vice President and Chief Financial Officer	--	--	--
Lucy H. Staley..... Senior Vice President -- General Manager (Ithaca, New York facility)	78,862	7,857	4,858
John Cygielnik..... Senior Vice President -- General Manager (Wallingford, Connecticut facility)	68,203	8,539	4,932
Michael S. Kumpf..... Senior Vice President -- Engineering	83,962	8,539	4,932

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(1) Includes a portion of salary deferred under the Tridex 401(k) plan and monthly automobile allowances of $400 for Mr. Shuldman, $350 for Ms. Staley and $350 for Mr. Kumpf.

(2) Includes aggregate value of contributions under the Tridex 401(k) plan in the nine months ended December 31, 1995.

(3) Mr. Cote was not an employee of Transact during the nine months ended December 31, 1995.

The Company intends to enter into employment agreements with Messrs. Shuldman and Cote, providing for initial annual base salaries of $185,000 and $150,000, respectively. See "-- Employment and Severance Agreements." The Company expects the total amount of salary paid in 1996 to Ms. Staley, Mr. Cygielnik and Mr. Kumpf will equal approximately $119,000, $104,000 and $122,000, respectively.

Executive Incentive Compensation Plan. Until the completion of the Distribution, employees of the Company will continue to participate in the Tridex incentive compensation plan. Upon completion of the Distribution, the Company intends to establish an Executive Incentive Compensation Plan for the purpose of providing certain incentives to officers and other key employees of the Company. Annual cash awards will be made to eligible employees as determined by the Compensation Committee, subject to the terms and conditions of the Plan. Awards will be equal to a percentage of base salary specified in the plan by reference to the level of achievement of objectives set in connection with the annual business planning process, up to a maximum of 35% of base salary.

The 401(k) Plan. Until the completion of the Distribution, employees of the Company will participate in the Tridex 401(k) plan. Upon completion of the Distribution, the Company intends to establish the Transact Technologies Retirement Plan (the "401(k) Plan"), a defined contribution plan which is intended to qualify under Sections 401(a) and 501(a) of the Code. All employees of the Company and certain affiliates will be eligible to participate in the 401(k) Plan.

Under the 401(k) Plan, a participant may elect to save between 1% and 15% of eligible annual compensation on a pre-tax basis, subject to limitations contained in the Code. The Company will be obligated to make a matching contribution in an amount equal to 37.5% of the first 4% of a participant's compensation contribution to the 401(k) Plan. Eligible compensation is all compensation received by the participant not in excess of $9,500 in 1996. The Company may, at the discretion of the Board, contribute additional amounts to the 401(k) Plan for the benefit of participants.

Amounts contributed to the 401(k) Plan by the participant and the Company will be invested as designated by the participant. A participant is always fully vested in his savings contributions, and earns a vested right to all Company contributions made on his behalf after six years of vesting services with the Company, or upon the occurrence of death, disability or retirement at age 65. A participant may not withdraw any portion of his vested account from the 401(k) Plan during employment.

Stock Plan. The Stock Plan, which has been approved by Tridex, as the sole stockholder of the Company, and which will be approved by the Board of Directors prior to the completion of the Offering, provides for the grant of awards covering a maximum of 600,000 shares of Common Stock to officers and other key employees of the Company.

Awards under the Stock Plan may be granted in the form of: (i)incentive stock options within the meaning of Section 422 of the Code ("Incentive Stock Options"); (ii) Options not intended to qualify as Incentive Stock Options ("Non-qualified Stock Options"); (iii) shares of Common Stock subject to specified restrictions ("Restricted Shares"); (iv) restricted units which entitle the holder thereof to receive one share of Common Stock (or equivalent cash payments) for each unit in increments during a restricted period ("Restricted Units"); (v) stock appreciation rights ("SARs") accompanying options or granted separately; or (vi) limited stock appreciation rights ("Limited SARs") accompanying options which are exercisable for cash upon a change of control. Except for Incentive Stock Options, there are no limitations on the aggregate number of shares of Common Stock which can be granted pursuant to such awards to any one individual. Shares reserved for issuance, but never issued, such as shares covered by expired or terminated options, generally will be available for subsequent awards.

The Stock Plan will be administered by the Compensation Committee, which will have the authority subject to the terms of the Stock Plan to determine persons to whom awards may be granted. Generally, the terms and conditions of awards under the Stock Plan, include: (i) the number of shares of Common Stock covered by each award; (ii) the vesting schedule of options or the restricted period for Restricted Shares or Restricted Unit awards; (iii) the duration of an option, which, in the case of Incentive Stock Options, cannot exceed ten years (or five years if granted to a 10% or greater stockholder); (iv) the exercise price of options, which, in the case of Incentive Stock Options, cannot be less than the market price of Common Stock on the date of grant (or not less than 110% of such market price if granted to a 10% or greater stockholder); and (v) events which accelerate the exercisability of options or termination of restrictions, such as a change of control. All options, SARs and Limited SARs are nontransferable other than by will or the laws of descent and distribution. All restrictions on Restricted Shares or Restricted Units lapse upon the death or total disability of an employee.

An option may be exercised by payment of the option price in cash (including money loaned by the Company to the optionee in compliance with applicable law and on such terms and conditions as the Compensation Committee may determine), or subject to the approval of the Compensation Committee, by payment in already owned shares of Common Stock or surrender of outstanding awards under the Stock Option Plan. The Compensation Committee, in its sole discretion, may determine that upon exercise of such option, no shares of Common Stock will be delivered and the employee will be entitled only to cash equal to the "appreciation value" (i.e., the aggregate fair market value of shares subject to the option less the aggregate exercise price of the option). Similarly, upon exercise of an SAR, the holder is entitled to receive cash, shares of Common Stock or a combination thereof in an amount equal to the appreciation value of shares covered by the SAR.

The Board of Directors of Tridex has recommended, and the Compensation Committee will grant, incentive stock options for approximately 165,000 shares in the aggregate, under the Stock Plan to

Mr. Shuldman, Mr. Cote, Ms. Staley, Mr. Cygielnik and Mr. Kumpf. The grant of these options is effective as of the date hereof, the exercise price is the initial public offering price per share paid for shares in the Offering and rights under these options will vest in five equal annual installments commencing on the first anniversary of the Offering. These options are exercisable for 10 years and are subject to all of the terms and provisions of the Stock Plan.

The Board of Directors of Tridex has recommended, and the Compensation Committee will grant, restricted shares in the aggregate amount of approximately 39,600 shares to Mr. Shuldman, Mr. Cote, Ms. Staley, Mr. Cygielnik and Mr. Kumpf effective immediately after the completion of the Distribution.

Directors' Stock Plan. The Directors' Plan, which will be adopted by the Board of Directors and Tridex, as the sole stockholder of the Company, prior to completion of the Offering, provides that each non-employee director (a "participant") who is director at the time of the Offering will be granted an initial non-qualified option to purchase 10,000 shares of Common Stock as of the date of the Offering. Any person who becomes a participant after the date of the Offering will be awarded non-qualified options to purchase 5,000 shares of Common Stock effective as of the date of their election. Beginning in 1997, annual grants of non-qualified options to purchase 2,500 shares will be made, as of the first Board of Directors meeting after the annual meeting of stockholders, to each participant other than a director who is first elected at such annual meeting or within six months prior to such meeting. In each case, the exercise price will be equal to the market price on the date of grant. Options shall have a ten year term and will vest over a five year period, unless automatically accelerated in the event of death, disability or a change in control. Options may be exercised in whole or in part with cash, Common Stock or both. A total of 60,000 shares of Common Stock will be reserved for issuance under the Director Plan.

EMPLOYMENT AND SEVERANCE AGREEMENTS

The Company and Mr. Shuldman will enter into an employment agreement which provides for an initial term of two years and an initial annual base salary of $185,000, subject to adjustment in the discretion of the Compensation Committee, plus an opportunity to earn cash bonus under the Company's Executive Incentive Compensation Plan. The employment agreement also provides for insurance and other benefits, continuation of salary and benefits in the event of termination, other than termination for cause, or following a change of control of the Company, and contains a non-competition provision.

The Company and Mr. Cote will enter into an employment agreement which provides for an initial term of two years and an initial annual base salary of $150,000, subject to adjustment at the discretion of the Compensation Committee, plus an opportunity to earn cash bonus under the Executive Incentive Compensation Plan. The employment agreement also provides for insurance and other benefits, continuation of salary and benefits in the event of termination, other than termination for cause, or following a change of control of the Company, and contains a non-competition provision.

The Company also will enter into severance agreements with Ms. Staley, Mr. Cygielnik, Mr. Kumpf and certain other employees. The severance agreements will provide for continuation of salary and certain benefits for a period of six months following a termination of employment other than for cause (as defined in the agreements) and, for the continuation of salary, the acceleration of vesting of all stock options and the continuation of certain benefits for one year following a change of control of the Company (as defined in the agreements).

TRIDEX AS PRINCIPAL STOCKHOLDER

As of the completion of the Offering, Tridex will own approximately 82.4% (approximately 80.3% if the Underwriters' over-allotment option is exercised in full) of the outstanding Common Stock. As described under "The Company -- Background of the Offering and the Distribution," Tridex intends to distribute its ownership interest in the Company to the stockholders of Tridex as soon as practicable after the completion of the Offering through the Distribution. See "Risk Factors -- Risk of Non-Completion of the Distribution Transaction."

SECURITY OWNERSHIP IN TRIDEX OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as to the beneficial ownership of the common stock of Tridex and the anticipated ownership of Common Stock of the Company for each person who beneficially owns more than five percent of the common stock of Tridex as of June 24, 1996, each Director and Executive Officer of Tridex or the Company and all Directors and Executive Officers of the Company or Tridex as separate groups. The amounts set forth in this table are based on ownership of common stock of Tridex as of June 24, 1996 and assume (i) the completion of the Offering, without the exercise of the Underwriters' over-allotment option (ii) the completion of the Distribution and (iii) that all owners of securities exercisable for or convertible into shares of Tridex common stock will exercise or convert all such securities prior to the record date for the Distribution. The amounts in this table do not include any options that may be granted pursuant to the Company's Stock Plan. For all Directors and Executive Officers of the Company, the address for each beneficial owner listed below is 7 Laser Lane, Wallingford, Connecticut 06492. For all other beneficial owners other than Jack Silver, the address is 61 Wilton Road, Westport, CT 06880.

	TRIDEX COMMON STOCK		COMPANY COMMON STOCK	
	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP(1)	PERCENT OF CLASS	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP(1)	PERCENT OF CLASS
TRIDEX EXECUTIVE OFFICERS AND DIRECTORS(2)				
Seth M. Lukash	535,418(3)	13.1%	597,418	9.1%
Dennis J. Lewis	99,614(4)	2.5	121,514	1.9
George T. Crandall	24,201(5)	*	32,001	*
Alvin Lukash	116,603(6)	2.9	116,603	1.8
Paul J. Dunphy	34,950(7)	*	34,950	*
Hugh Burnett	7,000(8)	*	22,500	*
C. Alan Peyser	0(9)	*	0	*
All Directors and Executive Officers of Tridex as a group (7 persons)	711,483	16.6	818,683	12.5
TRANSACT EXECUTIVE OFFICERS AND DIRECTORS				
Bart C. Shuldman	26,600(10)	*	72,100	1.1
Richard L. Cote	24,006(11)	*	72,007	1.1
Lucy H. Staley	18,775(12)	*	27,175	*
Michael S. Kumpf	15,600(13)	*	24,000	*
John Cygielnik	5,120(14)	*	9,800	*
Graham Y. Tanaka+	79,460(15)	2.0	79,460	1.2
Thomas R. Schwarz+	0(16)	*	0	*
Charles A. Dill	0	*	0	*
All Directors and Executive Officers of Transact as a group (8 persons)	169,561	4.3	284,542	4.3
OTHER BENEFICIAL OWNER				
Jack Silver 150 East 58th Street New York, NY 10155	249,707(17)	6.3	249,707	3.8

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* Less than 1%.

\+ Indicates a director of both the Company and Tridex.

(1) Except as otherwise indicated, each of the person named in the table has sole voting power and sole investment power with respect to the shares set forth opposite his or her name. The number of shares shown below include options subject to accelerated vesting prior to the Distribution.

(2) After the completion of the Distribution, the individuals listed in this section of the table will be executive officers or directors of Tridex but not the Company.

(3) Includes (i) 11,110 shares issuable upon the conversion of $100,000 principal amount of the Tridex 10.5% Senior Subordinated Convertible Debentures due December 31, 1997 (the "Debentures"), (ii) 1,000 shares issuable upon exercise of the detachable Warrant to Purchase Common Stock of Tridex (the "Private Placement Warrants"), issued in conjunction with the Debentures, (iii) 96,303 shares subject to an option granted to Seth M. Lukash by Alvin Lukash which expires on December 31, 1997, (iv) 10,000 shares held of record by Seth M. Lukash as trustee of The Alvin Lukash Grantor Trust, (v) 18,000 shares subject to options currently exercisable under the Tridex 1989 Long Term Incentive Plan (the "1989 Plan") and (vi) 16,500 shares issuable upon exercise of an option agreement dated March 30, 1994 between Mr. Lukash and Tridex, which may be purchased at a price of $7.25 per share prior to March 30, 2000. Does not include (i) 10,000 shares held of record by Ralph I. Fine as a trustee of The Seth M. Lukash Trust of February 5, 1987, an irrevocable trust for the benefit of the nieces and nephews of Seth M. Lukash, under which Mr. Lukash retains no voting or investment power, (ii) 62,000 shares subject to options not presently exercisable under the 1989 Plan or (iii) 8,500 shares subject to an option agreement dated March 30, 1994 between Mr. Lukash and Tridex, which may be purchased at a price of $7.25 per share prior to the fifth anniversary of the date of the option becoming exercisable on March 30, 1997.

(4) Includes (i) 60,849 shares issuable upon conversion of $730,198 principal amount of Tridex 8% Subordinated Convertible Term Promissory Notes due 1997 (the "Notes"), (ii) 16,665 shares issuable upon conversion of $150,000 principal amount of Debentures, (iii) 1,500 shares issuable upon exercise of Private Placement Warrants and (iv) 19,600 shares subject to options currently exercisable under the 1989 Plan. Does not include 21,900 shares subject to options not presently exercisable under the 1989 Plan.

(5) Includes 22,700 shares subject to options currently exercisable under the 1989 Plan. Does not include 7,800 shares subject to options not currently exercisable under the 1989 Plan.

(6) Includes (i) 10,000 shares held of record by Ralph I. Fine as trustee of The Alvin Lukash Grantor Trust, (ii) 96,303 shares subject to an option granted to Seth M. Lukash by Alvin Lukash which expires on December 31, 1997, (iii) 5,350 shares held of record by his wife, Mildred Lukash and (iv) 4,950 shares issuable upon exercise of an option agreement dated March 30, 1994 between Mr. Lukash and Tridex, which may be purchased at a price of $7.25 per share prior to March 30, 2000. Does not include 2,550 shares subject to an option agreement dated March 30, 1994 between Mr. Lukash and Tridex, which may be purchased at a price of $7.25 per share prior to the fifth anniversary of the date of the option becoming exercisable on March 30, 1997.

(7) Includes (i) 7,500 shares subject to a warrant agreement, dated April 16, 1992, between Mr. Dunphy and Tridex, which may be purchased at a price of $5.25 per share at any time prior to April 16, 1997, (ii) 7,500 shares subject to a warrant agreement, dated February 8, 1993, between Mr. Dunphy and Tridex, which may be purchased at a price of $9.25 per share at any time prior to February 8, 1998 and (iii) 4,950 shares issuable upon exercise of an option agreement dated March 30, 1994 between Mr. Dunphy and Tridex, which may be purchased at a price of $7.25 per share prior to March 30, 2000. Does not include (i) 2,550 shares subject to an option agreement dated March 30, 1994 between Mr. Dunphy and Tridex, which may be purchased at a price of $7.25 per share prior to the fifth anniversary of the date of the option becoming exercisable on March 30, 1997, or (ii) 2,500 shares subject to an option agreement dated September 19, 1995 between Mr. Dunphy and Tridex, which may be purchased at a price of $9.00 per share prior to the fifth anniversary of the date of the option becoming exercisable, such exercisability to be 825 shares on September 19, 1996, 825 shares on September 19, 1997 and 850 shares on September 19, 1998 or (iii) 2,500 shares subject to a warrant agreement, dated May 30, 1996 between Mr. Dunphy and Tridex, which may be purchased at a price of $11.75 per share prior to the fifth anniversary of the date of the option becoming exercisable, such exercisability to be 825 shares on May 30, 1997, 825 shares on May 30, 1998 and 850 shares on May 30, 1999.

(8) Includes 7,000 shares subject to options currently exercisable under the 1989 Plan. Does not include 15,500 shares subject to options not presently exercisable under the 1989 Plan.

(9) Does not include (i) 5,000 shares subject to an option agreement dated September 19, 1995 between Mr. Peyser and Tridex, which may be purchased at a price of $9.00 per share prior to the fifth anniversary of the date of the option becoming exercisable, such exercisability to be 1,650 shares on September 19, 1996, 1,650 shares on September 19, 1997 and 1,700 shares on September 19, 1998 or (ii) 2,500 shares subject to a warrant agreement, dated May 30, 1996 between Mr. Peyser and Tridex, which may be purchased at a price of $11.75 per share prior to the fifth anniversary of the date of the option becoming exercisable, such exercisability to be 825 shares on May 30, 1997, 825 shares on May 30, 1998 and 850 shares on May 30, 1999.

(10) Includes 19,500 shares subject to options currently exercisable under the 1989 Plan. Does not include 45,500 shares subject to options not presently exercisable under the 1989 Plan.

(11) Includes 22,000 shares subject to options currently exercisable under the 1989 Plan. Does not include 48,000 shares subject to options not currently exercisable under the 1989 Plan.

(12) Includes 13,100 shares subject to options currently exercisable under the 1989 Plan. Does not include 8,400 shares subject to options not currently exercisable under the 1989 Plan.

(13) Includes 9,600 shares subject to options currently exercisable under the 1989 Plan. Does not include 8,400 shares subject to options not currently exercisable under the 1989 Plan.

(14) Includes 4,620 shares subject to options currently exercisable under the 1989 Plan. Does not include 4,680 shares subject to options not currently exercisable under the 1989 Plan.

(15) Includes (i) 7,500 shares subject to a warrant agreement, dated February 8, 1993, between Mr. Tanaka and Tridex, which may be purchased at a price of $9.25 per share at any time prior to February 8, 1998, (ii) 11,110 shares issuable upon the conversion of $100,000 principal amount of the Debentures (iii) 1,000 shares issuable upon the exercise of Private Placement Warrants and (iv) 4,950 shares issuable upon exercise of an option agreement dated March 30, 1994 between Mr. Tanaka and Tridex, which may be purchased at a price of $7.25 per share prior to March 30, 2000. Does not include (i) 2,550 shares subject to an option agreement dated March 30, 1994 between Mr. Tanaka and Tridex, which may be purchased at a price of $7.25 per share prior to the fifth anniversary of the date of the option becoming exercisable on March 30, 1997 (ii) 2,500 shares subject to an option agreement dated September 19, 1995 between Mr. Tanaka and Tridex, which may be purchased at a price of $9.00 per share prior to the fifth anniversary of the date of the option becoming exercisable, such exercisability to be 825 shares on September 19, 1996, 825 shares on September 19, 1997 and 850 shares on September 19, 1998 or (iii) 2,500 shares subject to a warrant agreement, dated May 30, 1996 between Mr. Tanaka and Tridex, which may be purchased at a price of $11.75 per share prior to the fifth anniversary of the date of the option becoming exercisable, such exercisability to be 825 shares on May 30, 1997, 825 shares on May 30, 1998 and 850 shares on May 30, 1999.

(16) Does not include (i) 5,000 shares subject to an option agreement dated September 19, 1995 between Mr. Schwarz and Tridex, which may be purchased at a price of $9.00 per share prior to the fifth anniversary of the date of the option becoming exercisable, such exercisability to be 1,650 shares on September 19, 1996, 1,650 shares on September 19, 1997 and 1,700 shares on September 19, 1998 or (ii) 2,500 shares subject to a warrant agreement, dated May 30, 1996 between Mr. Schwarz and Tridex, which may be purchased at a price of $11.75 per share prior to the fifth anniversary of the date of the option becoming exercisable, such exercisability to be 825 shares on May 30, 1997, 825 shares on May 30, 1998 and 850 shares on May 30, 1999.

(17) Based solely upon the Schedule 13D filed by Mr. Silver with the Securities and Exchange Commission on October 11, 1995, (a) Mr. Silver has sole voting power and sole dispositive power with respect to all 249,707 shares and (b) 147,707 of such shares are held of record by Mr. Silver directly, 82,000 are held of record by the Siar Money Purchase Pension Plan, and 20,000 are held of record by Shirley Silver, Mr. Silver's wife, as custodian for his children.

RELATIONSHIP BETWEEN THE COMPANY AND TRIDEX

PLAN OF REORGANIZATION

Tridex, the Company, Magnetec and Ithaca entered into a Plan of Reorganization which, among other things, provides for: (i) the merger of Ithaca into Magnetec; (ii) the sale by the Company to Tridex of certain assets used in manufacturing a printer ribbon product line; (iii) the issuance by the Company of 5,400,000 shares of Common Stock to Tridex in exchange for all of the outstanding shares of capital stock of Magnetec; (iv) the Offering; (v) the payment by the Company of approximately $8.5 million of indebtedness to Tridex with a portion of the proceeds of this Offering; (vi) the execution by the Company and Tridex of the agreements described below under "Corporate Services Agreement," "Tax Sharing Agreement," "Printer Supply Agreement" and "Agreement Regarding Ribbon Business" (vii) an undertaking by Tridex to apply for a ruling from the IRS that the Distribution after this Offering of all shares of capital stock of the Company held by Tridex to the stockholders of Tridex would be tax-free to such stockholders for federal income tax purposes; and (viii) an undertaking by Tridex to effect the Distribution upon the satisfaction of certain conditions precedent, including the successful completion of this Offering, the completion of the transaction described under "Agreement Regarding Ribbon Business" and the receipt of a favorable ruling from the IRS.

In the Plan of Reorganization, Tridex also agreed, for five years after the completion of the Distribution, not to compete with the Company in the design, manufacture or sale of transaction based printers for the POS, gaming and lottery, financial services and kiosk markets in any geographic market in which the Company is then doing business. The Plan of Reorganization may be amended only by the agreement of the Company and Tridex.

CORPORATE SERVICES AGREEMENT

As provided in the Plan of Reorganization, the Company and Tridex will enter into a Corporate Services Agreement (the "Services Agreement"), under which Tridex and its subsidiaries (other than the Company) will provide certain services, including certain employee benefit administration, human resource and related services, administrative services, risk management, regulatory compliance, preparation of tax returns, and certain financial and other services to the Company. Under the Services Agreement, the Company will pay Tridex the direct cost to Tridex of providing such services or, when the direct cost cannot be determined, an amount of Tridex's cost allocated in accordance with Tridex's historical method of allocation. Upon the mutual agreement of Tridex and the Company, services may continue to be provided after the dates provided in the Services Agreement.

TAX SHARING AGREEMENT

The Tax Sharing Agreement between the Company and Tridex will provide the terms under which the Company is to be included in Tridex's consolidated federal income tax return. Under current federal tax law, the Company will be included in the return so long as Tridex owns at least 80% of the total voting power of the Company's stock, which has a value equal to at least 80% of the total value of the stock of the Company. The Tax Sharing Agreement covers the period from the effective date of the Prospectus until the effective date of the Distribution or such time as the Company otherwise ceases to be eligible to be included in the consolidated return of Tridex. During this period, for financial accounting purposes, the Company will compute its income tax expense or benefit as if it filed separate returns using those elements of income and expense as reported in the Company's financial statements. If the Company incurs losses or realizes tax credits, Tridex will pay to the Company the amount of any tax reduction Tridex realizes by utilizing those losses or credits in its consolidated income tax return. In addition, at the time of utilization of any existing tax attributes, the Company will pay to Tridex the tax benefit the Company obtains by utilizing such tax attributes. Any tax deficiencies or refunds resulting from amending prior year tax returns or examinations by the taxing authorities will be the responsibility of or inure to the benefit of the Company to the extent they relate to the Company or its predecessor entities.

PRINTER SUPPLY AGREEMENT

The Printer Supply Agreement, which will have an initial term expiring on December 31, 1998, provides for the Company to sell to Ultimate, which will remain a subsidiary of Tridex, and for Ultimate to purchase from the Company, POS printers at price levels historically offered to Ultimate as a subsidiary under common ownership with the Company. In consideration for these favorable price terms, the Printer Supply Agreement will require Ultimate to continue to purchase from the Company a percentage of its total printer requirements at least equal to the historical percentage of such purchases.

AGREEMENT REGARDING RIBBON BUSINESS

Tridex and the Company will enter into an agreement regarding the transfer by the Company to Tridex of substantially all of the assets used in connection with a line of business involving the manufacture, marketing and sale of ribbons for use in certain printers manufactured by the Company (the "Ribbon Business"). Under the agreement, Tridex will become the owner of the Ribbon Business and will employ the manufacturing and supervisory personnel required to conduct such business, and the Company will provide Tridex with space within its Wallingford, Connecticut manufacturing facility and certain support services. The combined financial statements of the Company exclude the assets and liabilities of the Ribbon Business. The fair market value of the Ribbon Business was approximately $250,000, as determined by McFarland, Dewey and Co., financial advisors to Tridex and the Company. As a monthly fee for the space and support services provided to Tridex for the Ribbon Business, Tridex will pay the Company an amount equal to the direct and indirect costs incurred by the Company to provide the space and render such services, plus certain related costs.

FINANCIAL ADVISORY SERVICES

McFarland Dewey & Co., a New York investment banking firm ("McFarland Dewey"), acts as financial advisor to Tridex and the Company, and has provided financial advisory services to Tridex since 1989. These services include advice in connection with the Plan of Reorganization, the Distribution and the Offering. Pursuant to agreement, the Company will pay McFarland Dewey a fee of $300,000, plus reimbursement of out-of-pocket expenses, for these services and the Company has agreed to indemnify McFarland Dewey against certain liabilities, including liabilities under the federal securities laws. Graham Y. Tanaka, a director of both the Company and Tridex, was a limited partner of McFarland Dewey from 1989 until 1996.

DESCRIPTION OF CAPITAL STOCK

AUTHORIZED CAPITAL STOCK

Transact's authorized capital stock consists of 25,000,000 shares, including 20,000,000 shares of Common Stock, of which approximately 5,400,000 are to be issued and outstanding and owned by Tridex prior to the completion of the Offering, and 5,000,000 shares of preferred stock, par value $.01 per share (the "Preferred Stock"), none of which have been issued.

COMMON STOCK

The holders of Common Stock are entitled to one vote for each share on all matters voted on by stockholders, including elections of directors, except as otherwise required by law or provided in any resolution adopted by the Board of Directors with respect to any other series or class of Common Stock or series of Preferred Stock, and the holders of such shares will exclusively possess all voting power. Subject to any preferential rights of any Preferred Stock designated by the Transact Board of Directors from time to time, the holders of Common Stock will be entitled to such dividends as may be declared from time to time thereon by the Board from funds available therefor. See "Dividend Policy." Upon a liquidation of the Company, holders of Common Stock will be entitled to receive pro rata all assets of the Company available for distribution to all holders of Common Stock.

REPRESENTATIVE'S WARRANT

For a description of the Representative's Warrant to be purchased by Cruttenden Roth Incorporated in connection with the Offering see "Underwriting."

PREFERRED STOCK

The Preferred Stock is issuable in one or more series, with such voting powers, designations, preferences and other special rights, and such qualifications, limitations or restrictions, as may be stated in the Certificate of Incorporation or in the resolutions adopted by the Board providing for the issue of such series and as permitted by the Delaware General Corporation Law.

ANTI-TAKEOVER EFFECTS OF CERTAIN STATUTORY AND CHARTER PROVISIONS

The Certificate of Incorporation (the "Certificate") of the Company contains several provisions that may make more difficult the acquisition of control of the Company by means of a tender offer, open market purchases, proxy fight or otherwise. The By-Laws also contain provisions that could have an anti-takeover effect.

Section 203 of the Delaware Law. In the Certificate, the Company has expressly elected to be governed by Section 203 of the Delaware General Corporation Law (the "Delaware Law"). Section 203 of the Delaware Law prevents an "interested stockholder" (defined in Section 203 generally as a person owning 15% or more of a corporation's outstanding voting stock), from engaging in a "business combination" (as defined in Section 203) with a publicly-held Delaware corporation for three years following the date such person became an interested stockholder unless (i) before such person became an interested stockholder, the board of directors of the corporation approved the transaction in which the interested stockholder became an interested stockholder or approved the business combination; (ii) upon consummation of the transaction that resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding stock held by directors who are also officers of the corporation and by employee stock plans that do not provide employees with the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or (iii) following the transaction in which such person became an interested stockholder, the business combination is approved by the board of directors of the corporation and authorized at a meeting of stockholders by the affirmative vote and not by written consent of the holders of two-thirds of the outstanding voting stock of the corporation not owned by the interested stockholder.

Classified Board of Directors. The Certificate provides for the Board of Directors of the Company to be divided into three classes of directors serving staggered three-year terms. The Company believes that a classified board of directors will help to assure the continuity and stability of the Board of Directors and the Company's business strategies and policies.

The classified board provision could have the effect of making the removal of incumbent directors more time-consuming and difficult, and, therefore discouraging a third party from making a tender offer or otherwise attempting to obtain control of the Company, even though such an attempt might be beneficial to the Company and its stockholders. Thus, the classified board provision could increase the likelihood that incumbent directors will retain their positions.

Advance Notice Provisions for Stockholder Nominations of Directors. The By-Laws establish an advance notice procedure with regard to the nomination, other than by or at the direction of the Board or a committee thereof, of candidates for election as directors (the "Nomination Procedure"). The Nomination Procedure requires that a stockholder give prior written notice, in proper form, of a planned nomination for the Board of Directors to the Secretary of the Company. The requirements as to the form and timing of that notice are specified in the By-Laws. If the election inspectors determine that a person was not nominated in accordance with the Nomination Procedure, such person will not be eligible for election as a director.

Although the By-Laws do not give the Board of Directors any power to approve or disapprove stockholder nominations for the election of directors or of any other business desired by stockholders to be conducted at an annual or any other meeting, the By-Laws (i) may have the effect of precluding a nomination for the election of directors or precluding the conduct of business at a particular annual meeting if the proper procedures are not followed or (ii) may discourage or deter a third party from conducting a solicitation of proxies to elect its

own slate of directors or otherwise attempting to obtain control of the Company, even if the conduct of such solicitation or such attempt might be beneficial to the Company and its stockholders.

Additional Common Stock. The Board of Directors is authorized to provide for the issuance of additional shares of Common Stock. The Company believes that the availability of the additional Common Stock will provide it with increased flexibility in structuring possible future financings and in meeting other corporate needs which might arise.

DIRECTOR LIABILITY

As authorized by the Delaware Law, the Certificate provides that no director of the Company will be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii)in respect of certain unlawful dividend payments or stock redemptions or repurchases and (iv) for any transaction from which the director derives an improper personal benefit. The effect of this provision is to eliminate the rights of the Company and its stockholders (through stockholders' derivative suits on behalf of the Company) to recover monetary damages against a director for breach of the fiduciary duty of care as a director (including breaches resulting from negligent or grossly negligent behavior) except in the situations described in clauses (i) through (iv) above. This provision does not limit or eliminate the rights of the Company or any stockholder to seek non-monetary relief such as an injunction or rescission in the event of a breach of a director's duty of care. In addition, the Certificate provides that if the Delaware Law is amended to authorize the further limitation or elimination of the liability of a director, then the liability of the directors shall be eliminated or limited to the fullest extent permitted by the Delaware Law, as so amended.

TRANSFER AGENT AND REGISTRAR

American Stock Transfer & Trust Company has been appointed as transfer agent and registrar for the Common Stock.

SHARES ELIGIBLE FOR FUTURE SALE

Upon the completion of the Offering, the Company will have 6,550,000 shares (6,722,500 shares if the Underwriters' over-allotment option is exercised in full) of Common Stock outstanding. After the Distribution, all of the 1,150,000 shares (1,322,500 shares if the Underwriter's over-allotment option is exercised in full) sold in the Offering and all of the shares distributed to stockholders of Tridex, will be freely transferable by persons other than "affiliates" of the Company, without restriction or further registration under the Securities Act.

The Company, its directors, officers and Seth M. Lukash, the Chairman and Chief Executive Officer of Tridex, who will own approximately 9% of the outstanding Common Stock after the Distribution, have also agreed not to sell, contract or offer to sell or otherwise dispose of, directly or indirectly, any shares of Common Stock for a period of 180 days after the date of this Prospectus without the prior written consent of the Representative.

Options to purchase a total of up to 234,000 shares of Common Stock will be granted under the Stock Option Plan effective as of the date hereof and an additional 366,000 shares will be available for future stock option grants and other stock awards under the Stock Option Plan. In addition, options to purchase a total of 30,000 shares of Common Stock are outstanding under the Director Plan and an additional 30,000 shares will be available for future grants of options under such plan. See "Management -- Stock Option Plans." The Company intends to file registration statements under the Securities Act, as soon as practicable after the date hereof, covering the shares of Common Stock reserved for issuance under the Stock Option Plan and the Director's Plan. Shares of Common Stock issued upon the exercise of options granted under the 1996 Stock Plan and the Director's Plan, other than shares held by affiliates, will be immediately eligible for resale in the public market without restriction. No options granted under the Stock Option Plan or the Director's Plan will vest prior to the first anniversary date of this Prospectus.

UNDERWRITING

The Underwriters named below, acting through Cruttenden Roth Incorporated (the "Representative") have agreed, subject to the terms and conditions of the Underwriting Agreement, to purchase from the Company the number of shares of Common Stock set forth opposite their respective names in the table below:

UNDERWRITERS	NUMBER OF SHARES
Cruttenden Roth Incorporated.....	
Total.....	

The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent. The nature of the Underwriters' obligations is that they are committed to purchase all shares of Common Stock offered hereby if any of such shares are purchased.

The Company has been advised by the Representative that the Underwriters propose initially to offer the shares of Common Stock directly to the public at the public offering price set forth on the cover page of this Prospectus and to certain dealers (which may include Underwriters) at such public offering price less a concession not to exceed $ per share. The Underwriters may allow, and such dealers may reallow, a discount not to exceed $ per share in sales to certain other dealers. After the Offering to the public, the public offering price and concessions and discounts may be changed by the Representative of the Underwriters.

The Company granted to the Underwriters an option, exercisable not later than 30 days after the date of this Prospectus, to purchase up to an additional 172,500 shares of Common Stock, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this Prospectus. To the extent that the Underwriters exercise such option, each of the Underwriters will have a firm commitment to purchase approximately the same percentage thereof that the number of shares of Common Stock to be purchased by it shown in the table above bears to the number of shares of Common Stock offered hereby, and the Company will be obligated pursuant to the option to sell such shares to the Underwriters. The Underwriters may exercise the option only for the purposes of covering over-allotments, if any, made in connection with the distribution of the shares of Common Stock to the public.

The Company has agreed to pay the Representative at closing a non-accountable expense allowance of $240,000 (less any advances). The Representative's expenses in excess of the non-accountable expense allowance, including its legal expenses, will be borne by the Representative.

The Representative has informed the Company that the Underwriters do not intend to confirm sales of shares of the Common Stock offered hereby to any accounts over which they exercise discretionary authority.

The Company and Tridex have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act.

The Company, Tridex, certain of the Company's directors and executive officers and Seth M. Lukash, who will own shares of Common Stock upon completion of the Distribution, have agreed not to sell, offer to sell, contract to sell or otherwise dispose of, or file a registration statement under the Securities Act with respect to, any of their shares of Common Stock or any other security convertible into or exchangeable for, or options or warrants to purchase or acquire, shares of Common Stock without the prior written consent of the

Representative for a period of 180 days after the date of this Prospectus. See "Shares Eligible for Future Sale."

The Company has agreed to sell to the Representative, for nominal consideration, a warrant to purchase from the Company up to 115,000 shares of Common Stock at an exercise price per share equal to 120% of the Offering price (the "Representative's Warrant"). The Representative's Warrant is exercisable for a period of five years after the closing and beginning one year from the earlier of (i) the completion of the Distribution or (ii) the date on which Tridex owns less than 80% of the outstanding Common Stock. The Representative's Warrant is not transferrable for a period of one year except to officers of the Representative or to any successor to the Representative. The Representative's Warrant includes a net exercise provisions permitting the holder(s) to pay the exercise price by cancellation of a number of shares with a fair market value equal to the exercise price of the Representative's Warrant. In addition, the Company has granted certain registration rights to the holders of the Representative's Warrant.

Prior to the Offering, there has been no public market for the Common Stock. The initial public offering price was negotiated among the Company, Tridex and the Representative of the Underwriters. Among the factors considered in determining the initial public offering price of the Common Stock, in addition to prevailing market conditions, were the Company's historical performance, estimates of the business potential and earnings prospects of the Company, the capital structure of the Company, an assessment of the Company's management and the consideration of the above factors in relation to market valuations of companies in related businesses.

LEGAL MATTERS

Certain legal matters in connection with the validity of the shares of Common Stock offered hereby will be passed upon for the Company by Messrs. Hinckley, Allen & Snyder, One Financial Center, Boston, Massachusetts 02111-2625. Heller, Ehrman, White & McAuliffe, Seattle, Washington, has acted as counsel to the Underwriters in connection with certain legal matters relating to the Offering.

EXPERTS

The financial statements as of December 31, 1995 and April 1, 1995 and for the nine months ended December 31, 1995 and for each of the two years in the period ended April 1, 1995 included in this Prospectus have been so included in reliance on the report of Price Waterhouse LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

AVAILABLE INFORMATION

Prior to the Offering, the Company has not filed any reports pursuant to the Securities Exchange Act of 1934, as amended. The Company intends to furnish its stockholders with annual reports containing audited financial statements and an opinion thereon expressed by its independent public accountants and with quarterly reports containing unaudited summary financial information for each of the first three fiscal quarters of each year.

This Prospectus constitutes a part of a Registration Statement on Form S-1 filed by the Company with the SEC under the Securities Act. This Prospectus omits certain of the information contained in the Registration Statement, and reference is hereby made to the Registration Statement and to the exhibits relating thereto for further information with respect to the Company and the Offering. Any statements contained herein concerning the provisions of any document are not necessarily complete, and, in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement or otherwise filed with the SEC. Each such statement is qualified in its entirety by such reference. A copy of the Registration Statement may be inspected and copied at the public reference facilities maintained by the SEC at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549; 7 World Trade Center, 13th Floor, New York, New York 10098 and 500 West Madison Street, Suite 1400, Chicago, Illinois 60621. Copies of such material can be obtained at prescribed rates from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Such reports and other information concerning the Company can also be inspected at the offices of the Nasdaq National Market System, 1735 K Street, NW, Washington, DC 20006.

TRANSACT TECHNOLOGIES INCORPORATED

INDEX TO COMBINED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholder
of TransAct Technologies Incorporated

In our opinion, the accompanying combined balance sheets and the related combined statements of income and of cash flows present fairly, in all material respects, the financial position of TransAct Technologies Incorporated, described in Note 1, at December 31, 1995 and April 1, 1995, and the results of their operations and their cash flows for the nine months ended December 31, 1995 and for each of the two years in the period ended April 1, 1995, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Price Waterhouse LLP
Hartford, Connecticut

June 10, 1996

TRANSACT TECHNOLOGIES INCORPORATED

COMBINED BALANCE SHEETS
(in thousands)

	APRIL 1, 1995	DECEMBER 31, 1995	MARCH 30, 1996	PRO FORMA MARCH 30, 1996
			(UNAUDITED)	(UNAUDITED)
ASSETS:				
Current assets:				
Receivables (Note 4)	$ 3,778	$ 3,246	$ 5,230	$ 5,230
Inventories (Note 5)	5,697	6,353	6,408	6,408
Deferred tax assets (Note 9)	472	374	374	374
Other current assets	80	134	335	335
Total current assets	10,027	10,107	12,347	12,347
Plant and equipment:				
Machinery, furniture and equipment	7,291	7,169	7,524	7,524
Leasehold improvements	81	428	254	254
	7,372	7,597	7,778	7,778
Less accumulated depreciation	5,135	4,556	4,760	4,760
	2,237	3,041	3,018	3,018
Excess of cost over fair value of net assets acquired, net (Note 2)	2,548	2,418	2,375	2,375
Other assets (Note 2)	546	403	221	221
	$15,358	$15,969	$17,961	$17,961
LIABILITIES AND STOCKHOLDER'S EQUITY:				
Current liabilities:				
Intercompany indebtedness (Note 2)	$ --	$ --	$ --	$ 8,500
Accounts payable	2,676	2,711	2,671	2,671
Accrued liabilities (Note 6)	1,050	1,115	1,129	1,129
Total current liabilities	3,726	3,826	3,800	12,300
Deferred revenue	175	252	294	294
Deferred tax liabilities (Note 9)	177	189	189	189
	352	441	483	483
Commitments and contingencies (Note 8)				
Stockholder's equity:				
Unrealized gain on securities available for sale, net of taxes	--	57	57	57
Tridex investment in the Company (Notes 3 and 7)	11,280	11,645	13,621	5,121
Total stockholder's equity	11,280	11,702	13,678	5,178
	$15,358	$15,969	$17,961	$17,961

The accompanying notes are an integral part of these combined financial statements.

TRANSACT TECHNOLOGIES INCORPORATED

COMBINED STATEMENTS OF INCOME
(in thousands)

	YEAR ENDED		NINE MONTHS ENDED		THREE MONTHS ENDED	
	APRIL 2, 1994	APRIL 1, 1995	DECEMBER 31, 1994	DECEMBER 31, 1995	APRIL 1, 1995	MARCH 30, 1996
			(UNAUDITED)		(UNAUDITED)	
Net sales	$ 23,798	$ 33,362	$ 25,426	$ 25,497	$ 7,936	$10,463
Operating costs and expenses:						
Cost of sales	15,585	22,349	17,035	17,529	5,314	6,984
Engineering, design and product development costs	1,687	1,708	1,244	1,533	464	666
Selling, general and administrative expenses	4,803	5,600	4,117	4,556	1,483	1,542
Provision for restructuring (Note 12)	--	--	--	300	--	--
	22,075	29,657	22,396	23,918	7,261	9,192
Operating income	1,723	3,705	3,030	1,579	675	1,271
Other income (expense), net (Note 12)	176	127	108	(15)	18	170
Income before income taxes	1,899	3,832	3,138	1,564	693	1,441
Income tax provision (Note 9)	806	1,528	1,255	648	277	576
Net income	$ 1,093	$ 2,304	$ 1,883	$ 916	$ 416	$ 865

The accompanying notes are an integral part of these combined financial statements.

TRANSACT TECHNOLOGIES INCORPORATED

COMBINED STATEMENTS OF CASH FLOWS
(in thousands)

	YEAR ENDED		NINE MONTHS ENDED		THREE MONTHS ENDED	
	APRIL 2, 1994	APRIL 1, 1995	DECEMBER 31, 1994	DECEMBER 31, 1995	APRIL 1, 1995	MARCH 30, 1996
			(UNAUDITED)		(UNAUDITED)	
Cash flows from operating activities:						
Net income	$ 1,093	$ 2,304	$ 1,883	$ 916	$ 416	$ 865
Adjustments to reconcile net income to net cash provided by (used in) operating activities:						
Depreciation and amortization	842	914	686	729	228	275
Deferred income taxes	231	86	--	82	86	--
Gain on sale of securities available for sale	--	--	--	--	--	(179)
Gain on sale of solenoid product line (Note 12)	(175)	(115)	(115)	--	--	--
(Gain) loss on disposal of equipment	--	4	8	5	(4)	8
Changes in operating assets and liabilities:						
Receivables	(535)	66	(154)	532	220	(1,984)
Inventories and other current assets	786	(1,005)	(17)	(710)	(988)	(256)
Other assets	(15)	(165)	(56)	150	(109)	--
Accounts payable	(94)	324	409	35	(85)	(40)
Accrued liabilities and deferred revenue	(702)	500	315	142	185	56
Net cash provided by (used in) operating activities	1,431	2,913	2,959	1,881	(51)	(1,255)
Cash flows from investing activities:						
Purchases of plant and equipment	(598)	(1,203)	(956)	(1,334)	(252)	(200)
Proceeds from sale of securities available for sale	--	--	--	--	--	344
Proceeds from sale of solenoid product line (Note 12)	600	115	115	--	--	--
Proceeds from sale of equipment	--	8	13	4	--	--
Other	147	30	--	--	30	--
Net cash provided by (used in) investing activities	149	(1,050)	(828)	(1,330)	(222)	144
Cash flows from financing activities:						
Net transactions with Tridex	(1,580)	(1,863)	(2,131)	(551)	273	1,111
Net change in cash and cash equivalents	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

The accompanying notes are an integral part of these combined financial statements.

TRANSACT TECHNOLOGIES INCORPORATED

NOTES TO COMBINED FINANCIAL STATEMENTS
(dollars in thousands)

1. BASIS OF PRESENTATION:

Transact Technologies Incorporated is expected to be incorporated in June 1996, as a wholly-owned subsidiary of Tridex Corporation ("Tridex"). Transact and its wholly-owned subsidiaries are herein referred to as the "Company." Following the incorporation, Tridex and two of Tridex's wholly-owned subsidiaries, Magnetec Corporation ("Magnetec") and Ithaca Peripherals, Inc. ("Ithaca") will enter into a Plan of Reorganization whereby: (i) Ithaca will merge into Magnetec; (ii) the Company will sell certain assets of Magnetec used in manufacturing a printer ribbon product line to Tridex; (iii) the Company will issue 5,400,000 shares of Common Stock to Tridex in exchange for all the outstanding shares of Magnetec; (iv) the Company will approve a public offering of up to 1,322,500 shares or 19.7% of Common Stock and the subsequent pro rata distribution of the remaining outstanding equity of the Company to the stockholders of Tridex in a tax-free reorganization; (v) the Company will repay approximately $8,500,000 of intercompany indebtedness to Tridex; (vi) the Company will agree to other matters pursuant to such plan; and (vii) the Company will apply for a ruling that a distribution of Company shares to Tridex stockholders will constitute a tax-free reorganization for federal income tax purposes.

The financial statements of the Company have been prepared principally on the basis of items (i) and (ii) of the Plan of Reorganization outlined above and include the financial position and combined results of operations and cash flows of the business described. The Company carries its assets and liabilities at historical cost. The financial results in these financial statements are not necessarily indicative of results that would have occurred if the Company had been a separate stand alone entity during the periods presented or of future results of the Company. See Unaudited Pro Forma Financial Data found elsewhere in this Prospectus for a discussion of the effect on the Company had it been a separate stand alone entity.

2. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Business: The Company operates in one industry segment, computer peripheral equipment. The Company designs, develops, manufactures and markets transaction based printers and related products under the Ithaca and MAGNETEC brand names. Transact's printers are used to provide printed transaction records such as receipts, tickets, coupons, register journals and other documents for OEM and POS applications. Operating facilities are located in Wallingford, Connecticut and Ithaca, New York.

Principles of combination: The accompanying combined financial statements include the accounts of the Company and its wholly-owned subsidiaries, after elimination of all material intercompany accounts and transactions.

Change in fiscal year end: In December 1995, the Company's fiscal year end was changed to December 31 from the Saturday closest to March 31.

Cash and cash equivalents: The Company considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents. See Note 3.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Foreign currency: The financial position and results of operations of the Company's foreign subsidiary are measured using local currency as the functional currency. Assets and liabilities of this subsidiary have been translated at end of period exchange rates, and related revenues and expenses have been translated at weighted average exchange rates. The aggregate effect of translation adjustments so calculated, which would ordinarily

be included as a separate component of stockholders' equity, is de minimis. Transaction gains and losses are included in other income.

Inventories: Inventories are stated at the lower of cost (principally first-in, first-out) or market.

Plant and equipment and depreciation: Plant and equipment and leasehold improvements are stated at cost. Depreciation is provided for primarily by the straight-line method over the estimated useful lives. The estimated useful life of machinery, furniture and equipment is five to ten years. Leasehold improvements are amortized over the shorter of the term of the lease or the useful life of the asset. Depreciation amounted to $611, $650 and $521 in fiscal years 1994 and 1995, and the nine months ended December 31, 1995, respectively, and $215 in the three months ended March 30, 1996 (unaudited).

Excess of cost over fair value of net assets acquired: The excess of cost over fair value of net assets acquired (goodwill) resulted from the acquisition of Ithaca in fiscal 1991. The original amount applicable to this acquisition totaled $3,536 and is being amortized on the straight-line method over 20 years. Accumulated amortization of goodwill was $988 and $1,118 at April 1, 1995 and December 31, 1995, respectively, and $1,161 at March 30, 1996 (unaudited). The Company periodically reviews goodwill to assess recoverability based upon expectations of non-discounted cash flows from operations for Ithaca. The Company believes that no impairment of goodwill exists at December 31, 1995 or April 1, 1995.

Other assets: At December 31, 1995, other current assets includes marketable securities available for sale, accounted for at market value of $309, with an unrealized gain of $86, net of related tax effect of $29, recorded as a component of stockholder's equity. The market value of such securities approximated carrying value at April 1, 1995. At March 30, 1996, such securities were accounted for at a market value of $138, with an unrealized gain of $86, net of related tax effect of $29.

Revenue recognition: Sales are recognized when the product is shipped. Two customers accounted for approximately 26% of net combined sales for fiscal 1994. One of these customers accounted for approximately 14% of net combined sales in fiscal 1995, while a different customer accounted for approximately 12% of net combined sales in the nine months ended December 31, 1995. Revenue from extended warranty and maintenance agreements is recognized over the term of such agreements.

Income taxes: The Company is included in the consolidated federal and certain state income tax returns of Tridex. Effective April 4, 1993, Tridex adopted FAS 109 "Accounting for Income Taxes," which mandates the liability method for computing deferred income taxes. The income tax amounts reflected in the accompanying financial statements are an allocation of Tridex's consolidated balances, and are computed as if a separate return had been filed for the Company, using those elements of income and expense as reported in the consolidated statements of operations. See Note 9 for a further discussion.

Earnings per share: Historical earnings per share are not presented since the Company's stock was not part of the capital structure of Tridex for the periods presented.

Interim financial statements: The interim financial statements included herein are unaudited. In the opinion of management, all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of such financial statements have been included. The interim results of operations are not necessarily indicative of the results to be expected for the full year.

Unaudited Pro Forma Balance Sheet: The unaudited pro forma balance sheet information at March 30, 1996 reflects a reduction in Tridex investment in the Company for amounts paid to Tridex for intercompany indebtedness. The unaudited pro forma balance sheet information does not give effect to the receipt by the Company of any proceeds from the sale of common stock in the Offering or to any other transactions expected

(dollars in thousands)

to take place at the time of the Offering. Accordingly, the unaudited pro forma balance sheet information is not indicative of the Company's financial position upon completion of the Offering.

3. RELATED PARTY TRANSACTIONS:

The Company participates in the centralized cash management system used by Tridex to finance its domestic operations. Cash deposits from the Company are transferred to Tridex on a daily basis and Tridex funds the Company's disbursement bank accounts as required. Therefore, no cash or cash equivalents are reflected in the Company's financial statements.

Included as a component of Tridex investment in the Company are net cash advances from Tridex to the Company and general and administrative expenses allocated from Tridex to the Company. Accordingly, no interest expense on net advances from Tridex has been reflected in the accompanying financial statements.

Tridex provided certain general and administrative services to the Company, including tax, treasury, risk management and insurance, legal, marketing, accounting, auditing, human resources and executive management. These expenses have been allocated to the Company based upon actual usage for those expenses directly attributable to the Company, and otherwise allocated based upon other methods which management believes to be reasonable. These allocations were $1,192, $1,159 and $1,203 for fiscal years 1994 and 1995 and the nine months ended December 31, 1995, respectively, and $327 for the three months ended March 30, 1996 (unaudited). These costs may have been different had the Company operated as a separate stand alone entity during the periods presented.

The Company sells certain POS printers to another wholly-owned subsidiary of Tridex. Revenues from the sale of such printers to this entity amounted to $2,601, $2,639 and $2,340 for fiscal years 1994 and 1995 and the nine months ended December 31, 1995, respectively, and $622 for the three months ended March 30, 1996 (unaudited). In consideration for continued favorable price terms, the Company expects to enter into a Printer Supply Agreement which will require the subsidiary to continue to purchase from the Company through 1998 a percentage of total printer requirements at least equal to the historical percentage of such purchases.

4. RECEIVABLES:

Receivables are net of the allowance for doubtful accounts. The reconciliation of the allowance for doubtful accounts is as follows:

	YEAR ENDED		NINE MONTHS ENDED	THREE MONTHS ENDED
	APRIL 2, 1994	APRIL 1, 1995	DECEMBER 31, 1995	MARCH 30, 1996
				(UNAUDITED)
Balance at beginning of period	$ 44	$102	$ 76	$ 40
Provision for doubtful accounts	72	48	12	15
Accounts written off, net of recoveries	(14)	(74)	(48)	--
Balance at end of period	$102	$ 76	$ 40	$ 55

TRANSACT TECHNOLOGIES INCORPORATED

NOTES TO COMBINED FINANCIAL STATEMENTS (continued)
(dollars in thousands)

5. INVENTORIES:

The components of inventories are:

	APRIL 1, 1995	DECEMBER 31, 1995	MARCH 30, 1996
			(UNAUDITED)
Raw materials and component parts	$ 4,744	$5,041	$ 5,348
Work-in-process	606	794	415
Finished goods	347	518	645
	$ 5,697	$6,353	$ 6,408

6. ACCRUED LIABILITIES:

The components of accrued liabilities are:

	APRIL 1, 1995	DECEMBER 31, 1995	MARCH 30, 1996
			(UNAUDITED)
Payroll and fringe benefits	$ 664	$ 457	$ 573
Other accrued liabilities	386	658	556
	$ 1,050	$1,115	$ 1,129

7. TRIDEX INVESTMENT IN THE COMPANY:

Tridex investment in the Company includes the original investment in the Company and the net intercompany payable from the Company to Tridex reflecting transactions described in Note 3. The following analyzes Tridex's investment in the Company for the periods presented:

	YEAR ENDED		NINE MONTHS ENDED	THREE MONTHS ENDED
	APRIL 2, 1994	APRIL 1, 1995	DECEMBER 31, 1995	MARCH 30, 1996
				(UNAUDITED)
Balance at beginning of the period	$ 11,326	$ 10,839	$ 11,280	$11,645
Net income	1,093	2,304	916	865
Net transactions with Tridex	(1,580)	(1,863)	(551)	1,111
Balance at end of the period	$ 10,839	$ 11,280	$ 11,645	$13,621

8. COMMITMENTS AND CONTINGENCIES:

At December 31, 1995, the Company was lessee on operating leases for equipment and real property. The terms of certain leases provide for escalating rent payments in later years of the lease as well as payment of minimum rent and real estate taxes. Rent expense amounted to approximately $533 in fiscal 1994, $616 in fiscal 1995, $532 in the nine months ended December 31, 1995 and $168 in the three months ended March 30, 1996 (unaudited). Minimum aggregate rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 1995 are as follows: $605 in 1996; $599 in 1997; $584 in 1998; $582 in 1999; $589 in 2000 and $1,820 thereafter.

The Company has a long-term purchase agreement for certain printer components. Under the terms of the agreement, the Company receives favorable pricing for volume purchases over the life of the contract. In the event anticipated purchase levels are not achieved, the Company would be subject to retroactive price

(dollars in thousands)

increases on previous purchases. Management currently anticipates achieving sufficient purchase levels to maintain the favorable prices.

In conjunction with the Plan of Reorganization, as described in Note 1, Tridex plans to agree to indemnify the Company from any liabilities, including certain environmental liabilities, which could arise in connection with a manufacturing facility owned by Tridex and formerly operated by the Company.

9. INCOME TAXES:

The components of the income tax provision are as follows:

	YEAR ENDED		NINE MONTHS ENDED
	APRIL 2, 1994	APRIL 1, 1995	DECEMBER 31, 1995
Current:			
Federal	$483	$ 1,212	$476
State	92	230	90
	575	1,442	566
Deferred:			
Federal	206	77	73
State	25	9	9
	231	86	82
Total income tax provision	$806	$ 1,528	$648

Deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. The Company's gross deferred tax assets and liabilities were comprised of the following:

	APRIL 1, 1995	DECEMBER 31, 1995
Gross deferred tax assets:		
Currently non-deductible liabilities and reserves	$541	$469
Gross deferred tax liabilities:		
Depreciation	$246	$284

At December 31, 1995, the Company had foreign net operating loss carryforwards of approximately $100 which do not expire. A full valuation allowance has been recorded with respect to the foreign net operating loss carryforwards.

(dollars in thousands)

Differences between the U.S. statutory federal income tax rate and the Company's effective income tax rate are analyzed below:

	YEAR ENDED		NINE MONTHS ENDED
	APRIL 2, 1994	APRIL 1, 1995	DECEMBER 31, 1995
Federal statutory tax rate	34.0%	34.0%	34.0%
State income taxes, net of federal income taxes	4.4	4.2	4.4
Non-deductible purchase accounting adjustments	3.3	1.6	2.8
Other	0.7	0.1	0.2
Effective tax rate	42.4%	39.9%	41.4%

10. DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS:

The carrying amount of trade accounts receivable, other current assets, trade accounts payable, and accrued expenses approximate fair value because of the short maturity of those instruments. The carrying value of marketable securities available for sale is equal to fair value, as discussed in Note 2.

11. NEW ACCOUNTING PRONOUNCEMENTS:

The Financial Accounting Standards Board (the "FASB") issued Financial Accounting Standard No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" (FAS 121) in March 1995. FAS 121 requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The entity must estimate the future cash flows expected to result from the use of the asset and its eventual disposition, and recognize an impairment loss for any difference between the fair value of the asset and the carrying amount of the asset. FAS 121 must be adopted for the year beginning after December 15, 1995. The effect, if any, on the Company's financial position or results of operations from adoption of FAS 121 is not expected to be material.

The FASB issued Financial Accounting Standard No. 123, "Accounting for Stock-Based Compensation," in October 1995 effective for years beginning after December 15, 1995. Under provisions of this accounting standard, the Company is not required to change its method of accounting for stock-based compensation. Management expects to retain its current method of accounting.

12. SIGNIFICANT TRANSACTIONS:

In December 1995, the operations of Magnetec and Ithaca were combined under unified management. In connection with this combination, the Company recorded a provision for restructuring costs of $300, which covers the costs associated with combining operations under unified management and is primarily comprised of severance costs.

In fiscal 1994, the Company sold its solenoid product line. Proceeds from the sale were cash and shares of common stock of the purchaser ("marketable securities"). In the same period, the Company recognized a gain of $175 on the sale of the product line. During fiscal 1995, the Company recognized an additional gain of $115 as the result of a contingent payment received from the purchaser. In addition, during the three months ended March 30, 1996, the Company sold a portion of the marketable securities and recognized a gain of $179. These gains are included in other income in the applicable period.

13. INTERNATIONAL OPERATIONS:

The Company has foreign operations primarily from Ithaca Peripherals Ltd., a wholly-owned subsidiary, which had sales of $355, $332 and $68 in fiscal 1995, in the nine months ended December 31, 1995 and in the three months ended March 30, 1996 (unaudited), respectively. The Company had export sales from its United States operations of approximately $3,342 in fiscal 1995, $1,543 in the nine months ended December 31, 1995, and $512 in the three months ended March 30, 1996 (unaudited). Such sales were primarily to Canada and were not material in prior years.

NO DEALER, SALES REPRESENTATIVE OR OTHER PERSON HAS BEEN AUTHORIZED IN CONNECTION WITH ANY OFFERING MADE HEREBY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, OR ANY OF THE UNDERWRITERS. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE THEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY TO ANY PERSON IN ANY JURISDICTION WHERE SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH AN OFFER OR SOLICITATION IS NOT QUALIFIED TO SO DO OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

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UNTIL (25 DAYS AFTER THE DATE OF THIS PROSPECTUS), ALL DEALERS EFFECTING TRANSACTIONS IN THE COMMON STOCK, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

1,150,000 SHARES

TRANSACT
T E C H N O L O G I E S
I N C O R P O R A T E D

COMMON STOCK

PROSPECTUS

CRUTTENDEN ROTH
I N C O R P O R A T E D

, 1996

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by the Registrant in connection with the issuance and distribution of the securities being registered. All the amounts shown are estimated, except the Securities and Exchange Commission registration fee, the NASD filing fee and the Nasdaq National Market listing fee.

Securities and Exchange Commission Registration Fee	$ 5,020
NASD Filing Fee	1,955
Nasdaq National Market Listing Fee	34,000
Blue Sky Fees and Expenses (includes fees and expenses of counsel)	10,000
Representative's Non-accountable Expense Allowance	240,000
Transfer Agent and Registrar Fees	10,000
Financial Advisory Fee	300,000
Accounting Fees and Expenses	195,000
Legal Fees and Expenses	150,000
Printing, Engraving and Delivery Expenses	80,000
Miscellaneous	14,025
Total	$1,040,000

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is therefore unenforceable.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

The Company issued 100 shares of Common Stock to Tridex on June 25, 1996 in connection with the organization of the Company in reliance on Section 4(2) of the Securities Act.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

a. Exhibits.

EXHIBIT NUMBER	DESCRIPTION
1.1	Form of Underwriting Agreement by and among Tridex, the Company and Cruttenden Roth Incorporated.
1.2	Form of Warrant Agreement by and between the Company and Cruttenden Roth Incorporated.
3.1	Certificate of Incorporation of the Company, filed with the Secretary of the State of Delaware on June 17, 1996.
3.2	By-laws of the Company.
4.1	Specimen Common Stock Certificate.*
4.2	See Exhibits 3.1 and 3.2 for provisions in the Certificate of Incorporation and By-laws of the Company defining the rights of the holders of Common Stock.

EXHIBIT NUMBER	DESCRIPTION
5.1	Opinion of Hinckley, Allen & Snyder, counsel to the Company, dated , 1996, regarding the legality of the Common Stock.*
10.1	[Intentionally Omitted]
10.2	Plan of Reorganization by and among Tridex, the Company, Magnetec and Ithaca, dated as of June 24, 1996.
10.3	Form of Corporate Services Agreement by and between Tridex and the Company.
10.4	Form of Tax Sharing Agreement by and between Tridex and the Company.
10.5	Form of Printer Supply Agreement by and between the Company and Ultimate.*
10.6	Form of Agreement and Plan of Merger of Ithaca Peripherals Incorporated with and into Magnetec Corporation to be filed with the Secretaries of the States of Delaware and Connecticut.*
10.7	Form of 1996 Stock Plan.
10.8	Form of Non-Employee Directors' Stock Plan.
10.9	Sales and Marketing Agreement by and between the Company and Oki Europe Limited dated May 9, 1996. (Pursuant to Rule 477 under the Securities Act, the Company has requested confidential treatment of portions of this exhibit deleted from the filed copy.)
10.10	OEM Manufacturing Agreement by and between GTECH and Magnetec commencing September 7, 1994. (Pursuant to Rule 477 under the Securities Act, the Company has requested confidential treatment of portions of this exhibit deleted from the filed copy.)
10.11	OEM Purchase Agreement by and between OKIDATA and Tridex dated January 24, 1990. (Pursuant to Rule 477 under the Securities Act, the Company has requested confidential treatment of portions of this exhibit deleted from the filed copy.)
10.12	Strategic Agreement by and between OKIDATA and Tridex dated May 9, 1996. (Pursuant to Rule 477 under the Securities Act, the Company has requested confidential treatment of portions of this exhibit deleted from the filed copy.)
10.13	Lease Agreement by and between Pyramid Construction Company and Magnetec dated August 1, 1994.
10.14	Lease Agreement by and between Bomax Properties and Ithaca, dated as of March 23, 1992.
10.15	First Amendment to Lease Agreement by and between Bomax Properties and Ithaca, dated as of October 18, 1993.
10.16	Amended and Restated Credit Agreement dated as of December 15, 1995, by and among Tridex, Ithaca, Magnetec, Ultimate, Cash Bases Incorporated, and Fleet Bank, National Association.
10.17	Amendment No. 1 to Amended and Restated Credit Agreement dated as of March 15, 1996, by and among Tridex, Ithaca, Magnetec, Ultimate, Cash Bases Incorporated, and Fleet Bank, National Association.
10.18	Form of Agreement by and between Tridex and the Company regarding the Ribbon Business.*
10.19	Form of Employment Agreement by and between the Company and Bart C. Shuldman.*
10.20	Form of Employment Agreement by and between the Company and Richard L. Cote.*
10.21	Form of Severance Agreement by and between the Company and Lucy H. Staley.*
10.22	Form of Severance Agreement by and between the Company and John Cygielnik.*
10.23	Form of Severance Agreement by and between the Company and Michael S. Kumpf.*
21.1	Subsidiaries of the Company.

EXHIBIT NUMBER	DESCRIPTION
23.1	Consent of Independent Accountant.
23.2	Consent of Hinckley, Allen & Snyder (included in the opinion filed as Exhibit 5.1).
24.1	Powers of Attorney (contained on page II-4).
27.1	Financial Data Schedule.

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* To be filed by amendment.

b. Financial Statement Schedules.

All schedules have been omitted because the information is not required or is not applicable, or because the information required is included in the consolidated financial statements or the notes thereto.

ITEM 17. UNDERTAKINGS.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the Offering of such securities at that time shall be deemed to be the initial bona find offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the Town of Wallingford, State of Connecticut, on June 25, 1996.

Transact Technologies Incorporated

By: /s/ BART C. SHULDMAN

Chief Executive Officer
and President

POWER OF ATTORNEY

Each person whose individual signature appears below hereby authorizes and appoints Bart C. Shuldman, Richard L. Cote, Stephen J. Carlotti and Paul Bork and each of them, with full power of substitution and full power to act without the other, as his true and lawful attorney-in-fact and agent to act in his name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file, any and all amendments to this registration statement relating to the same offering as this registration statement that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Bart C. Shuldman Bart C. Shuldman	President, Chief Executive Officer, and Director (Principal Executive Officer)	June 25, 1996
/s/ Richard L. Cote Richard L. Cote	Executive Vice President, Chief Financial Officer and Director (Principal Financial Officer and Principal Accounting Officer)	June 25, 1996
/s/ Thomas R. Schwarz Thomas R. Schwarz	Chairman of the Board	June 25, 1996
/s/ Graham Y. Tanaka Graham Y. Tanaka	Director	June 25, 1996
/s/ Charles A. Dill Charles A. Dill	Director	June 25, 1996

EXHIBIT 1.1

__,000,000 Shares

TRANSACT TECHNOLOGIES INCORPORATED

Common Stock

UNDERWRITING AGREEMENT

Irvine, California
_____, 1996

CRUTTENDEN ROTH INCORPORATED
As Representative of the Several Underwriters
18301 Von Karman, Suite 100
Irvine, California 92715

Dear Sirs:

Transact Technologies Incorporated, a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell an aggregate of ___,000,000 shares of its Common Stock, $___ par value (the "Common Shares"), to Cruttenden Roth Incorporated (the "Representatives") and the several underwriters named in Schedule I hereto (collectively with the Representatives, the "Underwriters" and individually, an "Underwriter," which terms shall also include any Underwriter substituted as hereinafter provided in Section 11). The aforementioned ___,000,000 Common Shares to be issued and sold to the several Underwriters by the Company are hereinafter referred to as the "Offered Shares." The Offered Shares shall be offered to the public at an initial offering price of $____ per Offered Share (the "Offering Price"). The Company is a wholly-owned subsidiary of Tridex Corporation, a Delaware corporation ("Tridex"). The incorporation of the Company, the transactions comprising the merger of Ithaca Peripherals Incorporated, a Delaware corporation, with and into Magnetec Corporation, a Connecticut corporation ("Magnetec"), and the issuance of by the Company of all of its outstanding capital stock to Tridex in exchange of all the outstanding capital stock of Magnetec are herein collectively referred to as the "Reorganization."

In addition, the several Underwriters, in order to cover over-allotments in the sale of the Offered Shares, may purchase from the Company within 30 days after the Effective Date (as hereinafter defined), for their own account for offering to the public at the Offering Price, up to ____,000 additional Common Shares (the "Optional Shares"), upon the terms and

conditions set forth in Section 4 hereof. The Offered Shares and the Optional Shares are hereinafter collectively referred to as the "Shares." It is understood and agreed by all parties that the Company, intending to be legally bound hereby, confirms its agreement with each of the Underwriters as follows:

1. REPRESENTATIONS AND WARRANTIES. (a) The Company represents and warrants to the several Underwriters that:

(i) The Company has prepared in conformity with the requirements of the Securities Act of 1933, as amended (the "Act"), and the rules, regulations, releases and instructions (the "Regulations") of the Securities and Exchange Commission (the "SEC") under the Act in effect at all applicable times and has filed with the SEC a registration statement on Form S-1 (File No. 333-_____) and one or more amendments thereto registering the Shares under the Act. Any preliminary prospectus included in such registration statement or filed with the SEC pursuant to Rule 424(a) of the Regulations is hereinafter called a "Preliminary Prospectus." The various parts of such registration statement, including all exhibits thereto and the information contained in any form of final prospectus filed with the SEC pursuant to Rule 424(b) of the Regulations in accordance with Section 5(i) of this Agreement and deemed by virtue of Rule 430A of the Regulations to be part of such registration statement at the time it was declared effective, each as amended at the time such registration statement became effective, are hereinafter collectively referred to as the "Registration Statement." The final prospectus in the form included in the Registration Statement or first filed with the SEC pursuant to Rule 424(b) of the Regulations and any amendments or supplements thereto is hereinafter referred to as the "Prospectus."

(ii) The Registration Statement has become effective under the Act as of the Effective Date, and the SEC has not issued any stop order suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Preliminary Prospectus nor has the SEC instituted, threatened to institute or, to the Company's knowledge, contemplated proceedings with respect to such an order. The Company has not received any stop order suspending the sale of the Shares in any jurisdiction designated by the Representatives pursuant to Section 5(vi) hereof, and no proceedings for that purpose have been instituted or, to the Company's knowledge, are threatened or contemplated. The Company has complied with any request of the SEC or, to the Company's knowledge, any state securities commission in a state designated by the Representatives pursuant to Section 5(vi) hereof, for additional information to be included in the Registration Statement or Prospectus or otherwise. Each Preliminary Prospectus conformed to the Act and the Regulations as of its date and did not as of its date contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the

circumstances under which they were made, not misleading, except the foregoing shall not apply to statements in or omissions from any Preliminary Prospectus in reliance upon and in conformity with information furnished to the Company in writing by or on behalf of any Underwriter through the Representatives expressly for use therein. The Registration Statement on the date on which it was declared effective by the SEC (the "Effective Date") conformed, and any post-effective amendment thereof on the date it shall become effective, and the Prospectus at the time it is filed with the SEC pursuant to Rule 424(b) of the Regulations and on the Closing Date (as defined in Section 3 hereof) and any Option Closing Date (as defined in Section 4(b) hereof) will conform, to the requirements of the Act and the Regulations, and neither the Registration Statement, any post-effective amendment thereof nor the Prospectus (including, without limitation, the section entitled "Relationship With Tridex Corporation") will, on any of such respective dates, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, except that this representation and warranty does not apply to statements in or omissions from the Registration Statement or the Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by or on behalf of any Underwriter through the Representatives expressly for use therein. It is understood that the statements appearing in any Preliminary Prospectus, the Prospectus or the Registration Statement (a) on the inside front cover page with respect to stabilization, (b) in the section entitled "Underwriting," and (c) in the section entitled "Legal Matters" with respect to the identity of counsel for the Underwriters constitute the only information furnished in writing by or on behalf of any Underwriter for inclusion in any Preliminary Prospectus, the Prospectus or the Registration Statement.

(iii) The Company is a corporation duly organized, validly existing and in good standing under the laws of Delaware, with all necessary corporate power and authority, and all required licenses, permits, certifications, registrations, approvals, consents and franchises to own or lease and operate its properties and to conduct its business as described in the Prospectus and to execute, deliver and perform this Agreement. The Company is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the nature of its business or its ownership or leasing of property requires such qualification, except where the failure to be so qualified would not have a material adverse effect on the Company.

(iv) Except for Magnatec (the "Subsidiary"), the Company does not own any stock or other equity interest in, or control, directly or indirectly, any corporation or partnership. The Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of Connecticut, with all necessary corporate power and authority, and all required licenses, permits, certifications, registrations, approvals, consents and franchises to own or lease and operate its properties and to conduct its

business as described in the Prospectus and to execute, deliver and perform this Agreement. The Subsidiary is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the nature of its business or its ownership or leasing of property requires such qualification, except where the failure to be so qualified would not have a material adverse effect on the Subsidiary. All of the issued shares of capital stock of the Subsidiary (i) have been duly authorized and are validly issued, fully paid and non-assessable and (ii) are owned directly by the Company, free and clear of all liens, encumbrances, securities interests, mortgage, pledge, equities or claims;

(v) The Company has all necessary corporate power and authority to execute and deliver the warrants to purchase Common Shares to be issued and sold to the Representatives under the terms of the Warrant Agreement (as hereinafter defined) in accordance with Section 5(xvi) of this Agreement (the "Representatives Warrants").

(vi) This Agreement, the Warrant Agreement and the Representatives Warrants have been duly authorized, executed and delivered by the Company and constitute its valid and binding obligations, enforceable against the Company in accordance with their respective terms, except as rights to indemnity and contribution hereunder or thereunder may be limited by federal or state securities laws or principles of public policy, and except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by general equitable principles. This Agreement, the Warrant Agreement and the Representatives Warrants conform to the description thereof in the Prospectus.

(vii) The execution, delivery and performance of this Agreement, the Warrant Agreement and the Representatives Warrants by the Company does not and will not, with or without the giving of notice or the lapse of time, or both, (a) conflict with any terms or provisions of the charter or bylaws of the Company or its Subsidiary, as amended to the date hereof and the Closing Date or Option Closing Date, as the case may be; (b) result in a breach of, constitute a default under, result in the termination or modification of or result in the creation or imposition of any lien, security interest, charge or encumbrance upon any of the properties of the Company or its Subsidiary pursuant to any indenture, mortgage, deed of trust, contract, commitment or other agreement or instrument to which the Company or its Subsidiary is a party or by which any of their properties or assets are bound or affected, the effect of which would have a material adverse effect on the business or properties of the Company or its Subsidiary; (c) violate any law, rule, regulation, judgment, order or decree of any government or governmental agency, instrumentality or court, domestic or foreign, having jurisdiction over the Company, or its Subsidiary, or any of their properties or businesses or (d) result in a breach, termination or lapse of the power and authority of the Company

or its Subsidiary to own or lease and operate their properties and conduct their business as described in the Prospectus, the effect of which would have a material adverse effect on the business or properties of the Company or its Subsidiary.

(viii) The Plan of Reorganization and each of the Corporate Services Agreement, the Tax Sharing Agreement, the Product Supply Agreement (each such term, as defined in the Registration Statement) (collectively, the "Ancillary Agreements") have been duly authorized, executed and delivered by the Company and its Subsidiary and each such agreement constitutes a valid and binding agreement of the Company and its Subsidiary, enforceable against the Company and its Subsidiary in accordance with their respective terms, except as rights to indemnity and contribution hereunder or thereunder may be limited by federal or state securities laws or principles of public policy, and except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by general equitable principles. The Plan of Reorganization and each of the Ancillary Agreements conform to the description thereof in the Prospectus.

(ix) The compliance by the Company with all of the provisions of the Plan of Reorganization and each of the Ancillary Agreements will not conflict with or result in a breach or the violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or its Subsidiary is bound or to which the Company or its Subsidiary is subject, nor will such actions result in any violation of the provisions of the charter or bylaws of the Company or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets; and no consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency or body is required for the execution and delivery by the Company of, and compliance by the Company with, the provisions of the Plan of Reorganization and each of the Ancillary Agreements.

(x) The Company has authorized and outstanding capital stock and, as of the date or dates indicated the Company had the capitalization, set forth under the caption "Capitalization" in the Prospectus and will have the as-adjusted capitalization set forth under the caption "Capitalization" in the Prospectus. On the Effective Date, the Closing Date and any Option Closing Date, there will be no options or warrants for the purchase of, other outstanding rights to purchase, agreements or obligations to issue or agreements or other rights to convert or exchange any obligation or security into, capital stock of the Company or securities convertible into or exchangeable for capital stock of the Company, except as described in the Prospectus with respect to the outstanding options that have been granted to employees and directors to purchase

_____ Common Shares (the "Employee Options"), the Representatives Warrants and the Over-allotment Option (as hereinafter defined).

(xi) The authorized capital stock of the Company, including, without limitation, the outstanding Common Shares and the Shares being issued on the Closing Date and Option Closing Date (if any and to the extent applicable), conforms to the descriptions thereof in the Prospectus, and such descriptions conform to the descriptions thereof set forth in the instruments defining the same. The information in the Prospectus insofar as it relates to the Employee Options and the Representatives Warrants, in each case as of the Effective Date, the Closing Date and any Option Closing Date, is true, correct and complete in all material respects.

(xii) The outstanding Common Shares have been duly authorized and are validly issued, fully paid and non-assessable. The Employees Options have been duly authorized and validly issued and are valid and binding obligations enforceable against the Company in accordance with their terms, and except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by general equitable principles. The Warrant Agreement and the Representatives Warrants, as of the Closing Date, will have been duly authorized and validly issued and, when executed and delivered by the Company, will be valid and binding obligations enforceable against the Company in accordance with their terms, and except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by general equitable principles. The Common Shares issuable pursuant to the Employee Options and the Representatives Warrants, when issued in accordance with the respective terms thereof, will be duly authorized, validly issued, fully paid and non-assessable. None of such outstanding Common Shares or Employee Options were, and none of the Representatives Warrants or such issuable Common Shares will be, issued in violation of any preemptive rights of any security holder of the Company. The Company has reserved a sufficient number of Common Shares for issuance pursuant to the Employee Options and the Representatives Warrants. The holders of the outstanding Common Shares are not, and will not be, subject to personal liability solely by reason of being such holders, and the holders of the Common Shares issuable pursuant to the Employee Options and the Representatives Warrants will not be subject to personal liability solely by reason of being such holders. The offers and sales of the outstanding Common Shares and the Employee Options were, and the issuance of the Common Shares pursuant to the Employee Options and the Representatives Warrants will be, made in conformity with applicable registration requirements or exemptions therefrom under federal and applicable state securities laws.

(xiii) The issuance and sale of the Shares by the Company have been duly

authorized and, when the Shares have been duly delivered against payment therefor as contemplated by this Agreement, the Shares will be validly issued, fully paid and non-assessable, and the holders thereof will not be subject to personal liability solely by reason of being such holders. None of the Shares will be issued in violation of any preemptive rights of any stockholder of the Company. The certificates representing the Shares are in proper legal form under, and conform to the requirements of the Delaware General Corporation Law, as amended (the "GCL"). Neither the filing of the Registration Statement nor the offering or sale of the Shares as contemplated by this Agreement gives any security holder of the Company any rights, other than those which have been waived, for or relating to the registration of any Common Shares or other security of the Company.

(xiv) No consent, approval, authorization, order, registration, license or permit of any court, government, governmental agency, instrumentality or other regulatory body or official is required for the valid authorization, issuance, sale and delivery by the Company of any of the Shares, or for the execution, delivery or performance by the Company of this Agreement, except such as may be required for the registration of the Shares under the Act, the Regulations and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which consent, approval and authorization have been obtained, and for compliance with the applicable state securities or Blue Sky laws, or the bylaws, rules and other pronouncements of the National Association of Securities Dealers, Inc. (the "NASD") and the Nasdaq National Market. Upon the effectiveness of the Registration Statement, the Common Shares will be registered pursuant to Section 12(g) of the Exchange Act, and will be included for traded on the Nasdaq National Market. The Company has taken no action designed, or likely, to have the effect of terminating the registration of the Common Shares under Section 12(g) of the Exchange Act or the inclusion of the Common Shares on the Nasdaq National Market, nor has the Company received any notification that the SEC or the Nasdaq National Market is contemplating terminating such registration or inclusion.

(xv) The statements in the Registration Statement and Prospectus, insofar as they are descriptions of or references to contracts, agreements or other documents, are accurate in all material respects and present or summarize fairly, the information required to be disclosed under the Act and the Regulations, and there are no contracts, agreements or other documents required to be described or referred to in the Registration Statement or Prospectus or to be filed as exhibits to the Registration Statement under the Act or the Regulations that have not been so described, referred to or filed, as required.

(xvi) The financial statements (including the notes thereto) filed as part of any Preliminary Prospectus, the Prospectus and the Registration Statement present fairly the

financial position of the Company, as of the respective dates thereof, and the results of operations and cash flows of the Company, for the periods indicated therein, all in conformity with generally accepted accounting principles consistently applied, except as may be otherwise stated therein. The supporting schedules included in the Registration Statement fairly state the information required to be stated therein in relation to the basic financial statements taken as a whole. The financial information included in the Prospectus under the captions "Prospectus Summary" and "Selected Financial Data" presents fairly the information shown therein and has been compiled on a basis consistent with that of the audited financial statements included in the Registration Statement.

(xvii) Since the respective dates as of which information is given in the Registration Statement and the Prospectus, except as otherwise stated therein, there has not been (a) any material adverse change (including, whether or not insured against, any material loss or damage to any assets), or development involving a prospective material adverse change, in the general affairs, properties, assets, management, condition (financial or otherwise), results of operations, stockholders' equity, business or prospects of the Company and its Subsidiary taken as a whole, (b) any transaction entered into by the Company or its Subsidiary that is material to the Company and its Subsidiary taken as a whole, (c) any dividend or distribution of any kind declared, paid or made by the Company or the Subsidiary on their respective capital stock, (d) any liabilities or obligations, direct or indirect, incurred by the Company or the Subsidiary that are material to the Company and the Subsidiary taken as a whole, or (e) any material change in the short-term debt or long-term debt of the Company and the Subsidiary taken as a whole. The Company and the Subsidiary do not have any contingent liabilities or obligations that are material and that are not disclosed in the Prospectus.

(xviii) The Company has not distributed and, prior to the later to occur of the Closing Date, the Option Closing Date or the completion of the distribution of the Shares, will not distribute any offering material in connection with the offering or sale of the Shares other than the Registration Statement, each Preliminary Prospectus and the Prospectus, in any such case only as permitted by the Act and the Regulations.

(xix) The Company and its Subsidiary have filed with the appropriate federal, state and local governmental agencies, and all foreign countries and political subdivisions thereof, all tax returns that are required to be filed, or have duly obtained extensions of time for the filing thereof and have paid all taxes shown on such returns and all assessments received by them to the extent that the same have become due. The Company and its Subsidiary have not executed or filed with any taxing authority, foreign or domestic, any agreement extending the period for assessment or collection of any income taxes, are not a party to any pending action or proceeding by any foreign

or domestic governmental agencies for the assessment or collection of taxes, and no claims for assessment or collection of taxes have been asserted against the Company that might materially adversely affect the general affairs, properties, assets, condition (financial or otherwise), results of operations, stockholders' equity, business or prospects of the Company and its subsidiary taken as a whole.

(xx) Price Waterhouse LLP, which is certifying the financial statements included in the Prospectus and forming a part of the Registration Statement, is a firm of independent public accountants as required by the Act and the Regulations.

(xxi) The Company and its Subsidiary are not in violation of, or in default under, any of the terms or provisions, of (a) their charter or bylaws, each as amended to the date hereof, the Closing Date or the Option Closing Date, as the case may be, (b) any indenture, mortgage, deed of trust, contract, loan or credit agreement, commitment or other agreement or instrument to which the Company or its Subsidiary is a party or by which it or any of their properties are bound or affected, (c) any law, rule, regulation, judgment, order or decree of any government or governmental agency, instrumentality or court, domestic or foreign, having jurisdiction over the Company or the Subsidiary or any of their properties or businesses or (d) any license, permit, certification, registration, approval, consent or franchise referred to in subsections (ii) or (iii) of this Section 1, except where such violation or default would not have a material adverse effect on the business or properties of the Company and the Subsidiary taken as a whole.

(xxii) There are no claims, actions, suits, proceedings, arbitrations investigations, or inquiries pending before, or to the Company's knowledge, threatened or contemplated by, any governmental agency, instrumentality, court or tribunal, domestic or foreign, or before any private arbitrational tribunal, relating to or affecting the Company, it Subsidiary or their properties or businesses that might affect the issuance or validity of any of the Shares or the validity of any of the outstanding Common Shares, or that, if determined adversely to the Company or its Subsidiary, would, in any case or in the aggregate, result in any material adverse change in the general affairs, properties, assets, condition (financial or otherwise), results of operations, stockholders' equity, business or prospects, of the Company or its Subsidiary; nor, to the Company's knowledge, is there any reasonable basis for any such claim, action, suit, proceeding, arbitration, investigation or inquiry. There are no outstanding orders, judgments or decrees of any court, governmental agency, instrumentality or other tribunal enjoining the Company or its Subsidiary from, or requiring the Company or its Subsidiary to take or refrain from taking any action, or to which the Company, its subsidiary, or any of its properties, assets or businesses is bound or subject.

(xxiii) Except as otherwise stated in the Prospectus, the Company and its Subsidiary own, or possess adequate rights to use all patents, patent applications, trademarks, trademark registrations, applications for trademark registration, trade names, service marks, mask works, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential technology, information, systems, design methodologies and devices or procedures developed or derived from the Company's businesses), trade secrets, confidential information, processes and formulations necessary for, used in or proposed to be used in the conduct of its business as described in the Prospectus (collectively, the "Intellectual Property") that, if not so owned or possessed, would materially adversely affect the general affairs, properties, condition (financial or otherwise), results of operations, stockholders' equity, business or prospects of the Company. To the Company's knowledge, the Company and its Subsidiary have not infringed, are not infringing or have not received any notice of conflict with the asserted rights of others with respect to the Intellectual Property, and no others have infringed upon or are in conflict with the Intellectual Property.

(xxiv) The Company and its Subsidiary have obtained all permits, licenses and other authorizations that are required, to the extent required, under all environmental laws, including but not limited to the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), Resource Conservation & Recovery Act (42 U.S.C. Section 6901 et seq.), Safe Drinking Water Act (21 U.S.C. Section 349, 42 U.S.C. Sections 201, 300f), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clean Air Act (42 U.S.C. Section 7401 et seq.), Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.), other appropriate laws of jurisdictions in which the Company's products have been used or located and any other laws relating to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes into the environment (including, without limitation, ambient air, surface water, ground water or land), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes under any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder (collectively, the "Environmental Laws"), other than any permits, licenses or other authorizations which, if not obtained, would not have a material adverse effect on the business or properties of the Company and its Subsidiary taken as a whole. The Company and its Subsidiary are in compliance with all terms and conditions of any required permits, licenses and authorizations, and are in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules, and timetables contained in the Environmental Laws, except where the failure to so comply would not have a material adverse effect on the Company and its Subsidiary taken as a whole.

(xxv) There are no present or, to the Company's knowledge, past events, conditions, circumstances, activities, practices, incidents, actions or plans relating to the business as presently being conducted by the Company or its Subsidiary that interfere with or prevent compliance with or continued compliance with the Environmental Laws, the non-compliance with which would have a material adverse effect on the Company and its Subsidiary taken as a whole, or which would be reasonably likely to give rise to any material legal liability (whether statutory or common law) or otherwise would be reasonably likely to form the basis of any claim, action, demand, suit, proceeding, hearing, notice of violation, study, investigation, remediation, or clean up based on or related to the generation, manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge, release into the workplace, community or environment of any pollutant, contaminant, chemical or industrial, toxic, or hazardous substance or waste, which claim, action, demand, suit, proceeding, hearing, notice of violation, study, investigation, remediation, or clean up would have a material adverse effect on the Company and it Subsidiary taken as a whole.

(xxvi) The Company and its Subsidiary have good and marketable title to all personal property (tangible and intangible) described in the Prospectus as being owned by them, free and clear of all liens, security interests, charges or encumbrances, except such as are described in the Prospectus or which are not material to the business of the Company and the Subsidiary taken as a whole. The Company and it Subsidiary have adequately insured the personal property of the Company and the Subsidiary against loss or damage by fire or other casualty and maintains, in adequate amounts, insurance against such other risks as management of the Company deems appropriate. The Company and the Subsidiary do not own any real property, and all real property used or leased by the Company and the Subsidiary, as described in the Prospectus (the "Premises"), is held by the Company or the Subsidiary, as the case may be, under a valid, subsisting and enforceable lease, and except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by general equitable principles. The Premises, and all operations conducted thereon, are now and, since the Company or the Subsidiary began to use such Premises, always have been and, to the Company's knowledge, prior to when the Company or the Subsidiary began to use such Premises, always had been, in compliance with the Environmental Laws. There is no, and the Company or the Subsidiary have not received notice of any, claim, demand, investigation, regulatory action, suit or other action instituted or threatened against any of them or the Premises relating to any of the Environmental Laws. The Company or the Subsidiary have not received any notice of material violation, citation, complaint, order, directive, request for information or response thereto, notice letter, demand letter or compliance schedule to or from any governmental or regulatory agency arising out of or in connection with hazardous substances (as defined by applicable

Environmental Laws) on, about, beneath, arising from or generated at the Premises.

(xxvii) The Company maintains a system of internal accounting controls sufficient to provide reasonable assurances that (a) transactions are executed in accordance with management's general or specific authorization, (b) transactions are recorded as necessary in order to permit preparation of financial statements in accordance with generally accepted accounting principles and to maintain accountability for assets, (c) access to assets is permitted only in accordance with management's general or specific authorization and (d) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(xxviii) No unregistered securities of the Company have been sold by the Company or on behalf of the Company by any person or persons controlling, controlled by or under common control with the Company within the three years prior to the date hereof, except as disclosed in the Registration Statement.

(xxix) Each contract or other instrument (however characterized or described) to which the Company or the Subsidiary is a party or by which any of the properties or business of it is bound or affected and to which reference has been made in the Prospectus or which has been filed as an exhibit to the Registration Statement has been duly and validly executed by the Company or the Subsidiary, and by the other parties thereto. Except as described in the Prospectus, each such contract or other instrument is in full force and effect and is enforceable against the parties thereto in accordance with its terms, and except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by general equitable principles, and neither the Company, nor the Subsidiary, nor any other party is in default thereunder and no event has occurred that, with the lapse of time or the giving of notice, or both, would constitute a default thereunder.

(xxx) Except for the Company's 401(k), disability, supplemental executive retirement plan, health and life insurance plans, the Company has not had any employee benefit plan, profit sharing plan, employee pension benefit plan or employee welfare benefit plan or deferred compensation arrangements (collectively, "Plans") that are subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended, or the rules and regulations thereunder ("ERISA"). To the Company's knowledge, all Plans that are subject to ERISA are, and have been at all times since their establishment, in compliance with ERISA and, to the extent required by the Internal Revenue Code of 1986, as amended (the "Code"), in compliance with the Code. To the Company's knowledge, the Company has not had any employee pension benefit plan that is subject to Part 3 of Subtitle B of Title 1 of ERISA or any defined

benefit plan or multiemployer plan. To the Company's knowledge, the Company has not maintained retiree life and retiree health insurance plans that are employee welfare benefit plans providing for continuing benefit or coverage for any employee or any beneficiary of any employee after such employee's termination for employment, except as required by Section 4980B of the Code. To the Company's knowledge, no fiduciary or other party in interest with respect to any of the Plans has caused any of such Plans to engage in a "prohibited action" as defined in Section 406 of ERISA. As used in this subsection, the terms "defined benefit plan," "employee benefit plan," "employee pension benefit plan," "employee welfare benefit plan," "fiduciary" and "multiemployer plan" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

(xxxi) To the Company's knowledge, no labor dispute exists with the employees of the Company or its Subsidiary and no such labor dispute is imminent. There is no existing or, to the Company's knowledge, imminent labor disturbance by the employees of any of the Company's or its Subsidiary's principal suppliers, contractors or customers (including, without limitation, any distributors or end-users of its products).

(xxxii) The Company has not incurred any liability for any finder's fees or similar payments in connection with the transactions contemplated herein.

(xxxiii) Except as described in the Prospectus or as otherwise disclosed to the Underwriters, the Company is not a party to, and is not bound by, any agreement pursuant to which any material royalties, honoraria or fees are payable by the Company to any person by reason of the ownership or use of any Intellectual Property.

(xxxiv) Except as disclosed in the Prospectus, there are no business relationships or related party transactions required to be disclosed therein by Item 404 of Regulation S-K of the Regulations.

(xxxv) The Company is familiar with the Investment Company Act of 1940, as amended (the "1940 Act"), and the rules and regulations thereunder, and has in the past conducted, and intends in the future to continue to conduct, its affairs in such a manner to ensure that it will not become an "investment company" within the meaning of the 1940 Act and such rules and regulations.

(xxxvi) Neither the Company nor any director, officer, agent, employee or other person associated with or acting on behalf of the Company has, directly or indirectly, (a) used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to any political activity, (b) made any unlawful payment to foreign or domestic governments or governmental officials or employees or

to foreign or domestic political parties or campaigns from corporate funds, (c) violated any provision of the Foreign Corrupt Practices Act of 1977, as amended or (d) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment. Neither the Company nor any of its affiliates does business with the government of Cuba or with any person or affiliate located in Cuba within the meaning of Section 517.075, Florida Statutes.

(b) Tridex represents and warrants to, and agrees with, the several Underwriters to the same effect as the representations and warranties of the Company set forth in Section 1(a) of this Agreement and, in addition, that:

(i) Tridex is a corporation duly organized, validly existing and in good standing under the laws of Delaware, with all necessary corporate power and authority, and all required licenses, permits, certifications, registrations, approvals, consents and franchises to own or lease and operate its properties and to conduct its business and to execute, deliver and perform this Agreement. Tridex is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the nature of its business or its ownership or leasing of property requires such qualification, except where the failure to be so qualified would not have a material adverse effect on Tridex.

(ii) All of the issued shares of capital stock of the Company are owned directly by Tridex, free and clear of all liens, encumbrances, securities interests, mortgage, pledge, equities or claims;

(iii) This Agreement has been duly authorized, executed and delivered by Tridex.

(iv) The consummation of the Reorganization and the execution, delivery and performance of the Plan of Reorganization and each of the Ancillary Agreements did not and will not (a) conflict with or result in a breach or the violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which Tridex or any of its subsidiaries was or is bound or to which Tridex or any of its subsidiaries was or is subject, (b) nor will such actions result in any violation of the provisions of the charter or bylaws of Tridex or any of its subsidiaries, (c) nor will such actions result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Tridex or any of its subsidiaries or any of their properties or assets, except, in the case of (a) and (c) above, such conflicts, breaches, violations and defaults as would not have a material adverse effect upon the current or future position (financial or otherwise), business, assets, results of operations, or prospects of Tridex and its subsidiaries taken as a whole, or upon the

ability of Tridex or its subsidiaries to perform their respective obligations under the Agreement or upon the validity or consummation of the transactions contemplated hereby or thereby. No consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency or body is required for the execution and delivery by Tridex of, and compliance by Tridex with, the provisions of the Plan of Reorganization and each of the Ancillary Agreements (except for such consents, approvals, authorizations, orders, filings, registrations and qualifications the failure to obtain which would not have a material adverse effect on the Company and its subsidiaries taken as a whole).

(v) The issue and sale of the Shares by the Company, the compliance by the Company and Tridex with all the provisions of this Agreement which are applicable to them and the consummation of the transactions herein contemplated have been duly authorized by all necessary corporate and stockholder action on the part of each Tridex and the Company, will not (a) conflict with or result in a breach or violation of any terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which Tridex or any subsidiary thereof was or is bound or to which any of the property or assets of Tridex or any of its subsidiaries was or is subject, (b) result in any violation of the provisions of the charters or bylaws of Tridex or any of its respective subsidiaries or (c) result in any violation of the provisions of any statute or any order, rule or regulation of any court of any governmental agency or body having jurisdiction over Tridex or any of its respective subsidiaries or any of their properties, except, in the case of (a) and (c) above, such conflicts, breaches, violations or defaults that, individually or in the aggregate, would not have a material adverse effect upon the current or future position (financial or otherwise), business, assets, results of operations or prospects of Tridex and its subsidiaries, taken as a whole, or upon the ability of Tridex and its subsidiaries to perform their respective obligations under this Agreement or upon the validity or consummation of the transactions contemplated hereby or thereby; and no consent, approval, authorization or other order of, or filing with, any court or any such regulatory authority or other governmental body is required to be obtained by Tridex or any of its subsidiaries for the issue and sale of the Shares, the consummation by the Company and Tridex of the transactions contemplated by this Agreement, except the registration under the Act of the Shares and such consents, approvals, authorizations, registrations or qualifications as may be required under state or foreign securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters.

(vi) Tridex has applied for a ruling from the United Stated Internal Revenue Services that the Distribution, after the consummation of the offering contemplated herein, of all the shares of capital stock of the Company held by Tridex to the shareholders of Tridex will constitute a tax-free reorganizations for the purposes of the

Internal Revenue Code of 1986, as amended.

(vii) Neither Tridex nor any of its subsidiaries has taken, or will take, directly or indirectly, any action which is designed to or which might reasonably be expected to cause or result in the stabilization or manipulation of the price of the common stock of Tridex or the Common Stock.

Any certificate signed by any officer of the Company or Tridex in such capacity and delivered to the Representatives or to counsel for the Underwriters pursuant to this Agreement shall be deemed a representation and warranty by the Company or Tridex to the several Underwriters as to the matters covered thereby.

2. PURCHASE AND SALE OF OFFERED SHARES. On the basis of the representations, warranties, covenants and agreements herein contained, but subject to the terms and conditions herein set forth, the Company shall sell the Offered Shares to the several Underwriters at the Offering Price less the underwriting discount shown on the cover page of the Prospectus (the "Underwriting Discount"), and the Underwriters, severally and not jointly, shall purchase from the Company, on a firm commitment basis, at the Offering Price less the Underwriting Discount, the respective Offered Shares set forth opposite their names on Schedule I hereto. In making this Agreement, each Underwriter is contracting severally, and not jointly, and, except as provided in Sections 4 and 11 hereof, the agreement of each Underwriter is to purchase only that number of Offered Shares specified with respect to that Underwriter in Schedule I hereto. The Underwriters shall offer the Offered Shares to the public as set forth in the Prospectus.

3. PAYMENT AND DELIVERY. Payment for the Offered Shares shall be made to the Company by certified or official bank check payable to the order of the Company in New York Clearing House funds (next day funds), at the offices of Heller Ehrman White & McAuliffe, 6100 Columbia Center, 701 Fifth Avenue, Seattle, Washington 98104, or at such other location as shall be agreed upon by the Company and the Representatives, or in immediately available funds wired to such account or accounts as the Company may specify (with all costs and expenses incurred by the Underwriters in connection with such settlement in immediately available funds (including, but not limited to, interest or cost of funds expenses) to be borne by the Company), against delivery of the Offered Shares to the Representatives at the offices of Cruttenden Roth Incorporated, 18301 Von Karman, Irvine, California 92715, for the respective accounts of the Underwriters. Such payments and delivery will be made at 10:00 A.M., Pacific time, on the third business day after the date of this Agreement or at such other time and date not later than one business days thereafter as the Representatives and the Company shall agree upon. Such time and date are referred to herein as the "Closing Date." The certificates representing the Offered Shares to be sold and delivered will be in such denominations and registered in such names as the Representatives request not less than one full business day prior to the Closing Date, and will be made

available to the Representatives for inspection, checking and packaging at the office of the Company's Transfer Agent, not less than one full business day prior to the Closing Date.

4. OPTION TO PURCHASE OPTIONAL SHARES.

(a) For the purposes of covering any over-allotments in connection with the distribution and sale of the Offered Shares as contemplated by the Prospectus, subject to the terms and conditions herein set forth, the several Underwriters are hereby granted an option by the Company to purchase all or any part of the Optional Shares from the Company (the "Over-allotment Option"). The purchase price per share to be paid for the Optional Shares shall be the Offering Price less the Underwriting Discount. The Over-allotment Option granted hereby may be exercised by the Representatives on behalf of the several Underwriters as to all or any part of the Optional Shares at any time (but not more than once) within 30 days after the Effective Date. No Underwriter shall be under any obligation to purchase any Optional Shares prior to an exercise of the Over-allotment Option.

(b) The Over-allotment Option granted hereby may be exercised by the Representatives on behalf of the several Underwriters by giving notice to the Company by a letter sent by registered or certified mail, postage prepaid, telex, telegraph, telegram or facsimile (such notice to be effective when sent), addressed as provided in Section 13 hereof, setting forth the number of Optional Shares to be purchased, the date and time for delivery of and payment for the Optional Shares and stating that the Optional Shares referred to therein are to be used for the purpose of covering over-allotments in connection with the distribution and sale of the Offered Shares. If such notice is given prior to the Closing Date, the date set forth therein for such delivery and payment shall not be earlier than either three full business days thereafter or the Closing Date, whichever occurs later. If such notice is given on or after the Closing Date, the date set forth therein for such delivery and payment shall be a date selected by the Representatives that is not later than three full business days after the exercise of the Over-allotment Option. The date and time set forth in such a notice is referred to herein as the "Option Closing Date," and a closing held pursuant to such a notice is referred to herein as the "Option Closing." The number of Optional Shares to be sold to each Underwriter pursuant to the exercise of the Overallotment Option shall be the number that bears the same ratio to the aggregate number of Optional Shares being purchased through such Over-allotment Option exercise as the number of Offered Shares opposite the name of such Underwriter in Schedule I hereto bears to the total number of all Offered Shares; subject, however, to such adjustment as the Representatives may approve to eliminate fractional shares and subject to the provisions for the allocation of Optional Shares purchased for the purpose of covering over-allotments set forth in Section 9 of the Agreement Among Underwriters. Upon the exercise of the Over-allotment Option, the Company shall become obligated and sell to

the Representatives for the respective accounts of the Underwriters, and on the basis of the representations, warranties, covenants and agreements herein contained, but subject to the terms and conditions herein set forth, and the several Underwriters shall become severally, but not jointly, obligated to purchase from the Company, the number of Optional Shares specified in each notice of exercise of the Over-allotment Option.

(c) Payment for the Optional Shares shall be made to the Company by certified or official bank check payable to the order of the Company in New York Clearing House funds (next day funds), at the office of Heller Ehrman White & McAuliffe, 6100 Columbia Center, 701 Fifth Avenue, Seattle, Washington 98104, or such other location as shall be agreed upon by the Company and the Representatives, or in immediately available funds wired to such account as the Company may specify (with all costs and expenses incurred by the Underwriters in connection with such settlement in immediately available funds (including, but not limited to, interest or cost of funds expenses) to be borne by the Company), against delivery of the Optional Shares to the Representatives at the offices of Cruttenden Roth Incorporated, 18301 Von Karman, Irvine, California 92715, for the respective accounts of the Underwriters. The certificates representing the Optional Shares to be issued and delivered will be in such denominations and registered in such names as the Representatives request not less than one full business day prior to the Option Closing Date, and will be made available to the Representatives for inspection, checking and packaging at the office of the Company's Transfer Agent not less than one full business day prior to the Option Closing Date.

5. CERTAIN COVENANTS AND AGREEMENTS (a) The Company covenants and agrees with the several Underwriters as follows:

(i) If Rule 430A of the Regulations is employed, the Company will timely file the Prospectus pursuant to and in compliance with Rule 424(b) of the Regulations and will advise the Representatives of the time and manner of such filing.

(ii) The Company will not at any time, whether before or after the Registration Statement shall have become effective, during such period as, in the opinion of counsel for the Underwriters, the Prospectus is required by law to be delivered in connection with sales by the Underwriters or a dealer, file or publish any amendment or supplement to the Registration Statement or Prospectus of which the Representatives have not been previously advised and furnished a copy, or which is not in compliance with the Regulations, or, during the period before the distribution of the Offered Shares and the Optional Shares is completed, file or publish any amendment or supplement to the Registration Statement or Prospectus to which the Representatives reasonably object in writing.

(iii) The Company will use its best efforts to cause the Registration Statement, if not effective at the time and date that this Agreement is executed and delivered by the parties hereto, to become effective and will advise the Representatives immediately, and confirm such advice in writing, (a) when the Registration Statement, or any post-effective amendment to the Registration Statement, is filed with the SEC, (b) of the receipt of any comments from the SEC, (c) when the Registration Statement has become effective and when any post-effective amendment thereto becomes effective, or when any supplement to the Prospectus or any amended Prospectus has been filed, (d) of any request of the SEC for amendment or supplementation of the Registration Statement or Prospectus or for additional information, (e) during the period when the Prospectus is required to be delivered under the Act and Regulations, of the happening of any event which in the Company's judgment makes any material statement in the Registration Statement or the Prospectus untrue or which requires any changes to be made in the Registration Statement or Prospectus in order to make any material statements therein not misleading and (f) of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus, the suspension of the qualification of any of the Shares for offering or sale in any jurisdiction in which the Underwriters intend to make such offers or sales, or of the initiation or threatening of any proceedings for any such purposes. The Company will use its best efforts to prevent the issuance of any such stop order or of any order preventing or suspending such use and, if any such order is issued, to obtain as soon as possible the lifting thereof.

(iv) The Company has delivered to the Representatives, without charge, and will continue to deliver from time to time until the Effective Date, as many copies of each Preliminary Prospectus as the Representatives may reasonably request. The Company will deliver to the Representatives, without charge, as soon as possible after the Effective Date, and thereafter from time to time during the period when delivery of the Prospectus is required under the Act, such number of copies of the Prospectus (as supplemented or amended, if the Company makes any supplements or amendments to the Prospectus) as the Representatives may reasonably request. The Company hereby consents to the use of such copies of each Preliminary Prospectus and the Prospectus for purposes permitted by the Act, the Regulations and the securities or Blue Sky laws of the jurisdictions in which the Shares are offered or sold by the several Underwriters and by all dealers to whom Shares may be offered or sold, both in connection with the offering and sale of the Shares and for such period of time thereafter as the Prospectus is required by the Act to be delivered in connection with sales by any Underwriter or dealer. The Company has furnished or will furnish to the Representatives two signed copies of the Registration Statement as originally filed and of all amendments thereto, whether filed before or after the Effective Date, two copies of all exhibits filed therewith and two signed copies of all consents and certificates of experts, and will

deliver to the Representatives such number of conformed copies of the Registration Statement, including financial statements and exhibits, and all amendments thereto, as the Representatives may reasonably request.

(v) The Company will comply with the Act, the Regulations, the Exchange Act and the rules and regulations thereunder so as to permit the continuance of offers and sales of, and dealings in, the Shares for as long as may be necessary to complete the distribution of the Shares as contemplated hereby.

(vi) The Company will furnish such information as may be required and otherwise cooperate in the registration or qualification of the Shares, or exemption therefrom, for offering and sale by the several Underwriters and by dealers under the securities or Blue Sky laws of such jurisdictions in which the Representatives determine to offer the Shares, after consultation with the Company, and will file such consents to service of process or other documents necessary or appropriate in order to effect such registration or qualification; provided, however, that no such qualification shall be required in any jurisdiction where, solely as a result thereof, the Company would be subject to taxation or qualification as a foreign corporation doing business in such jurisdiction where it is not now so qualified or to take any action which would subject it to service of process in suits, other than those arising out of the offering or sale of the Shares, in any jurisdiction where it is not now so subject. The Company will, from time to time, prepare and file such statements and reports as are or may be required to continue such qualification in effect for so long a period as is required under the laws of such jurisdiction for such offering and sale.

(vii) Subject to subsection (ii) of this Section 5, in case of any event, at any time within the period during which, in the opinion of counsel for the Underwriters, a prospectus is required to be delivered under the Act and Regulations, as a result of which event any Preliminary Prospectus or the Prospectus, as then amended or supplemented, would contain, in the judgment of the Company or in the opinion of counsel for the Underwriters, an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, or, if it is necessary at any time to amend any Preliminary Prospectus or the Prospectus to comply with the Act and Regulations or any applicable state securities or Blue Sky laws, the Company promptly will prepare and file with the SEC, and any applicable state securities commission, an amendment or supplement that will correct such statement or omission or an amendment that will effect such compliance and will furnish to the Representatives such number of copies of such amendment or amendments or supplement or supplements to such Preliminary Prospectus or the Prospectus (in form and substance satisfactory to the Representatives and counsel for Underwriters) as the Representatives may reasonably request. For purposes of this subsection, the Company

will furnish such information to the Representatives, the Underwriters' counsel and counsel for the Company as shall be necessary to enable such persons to consult with the Company with respect to the need to amend or supplement any Preliminary Prospectus or the Prospectus, and shall furnish to the Representatives and the Underwriters' counsel such further information as each may from time to time reasonably request. If the Company and the Representatives agree that any Preliminary Prospectus or the Prospectus should be amended or supplemented, the Company, if requested by the Representatives, will, if and to the extent required by law, promptly issue a press release announcing or disclosing the matters to be covered by the proposed amendment or supplement.

(viii) The Company will make generally available to its security holders as soon as practicable and in any event not later than 45 days after the end of the period covered thereby, an earnings statement of the Company (which need not be audited unless required by the Act, the Regulations, the Exchange Act or the rules or regulations thereunder) that shall comply with Section 11(a) of the Act and cover a period of at least 12 consecutive months beginning not later than the first day of the Company's fiscal quarter next following the Effective Date.

(ix) For a period of five years from the Effective Date, the Company will deliver to the Representatives upon request: (a) a copy of each report or document, including, without limitation, reports on Forms 8-K, 10-C, 10-K and 10-Q (or such similar forms as may be designated by the SEC), registration statements and any exhibits thereto, filed with or furnished to the SEC or any securities exchange or the NASD, as soon as practicable after the date each such report or document is so filed or furnished, (b) as soon as practicable, copies of any reports or communications (financial or other) of the Company mailed to its security holders and (c) every material press release in respect of the Company or its affairs that was released or prepared by the Company.

(x) During the course of the distribution of the Shares, the Company has not taken, nor will it take, directly or indirectly, any action designed to or that might, in the future, reasonably be expected to cause or result in stabilization or manipulation of the price of the Common Shares.

(xi) The Company will cause each person listed on Schedule II hereto to execute a legally binding and enforceable agreement (a "lockup agreement") to, for a period of 180 days from the Effective Date, not sell, offer to sell, contract to sell, grant any option for the sale of or otherwise transfer or dispose of any Common Shares (except for the sale of the Shares as contemplated by this Agreement), any options to purchase Common Shares or any securities convertible into or exchangeable for Common Shares (excluding the issuance of Common Shares pursuant to the Employee

Options) without the prior written consent of Cruttenden Roth Incorporated, which lockup agreement shall be in form and substance satisfactory to the Representatives and the Underwriters' counsel, and deliver such lockup agreement to the Representatives prior to the Effective Date. Appropriate stop transfer instructions will be issued by the Company to the transfer agent for the securities affected by the lockup agreements.

(xii) The Company will not sell, issue, contract to sell, offer to sell or otherwise dispose of any Common Shares, options to purchase Common Shares or any other security convertible into or exchangeable for Common Shares, from the date of the Effective Date through the period ending 180 days after the Effective Date, without the prior written consent of Cruttenden Roth Incorporated, except for the sale of the Shares as contemplated by this Agreement, the granting of options, and the issuance of Common Shares upon their exercise, under the Company's stock option plans described in the Prospectus, the issuance of Common Shares pursuant to the Employee Options and the Warrants and the issuance of the Representatives Warrants.

(xiii) The Company will use all reasonable efforts to maintain the inclusion of the Common Shares on the Nasdaq National Market, or to list the Common Shares on the New York Stock Exchange (the "NYSE") or the American Stock Exchange (the "AMEX").

(xiv) The Company shall, at its sole cost and expense, supply and deliver to the Representatives and the Underwriters' counsel (in the form they require), within a reasonable period after the Closing Date, six transaction binders, each of which shall include the Registration Statement, as amended or supplemented, all exhibits to the Registration Statement, each Preliminary Prospectus, the Prospectus, the Preliminary Blue Sky Memorandum and any supplement thereto and all underwriting and other closing documents.

(xv) The Company will use the net proceeds from the sale of the Shares to be sold by it hereunder substantially in accordance with the description thereof set forth in the Prospectus and shall file such reports with the SEC with respect to the sale of such Shares and the application of the proceeds therefrom as may be required in accordance with Rule 463 under the Act.

(xvi) On the Closing Date, the Company shall sell to the Representatives, at a purchase price of $0.001 per warrant, Representatives Warrants to purchase _____,000 Common Shares. Such Representatives Warrants shall be issued pursuant to the terms of the Warrant Agreement, shall have an exercise price per share equal to $_____, shall not be exercisable until the first anniversary of the date on which Tridex owns less than 80% of the outstanding voting capital of the Company, shall thereafter be exercisable until the fifth anniversary of the Closing, shall contain customary anti-

dilution and registration rights provisions and shall otherwise be in a form that is acceptable to the Representatives and their counsel.

(b) Tridex agrees, jointly and severally with each of the Underwriters that, during the period beginning from the Effective Date and continuing and including the date 180 days after Tridex will not (and, except as may be disclosed in the Prospectus, will not announce or disclose any intention to) (i) sell, offer to sell, solicit an offer to buy, contract to sell, grant any option to purchase, pledge, transfer, establish an open "put equivalent position" (within the meaning of Rule 16a-1(h) under the Exchange Act) or otherwise dispose of any shares of Common Stock, options or warrants to acquire shares of Common Stock, or securities exchangeable or exercisable for or convertible into shares of Common Stock currently or hereafter owned either of record or beneficially (as defined in Rule 13d-3 under the Exchange Act) by Tridex; or (ii) file any registration statement under the Act with respect to Shares, securities convertible into or exchangeable for Shares, rights or warrants to acquire stock or any other securities substantially similar to Shares, in each case without your prior written consent.

6. PAYMENT OF EXPENSES.

(a) Whether or not the transactions contemplated by this Agreement are consummated and regardless of the reason this Agreement is terminated, the Company will pay or cause to be paid, and bear or cause to be borne, all costs and expenses incident to the performance of the obligations of the Company under this Agreement, including: (i) the fees and expenses of the accountants and counsel for the Company incurred in the preparation of the Registration Statement and any post-effective amendments thereto (including financial statements and exhibits), each Preliminary Prospectus and the Prospectus and any amendments or supplements thereto; (ii) printing and mailing expenses associated with the Registration Statement and any post-effective amendments thereto, each Preliminary Prospectus, the Prospectus (including any supplement thereto), this Agreement, the Agreement Among Underwriters, the Underwriters' Questionnaire, the Power of Attorney, the Selected Dealer Agreement and related documents and the Preliminary Blue Sky Memorandum and any supplement thereto; (iii) the costs (other than fees and expenses of the Underwriters' counsel except in connection with Blue Sky filings or exemptions as provided herein) incident to the authentication, issuance, delivery and transfer of the Shares to the Underwriters; (iv) all taxes, if any, on the issuance, delivery and transfer of the Shares to be sold by the Company; (v) the fees, expenses and all other costs of qualifying the Shares for the sale under the securities or Blue Sky laws of those jurisdictions in which the Shares are to be offered or sold including the reasonable fees and disbursements of Underwriters' counsel and such local counsel as may have been reasonably required and retained for such purpose; (vi) the fees, expenses and other

costs of, or incident to, securing any review or approvals by or from the NASD exclusive of fees of the Underwriters' counsel; (vii) the filing fees of the SEC; (viii) the cost of furnishing to the Underwriters copies of the Registration Statement, each Preliminary Prospectus and the Prospectus (including any supplement or amendment thereto) as herein provided; (ix) the Company's travel expenses in connection with meetings with the brokerage community and institutional investors and expenses associated with hosting such meetings, including meeting rooms, meals, facilities and ground transportation expenses; (x) the costs and expenses associated with settlement in same day funds (including, but not limited to, interest or cost of funds expenses), if desired by the Company; (xi) the fees for inclusion of the Shares on the Nasdaq National Market; (xii) the cost of printing and engraving certificates for the Shares; (xiii) the cost and charges of any transfer agent; and (xiv) all other costs and expenses reasonably incident to the performance of its obligations hereunder that are not otherwise specifically provided for in this Section 6, provided that, except as specifically set forth in subsection (c) of this Section 6, the Underwriters shall be responsible for their out-of-pocket expenses, including their lodging and travel expenses associated with meetings with the brokerage community and institutional investors, and the fees and expenses of their counsel for other than Blue Sky work.

(b) The Company shall pay as due any registration, qualification and filing fees and any accountable out-of-pocket disbursements in connection with such registration, qualification or filing in the jurisdictions in which the Representatives determine, after consultation with the Company, to offer or sell the Shares.

(c) In addition to the foregoing expenses, the Company shall at the Closing Date pay to the Representative a non-accountable expense allowance equal to $240,000 (less any previous advances to the Representatives by the Company).

(d) In the event the Underwriters are willing to proceed with the issuance and sale of the Offered Shares as contemplated by this Agreement and the Company elects not to proceed for any reason, the Company shall reimburse the Representatives for all of their out-of-pocket expenses incurred in connection with the offering of the Offered Shares (including but not limited to the fees and disbursements of its counsel), in an amount not to exceed $150,000.

7. CONDITIONS OF UNDERWRITERS' OBLIGATIONS. The obligation of each Underwriter to purchase and pay for the Offered Shares that it has agreed to purchase hereunder on the Closing Date, and to purchase and pay for any Optional Shares as to which its right to purchase under Section 4 has been exercised on an Option Closing Date, is subject at the date hereof, the Closing Date and any Option Closing Date to the continuing accuracy of the representations and warranties of the Company set forth herein, to the performance by the Company of its covenants, agreements and obligations hereunder and to the following

additional conditions:

(a) The Registration Statement shall have become effective not later than 5:30 P.M., Eastern time, on the date of this Agreement, or at such later time or on such later date as the Representatives may agree to in writing; if required by the Regulations, the Prospectus shall have been filed with the SEC pursuant to Rule 424(b) of the Regulations within the applicable time period prescribed for such filing by the Regulations and in accordance with subsection (i) of Section 5 hereof; on or prior to the Closing Date or any Option Closing Date, as the case may be, no stop order or other order preventing or suspending the effectiveness of the Registration Statement or the sale of any of the Shares shall have been issued under the act or any state securities law and no proceedings for that purpose shall have been initiated or shall be pending or, to the Representatives' knowledge or the knowledge of the Company, shall be contemplated by the SEC or any authority in any jurisdiction designated by the Representatives pursuant to subsection (vi) of Section 5 hereof and any request on the part of the SEC for additional information shall have been complied with to the reasonable satisfaction of counsel for the Underwriters.

(b) All corporate proceedings and other matters incident to the authorization, form and validity of this Agreement, the Warrant Agreement, the Representatives Warrants and the Shares and the form of the Registration Statement, each Preliminary Prospectus and the Prospectus, and all other legal matters relating to this Agreement and the transactions contemplated hereby, shall be satisfactory in all respects to counsel to the Underwriters; the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters; and the Representatives shall have received from the Underwriters' counsel, Heller Ehrman White & Mcauliffe, a favorable opinion, dated as of the Closing Date and any Option Closing Date, as the case may be, and addressed to the Representatives individually and as the Representatives of the several Underwriters with respect to the due authorization, execution and delivery of this Agreement, that the issuance and sale of the Shares have been duly authorized by the Company, that when the Shares have been duly delivered against payment therefor as contemplated by this Agreement, they will be validly issued, fully paid and non-assessable and that the Registration Statement has become effective under the Act.

(c) The NASD shall have indicated that it has no objection to the underwriting arrangements pertaining to the sale of any of the Shares.

(d) The Representatives shall have received copies of the lockup agreements described in subsection (xxii) of Section 5 signed by those persons set forth on Schedule II hereto.

(e) The Representatives shall have received at or prior to the Closing Date from the Underwriters' counsel a memorandum or summary, in form and substance satisfactory to the Representatives, with respect to the qualification for offering and sale by the Underwriters of the Shares under the securities or Blue Sky laws of such jurisdictions designated by the Representatives pursuant to subsection (f) of Section 5 hereof.

(f) You shall have received on the Closing Date and on the Option Closing Date, if any, the following opinions of Hinckley, Allen & Snyder, counsel for the Company and Tridex, dated the Closing Date and the Option Closing Date, if any, and addressed to the Underwriters and with reproduced copies or signed counterparts thereof for each of the Underwriters:

(i) Each of the Company and Tridex have been duly incorporated and are validly existing as corporations in good standing under the laws of their jurisdictions of incorporation;

(ii) Each of the Company and Tridex have the corporate power to own, lease and operate its properties and to conduct its business as described in the Prospectus; and each of the Company and Tridex are duly qualified to do business as a foreign corporation and are in good standing in each jurisdiction in which the ownership or leasing of properties or the conduct of its respective business requires such qualification, except where the failure so to qualify taken in the aggregate would not have a material adverse effect on the business, operations or financial condition of the Company or Tridex;

(iii) The consummation of the Reorganization and the execution, delivery and performance of all documents and instruments executed and delivered therewith were authorized by all necessary corporate action on the part of the Company and Tridex, all consents, approvals, authorizations, orders, licenses, certificates, permits, registrations or qualifications which the failure to obtain would not, individually or in the aggregate, have a material adverse effect; the consummation of the Plan of Reorganization and the execution, delivery and performance of all documents and instruments executed and delivered therewith did not and will not (a) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed or trust, loan agreement or other agreement or instrument to which the Company, Tridex or any of their subsidiaries was or is bound or to which any of the property or assets of the Company, Tridex or any of their subsidiaries was or is subject, (b) result in any violation of the provisions of the charter or bylaws of the Company, Tridex or any of their subsidiaries or (c) result in any violation of the provisions of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the

Company, Tridex or any of their subsidiaries or any of their properties, other than, in the case of clauses (a) and (c) above, such conflicts, breaches, violations or defaults that, individually or in the aggregate, would not have a material adverse effect;

(iv) All of the issued shares of capital stock of the Company other than those to be delivered by the Company at the Closing and the Option Closing pursuant to this Agreement are owned of record by Tridex, free and clear of all liens, encumbrances, security interests, mortgages, pledges, equities or claims; all of the issued shares of capital stock of Magnetec (a) have been duly authorized and are validly issued, fully paid and non-assessable and (b) are owned of record by the Company, free and clear of all liens, encumbrances, security interests, mortgages, pledges, equities or claims;

(v) The authorized, issued and outstanding capital stock of the Company is as set forth in the Prospectus under the caption "Capitalization" as of the dates stated therein; the issued and outstanding shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and nonassessable, and to such counsel's knowledge have not been issued in violation of any preemptive right, or co-sale right, registration right, right of first refusal or other similar right;

(vi) The Shares to be issued and sold by the Company to the several Underwriters pursuant to the terms of this Agreement will be, upon issuance and delivery against payment therefor in accordance with the terms hereof, duly authorized and validly issued and fully paid and nonassessable; and the stockholders of the Company do not have any preemptive rights, co-sale rights, rights of first refusal or other similar rights, which rights have not previously been waived, to purchase any of the Shares pursuant to the Company's charter or bylaws, or to such counsel's knowledge, any agreement to which the Company is a party;

(vii) The Common Shares to be issued and sold by the Company to the several Underwriters pursuant to the terms of the Warrant Agreement (the "Warrant Shares") will be, upon issuance and delivery against payment therefor in accordance with the terms thereof, duly authorized and validly issued and fully paid and nonassessable; and the stockholders of the Company do not have any preemptive rights, co-sale rights, rights of first refusal of other similar rights, which rights have not previously been waived, to purchase any of the Warrant Shares pursuant to the Company's charter or bylaws, or to such counsel's knowledge, any agreement to which the Company is a party;

(viii) The Company and Tridex have the corporate power and authority to enter into this Agreement and to issue, sell and deliver to the Underwriters the Shares to be issued, sold and delivered by it hereunder;

(ix) The Company has the corporate power and authority to enter into the Warrant Agreement, and to issue, sell and deliver to the Representatives the Representatives' Warrants and the Warrant Shares to be issued, sold and delivered by it thereunder;

(x) This Agreement has been duly authorized by all necessary corporate action on the part of the Company and Tridex, and has been duly executed and delivered by the Company and Tridex;

(xi) To such counsel's knowledge, except as described in the Prospectus, the Company does not own or control, directly or indirectly, any corporation, association or other entity.

(xii) The Warrant Agreement and the Representatives' Warrants, when issued, have been duly authorized by all necessary corporate action on the part of the Company and have been duly executed and delivered by the Company and, assuming due authorization, execution and delivery by you, are valid and binding agreements of the Company, except insofar as the indemnification and contribution provisions may be limited by applicable law.

(xiii) The Registration Statement has become effective under the Act, and, to such counsel's knowledge, no stop orders suspending the effectiveness of the Registration Statement have been issued and no proceedings for that purpose have been instituted or are pending or threatened under the Act;

(xiv) The Registration Statement and the Prospectus, and each amendment or supplement thereto (other than the financial statements, financial and statistical data and supporting schedules included or incorporated by reference in the Registration Statement and the Prospectus and each amendment or supplement thereto, as to which such counsel need express no opinion) as of the effective date of the Registration Statement, complied as to form in all material respects with the requirements of the Act and the applicable Rules and Regulations;

(xv) The terms and provisions of the capital stock of the Company conform in all material respects to the description thereof contained in the Registration Statement and Prospectus, and the information in the Prospectus under the captions "Description of Capital Stock," "Management -- Employee Stock Plans," and "Share Eligible For Future Sale" to the extent that it constitutes matters of law or legal conclusions, has been reviewed by such counsel and are correct in all material respects, and the form of certificate evidencing the Common Stock complies with Delaware law;

(xvi) The descriptions in the Registration Statement and the Prospectus

of the charter and bylaws of the Company and of the GCL, the Act, and the Regulations are accurate and fairly present the information required to be presented by the Act or the Regulations;

(xvii) To such counsel's knowledge, there are no agreements, contracts, leases or documents of a character required to be described or referred to in the Registration Statement or Prospectus or to be filed as an exhibit to the Registration Statement that are not described or referred to therein and filed as required;

(xviii) The performance of this Agreement and the Warrant Agreement and the consummation of the transactions contemplated in each will not result in any violation of the Company's or Tridex's charter or bylaws, or, to such counsel's knowledge, result in a material breach or violation of any of the terms or provisions of, or constitute a material default under, any material indenture, mortgage, deed of trust, loan agreement, bond, debenture, note agreement or other evidence of indebtedness, or any material lease, contract or other agreement or instrument which has been filed as an exhibit to the Registration Statement, or, to such counsel's knowledge, any applicable statute, rule or regulation known to such counsel or, to such counsel's knowledge, any order, writ or decree of any court or governmental agency or body having jurisdiction over the Company or Tridex, or over any of the Company's or Tridex's properties or operations; provided, however, that no opinion need be rendered concerning Blue Sky laws;

(xix) No authorization, approval or consent of any governmental authority or agency is necessary in connection with the consummation of the transactions herein contemplated, except such as have been obtained under the Act or as may be required by the NASD, the Nasdaq National Market or under state or other securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters;

(xx) To such counsel's knowledge, there are no legal or governmental proceedings pending or threatened against the Company or Tridex of a character that are required to be disclosed in the Registration Statement or the Prospectus, by the Act or the Regulations;

(xxi) To such counsel's knowledge, no holders of Common Stock or other securities of the Company or Tridex have registration rights with respect to securities of the Company;

(xxii) The Company has reserved out of its authorized and unissued shares of Common Stock a number of Warrant Shares sufficient to provide for the exercise of the rights of purchase represented by the Representatives' Warrants; and

(xxiii) The Company is not an "investment company" or an entity "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940.

In addition, such counsel shall state that they have participated in conferences with officers and other representatives of the Company, Tridex, representatives of the independent public accountants for the Company, representatives of the independent public accountants for Tridex, and you, at which the contents of the Registration Statement and Prospectus and related matters were discussed and, although such counsel is not passing upon, and does not assume any responsibility for the accuracy, completeness or fairness of the statements, except for those referred to in Subsection (xv) of this Section 7(f), contained in the Registration Statement and Prospectus, no facts have come to such counsel's attention that lead them to believe that either the Registration Statement (including the incorporated documents, if any) at the time such Registration Statement became effective contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or the Prospectus (including the incorporated documents) as of its date contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except that such counsel need express no opinion with respect to the financial statements, schedules and other financial and statistical data included in the Registration Statement or Prospectus.

In giving their opinion, Hinckley, Allen & Snyder may rely as to matters of fact, to the extent Hinckley, Allen & Snyder deems appropriate, on certificates of responsible Company and Tridex officers and public officials.

(g) At the Closing Date and any Option Closing Date: (i) the Registration Statement and any post-effective amendment thereto and the Prospectus and any amendments or supplements thereto shall contain all statements that are required to be stated therein in accordance with the Act and the Regulations and shall conform, in all material respects, to the requirements of the Act and the Regulations, and neither the Registration Statement nor any post-effective amendment thereto nor the Prospectus and any amendments or supplements thereto shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (ii) since the respective dates as of which information is given in the Registration Statement and any post-effective amendment thereto and the Prospectus and any amendments or supplements thereto, except as otherwise stated therein, there shall have been no material adverse change in the properties, condition (financial or otherwise), results of operations, stockholders' equity, business or management of the Company, from that set forth therein, whether or not arising in the ordinary course of

business, other than as referred to in the Registration Statement or Prospectus, (iii) since the respective dates as of which information is given in the Registration Statement and any post-effective amendment thereto and the Prospectus or any amendment or supplement thereto, there shall have been no transaction, contract or agreement entered into by the Company, other than in the ordinary course of business and as set forth in the Registration Statement or Prospectus that has not been, but would be required to be, set forth in the Registration Statement or Prospectus; (iv) no action, suit or proceeding at law or in equity shall be pending or, to the knowledge of the Company, threatened against the Company that would be required to be set forth in Prospectus, other than as set forth therein, and no proceedings shall be pending or, to the knowledge of the Company, threatened against the Company before or by any federal, state or other commission, board or administrative agency wherein an unfavorable decision, ruling or finding would materially adversely affect the properties, condition (financial or otherwise), results of operations, stockholders' equity or business of the Company, other than as set forth in the Prospectus. The Representatives shall have received at the Closing Date and any Option Closing Date certificates of each of the Chief Executive Officer and the Chief Financial Officer of the Company and of Tridex dated as of the date of the Closing Date or Option Closing Date, as the case may be, and addressed to the Representatives, individually and as the Representatives of the several Underwriters, to the effect, that the conditions set forth in this subsection have been satisfied and as to the accuracy and performance, as of the Closing Date or the Option Closing Date, as the case may be, of the agreements, representations and warranties of the Company set forth herein.

(h) At the time this Agreement is executed and at the Closing Date and any Option Closing Date, the Representatives shall have received a letter addressed to the Representatives, individually and as the Representatives of the several Underwriters, and in form and substance satisfactory to the Representatives in all respects (including the nonmaterial nature of the changes or decreases, if any, referred to in clause (iii) below) from Price Waterhouse LLP dated as of the date of this Agreement, the Closing Date or Option Closing Date, as the case may be:

(i) confirming that they are independent public accountants within the meaning of the Act and the Regulations and stating that the section of the Registration Statement under the caption "Experts" is correct insofar as it relates to them;

(ii) They are independent certified public accountants with respect to the Company and its subsidiaries within the meaning of the Act and the applicable published rules and regulations thereunder;

(iii) In their opinion, the financial statements and any supplementary

financial information and schedules (and, if applicable, financial forecasts and/or pro forma financial information) examined by them and included in the Prospectus or the Registration Statement comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations thereunder; and, if applicable, they have made a review in accordance with standards established by the American Institute of Certified Public Accountants of the unaudited consolidated interim financial statements, selected financial data, pro forma financial information, financial forecasts and/or condensed financial statements derived from audited financial statements of the Company for the periods specified in such latter, as indicated in their reports thereon, copies of which have been furnished to the Representatives;

(iv) They have made a review in accordance with standards established by the American Institute of Certified Public Accountants of the unaudited condensed consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus as indicated in their reports thereon copies of which have been separately furnished to the Representatives and on the basis of specified procedures including inquiries of officials of the Company who have responsibility for financial and accounting matters regarding whether the unaudited condensed consolidated financial statements referred to in paragraph (vii)(a) below comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations, nothing came to their attention that caused them to believe that the unaudited condensed consolidated financial statements do not comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations;

(v) The unaudited selected financial information with respect to the consolidated results of operations and financial position of the Company for the five most recent fiscal years included in the Prospectus agrees with the corresponding amounts (after restatements where applicable) in the audited consolidated financial statements for such five fiscal years;

(vi) They have compared the information in the Prospectus under selected captions with the disclosure requirements of Regulations S-K and on the basis of limited procedures specified in such letter nothing came to their attention as a result of the foregoing procedures that caused them to believe that this information does not conform to all material respects with the disclosure requirements of Items 301, 302 and 402, respectively, of Regulation S-K;

(vii) On the basis of limited procedures, not constituting an examination in accordance with generally accepted auditing standards, consisting of a reading of the unaudited financial statements and other information referred to below, a reading of the latest available interim financial statements of the Company and its subsidiaries, inspection of the minute books of the Company and its subsidiaries since the date of the latest audited financial statements included in the Prospectus, inquiries of officials of the Company and its subsidiaries, responsible for financial and accounting matters and such other inquiries and procedures as may be specified in such letter, nothing came to their attention that caused them to believe that:

(a) the unaudited consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus (i) do not comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations, or (ii) any material modifications should be made to the unaudited condensed consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus for them to be in conformity with generally accepted accounting principles;

(b) any other unaudited income statement state and balance sheet items included in the Prospectus do not agree with the corresponding items in the unaudited consolidated financial statements from which such data and items were derived, and any such unaudited data and items were not determined on a basis substantially consistent with the basis for the corresponding amounts in the audited consolidated financial statements included in the Prospectus;

(c) the unaudited financial statements which were not included in the Prospectus but from which were derived any unaudited condensed financial statements referred to in clause (a) and any unaudited income statement data and balance sheet items included in the Prospectus and referred to in clause (b) were not determined on a basis substantially consistent with the basis for the audited consolidated financial statements included in the Prospectus;

(d) any unaudited pro forma consolidated condensed financial statements included in the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Act and the published rules and regulations thereunder or the pro forma adjustments have not been properly applied to the historical amounts in

the compilation of those statements;

(e) as of a specified date not more than five days prior to the date of such letter, there have been any changes in the consolidated capital stock (other than issuances of capital stock upon exercise of options and stock appreciation rights, upon earn-outs of performance shares and upon conversions of convertible securities, in each case which were outstanding on the date of the latest financial statements included in the Prospectus) or any increase in the consolidated long-term debt of the Company and its subsidiaries, or any decreases in consolidated net current assets or stockholders' equity or other items specified by the Representatives, or any increases in any items specified by the Representatives, in each case as compared with amounts shows in the latest balance sheet included in the Prospectus, except in each case for changes, increases or decreases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(f) for the period from the date of the latest financial statements included in the Prospectus to the specified date referred to in clause (e) there were any decreases in consolidated net revenues or operating profit or the total or per share amounts of consolidated net income or other items specified by the Representatives, or any increases in any items specified by the Representatives, in each case as compared with the comparable period of the preceding year and with any other period of corresponding length specified by the Representatives, except in each case for decreases or increases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(viii) In addition to the examination referred to in their report(s) included in the Prospectus and the limited procedures, inspection of minute books, inquiries and other procedures referred to in paragraphs (iii) and (vi) above, they have carried out certain specified procedures, not constituting an examination in accordance with generally accepted auditing standards, with respect to certain amounts, percentages and financial information specified by the Representatives, which are derived from the general accounting records of the Company and its subsidiaries, which appear in the Prospectus, or in Part II of, or in exhibits and schedules to, the Registration Statement specified by the Representatives, and have compared certain of such amounts, percentages and financial information with the accounting records of the Company and its subsidiaries and have found them to be in agreement.

(i) The Company shall have executed and delivered a Warrant Agreement in

a form satisfactory to the Representatives (the "Warrant Agreement") and here shall have been tendered to the Representatives certificates representing all of the Representatives Warrants described in subsection (xvi) of Section 5, to be purchased by the Representatives on the Closing Date.

(j) At the Closing Date and any Option Closing Date, the Representatives shall have been furnished such additional documents and certificates as they shall reasonably request.

(k) No action shall have been taken by the NASD the effect of which is to make it improper, at any time prior to the Closing Date or any Option Closing Date, for members of the NASD to execute transactions as principal or as agent in the Shares or to trade or deal in the Shares, and no proceedings for the purpose of taking such action shall have been instituted or shall be pending or, to the Company's or the Representatives' knowledge, shall be contemplated by the NASD.

If any conditions to the Underwriters' obligations hereunder to be fulfilled prior to or at the Closing Date or any Option Closing Date, as the case may be, shall not have been fulfilled, the Representatives may on behalf of the several Underwriters terminate this Agreement or, if they so elect, waive any such conditions which have not been fulfilled or extend the time for their fulfillment.

8. INDEMNIFICATION.

(a) The Company and Tridex jointly and severally shall indemnify and hold harmless each Underwriter, and each person, if any, who controls each Underwriter within the meaning of the Act or the Exchange Act, against any and all loss, liability, claim, damage and expense whatsoever, including, but not limited to, any and all expense whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever or in connection with any investigation or inquiry of, or action or proceeding that may be brought against, the respective indemnified parties, arising out of or based upon any untrue statements or alleged untrue statements of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any application or other document (in this Section 8 collectively called "application") executed by the Company or Tridex and based upon written information furnished by or on behalf of the Company or Tridex filed in any jurisdiction in order to qualify all or any part of the Shares under the securities laws thereof or filed with the SEC or the NASD, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the foregoing indemnity (i) shall not apply in respect of any statement or omission made in reliance upon and in conformity with

written information furnished to the Company, Tridex or any Underwriter through the Representatives expressly for use in any Preliminary Prospectus, the Registration Statement or Prospectus, or any amendment or supplement thereof, or in any application or in any communication to the SEC, as the case may be, and (ii) with respect to any Preliminary Prospectus, shall not inure to the benefit of any Underwriter from whom the person asserting any such losses, claims, damages, liabilities or expenses purchases the Shares that are the subject thereof (or to the benefit of any person controlling such Underwriter) if at or prior to the written confirmation of the sale of such Shares a copy of an amended Preliminary Prospectus or the Prospectus (or the Prospectus as amended or supplemented) was not sent or delivered to such person and the untrue statement or omission of a material fact contained in such Preliminary Prospectus was corrected in the amended Preliminary Prospectus or Prospectus (or the Prospectus as amended or supplemented). It is understood that the statements appearing in any Preliminary Prospectus, the Prospectus or the Registration Statement (A) on the inside front cover page with respect to stabilization, (B) in the section entitled "Underwriting," and (C) in the section entitled "Legal Matters" with respect to the identity of counsel for the Underwriters constitute the only information furnished in writing by or on behalf of any Underwriter for inclusion in any Preliminary Prospectus, the Prospectus or the Registration Statement. This indemnity agreement will be in addition to any liability the Company and Tridex may otherwise have.

(b) Each Underwriter, severally and not jointly, shall indemnify and hold harmless the Company, Tridex, each of the directors of the Company and Tridex, each of the officers of the Company and Tridex who shall have signed the Registration Statement and each other person, if any, who controls the Company or Tridex within the meaning of the Act or the Exchange Act to the same extent as the foregoing indemnities from the Company or Tridex to the several Underwriters, but only with respect to any loss, liability, claim, damage or expense resulting from (i) statements or omissions, or alleged statements or omissions, if any, made in any Preliminary Prospectus, Registration Statement or Prospectus or any amendment or supplement thereof or any application in reliance upon, and in conformity with written information furnished to the Company or Tridex by any Underwriter through the Representatives with respect to any Underwriter by or on behalf of such Underwriter expressly for use in any Preliminary Prospectus, the Registration Statement or Prospectus or any amendment or supplement thereof or any application, as the case may be, (ii) the failure of any Underwriter at or prior to the written confirmation of the sale of Shares to send or deliver a copy of an amended Preliminary Prospectus or the Prospectus (or the Prospectus as amended or supplemented) to the person asserting any such losses, claims, damages, liabilities or expenses who purchased the Shares that are the subject thereof and the untrue statement or omission of a material fact contained in such Preliminary Prospectus was corrected in the amended Preliminary Prospectus or Prospectus (or the Prospectus as amended or supplemented) or (iii) the failure to

qualify the offering or sale of the Shares by the several Underwriters under the state securities or Blue Sky laws or any jurisdiction referred to in Section 5(vi) hereof which failure to qualify is the result of the failure to file the pertinent materials in any such jurisdiction. This indemnity agreement will be in addition to any liability such Underwriter may otherwise have.

(c) If any action, inquiry, investigation or proceeding is brought against any person in respect of which indemnity may be sought pursuant to any of the two preceding paragraphs, such person (hereinafter called the "indemnified party") shall, promptly after formal notification of, or receipt of service of process for, such action, inquiry, investigation or proceeding, notify in writing the party or parties against whom indemnification is to be sought (hereinafter called the "indemnifying party") of the institution of such action, inquiry, investigation or proceeding and the indemnifying party, upon the request of the indemnified party, shall assume the defense of such action, inquiry, investigation or proceeding, including the employment of counsel (reasonably satisfactory to such indemnified party) and payment of expenses. No indemnification provided for in this Section 8 shall be available to any indemnified party who shall fail to give such notice if the indemnifying party does not have knowledge of such action, inquiry, investigation or proceeding and shall have been materially prejudiced by the failure to give such notice, but the omission so to notify the indemnifying party shall not relieve the indemnifying party otherwise than under this Section 8. Such indemnified party or controlling person shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless the employment of such counsel shall have been authorized in writing by the indemnifying party in connection with the defense of such action or the indemnifying party shall not have employed counsel to have charge of the defense of such action, inquiry, investigation or proceeding or such indemnified party or parties shall have been advised by counsel that there is a conflict of interest that would prevent counsel to the indemnifying party from representing both parties, in any of which events the reasonable fees and expenses of such counsel shall be borne by the indemnifying party. It is understood that the indemnifying party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate counsel (in addition to one local counsel in each jurisdiction in which any proceeding may be brought) for all indemnified parties. In the case of any such separate counsel for the Underwriters, such firm shall be designated in writing by the Representative. Expenses covered by the indemnification in this subsection (c) of this Section 8 shall be paid by the indemnifying party as they are incurred by the indemnified party. Anything in this subsection to the contrary notwithstanding, the indemnifying party shall not be liable for any settlement of any such claim effected without its written consent. The indemnifying party shall promptly notify the indemnified party of the commencement of any litigation, inquiry, investigation or proceeding against the

indemnifying party or any of its officers or directors in connection with the issue and sale of any of the Shares or in connection with such Preliminary Prospectus, Registration Statement or Prospectus or any amendment thereto or supplement thereof or any such application.

(d) If the indemnification provided for in this Section 8 is unavailable to or is insufficient to hold harmless an indemnified party under subsections (a) or (b) of this Section 8 in respect of any losses, liabilities, claims, damages or expenses (or actions, inquiries, investigations or proceedings in respect thereof) referred to therein except either by reason of the provisions set forth in subsections (a) or (b) or the failure to give notice as required in subsection (c) (provided that the indemnifying party does not have knowledge of the action, inquiry, investigation or proceeding and has been materially prejudiced by the failure to give such notice), then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, liabilities, claims, damages or expenses (or actions, inquiries, investigations or proceedings in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company or Tridex on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company or Tridex on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, liabilities, claims or reasonable expenses (or actions, inquiries, investigations or proceedings in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company or Tridex on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company or Tridex bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative faults shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or Tridex on the one hand or the Underwriters on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, Tridex and the Underwriters agree that it would not be just and equitable if contributions pursuant to this section (d) of this Section 8 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any method or allocation that does not take account of the equitable considerations referred to above in this subsection (d) of this Section 8. The amount

paid or payable by an indemnified party as a result of the losses, liabilities, claims, damages or reasonable expenses (or actions, inquiries, investigations or proceedings in respect thereof) referred to above in this subsection (d) of this Section 8 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d) of this Section 8, (i) the provisions of the Agreement Among Underwriters shall govern contribution among Underwriters, (ii) no Underwriter (except as provided in the Agreement Among Underwriters) shall be required to contribute any amount in excess of the underwriting discounts and commissions applicable to the Shares purchased by such Underwriter and (iii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligation in this subsection (d) of this Section 8 to contribute are several in proportion to their respective underwriting obligations and not joint.

9. REPRESENTATIONS AND AGREEMENTS TO SURVIVE DELIVERY. Except as the context otherwise requires, all representations, warranties and agreements contained in this Agreement shall be deemed to be representations, warranties and agreements at the Closing Date and any Option Closing Date; and such representations, warranties and agreements of the Underwriters, the Company and Tridex, including without limitation the indemnity and contribution agreements contained in Section 8 hereof and the agreements contained in Sections 6, 9, 10 and 13 hereof, shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any Underwriter or any controlling person, and shall survive delivery of the Shares and termination of this Agreement, whether before or after the Closing Date or any Option Closing Date.

10. EFFECTIVE DATE OF THIS AGREEMENT AND TERMINATION THEREOF.

(a) This Agreement shall become effective immediately as to Sections 6, 8, 9, 10 and 13 and, as to all other provisions, (i) if at the time of execution and delivery of this Agreement the Registration Statement has not become effective, at 9:30 A.M., Eastern time, on the first business day following the Effective Date, or (ii) if at the time of execution and delivery of this Agreement the Registration Statement has been declared effective, at 9:30 A.M., Eastern time, on the date of execution of this Agreement; but this Agreement shall nevertheless become effective at such earlier time after the Registration Statement becomes effective as the Representatives may determine by notice to the Company or Tridex or by release of any of the Shares for sale to the public. For the purposes of this Section 10, the Shares shall be deemed to have been so released upon the release for publication of any newspaper advertisement relating to the Shares or upon the release by the Representatives of telegrams (i) advising the Underwriters that the shares are released for public offering or

(ii) offering the Shares for sale to securities dealers, whichever may occur first. The Representatives may prevent the provisions of this Agreement (other than those contained in Sections 6, 8, 9, 10 and 13) hereof from becoming effective without liability of any party to any other party, except as noted below, by giving the notice indicated in subsection (c) of this Section 10 before the time the other provisions of this Agreement become effective.

(b) The Representatives shall have the right to terminate this Agreement at any time prior to the Closing Date as provided in Sections 7 and 11 hereof or if any of the following have occurred: (i) since the respective dates as of which information is given in the Registration Statement and the Prospectus, any material adverse change or any development involving a prospective material adverse change in or affecting the condition, financial or otherwise, of the Company or Tridex, or the earnings, business affairs, management or business prospects of the Company or Tridex, whether or not arising in the ordinary course of business; (ii) any outbreak of hostilities or other national or international calamity or crisis or change in economic, political or financial market conditions if such outbreak, calamity, crisis or change would, in the Representatives' reasonable judgment, have a material adverse effect on the Company or Tridex, the financial markets of the United States or the offering or delivery of the Shares; (iii) suspension of trading generally in securities on the NYSE, the AMEX or the over-the-counter market or limitation on prices (other than limitations on hours or numbers of days of trading) for securities or the promulgation of any federal or state statute, regulation, rule or order of any court or other governmental authority which in the Representatives' reasonable opinion materially and adversely affects trading on either such Exchange or the over-the-counter market; (iv) the enactment, publication, decree or other promulgation of any federal or state statute, regulation, rule or order of any court or other governmental authority which in the Representatives' reasonable opinion materially and adversely affects or will materially and adversely affect the business or operations of the Company or Tridex; (v) declaration of a banking moratorium by either federal or state authorities; (vi) the taking of any action by any federal, state or local government or agency in respect of its monetary or fiscal affairs which in the Representatives' reasonable opinion has a material adverse effect on the securities markets in the United States; (vii) declaration of a moratorium in foreign exchange trading by major international banks or other institutions or (viii) trading in any securities of the Company or Tridex shall have been suspended or halted by the NASD or the SEC.

(c) If the Representatives elect to prevent this Agreement from becoming effective or to terminate this Agreement as provided in this Section 10, the Representatives shall notify the Company and Tridex thereof promptly by telephone, telex, telegraph or facsimile, confirmed by letter.

11. DEFAULT BY AN UNDERWRITER.

(a) If any Underwriter or Underwriters shall default in its or their obligation to purchase Offered Shares or Optional Shares hereunder, and if the Offered Shares or Optional Shares with respect to which such default relates do not exceed the aggregate of 10 percent of the number of Offered Shares or Optional Shares, as the case may be, that all Underwriters have agreed to purchase hereunder, then such Offered Shares or Optional Shares to which the default relates shall be purchased severally by the non-defaulting Underwriters in proportion to their respective commitments hereunder.

(b) If such default relates to more than 10 percent of the Offered Shares or Optional Shares, as the case may be, the Representatives may in its discretion arrange for another party or parties (including a non-defaulting Underwriter) to purchase such Offered Shares or Optional Shares to which such default relates, on the terms contained herein. In the event that the Representatives do not arrange for the purchase of the Offered Shares or Optional Shares to which a default relates as provided in this Section 11, this Agreement may be terminated by the Representatives or by the Company or Tridex without liability on the part of the several Underwriters (except as provided in Section 8 hereof) or the Company or Tridex (except as provided in Sections 6 and 8 hereof), but nothing herein shall relieve a defaulting Underwriter of its liability, if any, to the other several Underwriters and to the Company or Tridex for damages occasioned by its default hereunder.

(c) If the Offered Shares or Optional Shares to which the default relates are to be purchased by the non-defaulting Underwriters, or are to be purchased by another party or parties as aforesaid, the Representatives, the Company or Tridex shall have the right to postpone the Closing Date or any Option Closing Date, as the case may be, for a reasonable period but not in any event exceeding seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus or in any other documents and arrangements, and the Company agrees to file promptly any amendment to the Registration Statement or supplement to the Prospectus which in the opinion of counsel for the Underwriters may thereby be made necessary. The terms "Underwriters" and "Underwriter" as used in this Agreement shall include any party substituted under this Section 11 with like effects as if it had originally been a party to this Agreement with respect to such Offered Shares or Optional Shares.

12. INFORMATION FURNISHED BY UNDERWRITERS. The statements appearing in any Preliminary Prospectus, the Prospectus or the Registration Statement (a) on the inside front cover page with respect to stabilization, (b) in the section entitled "Underwriting," and (c) in the section entitled "Legal Matters" with respect to the identity of counsel for the Underwriters constitute the only information furnished in writing by or on behalf of any Underwriter for

inclusion in any Preliminary Prospectus, the Prospectus or the Registration Statement referred to in subsection (ii) of Section 1(a) hereof and subsections (a) and (b) of Section 8 hereof.

13. NOTICES. All communications hereunder, except as herein otherwise specifically provided, shall be in writing and, if sent to any Underwriter, shall be mailed, delivered, telexed, telegrammed, telegraphed or telecopied and confirmed to such Underwriter, c/o Cruttenden Roth Incorporated, 18301 Von Karman, Irvine, California 92715 Attention: James M. Stearns, Managing Director, with a copy to Heller Ehrman White & McAuliffe, 6100 Columbia Center, 701 Fifth Avenue, Seattle, Washington 98104, Attention: Michael J. Erickson, Esquire; if sent to the Company shall be mailed, delivered, telexed, telegrammed, telegraphed or telecopied and confirmed to 7 Laser Lane, Wallingford, Connecticut 06492, Attention: Bart C. Shuldman, Chief Executive Officer, with a copy to Hinckley, Allen & Snyder, One Financial Center, Boston, Massachusetts, Attention: Stephen J. Carlotti, Esquire; if sent to the Tridex shall be mailed, delivered, telexed, telegrammed, telegraphed or telecopied and confirmed to 61 Wilton Road, Westport, Connecticut 06880, Attention: Seth M. Lukash, Chief Executive Officer, with a copy to Hinckley, Allen & Snyder, One Financial Center, Boston, Massachusetts, Attention: Stephen J. Carlotti, Esquire.

14. PARTIES. This Agreement shall inure solely to the benefit of, and shall be binding upon, the several Underwriters, the Company, Tridex and the controlling persons, directors and officers referred to in Section 8 hereof, and their respective successors, assigns, heirs and legal representatives, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement or any provision herein contained. The term "successors" and "assigns" shall not include any purchaser of the Shares merely because of such purchase.

15. DEFINITION OF BUSINESS DAY. For purposes of this Agreement, "business day" means any day on which the NYSE is open for trading.

16. COUNTERPARTS. This Agreement may be executed in one or more counterparts and all such counterparts will constitute one and the same instrument.

17. CONSTRUCTION. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington applicable to agreements made and performed entirely within such State.

Please sign and return to us the enclosed duplicate of this letter, whereupon this letter will become a binding agreement between the Company, Tridex and the several Underwriters, in accordance with its terms.

Very truly yours,

TRIDEX CORPORATION

By:

Name:

Title:

TRANSACT TECHNOLOGIES INCORPORATED

By:

Name:

Title:

The foregoing Underwriting Agreement is hereby confirmed and accepted by us in Irvine, California as of the date first above written.

CRUTTENDEN ROTH INCORPORATED

Acting as Representatives of the several Underwriters named in the attached Schedule A.

By CRUTTENDEN ROTH INCORPORATED

By:

Its:

SCHEDULE I

Name of Underwriter	Number of Firm Common Shares to be Purchased
Cruttenden Roth Incorporated.....	
- ----------.....	
TOTAL.....	

SCHEDULE II

Seth M. Lukash

Bart C. Shuldman

Richard L. Cote

Thomas R. Schwarz

Graham Y. Tanaka

Charles Dill

Lucy Staley

John Cygielnik

EXHIBIT 1.2

WARRANT AGREEMENT

This WARRANT AGREEMENT ("Agreement") dated as of _____, 1996 is by and between Transact Technologies, Inc., a Delaware corporation (the "Company"), and Cruttenden Roth Incorporated ("Cruttenden" or the "Representative").

WHEREAS, the Representative has agreed pursuant to the Underwriting Agreement dated _____, 1996 (the "Underwriting Agreement") to act as the representative of the several underwriters in connection with the proposed public offering by the Company and certain selling stockholders of up to _____ shares in the aggregate of Common Stock, including ___,000 of such shares covered by an over-allotment option (the "Public Offering").

WHEREAS, pursuant to Section 5(xvi) of the Underwriting Agreement, the Company has agreed to issue warrants to the Representative (the "Warrants") to purchase, at a price of $0.001 per Warrant, up to an aggregate of ___,000 shares (hereinafter, and as the number thereof may be adjusted hereto, the "Warrant Shares"), of the Company's Common Stock, $____ par value per share (the "Common Stock"), each Warrant initially entitling the holder thereof to purchase one share of Common Stock.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein and in the Underwriting Agreement set forth and for other good and valuable consideration, the parties hereto agree as follows:

1. Issuance of Warrants; Form of Warrant. The Company will issue and deliver to the Representative, Warrants to purchase ____,000 Warrant Shares on the Closing Date referred to in the Underwriting Agreement in consideration for, and as part of the Representative's compensation in connection with, the Representative acting as the representative of the several underwriters for the Public Offering pursuant to the Underwriting Agreement. The text of the Warrants and of the form of election to purchase shares shall be substantially as set forth in Exhibit A attached hereto. The Warrants shall be executed on behalf of the Company by the manual or facsimile signature of the present or any future Chairman of the Board, President or Vice President of the Company, under its corporate seal, affixed or in facsimile, attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of the Company.

Warrants bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any one of them shall have ceased to hold such offices prior to the delivery of such Warrants or did not hold such offices on the date of this Agreement. Warrants shall be dated as of the date of execution thereof by the Company either upon initial issuance or upon division, exchange, substitution or transfer.

2. Registration. The Warrants shall be numbered and shall be registered on the books of the Company (the "Warrant Register") as they are issued. The Company shall be entitled to

treat the registered holder of any Warrant on the Warrant Register (the "Holder") as the owner in fact therefor for all purposes and shall not be bound to recognize any equitable or other claim to or interest in such Warrant on the part of any other person, and shall not be liable for any registration or transfer of Warrants which are registered or are to be registered in the name of a fiduciary or the nominee of a fiduciary unless made with the actual knowledge that a fiduciary or nominee is committing a breach of trust in requesting such registration or transfer, or with the knowledge of such facts that its participation therein amounts to bad faith. Warrants to purchase ___,000 shares each shall be registered initially in the name of "Cruttenden Roth Incorporated," or in such other denominations as Cruttenden may request in writing to the Company.

3. Exchange of Warrant Certificates. Subject to any restriction upon transfer set forth in this Agreement, each Warrant certificate may be exchanged for another certificate or certificates entitling the Holder thereof to purchase a like aggregate number of Warrant Shares as the certificate or certificates surrendered then entitled such Holder to purchase. Any Holder desiring to exchange a Warrant certificate or certificates shall make such request in writing delivered to the Company, and shall surrender, properly endorsed, the certificate or certificates to be so exchanged. Thereupon, the Company shall execute and deliver to the person entitled thereto a new Warrant certificate or certificates, as the case may be, as so requested.

4. Transfer of Warrants. Until _____, 1997, the Warrants will not be sold, transferred, assigned or hypothecated except to bona fide officers and partners of the Representative who agree in writing to be bound by the terms hereof, and after _____, 1997, the Warrants will not be sold, transferred, assigned or hypothecated except to the foregoing persons and employees of the Representative who agree in writing to be bound by the terms hereof. The Warrants shall be transferable only on the Warrant Register upon delivery thereof duly endorsed by the Holder or by the Holder's duly authorized attorney or representative, or accompanied by proper evidence of succession, assignment or authority to transfer. In all cases of transfer by an attorney, the original power of attorney, duly approved, or an official copy thereof, duly certified, shall be deposited with the Company. In case of transfer by executors, administrators, guardians or other legal representatives, duly authenticated evidence of their authority shall be produced, and may be required to be deposited with the Company in its discretion. Upon any registration of transfer, the Company shall deliver a new Warrant or Warrants to the person entitled thereto. The Warrants may be exchanged at the option of the Holder thereof, for another Warrant or other Warrants of different denominations, of like tenor and representing in the aggregate the right to purchase a like number of Warrant Shares upon surrender to the Company or its duly authorized agent.

5. Term of Warrants; Exercise of Warrants.

5.1 Each Warrant entitles the registered owner thereof to purchase one share of Common Stock at any time after 10:00 a.m., Pacific time, on the first anniversary of date on which Tridex Corporation, a Delaware corporation, owns less than eighty-percent (80%) of the outstanding shares of the Company (the "Initiation Date") until 6:00 p.m., Pacific time, on _____, 2001 (the "Expiration Date") at a purchase price of $_____ [120% of the Offering Price], subject to adjustment (the "Warrant Price").

5.2 The Warrant Price and the number of Warrant Shares issuable upon exercise of Warrants are subject to adjustment upon the occurrence of certain events, pursuant to the provisions of Section 11 of this Agreement. Subject to the provisions of this Agreement, each Holder of Warrants shall have the right, which may be exercised as expressed in such Warrants, to purchase from the Company (and the Company shall issue and sell to such Holder of Warrants) the number of fully paid and nonassessable Warrant Shares specified in such Warrants, upon surrender to the Company, or its duly authorized agent, of such Warrants, with the form of election to purchase on the reverse thereof duly filled in and signed, and upon payment to the Company of the Warrant Price, as adjusted in accordance with the provisions of Section 11 of this Agreement, for the number of Warrant Shares in respect of which such Warrants are then exercised. Payment of such Warrant Price shall be made in cash or by certified or official bank check, or a combination thereof. No adjustment shall be made for any dividends on any Warrant Shares of stock issuable upon exercise of a Warrant.

5.3 Upon such surrender of Warrants, and payment of the Warrant Price as aforesaid, the Company shall issue and cause to be delivered with all reasonable dispatch to or upon the written order of the Holder of such Warrants and in such name or names as such registered Holder may designate, a certificate or certificates for the number of full Warrant Shares so purchased upon the exercise of such Warrants, together with cash, as provided in Section 12 of this Agreement, in respect of any fraction of a share otherwise issuable upon such surrender and, if the number of Warrants represented by a Warrant Certificate shall not be exercised in full, a new Warrant Certificate, executed by the Company for the balance of the number of whole Warrant Shares represented by the Warrant Certificate.

5.4 If permitted by applicable law, such certificate or certificates shall be deemed to have been issued and any person so designated to be named therein shall be deemed to have become a holder of record of such shares as of the date of the surrender of such Warrants and payment of the Warrant Price as aforesaid. The rights of purchase represented by the Warrants shall be exercisable, at the election of the registered Holders thereof, either as an entirety or from time to time for only part of the shares specified therein and, in the event that any Warrant is exercised in respect of less than all of the Warrant Shares specified therein at any time prior to the Expiration Date, a new Warrant or Warrants will be issued for the remaining number of Warrant Shares specified in the Warrant so surrendered.

6. Compliance with Government Regulations. The Company covenants that if any shares of Common Stock required to be reserved for purposes of exercise or conversion of Warrants require, under any Federal or state law or applicable governing rule or regulation of any national securities exchange, registration with or approval of any governmental authority, or listing on any such national securities exchange before such shares may be issued upon exercise, the Company will in good faith and as expeditiously as possible endeavor to cause such shares to be duly registered, approved or listed on the relevant national securities exchange, as the case may be; provided, however, that (except to the extent legally permissible with respect to Warrants of which the Representative is the Holder) in no event shall such shares of Common Stock be issued, and the Company is hereby authorized to suspend the exercise of all Warrants, for the period during which such registration, approval or listing is required but not in effect.

7. Payment of Taxes. The Company will pay all documentary stamp taxes, if any, attributable to the initial issuance of Warrant Shares upon the exercise of Warrants; provided, however, that the Company shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the issue or delivery of any Warrants or certificate for Warrant Shares in a name other than that of the registered Holder of such Warrants.

8. Mutilated or Missing Warrants. In case any of the Warrants shall be mutilated, lost, stolen or destroyed, the Company may in its discretion issue and deliver in exchange and substitution for and upon cancellation of the mutilated Warrant, or in lieu of and substitution for the Warrant lost, stolen or destroyed, a new Warrant of like tenor and representing an equivalent right or interest; but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction of such Warrant and, if requested, indemnity or bond also reasonably satisfactory to the Company. An applicant for such substitute Warrants shall also comply with such other reasonable regulations and pay such other reasonable charges as the Company may prescribe.

9. Reservation of Warrant Shares. There have been reserved out of the authorized and unissued shares of Common Stock, a number of shares sufficient to provide for the exercise of the rights of purchase represented by the Warrants, and the transfer agent for the Common Stock ("Transfer Agent") and every subsequent Transfer Agent for any shares of the Company's capital stock issuable upon the exercise of any of the rights of purchase aforesaid are hereby irrevocably authorized and directed at all times until the Expiration Date to reserve such number of authorized and unissued shares as shall be required for such purpose. The Company will keep a copy of this Agreement on file with the Transfer Agent and with every subsequent Transfer Agent for any shares of the Company's capital stock issuable upon the exercise of the rights of purchase represented by the Warrants. The Company will supply such Transfer Agent with duly executed stock certificates for such purposes and will itself provide or otherwise make available any cash which may be issuable as provided in Section 12 of this Agreement. The Company will furnish to such Transfer Agent a copy of all notices of adjustments, and certificates related thereto, transmitted to each Holder pursuant to Section 11.2 of this Agreement. All Warrants surrendered in the exercise of the rights thereby evidenced shall be cancelled.

10. Obtaining Stock Exchange Listings. The Company will from time to time take all action which may be necessary so that the Warrant Shares, immediately upon their issuance upon the exercise of Warrants, will be listed on the principal securities exchanges and markets within the United States of America, if any, on which other shares of Common Stock are then listed.

11. Adjustment of Warrant Price and Number of Warrant Shares. The number and kind of securities purchasable upon the exercise of each Warrant and the Warrant Price shall be subject to adjustment from time to time upon the happening of certain events as hereinafter defined. For purposes of this Section 11, "Common Stock" means shares now or hereafter authorized of any class of common stock of the Company and any other stock of the Company, however designated, that has the right (subject to any prior rights of any class or series of preferred stock) to participate in any distribution of the assets or earnings of the Company without limit as to per share amount.

11.1 Mechanical Adjustments. The number of Warrant Shares purchasable upon the exercise of each Warrant and the Warrant Price shall be subject to adjustment as follows:

(a) In case the Company shall (i) pay a dividend in shares of Common Stock or make a distribution in shares of Common Stock, (ii) subdivide its outstanding shares of Common Stock, (iii) combine its outstanding shares of Common Stock or (iv) issue by reclassification of its shares of Common Stock other securities of the Company (including any such reclassification in connection with a consolidation or merger in which the Company is the surviving corporation), the number of Warrant Shares purchasable upon exercise of each Warrant immediately prior thereto shall be adjusted so that the Holder of each Warrant shall be entitled to receive the kind and number of Warrant Shares or other securities of the Company which he would have owned or would have been entitled to receive after the happening of any of the events described above, had such Warrants been exercised immediately prior to the happening of such event or any record date with respect thereto. An adjustment made pursuant to this paragraph (a) shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event. Such adjustment shall be made successively whenever any event listed above shall occur.

(b) In case the Company shall distribute to all holders of its shares of Common Stock (including any such distribution made in connection with a consolidation or merger in which the Company is the surviving corporation) evidences of its indebtedness or assets (excluding cash dividends or distributions payable out of consolidated earnings or earned surplus and dividends or distributions referred to in paragraph (a) above or in the paragraph immediately following this paragraph) or rights, options or warrants, or convertible or exchangeable securities containing the right to subscribe for or purchase shares of Common Stock, then in each case the number of Warrant Shares thereafter purchasable upon the exercise of each Warrant shall be determined by multiplying the number of Warrant Shares theretofore purchasable upon the exercise of each Warrant by a fraction, the numerator of which shall be the then current market price per share of Common Stock (as defined in paragraph (c) below) on the date of such distribution, and the denominator of which shall be the then current market price per share of Common Stock, less the then fair value (as determined by the Board of Directors of the Company, whose determination shall be conclusive) of the portion of the assets or evidences of indebtedness so distributed or of such subscription rights, options or warrants, or of such convertible or exchangeable securities applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made, and shall become effective on the date of distribution retroactive to the record date for the determination of stockholders entitled to receive such distribution.

In the event of a distribution by the Company to all holders of its shares of Common Stock of stock of a subsidiary or securities convertible into or exercisable for such stock, then in lieu of an adjustment in the number of Warrant Shares purchasable upon the exercise of each Warrant, the Holder of each Warrant, upon the exercise thereof at any time after such distribution, shall be entitled to receive from the Company, such subsidiary or both, as the Company shall determine, the stock or other securities to which such Holder would have been entitled if such Holder had exercised such Warrant immediately prior thereto, all subject to further

adjustment as provided in this Section 11.1; provided, however, that no adjustment in respect of dividends or interest on such stock or other securities shall be made during the term of a Warrant or upon the exercise of a Warrant.

(c) For the purpose of any computation under paragraph (b) of this Section, the current market price per share of Common Stock at any date shall be the average of the daily closing prices for 20 consecutive trading days commencing 30 trading days before the date of such computation. The closing price for each day shall be the last such reported sales price regular way or, in case no such reported sale takes place on such day, the average of the closing bid and asked prices regular way for such day, in each case on the principal national securities exchange on which the shares of Common Stock are listed or admitted to trading or, if not listed or admitted to trading, the average of the closing bid and asked prices of the Common Stock in the over-the counter market as reported by the Nasdaq National Market System or Nasdaq SmallCap System or if not approved for quotation on the Nasdaq National Market System or Nasdaq SmallCap System, the average of the closing bid and asked prices as furnished by two members of the National Association of Securities Dealers, Inc. selected from time to time by the Company for that purpose.

(d) No adjustment in the number of Warrant Shares purchasable hereunder shall be required unless such adjustment would require an increase or decrease of at least one percent (1%) in the number of Warrant Shares purchasable upon the exercise of each Warrant; provided, however, that any adjustments which by reason of this paragraph (d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations shall be made to the nearest one-thousandth of a share.

(e) Whenever the number of Warrant Shares purchasable upon the exercise of each Warrant is adjusted, as herein provided, the Warrant Price payable upon exercise of each Warrant shall be adjusted by multiplying such Warrant Price immediately prior to such adjustment by a fraction, the numerator of which shall be the number of Warrant Shares purchasable upon the exercise of each Warrant immediately prior to such adjustment, and the denominator of which shall be the number of Warrant Shares purchasable immediately thereafter.

(f) No adjustment in the number of Warrant Shares purchasable upon the exercise of each Warrant need be made under paragraph (b) if the Company issues or distributes to each Holder of Warrants the rights, options, warrants, or convertible or exchangeable securities, or evidences of indebtedness or assets referred to in those paragraphs which each Holder of Warrants would have been entitled to receive had the Warrants been exercised prior to the happening of such event or the record date with respect thereto. No adjustment need be made for a change in the par value of the Warrant Shares.

(g) In the event that at any time, as a result of an adjustment made pursuant to paragraph (a) above, the Holders shall become entitled to purchase any securities of the Company other than shares of Common Stock, thereafter the number of such other shares so purchasable upon exercise of each Warrant and the Warrant Price of such shares shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to

the provisions with respect to the Warrant Shares contained in paragraphs (a) through (f), inclusive, above, and the provisions of Sections 5, 11.2 and 11.3, with respect to the Warrant Shares, shall apply on like terms to such other securities.

(h) Upon the expiration of any rights, options, warrants or conversion or exchange privileges, if any thereof shall not have been exercised, the Warrant Price and the number of shares of Common Stock purchasable upon the exercise of each Warrant shall, upon such expiration, be readjusted and shall thereafter be such as it would have been had it been originally adjusted (or had the original adjustment not been required, as the case may be) as if (i) the only shares of Common Stock so issued were the shares of Common Stock, if any, actually issued or sold upon the exercise of such rights, options, warrants or conversion or exchange rights and (ii) such shares of Common Stock, if any, were issued or sold for the consideration actually received by the Company upon such exercise plus the aggregate consideration, if any, actually received by the Company for the issuance, sale or grant of all such rights, options, warrants or conversion or exchange rights whether or not exercised; provided, however, that no such readjustment shall have the effect of increasing the Warrant Price or decreasing the number of shares of Common Stock purchasable upon the exercise of each Warrant by an amount in excess of the amount of the adjustment initially made in respect to the issuance, sale or grant of such rights, options, warrants or conversion or exchange rights.

11.2 Notice of Adjustment. Whenever the number of Warrant Shares, purchasable upon the exercise of each Warrant or the Warrant Price of such Warrant Shares is adjusted, as herein provided, the Company shall promptly mail by first class, postage prepaid, to each Holder notice of such adjustment or adjustments and a certificate of a firm of independent public accounts selected by the Board of Directors of the Company (who may be the regular accountants employed by the Company) setting forth the number of Warrant Shares purchasable upon the exercise of each Warrant and the Warrant Price of such Warrant Shares after such adjustment, setting forth a brief statement of the facts requiring such adjustment and setting forth the computation by which such adjustment was made. Such certificate shall be conclusive evidence of the correctness of such adjustment.

11.3 No Adjustment for Dividends. Except as provided in Section 11.1, no adjustments in respect of any dividends shall be made during the term of a Warrant or upon the exercise of a Warrant.

11.4 Preservation of Purchase Rights Upon Merger, Consolidation, etc. In case of any consolidation of the Company with or merger of the Company into another corporation or in case of any sale, transfer or lease to another corporation of all or substantially all the property of the Company, the Company or such successor or purchasing corporation, as the case may be, shall execute with each Holder an agreement that each Holder shall have the right thereafter upon payment of the Warrant Price in effect immediately prior to such action to purchase upon exercise of each Warrant the kind and amount of shares and other securities, cash and property which he would have owned or would have been entitled to receive after the happening of such consolidation, merger, sale, transfer or lease had such Warrant been exercised immediately prior to such action; provided, however, that no adjustment in respect of dividends, interest or other

income on or from such shares or other securities, cash and property shall be made during the term of a Warrant or upon the exercise of a Warrant. Such agreement shall provide for adjustments, which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 11. The provisions of this Section 11.4 shall similarly apply to successive consolidations, mergers, sales transfer or leases.

11.5 Statements on Warrants. Irrespective of any adjustments in the Warrant Price or the number or kind of shares purchasable upon the exercise of the Warrants, Warrants theretofore or thereafter issued may continue to express the same price and number and kind of shares as are stated in the Warrants initially issuable pursuant to this Agreement.

12. Fractional Interests. The Company shall not be required to issue fractional Warrant Shares on the exercise of Warrants. If more than one Warrant shall be presented for exercise in full at the same time by the same holder, the number of full Warrant Shares which shall be issuable upon the exercise thereof shall be computed on the basis of the aggregate number of Warrant Shares purchasable on exercise of the Warrants so presented. If any fraction of a Warrant Share would, except for the provisions of this Section 12, be issuable on the exercise of any Warrant (or specified portion thereof), the Company shall pay an amount in cash equal to the closing price for one share of the Common Stock, as defined in paragraph (c) of Section 11.1, on the trading day immediately preceding the date the Warrant is presented for exercise, multiplied by such faction.

13. Registration Under the Securities Act of 1933. The Representative represents and warrants to the Company that it will not dispose of the Warrants or the Warrant Shares except pursuant to (i) an effective registration statement under the Securities Act of 1933, as amended (the "Act'), including a post-effective amendment to the Registration Statement, (ii) Rule 144 under the Act (or any similar rule under the Act relating to the disposition of securities), or (iii) an opinion of counsel, reasonably satisfactory to counsel of the Company that an exemption from such registration is available.

14. Certificate to Bear Legends. The Warrant shall be subject to a stop-transfer order and the certificate or certificates therefore shall bear the following legend:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. SAID SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SAID ACT.

The Warrant Shares or other securities issued upon exercise of the Warrant shall be subject to a stop-transfer order and the certificate or certificates evidencing any such Warrant Shares or securities shall bear the following legend:

> THE SHARES [OR OTHER SECURITIES] REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE

SECURITIES ACT OF 1933, AS AMENDED. SAID SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SAID ACT.

15. Registration Rights.

15.1 Demand Registration Rights. The Company covenants and agrees with the Representative and any subsequent Holders of the Warrants and/or Warrants Shares that, on one occasion, within 60 days after receipt of a written request from the Representative or from Holders of more than 25% in interest of the aggregate of Warrants and/or Warrant Shares issued pursuant to this Agreement that the Representative or such Holders of the Warrants and/or Warrant Shares desires and intends to transfer more than 25% in interest of the aggregate number of the Warrants and/or Warrant Shares under such circumstances that a public offering, within the meaning of the Act, will be involved, the Company shall, on that one occasion, file a registration statement (and use its best efforts to cause such registration statement to become effective under the Act at the Company's expense) with respect to the offering and sale or other disposition of the Warrant Shares (the "Offered Warrant Shares"); provided, however, that the Company shall have no obligation to comply with the foregoing provisions of this Section 15.1 if in the opinion of counsel to the Company reasonably acceptable to the Holder or Holders, from whom such written requests has been received, registration under the Act is not required for the transfer of the Offered Warrant Shares in the manner proposed by such person or persons or that a post-effective amendment to an existing registration statement would be legally sufficient for such transfer (in which latter event the Company shall promptly file such post-effective amendment (and use its best efforts to cause such amendment to become effective under the Act)). Notwithstanding the foregoing, the Company shall not be obligated to file a registration statement with respect to the Offered Warrant Shares on more than one occasion.

The Company may defer the filing of a registration statement for up to 90 days after the request for registration is made if the Board of Directors determines in good faith that such registration or post-effective amendment would adversely affect or otherwise interfere with a proposed or pending transaction by the Company, including without limitation a material financing or a corporate reorganization, or during any period of time in which the Company is in possession of material inside information concerning the Company or its securities, which information the Company determines in good faith is not ripe for disclosure.

The Company shall not honor any request to register Warrant Shares pursuant to this Section 15.1 received later than five (5) years from the effective date of the Company's Registration Statement on Form S-1 (File No. 333-_____) (the "Effective Date"). The Company shall not be required (i) to maintain the effectiveness of the registration statement beyond the earlier to occur of 90 days after the effective date of the registration statement or the date on which all of the Offered Warrant Shares have been sold (the "Termination Date"); provided, however, that if at the Termination Date the Offered Warrant Shares are covered by a registration statement which also covers other securities and which is required to remain in effect beyond the Termination Date, the Company shall maintain in effect such registration statement as it relates

to Offered Warrant Shares for so long as such registration statement (or any substitute registration statement) remains or is required to remain in effect for any such other securities, or (ii) to cause any registration statement with respect to the Warrant Shares to become effective prior to the Initiation Date. All expenses of registration pursuant to this Section 15.1 shall be borne by the Company.

The Company shall be obligated pursuant to this Section 15.1 to include in the registration statement Warrant Shares that have not yet been purchased by a Holder of Warrants so long as such Holder of Warrants submits an undertaking to the Company that such Holder intends to exercise Warrants representing the number of Warrant Shares to be included in such registration statement prior to the consummation of the public offering with respect to such Warrant Shares. In addition, such Holder of Warrants is permitted to pay the Company the Warrant Price for such Warrant Shares upon the consummation of the public offering with respect to such Warrant Shares.

15.2 Piggy-back Registration Rights. The Company covenants and agrees with the Holders and any subsequent Holders of the Warrants and/or Warrant Shares that in the event the Company proposes to file a registration statement under the Act with respect to any class of security (other than in connection with an exchange offer, a non-cash offer or a registration statement on Form S-8 or other unsuitable registration statement form) which becomes or which the Company believes will become effective at any time after the Initiation Date then the Company shall in each case give written notice of such proposed filing to the Holders of Warrants and Warrant Shares at least 30 days before the proposed filing date and such notice shall offer to such Holders the opportunity to include in such registration statement such number of Warrant Shares as they may request, unless, in the opinion of counsel to the Company reasonably acceptable to any such holder of Warrants or Warrant Shares who wishes to have Warrant Shares included in such registration statement, registration under the Act is not required for the transfer of such Warrants and/or Warrant Shares in the manner proposed by such Holders. The Company shall not honor any such request to register any such Warrant Shares if the request is received later than seven (7) years from the Effective Date, and the Company shall not be required to honor any request (a) to register any such Warrant Shares if the Company is not notified in writing of any such request pursuant to this Section 15.2 within at least 20 days after the Company has given notice to the Holders of the filing, or (b) to register Warrant Shares that represent in the aggregate fewer than 25% of the aggregate number of Warrant Shares. The Company shall permit, or shall cause the managing underwriter of a proposed offering to permit, the Holders of Warrant Shares requested to be included in the registration (the "Piggy-back Shares,") to include such Piggy-back Shares in the proposed offering on the same terms and conditions as applicable to securities of the Company included therein or as applicable to securities of any person other than the Company and the Holders of Piggy-back Shares if the securities of any such person are included therein. Notwithstanding the foregoing, if any such managing underwriter shall advise the Company in writing that it believes that the distribution of all or a portion of the Piggy-back Shares requested to be included in the registration statement concurrently with the securities being registered by the Company would materially adversely affect the distribution of such securities by the Company for its own account, then the Holders of such Piggy-back Shares shall delay their offering and sale of Piggyback Shares (or the portion thereof so designated by such managing underwriter) for such

period, not to exceed 120 days, as the managing underwriter shall request provided that no such delay shall be required as to Piggy-back Shares if any securities of the Company are included in such registration statement for the account of any person other than the Company and the Holders of Piggy-back Shares. In the event of such delay, the Company shall file such supplements, post-effective amendments or separate registration statement, and take any such other steps as may be necessary to permit such Holders to make their proposed offering and sale for a period of 90 days immediately following the end of such period of delay ("Piggy-back Termination Date"); provided, however, that if at the Piggy-back Termination Date the Piggyback Shares are covered by a registration statement which is, or required to remain, in effect beyond the Piggy-back Termination Date, the Company shall maintain in effect the registration statement as it relates to the Piggy-back Shares for so long as such registration statement remains or is required to remain in effect for any of such other securities. All expenses of registration pursuant to this Section 15.2 shall be borne by the Company, except that underwriting commissions and expenses attributable to the Piggy-back Shares and fees and disbursements of counsel (if any) to the Holders requesting that such Piggy-back Shares be offered will be borne by such Holders.

The Company shall be obligated pursuant to this Section 15.2 to include in the Piggy-back Offering, Warrant Shares that have not yet been purchased by a holder of Warrants so long as such Holder of Warrants submits an undertaking to the Company that such Holder intends to exercise Warrants representing the number of Warrant Shares to be included in such Piggy-back Offering prior to the consummation of such Piggy-back Offering. In addition, such Holder of Warrants is permitted to pay the Company the Warrant Price for such Warrant Shares upon the consummation of the Piggy-back Offering.

If the Company decides not to proceed with a Piggy-back Offering, the Company has no obligation to proceed with the offering of the Piggy-back Shares, unless the Holders of the Warrants and/or Warrant Shares otherwise comply with the provisions of Section 15.1 hereof (without regard to the 60 days' written request required thereby). Notwithstanding any of the foregoing contained in this Section 15.2, the Company's obligation to offer registration rights to the Piggy-back Shares pursuant t this Section 15.6 shall terminate two (2) years after the Expiration Date.

15.3 In connection with the registration of Warrants Shares in accordance with Section 15.1 and 15.2 above, the Company agrees to:

(a) Use its best efforts to register or qualify the Warrant Shares for offer or sale under the state securities or Blue Sky laws of such states which the Holders of such Warrant Shares shall designate, until the dates specified in Section 15.1 and 15.2 above in connection with registration under the Act; provided, however, that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action which would subject it to general service of process in any jurisdiction where it is not now so subject or to register or get a license as a broker or dealer in securities in any jurisdiction where it is not so registered or licensed or to register or qualify the Warrant Shares for offer or sale under the state securities or Blue

Sky laws of any state other than the states in which some or all of the shares offered or sold in the Public Offering were registered or qualified for offer and sale.

(b) (i) In the event of any post-effective amendment or other registration with respect to any Warrant Shares pursuant to Section 15.1 or 15.2 above, the Company will indemnify and hold harmless any Holder whose Warrant Shares are being so registered, and each person, if any, who controls such Holder within the meaning of the Act, against any losses, claims, damages or liabilities, joint or several, to which such Holder or such controlling person may be subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained, on the effective date thereof, in any such registration statement, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; and will reimburse each such Holder and each such controlling person for any legal or other expenses reasonably incurred by such Holder or such controlling person in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in any such registration statement, any preliminary prospectus or final prospectus, or any amendment or supplement thereto, in reliance upon and in conformity with written information furnished by such Holder expressly for use in the preparation thereof. The Company will not be liable to a claimant to the extent of any misstatement corrected or remedied in any amended prospectus if the Company timely delivers a copy of such amended prospectus to such indemnified person and such indemnified person does not timely furnish such amended prospectus to such claimant. The Company shall not be required to indemnify any Holder or controlling person for any payment made to any claimant in settlement of any suit or claim unless such payment is approved by the Company.

(ii) Each Holder of Warrants and/or Warrant Shares who participates in a registration pursuant to Section 15.1 or 15.2 will indemnify and hold harmless the Company, each of its directors, each of its officers who have signed any such registration statement, and each person, if any, who controls the Company within the meaning of the Act, against any losses, claims, damages or liabilities to which the Company, or any such director, officer or controlling person may become subject under the Act, or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue or alleged untrue statement of any material fact contained in any such registration statement, any preliminary prospectus or final prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any such registration statement, any

preliminary prospectus or final prospectus, or any amendment or supplement thereto, in reliance upon and in conformity with written information furnished by such Holder expressly for use in the preparation thereof; and will reimburse any legal or other expenses reasonably incurred by the Company, or any such director, officer or controlling person in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this subparagraph (ii) shall not apply to amounts paid to any claimant in settlement of any suit or claim unless such payment is first approved by such Holder.

(iii) In order to provide for just and equitable contribution in any action in which a claim for indemnification is made pursuant to this clause (b)(iii) of Section 15.3 but is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this clause (b)(iii) of Section 15.3 provides for indemnification in such case, all the parties hereto shall contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (after contribution from others) in such proportion so that each Holder whose Warrant Shares are being registered is responsible pro rata for the portion represented by the public offering price received by such Holder from the sale of such Holder's Warrant Shares, and the Company is responsible for the remaining portion; provided, however, that (i) no Holder shall be required to contribute any amount in excess of the public offering price received by such Holder from the sale of such Holder's Warrant Shares and (ii) no person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation. This subsection (b)(iii) shall not be operative as to any Holder of Warrant Shares to the extent that the Company has received indemnity under this clause (b)(iii) of Section 15.3.

16. No Rights as Stockholder; Notices to Holders. Nothing contained in this Agreement or in any of the Warrants shall be construed as conferring upon the Holders or their transferee(s) the right to vote or to receive dividends or to consent to or receive notice as stockholders in respect of any meeting of stockholders for the election of directors of the Company or any other matter, or any rights whatsoever as stockholders of the Company. If, however, at any time prior to the expiration of the Warrants and prior to their exercise, any of the following events shall occur:

(a) the Company shall declare any dividend payable in any securities upon its shares of Common Stock or make any distribution (other than a cash dividend) to the holders of its shares of Common Stock; or

(b) the Company shall offer to the holders of its shares of Common Stock any additional shares of Common Stock or securities convertible into or exchangeable for shares of Common Stock or any right to subscribe to or purchase any thereof; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation, merger, sale, transfer or lease of all or substantially all of its property, assets, and business as an entirety) shall be proposed,

then in any one or more of said events the Company shall (i) give notice in writing of such event to the Holders, as provided in Section 17 hereof and (ii) if there are more than 100 Holders, cause notice of such event to be published once in The Wall Street Journal (national edition), such giving of notice and publication to be completed at least 20 days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividend, distribution, or subscription rights, or for the determination of stockholders entitled to vote on such proposed dissolution, liquidation or winding up. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. Failure to publish, mail or receive such notice or any defect therein or in the publication or mailing thereof shall not affect the validity of any action taken in connection with such dividend, distribution or subscription rights, or such proposed dissolution, liquidation or winding up.

17. Notices. Any notice pursuant to this Agreement to be given or made by the registered Holder of any Warrant to or on the Company shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed as follows:

CRUTTENDEN ROTH INCORPORATED
18301 Von Karman, Suite 100
Irvine, California 92715
Attention: Mr. Byron C. Roth

Notices or demands authorized by this Agreement to be given or made by the Company to the registered Holder of any Warrant shall be sufficiently given or made (except as otherwise provided in this Agreement) if sent by first-class mail, postage prepaid, addressed to such Holder at the address of such Holder as shown on the Warrant Register.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to principles of conflicts of laws.

19. Supplements and Amendments. The Company and the Representative may from time to time supplement or amend this Agreement in order to cure any ambiguity or to correct or supplement any provision contained herein which may be defective or inconsistent with any other provision herein, or to make any other provisions in regard to matters or questions arising hereunder which the Company and the Representative may deem necessary or desirable and which shall not be inconsistent with the provisions of the Warrants and which shall not adversely affect the interests of the Holders. This Agreement may also be supplemented or amended from time to time by a writing executed by or on behalf of the Company and all of the Holders.

20. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Holders shall bind and inure to the benefit of their respective

successors and assigns hereunder. Assignments by the Holders of their rights hereunder shall be made in accordance with Section 4 hereof.

21. Merger or Consolidation of the Company. So long as Warrants remain outstanding, the Company will not merge or consolidate with or into, or sell, transfer or lease all or substantially all of its property to, any other corporation unless the successor or purchasing corporation, as the case may be (if not the Company), shall expressly assume, by supplemental agreement executed and delivered to the Holders, the due and punctual performance and observance of each and every covenant and condition of this Agreement to be performed and observed by the Company.

22. Benefits of this Agreement. Nothing in this Agreement shall be construed to give to any person or corporation other than the Company and the Holders, any legal or equitable right, remedy or claim under this Agreement, but this Agreement shall be for the sole and exclusive benefit of the Company and the Holders of the Warrants and Warrant Shares.

23. Captions. The captions of the sections and subsections of this Agreement have been inserted for convenience only and shall have no substantive effect.

24. Counterparts. This Agreement may be executed in any number of counterparts each of which when so executed shall be deemed to be an original; but such counterparts together shall constitute but one and the same instrument.

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

CRUTTENDEN ROTH INCORPORATED

Attest:

By:
- ----------
Name:
Title:

TRANSACT TECHNOLOGIES, INC.

Attest:

By:
- ----------
Name:
Title:

EXHIBIT A

[Form of Warrant Certificate]

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. SAID SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SAID ACT.

EXERCISABLE ON OR BEFORE _____, 2001

No. _____,000 Warrants

Warrant Certificate

TRANSACT TECHNOLOGIES INCORPORATED

This Warrant Certificate certifies that Cruttenden Roth Incorporated, or registered assigns, is the registered holder of Warrants expiring _____, 2001 (the "Warrants") to purchase Common Stock, $0.001 par value per share (the "Common Stock"), of Transact Technologies Incorporated, a Delaware corporation (the "Company"). Each Warrant entitles the holder upon exercise to receive from the Company from 10:00 a.m., Pacific time, on the first anniversary of date on which Tridex Corporation, a Delaware corporation, owns less than eighty-percent (80%) of the outstanding shares of the Company through and until 6:00 p.m., Pacific time, on _____, 2001, one fully paid and nonassessable share of Common Stock (a "Warrant Share") at the initial exercise price (the "Exercise Price") of $_____, payable in lawful money of the United States of America upon surrender of this Warrant Certificate and payment of the Exercise Price at the office of the Company designated for such purpose, but only subject to the conditions set fort herein and in the Warrant Agreement referred to on the reverse hereof. The Exercise Price and number of Warrant Shares issuable upon exercise of the Warrants are subject to adjustment upon the occurrence of certain events set forth in the Warrant Agreement.

No Warrant may be exercised after 6:00 p.m., Pacific time, on _____, 2001, and to the extent not exercised by such time such Warrants shall become void.

Reference is hereby made to the further provisions of this Warrant Certificate set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Warrant Certificate shall not be valid unless countersigned by the Company.

IN WITNESS WHEREOF, TRANSACT TECHNOLOGIES INCORPORATED has caused this Warrant Certificate to be signed by its President and by its Secretary and has caused its corporate seal to be affixed hereunto or imprinted hereon.

Dated: _____, 1996

TRANSACT TECHNOLOGIES INCORPORATED

By:

Title:

By:

Title:

[Form of Warrant Certificate]

[Reverse]

The Warrants evidenced by this Warrant Certificate are part of a duly authorized issue of Warrants expiring _____, 2001 entitling the holder on exercise to receive shares of Common Stock, $0.001 par value per share, of the Company (the "Common Stock"), and are issued or to be issued pursuant to a Warrant Agreement, dated as of _____, 1996 (the "Warrant Agreement"), duly executed and delivered by the Company, which Warrant Agreement is hereby incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Company and the holders (the words "holders" or "holder" meaning the registered holders or registered holder) of the Warrants. A copy of the Warrant Agreement may be obtained by the holder hereof upon written request to the Company.

The Warrants may be exercised at any time on or before _____, 2001. The holder of Warrants evidenced by this Warrant Certificate may exercise them by surrendering this Warrant Certificate, with the form of election to purchase set forth hereon properly completed and executed, together with payment of the Exercise Price in cash at the office of the Company designated for such purpose. In the event that upon any exercise of Warrants evidenced hereby the number of Warrants exercised shall be less than the total number of Warrants evidenced hereby, there shall be issued to the holder hereof or his assignee a new Warrant Certificate evidencing the number of Warrants not exercised. No adjustment shall be made for any dividends on any Common Stock issuable upon exercise of this Warrant.

The Warrant Agreement provides that upon the occurrence of certain events the number of shares of Common Stock issuable upon the exercise of each Warrant shall be adjusted. If the number of shares of Common Stock issuable upon such exercise is adjusted, the Warrant Agreement provides that the Exercise Price set forth on the face hereof may, subject to certain conditions, be adjusted. No fractions of a share of Common Stock will be issued upon the exercise of any Warrant, but the Company will pay the cash value thereof determined as provided in the Warrant Agreement.

The holders of the Warrants are entitled to certain registration rights with respect to the Common Stock purchasable upon exercise thereof. Said registration rights are set forth in full in the Warrant Agreement.

Warrant Certificates, when surrendered at the office of the Company by the registered holder thereof in person or by legal representative or attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing in the aggregate a like number of Warrants.

Upon due presentation for registration of transfer of this Warrant certificate at the office of the Company a new Warrant certificate or Warrant certificates of like tenor and evidencing
in the aggregate a like number of Warrants shall be issued to other transferee(s) in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any tax or other governmental charge imposed in connection therewith.

The Company may deem and treat the registered holder(s) thereof as the absolute owner(s) of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, of any distribution to the holder(s) hereof, and for all other purposes, and the Company shall not be affected by any notice to the contrary. Neither the Warrants nor this Warrant Certificate entitles any holder hereof to any rights of a stockholder of the Company.

[Form of Election to Purchase]

(To Be Executed Upon Exercise of Warrant)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to receive _____ shares of Common Stock and herewith tenders payment for such shares to the order of Transact Technologies, Inc., in the amount of $_____ in accordance with the terms hereof. The undersigned requests that a certificate for such shares be registered in the name of _____, whose address is _____ and that such shares be delivered to _____, whose address is _____. If said number of shares is less than all of the shares of Common Stock purchasable hereunder, the undersigned requests that a new Warrant certificate representing the remaining balance of such shares be registered in the name of _____, whose address is _____, and that such Warrant certificate be delivered to _____, whose address is _____.

Date: Signature:

Signature Guaranteed:

EXHIBIT 3.1

CERTIFICATE OF INCORPORATION

OF

TRANSACT TECHNOLOGIES INCORPORATED

The undersigned, in order to form a corporation for the purpose hereinafter stated, under and pursuant to the provisions of the General Corporation Law of Delaware, hereby certifies that:

1. The name of the Corporation is TransAct Technologies Incorporated.

2. The registered office and registered agent of the Corporation is The Corporation Trust Company, County of New Castle, 1209 Orange Street, Wilmington, Delaware 19801.

3. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

4. The total number of shares of stock that the Corporation is authorized to issue is 5,000,000 shares of Preferred Stock and 20,000,000 shares of Common Stock, par value $.01 each.

5. The name and address of the incorporator is Paul Bork, Hinckley, Allen & Snyder, One Financial Center, Boston, Massachusetts 02111.

6. The Board of Directors of the Corporation, acting by majority vote, may alter, amend or repeal the By-Laws of the Corporation.

7. The Directors may be elected by resolution or consent of a majority of stockholders, without separate written ballots as such.

8. The directors shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as determined by the board, one class initially to be elected for a term expiring at the annual meeting to be held in 1997, another class initially to be elected for a term expiring at the annual meeting to be held in 1998, and another class initially to be elected for a term expiring at the annual meeting to be held in 1999, with the members of each class to hold office until their successors have

been elected and qualified. At each annual meeting, the successors of the class of directors whose term expires at the annual meeting shall be elected to hold office for a term expiring at the annual meeting held in the third year following the year of their election. Directors need not be stockholders.

9. The Board of Directors may provide for the issuance of additional shares of Common and Preferred Stock from time to time, which may have such rights, designations and references as the Board may adopt pursuant to its authority duly granted hereunder.

10. The Corporation shall be governed by Section 203 of the General Corporation Law of Delaware.

11. No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of his or her fiduciary duty as a director, provided that nothing contained in this Article shall eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (iii) under Section 174 of the General Corporation Law of the State of Delaware or (iv) for any transaction from which the director derived an improper personal benefit.

12. Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors and/or of the stockholders or class of stockholders of this Corporation as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the

creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

13. Any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (whether or not by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, incorporator, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, incorporator, employee, partner, trustee or agent of another corporation, partnership, joint venture, trust, or other enterprise (including an employee benefit plan), shall be entitled to be indemnified by the Corporation to the full extent then permitted by law against expenses (including attorneys' fees), judgments, fines (including excise taxes assessed on a person with respect to an employee benefit plan), and amounts paid in settlement incurred by him in connection with such action, suit, or proceeding. Such right of indemnification shall continue as to a person who has ceased to be a director, officer, incorporator, employee, partner, trustee, or agent and shall inure to the benefit of the heirs and personal representatives of such a person. The indemnification provided by this Article 13 shall not be deemed exclusive of any other rights which may be provided now or in the future under any provision currently in effect or hereafter adopted of the By-Laws, by any agreement, by vote of stockholders, by resolution of disinterested directors, by provision of law, or otherwise.

IN WITNESS WHEREOF, the undersigned has signed this Certificate of Incorporation on June 17, 1996.

TransAct Technologies
Incorporated, Incorporator

/s/ Paul Bork (L.S.)

Paul Bork, Sole Incorporator

EXHIBIT 3.2

B Y - L A W S

OF

TRANSACT TECHNOLOGIES INCORPORATED

ARTICLE I

OFFICES

Section 1.01 Registered Office. The registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 1.02 Other Offices. The corporation may also have offices at such other places both within and without the State of Delaware as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 2.01 Meetings of Stockholders. All meetings of the stockholders shall be held in Wallingford, Connecticut, at such place as may be fixed from time to time by the board of directors, or at such other place either within or without the State of Delaware as shall be designated from time to time by the board of directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2.02 Annual Meetings of Stockholders. Annual meetings of stockholders shall be held on the first Thursday in May, unless such day is a legal holiday, (in which case the meeting will be held on the next secular day following), or on such other date and at such other time as shall be designated from time to time by the board of directors and stated in the notice of the meeting, at which they shall elect by a plurality vote a board of directors, and transact such other business as may properly be brought before the meeting.

Section 2.03 Notice of Annual Meeting. Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting.

Section 2.04 List of Stockholders. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 2.05 Special Meetings of Stockholders. Special meetings of the stockholders for any purpose or purposes, unless otherwise prescribed by statute may be called by the Chairman of the Board or the President and shall be called by the Chairman of the Board or Secretary at the request in writing of the board of directors, or at the request in writing of stockholders owning 50% in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 2.06 Notice of Special Meetings of Stockholders. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not less than ten nor more than sixty days before the date of the meeting, to each stockholder entitled to vote at such meeting.

Section 2.07 Quorum. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholder for the transaction of business except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the

adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 2.08 Majority Voting. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the Certificate of Incorporation, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 2.09 Voting Rights. Unless otherwise provided in the Certificate of Incorporation each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on, after three years from its date, unless allowed by the laws of the State of Delaware or unless the proxy provides for a longer period.

Section 2.10 Stockholders Consent. Any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III

DIRECTORS

Section 3.01 Election of Directors. The number of directors which shall constitute the whole board shall be not less than five, or as the board of directors or the stockholders shall determine by resolution. The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 3.02 of this Article. All nominations by stockholders shall be made pursuant to timely notice in proper written form to the Secretary of the Corporation. To be timely, a stockholder's

notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than 30 days nor more than 60 days prior to the meeting; provided, however, that in the event that less than 40 days notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. To be in proper written form, such stockholder's notice shall set forth in writing (i) as to each person whom the stockholder proposes to nominate for election or reelection as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, including, without limitation, such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; and (ii) as to the stockholder giving the notice, the (x) name and address, as they appear on the Corporation's books, of such stockholder and (y) the class and number of shares of the Corporation which are beneficially owned by such stockholder. At the request of the Board of Directors, any person nominated by the Board of Directors for election as a director shall furnish to the Secretary of the Corporation the information required to be set forth in a stockholder's notice of nomination which pertains to the nominee. In the event that a stockholder seeks to nominate one or more directors, the Secretary shall appoint two inspectors, who shall not be affiliated with the Corporation, to determine whether a stockholder has complied with this Section 3. If the inspectors shall determine that a stockholder has not complied with this Section 3, the inspectors shall direct the chairman of the meeting to declare to the meeting that a nomination was not made in accordance with the procedures prescribed by the By-laws of the Corporation, and the chairman shall so declare to the meeting and the defective nomination shall be disregarded.

Section 3.02 Vacancies on Board of Directors. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the affirmative vote of a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual meeting at which the term of office of the class to which such director has been elected expires and until such director's successor has been duly elected and qualified. No decrease in the number of directors constituting the board shall shorten the term of any incumbent director. If at any time, by reason of death or

resignation or other cause, the corporation should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the Certificate of Incorporation or these By-Laws, or may apply to the Court of Chancery for a decree summarily ordering an election as provided by law.

Section 3.03 Powers of Board of Directors. The business of the corporation shall be managed by its board of directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the stockholders.

Section 3.04 Meetings of Board of Directors. The board of directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

Section 3.05 First Meeting of Board of Directors. The first meeting of each newly elected board of directors shall be held at such time and place as shall be fixed by the vote of the stockholders or incorporators and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders or the incorporators to fix the time or place of such first meeting of the newly elected board of directors, or in the event such meeting is not held at the time and place so fixed by the stockholders or the incorporators, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the board of directors, or as shall be specified in a written waiver signed by all of the directors.

Section 3.06 Regular Meetings of Board of Directors. Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board.

Section 3.07 Special Meetings of Board of Directors. Special meetings of the board may be called by the Chairman of the Board or the President on 24 hours' notice to each director, either personally or by mail, by telegram or by telephone; special meetings shall be called by the Chairman of the Board or Secretary in like manner and on like notice on the written request of two directors unless the board consists of only one director in which case special meetings shall be called by the

President or Secretary in like manner and in like notice on the written request of the sole director.

Section 3.08 Quorum. At all meetings of the board, a majority of the directors, but not fewer than one, shall constitute a quorum, unless the board consists of only one director, in which case the sole director shall constitute a quorum, for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation. If a quorum shall not be present at any meeting of the board of directors the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.09 Director Consents. Any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

Section 3.10 Telephone Meetings of Board of Directors. Members of the board of directors, or any committee designated by the board of directors, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 3.11 Committee of Directors. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the

seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority, except as allowed by the laws of the State of Delaware, in reference to:

(i) amending the Certificate of Incorporation,

(ii) adopting an agreement of merger or consolidation, unless the resolution creating such committee expressly so provides,

(iii) recommending it to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, unless the resolution creating such committee expressly so provides,

(iv) recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution,

(v) amending the By-Laws of the corporation,

(vi) taking any action with respect to the issuance of the corporation's stock, unless the resolution creating such committee expressly so provides, and

(vii) declaring a dividend, unless the resolution creating such committee expressly so provides.

Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors.

Section 3.12 Committee Minutes. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Section 3.13 Compensation of Directors. Unless otherwise restricted by the Certificate of Incorporation, the board of directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the board of directors and may be paid a fixed sum for attendance at each meeting of the board of directors or a stated salary as directed. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

Section 3.14 Removal of Directors. Unless otherwise retracted by the Certificate of Incorporation or by statute or law, any director may be removed from office only for cause by the affirmative vote of the holders of at least 80% of the voting power of all shares of the corporation entitled to vote generally in the election of directors, voting together as a single class.

Section 3.15 Chairman of the Board. The Chairman of the Board of Directors, if there is one, shall be elected annually by and from the board of directors and shall preside at all meetings of the stockholders and directors at which he shall be present.

ARTICLE IV

NOTICES

Section 4.01 Notices. Whenever, under the provisions of the statutes or of the Certificate of Incorporation or of these By-Laws, notice is required to be given to any director or stockholder, it shall not be construed to require personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 4.02 Waiver of Notice. Whenever a notice is required to be given under the provisions of the statutes or of the Certificate of Incorporation or of these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE V

OFFICERS

Section 5.01 Necessary Officers. The officers of the corporation shall be chosen by the board of directors and there shall be elected from among the officers of the corporation, persons having the titles and exercising the duties (as

prescribed by the By-Laws or by the Board) President, Vice President, Secretary, and Treasurer. The board of directors may also choose one or more Vice-Presidents, Assistant Secretaries, and Assistant Treasurers. Any number of offices may be held by the same person. No officer need be a stockholder.

Section 5.02 Election of Officers. The board of directors at its first meeting after each annual meeting of stockholders shall choose a Chairman of the Board, a President, a Secretary and a Treasurer.

Section 5.03 Other Officers. The board of directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 5.04 Officers' Salaries. The salaries of all officers and agents of the corporation shall be fixed by the board of directors.

Section 5.05 Term of Office. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the board of directors. Any vacancy occurring in any office of the corporation shall be filled by the board of directors.

Section 5.06 Chairman of the Board. The Chairman of the Board shall perform such duties and have such powers additional to the foregoing as the board of directors shall designate.

Section 5.07 President. The President shall be the Chief Executive Officer of the corporation and shall preside at all meetings of the stockholders and of the board of directors in the absence of the Chairman of the Board. It shall be his duty and he shall have the power to see that all orders and resolutions of the board of directors are carried into effect. The President, as soon as reasonably possible after the close of each fiscal year, shall submit to the board of directors a report of the operations of the corporation for such year and a statement of its affairs and shall from time to time report to the board of directors all matters within his knowledge which the interests of the corporation may require to be brought to its notice. The President shall perform such duties and have such powers additional to the foregoing as the board of directors shall designate.

Section 5.08 Vice Presidents. In the absence or disability of the President, his powers and duties shall be performed by the Vice President, if only one, or, if more than one, by the one designated for the purpose by the board of directors. Each Vice President shall have such other powers and perform such other duties as the board of directors shall from time to time designate.

Section 5.09 Treasurer. The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as shall be designated by the board of directors or in the absence of such designation in such depositories as he shall from time to time deem proper. He shall disburse the funds of the corporation as shall be ordered by the board of directors, taking proper vouchers for such disbursements. He shall promptly render to the President and to the board of directors such statements of his transactions and accounts as the President and board of directors respectively may from time to time require. The Treasurer shall perform such duties and have such powers additional to the foregoing as the board of directors may designate.

Section 5.10 Assistant Treasurers. In the absence of disability of the Treasurer, his powers and duties shall be performed by the Assistant Treasurer, if one be elected, or, if more than one, by the one designated for the purpose by the board of directors. Each Assistant Treasurer shall have such other powers and perform such other duties as the board of directors shall from time to time designate.

Section 5.11 Treasurer's Bonds. If required by the board of directors, the treasurer shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the board of directors, for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 5.12 Secretary. The Secretary shall record in books kept for the purpose all votes and proceedings of the stockholders and of the board of directors at their meetings and shall perform like duties for the standing committees when required. Unless the board of directors shall appoint a transfer agent and/or registrar or other officer or officers for the

purpose, the Secretary shall be charged with the duty of keeping, or causing to be kept, accurate records of all stock outstanding, stock certificates issued and stock transfers; and, subject to such other or different rule as shall be adopted from time to time by the board of directors, such records may be kept solely in the stock certificate books. The Secretary shall perform such duties and have such powers additional to the foregoing as the board of directors shall designate.

Section 5.13 Temporary and Assistant Secretaries. In the absence of the Secretary from any meeting of the stockholders or board of directors, if there be no Assistant Secretary, if one be elected, or, if there be more than one, the one designated for the purpose by the board of directors, otherwise a Temporary Secretary designated by the person presiding at the meeting, shall perform the duties of the Secretary. Each Assistant Secretary shall have such other powers and perform such other duties as the board of directors may from time to time designate.

ARTICLE VI

CERTIFICATES OF STOCK

Section 6.01 Certificates of Stock. Every holder of stock in the corporation shall be entitled to have a certificate certifying the number of shares owned by him in the corporation, signed by or in the name of the corporation by (a) either the Chairman of the Board of Directors, the President or a Vice-President and (b) either the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the corporation.

Certificates may be issued for partly paid shares and in such case upon the face or back of the certificates issued to represent any such partly paid shares, the total amount of the consideration to be paid therefor, and the amount paid thereon shall be specified.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualification, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificates which the corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in Section 202 of the General Corporation Law of Delaware, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation shall issue to

represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 6.02 Signature on Stock Certificates. Where a certificate is countersigned, (1) by a transfer agent other than the corporation or its employee, or (2) by a registrar other than the corporation or its employee, any other signature on the certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 6.03 Lost Certificates. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorized such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 6.04 Transfers of Stock. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books. The board may make such additional rules and regulations as it may deem advisable concerning the issue and transfer of certificates representing shares of the capital stock of the Corporation.

Section 6.05 Fixing Record Date. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment

thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution of allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Section 6.06 Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII

GENERAL PROVISIONS

Section 7.01 Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of applicable law, may be declared by the board of directors at any regular or special meeting, and paid either (a) out of its surplus, as defined by law, or (b) in case there shall be no such surplus, out of the corporation's net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. If the capital of the corporation, computed in accordance with law, shall have been diminished by depreciation in the value of its property, or by losses, or otherwise, to an amount less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets, the board of directors shall not, except as allowed by the laws of the State of Delaware, declare and pay out of such net profits any dividends upon any shares of any classes of the corporation's capital stock until the deficiency in the amount of capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets shall have been repaired. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

Section 7.02 Reserves. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors may think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 7.03 Annual Statement. The board of directors shall present at each annual meeting, and at any special meeting of the Stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the corporation.

Section 7.04 Checks. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

Section 7.05 Fiscal Year. The fiscal year of the corporation shall end on December 31.

Section 7.06 Seal. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the word "Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 7.07 Indemnification of Officers and Directors. The corporation shall indemnify any director, officer, employee or agent of the corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, to the full extend authorized and permitted by the laws of the State of Delaware. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of the General Corporation Law of the State of Delaware. The corporation's indemnity of any person who is or was a director, officer, employee or agent of the corporation shall be reduced by any amounts such person may collect as

indemnification under any policy of insurance purchased and maintained on his behalf by the corporation.

The indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any certificate of incorporation, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person. The right of reimbursement for liabilities and expenses so imposed or incurred shall include the right to receive such reimbursement in advance of the final disposition of any such action, suit or proceeding upon the Corporation's receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall be ultimately determined that he is not entitled to be indemnified by the Corporation pursuant to law or this Section 7.07. Neither the amendment nor repeal of this Section 7.07, nor the adoption of any provisions of the Certificate of Incorporation inconsistent with this Section 7.07, shall eliminate or reduce the effect of this Section 7.07 in respect of any matter occurring, or any cause of action, suit or claim that, but for this Section 7.07 would accrue or arise, prior to such amendment, repeal or adopting of an inconsistent provision.

Section 7.08 Reliance upon Books, Reports and Records. Each director, each member of any committee designated by the Board of Directors, and each officer of the corporation shall, in the performance of his duties, be fully protected in relying in good faith upon the books of account or other records of the corporation, including reports made to the corporation by any of its officers, by an independent certified public accountant, or by an appraiser selected with reasonable care.

Section 7.09 Inspection of Books by Stockholders. Subject to the laws of the State of Delaware, the board of directors shall have the power to determine from time to time and at any time whether and to what extent and at what times and places and under what conditions and regulations the records of account, books and stock ledgers of the corporation, or any of them, shall be open to inspection and copying by stockholders, their agents or attorneys; and no stockholder, his agent or attorney shall have any right to inspect or copy any record of account or book or stock ledger, or any part thereof, of the corporation, except as conferred by the laws of the State of Delaware, unless and until authorized so to do by resolution of the board of directors or of the stockholders and unless and

until such stockholder agrees to comply with, and abide by, such conditions and regulations governing inspection and copying thereof, as determined by the board of directors.

Section 7.10 Transactions with Directors, Officers, etc. The corporation may enter into contracts or transactions with one or more of its directors, officers, employees or stockholders, or with any other corporation, partnership, association, or other organization in which one or more of its directors, officers, employees or stockholders are directors, officers, partners, employees or stockholders, or have a financial interest, to the full extent authorized and permitted by the laws of the State of Delaware.

ARTICLE VIII

Section 8.01 Amendments. These By-Laws may be altered, amended or repealed or new By-Laws may be adopted by the stockholders or by the board of directors at any regular meeting of the stockholders or of the board of directors or at any special meeting of the stockholders or of the board of directors if notice of such alteration, amendment, repeal or adoption of new By-Laws be contained in the notice of such meeting, or by any consent of the stockholders or directors executed in accordance with the Certificate of Incorporation or these By-Laws.

EXHIBIT 10.2

PLAN OF REORGANIZATION

PLAN OF REORGANIZATION dated as of June 24, 1996 by and among Tridex Corporation, a Connecticut corporation ("Tridex"), with executive offices at 61 Wilton Road, Westport, Connecticut 06880, Magnetec Corporation, a Connecticut corporation ("Magnetec"), and TransAct Technologies Incorporated, a Delaware corporation ("Transact") each with executive offices located at 7 Laser Lane, Wallingford, CT 06492 and Ithaca Peripherals Incorporated ("Ithaca"), a Delaware corporation, with executive offices at 20 Bomax Drive, Ithaca, New York 14850;

WHEREAS, Magnetec, TransAct and Ithaca are wholly-owned, direct subsidiaries of Tridex;

WHEREAS, Tridex believes it to be in its best interest if the business, operations and related assets used and useful in the printer business and related activities conducted by Tridex through its subsidiaries, Magnetec and Ithaca, be contained within a single corporation, its subsidiary, TransAct, separate and apart from Tridex; and

WHEREAS, after the execution and delivery of this Agreement, up to 1,322,500 shares of TransAct Common Stock (or such other number as shall equal approximately 19.7% of the outstanding shares of the Common Stock of TransAct on a pro forma basis after giving effect to the Exchange and the Offering, as defined herein) shall be registered under the Securities Act of 1933, as amended (the "Securities Act") for sale in a firm commitment underwritten public offering.

WHEREAS, on or about the date hereof, Tridex has filed or will file an application with the United States Internal Revenue Service (the "IRS") seeking a ruling (the "Ruling") that a pro rata distribution by Tridex of all shares of TransAct Common Stock held by Tridex to its stockholders (the "Distribution") would not be treated as taxable for federal income tax purposes.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

I. TRANSFERS OF ASSETS; ISSUANCE OF SECURITIES.

1.1 Ithaca Merged Into Magnetec. Subject to the terms and conditions set forth herein, and as soon as practicable after the date hereof, Tridex, as sole shareholder of Magnetec and

Ithaca, and the Boards of Directors of Ithaca and Magnetec, respectively, agree to take all steps necessary to effectuate the merger of Ithaca with and into Magnetec (the "Merger"), such merger to be effective no later than the day before the Effective Date (as defined below), including but not limited to the execution of agreements, plans and certificates of merger pursuant to the laws of the states of organization of the merging entities, Delaware and Connecticut, respectively.

1.2 Issuance of TransAct Common Stock. Subject to the terms and conditions set forth herein, as soon as practicable, but in no event later than the day before the Effective Date, TransAct shall issue to Tridex, and Tridex shall acquire from TransAct, 5,400,000 shares of TransAct Common Stock, par value $.01 per share ("TransAct Common Stock") (or such other number as shall equal no less than approximately 80.3% of the outstanding TransAct Common Stock after giving effect to such issuance and the Offering) constituting all of the then outstanding capital stock of TransAct, in exchange for the tender and delivery by Tridex of all of the outstanding shares of common stock, par value $.01 per share, of Magnetec (the "Magnetec Shares") (the "Exchange"). It is the intent of the parties hereto that, upon the completion of the Offering by TransAct contemplated under Section 1.3 below, that Tridex will own no less than approximately 80.3% of the outstanding shares of TransAct Common Stock.

1.3 Offer of TransAct Shares. TransAct shall use its commercially reasonable best efforts to issue and sell, in a firm commitment underwritten public offering pursuant to a Registration Statement on Form S-1 (the "Registration Statement") under the Securities Act, up to 1,322,500 shares of TransAct Common Stock, par value $.01 per share (the "Offering"). TransAct shall prepare and file with the Securities and Exchange Commission (the "SEC") a Registration Statement, and any amendments thereto necessary or advisable for purposes of this Plan of Reorganization. The "Effective Date" shall be the date on which the SEC declares the Registration Statement on Form S-1 to be effective.

1.4 Payment of Intercompany Indebtedness. Subject to the terms and conditions set forth herein and the completion of the Offering contemplated under Section 1.3 above, TransAct hereby agrees to advance to Magnetec, from the proceeds of the Offering, sufficient funds to enable Magnetec to pay to Tridex $8,500,000 of intercompany indebtedness. Magnetec shall pay at least $7,500,000 of such intercompany indebtedness at, or as soon as practicable after the closing of the Offering and, at its option, may pay the balance either at such closing or by issuance of a promissory note for $1,000,000. If TransAct elects to issue such

note, (i) it shall be payable one year after issuance, bear interest at a rate equal to the rate paid by Tridex under its revolving credit agreement with Fleet Bank, National Association, and provide for prepayment without penalty and (ii) TransAct's obligation to advance funds to Magnetec from the proceeds of the Offering shall be reduced by the amount of the Note. Tridex shall furnish to Magnetec and TransAct a written acknowledgment that payment of such $8,500,000 satisfies any and all intercompany indebtedness owed by Magnetec or TransAct to Tridex.

1.5 Related Agreements. TransAct and Tridex hereby agree that, no later than the day before the Effective Date, they shall enter into certain agreements relating to the allocation of taxes and tax attributes, the provision of certain corporate and administrative services and the sale of printers by TransAct to Ultimate Technology Corporation, a wholly-owned subsidiary of Tridex. Forms of a Corporate Services Agreement, Tax Sharing Agreement and Printer Supply Agreement between TransAct and Tridex are attached hereto as Exhibits A, B and C, respectively.

1.6 Application for Internal Revenue Service Ruling. Tridex hereby agrees that it will use its commercially reasonable best efforts to prosecute the Ruling and to obtain a favorable result from the IRS so that the distribution on a pro rata basis of all of the shares of TransAct Common Stock owned by Tridex after the Exchange and Offering (constituting at least 80.3% of the shares of TransAct Common Stock outstanding after the completion of the Offering) would be a tax-free distribution to Tridex stockholders for federal income tax purposes.

1.7 Pro Rata Distribution. Tridex hereby agrees that, upon the successful completion of the Offering and the receipt of a favorable Ruling from the IRS as contemplated under Section 1.6 above, it shall distribute on a pro rata basis, to stockholders of record of Tridex common stock all shares of TransAct Common Stock owned by Tridex; in no case shall Tridex have any obligation to complete such distribution before receipt of a favorable Ruling.

1.8 Granby Street Liability. Tridex hereby agrees that, upon completion of the Merger and Exchange contemplated under Section 1.1 and Section 1.2 above, respectively, it shall indemnify and hold harmless Magnetec and TransAct from any and all liabilities (as former occupant, operator or otherwise), including but not limited to liabilities with respect to environmental matters, concerning the real property located at 96 Granby Street, Bloomfield, CT.

1.9 Release from Guarantees. Upon completion of the Merger and Exchange, TransAct hereby agrees to use commercially

reasonable efforts to obtain the release of Tridex from any and all of Tridex's obligations and liabilities under guarantees of leases of real property or equipment used by TransAct.

1.10 Release of Magnetec and Ithaca from Fleet Lien. Upon completion of the Offering, Tridex shall obtain the release of Magnetec, the Magnetec Shares and Ithaca from any and all obligations under the Fleet loan documents.

1.11 27-Wire Printhead. Tridex hereby acknowledges and confirms that it has no right, title or interest in or to any form of intellectual property or other rights of ownership in the 27-wire printhead manufactured and sold by Magnetec to GTECH Holdings Corporation and to the extent it may have any basis to assert or claim such right, title or interest, Tridex (intending to confirm Magnetec's exclusive ownership of such technology) hereby unconditionally releases and forever discharges Magnetec from any and all claims related thereto.

1.12 Assignment of Okidata Agreements. Upon completion of the Merger and Exchange, Tridex hereby agrees to assign, transfer, convey and deliver its rights under a Strategic Agreement by and between it and Okidata, a division of Oki America, Inc. dated as of May 9, 1996 pursuant to which Tridex has entered into an exclusive Sales Agreement with Oki Europe Limited dated as of May 10, 1996 to sell POS and kiosk products in Europe, the Middle East and North Africa. Upon completion of the Merger and Exchange, TransAct hereby agrees to assume from Tridex any and all liabilities under the Strategic Agreement and Exclusive Sales Agreement.

II. REPRESENTATIONS AND WARRANTIES OF TRIDEX, MAGNETEC AND ITHACA.

Tridex, Magnetec and Ithaca hereby represent and warrant to TransAct as follows:

2.1 Organization; Good Standing; Subsidiaries. Tridex, Magnetec and Ithaca are corporations duly organized, validly existing and in good standing under the laws of the states of Connecticut, Connecticut and Delaware, respectively. Each is qualified to do business as a foreign corporation under the laws of all other states or jurisdictions in which such qualification is required because of the properties owned, leased or operated by it or the nature of the business currently conducted by it. Each has corporate power and authority to own its properties and to conduct its businesses as presently conducted.

2.2 Authorization; Binding Effect. The execution and delivery of this Plan of Reorganization by each of Tridex, Magnetec and Ithaca and the performance of its respective obligations thereunder (a) have been duly authorized by all necessary corporate action, (b) do not conflict with any of the provisions contained in the Certificate of Incorporation or by-laws of any of Tridex, Magnetec or Ithaca, or in any agreement, indenture or other instrument to which any of them is a party, or by which any of its respective assets may be bound, (c) do not violate any law, regulation, order or decree, and (d) will not result in the creation of any lien or encumbrance upon any of the assets being transferred except as contemplated hereby. This Plan of Reorganization and the other instruments to be executed and delivered by each of Tridex, Magnetec and Ithaca hereunder will constitute valid and binding obligations.

2.3 Magnetec Shares. The Magnetec Shares have been duly authorized and are fully paid and non-assessable shares of capital stock of Magnetec, free and clear of all liens and encumbrances, except for the lien in favor of Fleet Bank, National Association.

III. REPRESENTATIONS AND WARRANTIES OF TRANSACT

TransAct represents and warrants to Tridex, Magnetec and Ithaca as follows:

3.1 Organization and Good Standing. TransAct is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and will have by the Effective Date registered as a foreign corporation under the laws of Connecticut and New York. TransAct has the corporate power and authority to conduct its business as presently proposed.

3.2 Authorization. The execution, delivery and performance of this and the other agreements and instruments to be executed and delivered by TransAct in accordance herewith (a) have been duly authorized by all necessary corporate action, (b) do not conflict with any of the provisions contained in the Certificate of Incorporation or By-laws of TransAct, or in any other agreement, indenture or instrument to which TransAct is a party or by agreement, indenture or instrument to which TransAct is a party or by which Transact or its assets may be bound and (c) do not violate any law, regulation, order or decree. This Plan of Reorganization and the other instruments to be executed and delivered by TransAct hereunder will constitute valid and binding obligations of TransAct.

3.3 Shares of TransAct Capital Stock. Upon the completion of the Exchange, the 5,400,000 shares of Common Stock issued to Tridex shall be duly authorized and validly issued shares of capital stock of TransAct, fully paid and non-assessable.

IV. CONDITIONS TO CLOSING

4.1 Conditions to Obligations of TransAct and Tridex. The obligations of TransAct and Tridex to complete the transactions provided for herein are subject to the satisfaction or waiver of the following conditions:

(a) There shall not be any pending or threatened governmental action or proceeding by or before any court or governmental body or agency which shall seek to restrain, prohibit or invalidate the transactions contemplated by this Plan or Reorganization.

(b) TransAct shall have filed the Registration Statement with the SEC.

(c) Prior to the Effective Date, Tridex and TransAct shall have entered into an agreement regarding the disposition of the ribbon business.

(d) The Merger shall have been completed.

V. CLOSING OF EXCHANGE

The closing of the transactions in connection with the Exchange shall be held at the offices of Hinckley, Allen & Snyder, One Financial Center, Boston, MA 02111 at the close of business no later than the day before the Effective Date (the "Closing").

5.1 Obligations of Tridex.

At the Closing, Tridex shall deliver to TransAct:

(a) A certificate representing the Magnetec Shares, duly endorsed for transfer to TransAct;

(b) Proof of filing of the Ruling;

(c) A Good Standing Certificate from the Secretary of State of the State of Connecticut;

(d) Certificates of Merger certified by the Secretaries of the States of Delaware and Connecticut;

(e) All books and records of Magnetec and Ithaca; and

(f) Executed Corporate Services Agreement, Tax Sharing Agreement and Printer Supply Agreement.

5.2 Obligations of TransAct.

At the Closing, TransAct shall deliver to Tridex:

(a) A certificate representing 5,400,000 shares of the Common Stock of TransAct, issued to Tridex;

(b) Executed Corporate Services Agreement, Tax Sharing Agreement and Printer Supply Agreement; and

(c) A good standing certificate from the Secretary of the State of Delaware;

VI. COVENANT NOT TO COMPETE; CONFIDENTIALITY

6.1 Covenant Not to Compete. For a period of five (5) years from the date of the pro rata distribution of the capital stock of TransAct to Tridex shareholders contemplated under Section 1.7 above, Tridex shall not, whether as owner, part owner, partner, director, officer, trustee, employee, consultant, agent or in any other capacity, directly or indirectly, engage or participate in any business, organization or entity located in or doing business in any geographic market in which TransAct is then doing business, in the design, manufacture, sale or distribution of printers or printer goods, for use in point-of-sales, gaming and wagering, financial services and kiosk markets. The foregoing shall not prohibit Tridex from holding five percent (5%) or less of the outstanding equity securities of any corporation whose equity securities are regularly traded on any national stock exchange or recognized "over-the-counter" market.

6.2 Remedies. Any breach of Section 6.1 of this Plan of Reorganization may not be adequately compensated by damages at law, and TransAct shall be entitled, in addition to any other available remedies, to equitable relief in a court of equity by injunction or otherwise, without the necessity or proving actual damages for breach of such Section 6.

6.3 Confidentiality. Each party to this Plan of Reorganization shall hold, and shall cause its officers,

directors, employees, agents, affiliates, consultants and authorized representatives to hold in strict confidence all information concerning the other party in its possession or furnished by the other or the other's representatives pursuant to this Plan of Reorganization (except to the extent that such information can be shown to have been (a) in the public domain through no fault of such party, or (b) later lawfully acquired from other sources by such party) and neither party shall disclose or release such information to any other person except its authorized representatives unless compelled to by judicial or administrative process, as advised by counsel or by other requirement of law. Each party shall be deemed to have satisfied its obligation to hold confidential information concerning or supplied by the other party if it exercises the same care as it takes to preserve the confidentiality of its own information.

VII. MISCELLANEOUS

7.1 Waivers and Amendments.

(a) This Plan of Reorganization may be amended, modified or supplemented, and any obligation hereunder may be waived, only by a written instrument executed by the parties hereto. The waiver by any party hereto of a breach of any provision of this Plan of Reorganization shall not operate as a waiver of any subsequent breach.

(b) No failure on the part of any party to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy by such party preclude any right or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

7.2 Notices. All notices, requests, demands and other communications which are required or may be given under this Plan of Reorganization shall be in writing and shall be deemed to have been duly given if delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid (a) if to Tridex, to Tridex Corporation, with executive offices at 61 Wilton Road, Westport, CT 06880, Attention: Seth M. Lukash, Chairman and Chief Executive Officer; (b) if to Magnetec, Ithaca or TransAct, to TransAct Technologies Incorporated, 7 Laser Lane, Wallingford, CT 06492, Attention: Bart C. Shuldman, President and Chief Executive Officer, or to such other address as the parties shall have specified by notice in writing to the other.

7.3 Expenses; Further Assurances. All expenses associated with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby shall be paid by Tridex. At the request of any party, on or after the Effective Date, Tridex, Magnetec, Ithaca and TransAct shall cause to be executed and delivered, such documents or instruments in addition to those required by this Plan of Reorganization, as may reasonably be necessary or desirable to carry out or implement any provision of this Plan of Reorganization.

7.4 Access to and Information Concerning Properties, Records, Etc. of TransAct After Closing. After the Closing, TransAct agrees to maintain any records and files of Magnetec and Ithaca acquired at the Closing and, upon reasonable notice, to provide Tridex and its authorized representatives during normal business hours, with such access to the books, records and files of TransAct for purposes of copying by Tridex as may reasonably be required in connection with its tax, financial reporting and legal obligations for a period of six (6) years from the Effective Date. After the Closing, Tridex agrees to provide access to TransAct and its authorized representatives reasonable notice and during normal business hours to any and all records which may be deemed necessary to its tax, financial reporting and legal obligations for the same period.

7.5 Miscellaneous. This Plan of Reorganization and the Exhibits hereto constitute the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior correspondence and other writing between the parties in connection with the subject matter of this Agreement, and shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Connecticut without regard to its principles of choice of law. Any provision of this Plan of Reorganization which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. All Exhibits mentioned in this Plan of Reorganization shall be attached to this Plan of Reorganization, and shall form an integral part thereof. All terms defined in this Plan of Reorganization which are used in any Exhibit shall, unless the context otherwise requires, have the same meaning therein as given herein. This Plan of Reorganization may be executed in any number of counterparts, each of which shall be

deemed to be an original and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Agreement as of the date first above written.

TRIDEX CORPORATION

By:_____
Title: Seth M. Lukash,
Chairman and Chief
Executive Officer

MAGNETEC CORPORATION

By:_____
Title: Bart C. Shuldman
President

ITHACA PERIPHERALS INCORPORATED

By:_____
Title: Vice President

TRANSACT TECHNOLOGIES INC.

By:_____
Title: Bart C. Shuldman
President and Chief
Executive Officer

LIST OF SCHEDULES/EXHIBITS

Exhibit A - Corporate Services Agreement

Exhibit B - Tax Sharing Agreement

Exhibit C - Printer Supply Agreement

EXHIBIT 10.3

FORM OF CORPORATE SERVICES AGREEMENT

THIS CORPORATE SERVICES AGREEMENT (the "Agreement") is dated as of _____ __, 1996 by and between Tridex Corporation, a Connecticut corporation ("Tridex"), and TransAct Technologies Incorporated, a Delaware corporation ("TransAct").

WHEREAS, TransAct and its subsidiary Magnetec Corporation (collectively, the "TransAct Group") desire to obtain administrative and other services from Tridex and Tridex is willing to furnish or make such services available to Transact; and

WHEREAS, Tridex and its subsidiaries Ultimate Technology Corporation and Cash Bases GB Ltd. (collectively the "Tridex Group") desire to obtain certain financial services from TransAct and TransAct is willing to furnish or make such services available to Tridex;

WHEREAS, Tridex and TransAct desire to set forth the basis for the provision of services of the type referred to herein.

NOW, THEREFORE, in consideration of the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Services.

1.1 Beginning on the effective date of the Registration Statement on Form S-1 (the "Registration Statement") filed in connection with the public offering of TransAct common stock (the "Effective Date"), Tridex will provide or otherwise make available to the TransAct Group certain general corporate services provided by Tridex's corporate staff, including but not limited to certain human resources, employee benefit administration, financial reporting, insurance, risk management and general administrative services. The services will include the following:

(a) Human resources and employee benefit related services - General human resources services (including but not limited to administration of all employee matters), administration of TransAct's employee participation in employee benefit plans and insurance programs sponsored by Tridex such as the following: 401(k) plan, group medical insurance, group life insurance,

employee stock option plans and filing of all required reports under ERISA for employee benefit plans sponsored by Tridex.

(b) Financial reporting and securities compliance related services - Maintenance of corporate records, assistance, if and when necessary, in preparation of Securities and Exchange Commission filings, including without limitation registration statements, Forms 10-K, 10-Q and 8-K, assistance in the preparation of Proxies and Proxy Statements and the solicitation of proxies, and assistance in the preparation of the Annual and Quarterly Reports to Stockholders.

(c) Risk management and insurance related services - Provision of risk management (including, but not limited to premiums attributable to TransAct) and related services and maintenance of all policies of liability, fire, workers' compensation and other forms of insurance for the benefit of TransAct, its employees, assets and facilities.

(d) Services in addition to those enumerated in subsections 1.1(a) through 1.1(e) above to include, but not be limited to, corporate recordkeeping, other general administrative activities and financial services as reasonably requested from time to time by TransAct or as provided by Tridex.

1.2 For performing the services described above in Section 1.1, TransAct shall pay Tridex in accordance with the following schedule:

(a) TransAct shall reimburse Tridex for one-half (50%) of total cash compensation (consisting of salary, a pro-rated portion of annual bonus actually paid and other out-of-pocket expenditures for medical, life insurance and other benefits) paid by Tridex to or on behalf of Mr. Thomas Curtain, Tridex's Vice President of Human Resources, for the period from the Effective Date until December 31, 1997. Mr. Curtain, Tridex and TransAct shall cooperate to make Mr. Curtain available to TransAct for one half (50%) of his total working time for the provision of services to TransAct for this period.

(b) TransAct shall reimburse Tridex for one-half (50%) of the total cash compensation (consisting of salary, a pro-rated portion of annual bonus actually paid and other out-of-pocket expenditures for medical, life insurance and other benefits) paid by Tridex to or on behalf of Mr. George Crandall, Tridex's Vice President, Secretary and Comptroller, for the period from the Effective Date until March 31, 1997. Mr. Crandall, Tridex and TransAct shall cooperate to make Mr. Crandall available to TransAct for one half (50%) of his total working time for the provision of services for this period.

(c) For as long as TransAct remains a subsidiary of the Tridex Group, TransAct shall reimburse Tridex for the provision of risk management, insurance related, corporate recordkeeping and general administrative services using the following methods: (1) TransAct shall reimburse Tridex for services based upon actual usage for expenses directly attributable to TransAct; (2) services directly attributable to other members of the Tridex Group shall be allocated to such other members; and (3) all services which are not directly attributable to TransAct shall be allocated using the same method as the audited financial statements of TransAct which appear in the Registration Statement. The services provided under Sections 1.2(a) and (b) and 1.4 hereunder shall be allocated and reimbursable in the methods discussed thereunder.

1.3 TransAct will reimburse Tridex for expenses incurred for insurance (including but not limited to property, casualty, group life and health and workers compensation), accounting and legal services in accordance with Tridex's historical allocation methods.

In addition, TransAct will reimburse Tridex for other expenses incurred to provide specific services requested by TransAct, as agreed by TransAct and Tridex when such services are requested.

1.4 Beginning on the Effective Date, TransAct will provide or otherwise make available to the Tridex Group certain financial services customarily provided by a chief financial officer, including but not limited to management of corporate finance and accounting matters. For performing the services described herein, Tridex shall reimburse TransAct for fifteen percent (15%) of the total cash compensation (consisting of salary, a pro-rated portion of annual bonus actually paid and other out-of-pocket expenditures for medical, life insurance and other benefits) paid by TransAct to or on behalf of Mr. Richard L. Cote, TransAct's Executive Vice President, Chief Financial Officer and Treasurer, for the period of the Effective Date, until March 31, 1997. Mr. Cote, TransAct and Tridex shall cooperate to make Mr. Cote available to Tridex for fifteen percent (15%) of his total working time for the provision of services to Tridex during this period. Upon the Effective Date, Mr. Cote will become a full-time employee of TransAct, and his office will be relocated to TransAct's Wallingford, Connecticut facility.

1.5 The charges for services pursuant to Sections 1.2, 1.3 and 1.4 above will be determined and payable no less frequently than on a monthly basis; provided that reimbursement of a pro-rated portion of bonuses shall be payable after such bonuses are paid by Tridex or TransAct. The charges will be due when billed and shall

be paid no later than ten (10) business days from the date of billing.

1.6 When services of the type described in this Agreement are provided by outside vendors to Tridex, TransAct or, in connection with the provision of such services, out-of-pocket costs such as travel are incurred, the cost thereof will be paid directly by the party receiving the service. If either party to this Agreement is billed for services provided to the other party, the billed party may pay the bill and charge the party receiving the services the amount of the bill or forward the bill to the party receiving the services for payment.

2. TransAct's Directors and Officers. Nothing contained herein will be construed to relieve the directors or officers of TransAct from the performance of their respective duties or to limit the exercise of their powers in accordance with the charter or By-Laws of TransAct or in accordance with any applicable statute or regulation.

3. Liabilities; Disclaimer. In furnishing TransAct with services as herein provided neither Tridex, any member of the Tridex Group nor any of their respective officers, directors, employees or agents shall be liable to any member of the TransAct Group or their respective creditors or shareholders for errors of judgment or for anything except willful malfeasance, bad faith or gross negligence in the performance of their duties or reckless disregard of their obligations and duties under the terms of this Agreement. The provisions of this Agreement are for the sole benefit of the Tridex Group and the TransAct Group and will not, except to the extent otherwise expressly stated herein, inure to the benefit of any third party. Tridex further does not make any express or implied warranty or representation with respect to the quality of the services provided hereunder.

4. Term.

(a) Term. The initial term of this Agreement shall begin on the Effective Date and continue until December 31, 1997.

(b) Termination. This Agreement may be terminated by either party at any time on ninety (90) days' prior notice to the other; provided, however, that the provisions of Sections 1.2(a) and (b) and Section 1.4 shall survive any such termination.

5. Status. Each member of the Tridex Group shall be deemed to be an independent contractor and, except as expressly provided or authorized in this Agreement, shall have no authority to act or represent any member of TransAct.

6. Employment Changes.

(a) With respect to the employment and compensation levels of Mr. Curtain and Mr. Crandall, Tridex shall advise TransAct in writing ten (10) days prior to any change in Mr. Curtain's or Mr. Crandall's compensation level or employment status initiated by Tridex. Tridex agrees to consult with TransAct regarding any such change in Mr. Curtain's or Mr. Crandall's compensation level or employment status prior to such change.

(b) With respect to the employment of Mr. Curtain, Tridex shall notify TransAct whether it intends to continue Mr. Curtain's employment beyond December 31, 1997. If Tridex notifies TransAct that it does not intend to employ Mr. Curtain beyond December 31, 1997, TransAct shall, within fifteen (15) days from the date of Tridex's notice to TransAct, notify Tridex of its intent to employ Mr. Curtain beyond December 31, 1997.

7. Notices. All notices, billings, requests, demands, approvals, consents and other communications which are required or may be given under this Agreement will be in writing and will be deemed to have been duly given if delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid to the parties at their respective addresses set forth below:

If to TransAct:

TransAct Technologies Incorporated
7 Laser Lane
Wallingford, CT 06492
Attention: President

If to Tridex:

Tridex Corporation
61 Wilton Road
Westport, CT 06880
Attention: President

8. Confidentiality. Tridex and TransAct hereby agree to hold, and cause its respective employees, agents and authorized representatives to hold, in strict confidence, all information concerning the other party furnished pursuant to this Agreement.

9. No Third Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto and should not be deemed to confer upon any third party any right, remedy or claim in excess of those existing without reference to this Agreement.

10. Access to Information. Tridex shall afford to TransAct and its authorized representatives, agents and employees, and TransAct shall afford to Tridex and its authorized representatives, agents and employees, access during normal business hours to all records, books, contracts and other data, including but not limited to corporate, financial, accounting, personnel and other business records, for a period of six (6) years following the termination of this Agreement.

11. No Assignment. This Agreement shall not be assignable except with the prior written consent of the other party to this Agreement.

12. Applicable Law. This Agreement shall be governed by and construed under the laws of the State of Connecticut applicable to contracts made and to be performed therein.

13. Section Headings. The section headings used in his Agreement are for convenience of reference only and will not be considered in the interpretation of construction of any of the provisions thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as a sealed instrument by their duly authorized officers as of the date first above written.

TRIDEX CORPORATION

By:_____

Title:_____

TRANSACT TECHNOLOGIES INCORPORATED

By:_____

Title:_____

EXHIBIT 10.4

FORM OF TAX SHARING AGREEMENT

THIS AGREEMENT, executed this _____ day of July, 1996, is entered into by and between Tridex Corporation, a Connecticut corporation ("Tridex") and TransAct Technologies Incorporated, a Delaware corporation ("TransAct").

RECITALS

WHEREAS, Tridex, TransAct, Magnetec Corporation, a Connecticut corporation and wholly-owned subsidiary of Tridex ("Magnetec"), and Ithaca Peripherals, Incorporated a Delaware corporation and wholly-owned subsidiary of Tridex (Ithaca"), have entered into a Plan of Reorganization dated as of June 24, 1996 (the "Plan") pursuant to which, among other things, (i) TransAct is acquiring from Tridex all of the outstanding capital stock of Magnetec, (ii) TransAct is issuing [5,400,000] shares of its common stock to Tridex and (iii) TransAct is issuing up to 1,322,500 shares of common stock pursuant to an underwritten public offering registered under the Securities Act of 1933, as amended (the "Securities Act") on a Registration Statement on Form S-1 (the "Offering");

WHEREAS, as contemplated by the Plan, the shares of outstanding common stock of TransAct held by Tridex are to be distributed on a pro rata basis to the record holders of shares of Tridex common stock (the "Distribution") upon the satisfaction of certain conditions;

WHEREAS, Tridex and its subsidiaries, including Magnetec and Ithaca, have heretofore: (1) joined in filing consolidated federal income tax returns under the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable Treasury Regulations promulgated thereunder by the Treasury Department (the "Regulations"); (2) joined in filing certain consolidated, combined, and unitary state income tax returns; and (3) in some cases filed income tax returns on a separate company basis.

WHEREAS, during the period prior to the consummation of the Distribution, TransAct is expected to remain within the affiliated group (within the meaning of Section 1504(a) of the Code) of corporations (the "Tridex Group") of which Tridex is the common parent;

WHEREAS, the parties hereto desire to allocate their respective federal, state, local and foreign income tax (or similar tax) liabilities, assessed in connection with the filing of returns, including but not limited to consolidated, combined, unitary, or separate returns, among themselves for all fiscal years thereafter during which TransAct remains a member of the Tridex Group;

WHEREAS, the parties hereto desire to provide for the compensation and reimbursement of each other for Tax Deficiencies (as hereinafter defined) or Tax Refunds (as hereinafter defined) as a result of audits by or applications to the Internal Revenue Service (the "Service") and other taxing authorities or by judicial determination, if any, involving consolidated federal, consolidated, combined or unitary state and local income tax returns and similar aggregate reporting for certain foreign jurisdictions;

WHEREAS, the parties hereto desire to provide and fix the responsibilities for: (1) the preparation and filing of tax returns along with the payments of taxes shown to be due and payable therein (as well as estimated or advance payments required prior to the filing of said returns) for all periods prior to and following the Effective Date (as hereinafter defined); (2) the retention and maintenance of all relevant records necessary to prepare and file appropriate tax returns, as well as the provision for appropriate access to those records for all parties to this Agreement; (3) the conduct of audits, examinations, and proceedings by appropriate governmental authorities which could result in a redetermination of tax liabilities (for all periods prior to or following the Effective Date) of any party to this Agreement; and (4) the cooperation of all parties with one another in order to fulfill their duties and responsibilities under this Agreement and under applicable laws.

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valuable considerations, the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

As used herein, the following terms shall have the following meanings:

(a) "Affiliated Group" shall have the meaning attributed to that term in Section 1504 of the Code, determined without regard to Section 1504(b) of the Code.

(b) "Code" shall have the meaning attributed to that term in the recitals above.

(c) "Common Parent" shall have the meaning attributed to that term in the Consolidated Return Regulations (Treas. Reg. Section 1.1502-1 et seq.) promulgated pursuant to Section 1502 of the Code.

(d) "Consolidated Return Regulations" shall have the meaning attributed to that term in Section 4 hereof.

(e) "Effective Date" shall mean the date on which the Registration Statement relating to the Offering is declared effective under the Securities Act.

(f) "IRS" or "Service" shall have the meaning attributed to that term in the recitals above.

(g) "Joint Contest" shall mean a Tax Contest seeking a redetermination of Taxes involving one of more Members (determined by reference to the time of such contest rather than the period for which such return was filed) of the Tridex Group and one or more Members of the TransAct Group, whether such corporations joined in the filing of returns on a consolidated, combined, or unitary basis (including similar aggregate reporting for certain foreign jurisdictions).

(h) "Member" shall have the meaning attributed to that term in Section 1.1502-1(b) of the Regulations, but without regard to whether a corporation qualifies to be a Member of an Affiliated Group under Section 1504(b) of the Code.

(i) "Minimum Tax Credit" shall have the meaning attributed to that term in Section 5 hereof.

(j) "Offering" shall have the meaning attributed to that term in the recitals above.

(k) "Plan" shall have the meaning attributed to that term in the recitals above.

(l) "Regulations" shall have the meaning attributed to that term in the recitals above.

(m) "Separate Contest" shall mean a Tax Contest which involves: (i) only Members (or their direct and indirect subsidiaries) of the Tridex Group or (ii) only Members (or their direct and indirect subsidiaries) of the TransAct Group.

(n) "Separation Date" shall mean the date, if any, that TransAct shall cease to be a member of the Tridex Group.

(o) "Tax" or "Taxes" shall mean (i) all federal income taxes and state, local, and foreign income and franchise taxes (or taxes in lieu thereof) plus (ii) any penalties, fines or additions to tax with respect thereto, plus (iii) any interest with respect to the items contained in (i) and (ii).

(p) "Tax Attributes" shall mean any losses, credits and other tax attributes that may be carried forward or back by any Member of the Tridex Group or the TransAct Group on a separate return or consolidated basis to a taxable year other than the taxable year in which such attribute is recognized, including, but not limited to, net operating losses, alternative minimum tax credits, targeted jobs tax credits, investment tax credits, foreign tax credits, research and development credits, and similar credits under state or local law.

(q) "Tax Contest" shall mean an audit, review, examination or the like, inclusive of litigation, with the purpose or effect of redetermining Taxes of any corporation or other entity (without regard to whether such matter was initiated by an appropriate taxing authority or in response to a claim for a refund).

(r) "Tax Deficiency" or "Tax Deficiencies" shall mean with respect to previously filed returns an assessment for Taxes as a result of audits by or applications to the Service and other taxing authorities or judicial determination.

(s) "Tax Liability" or "Tax Liabilities" shall mean a liability for Taxes.

(t) "Tax Refund" or "Tax Refunds" shall mean with respect to previously filed returns, a refund of Taxes as a result of audits by or application to the Service and other taxing authorities or judicial determination.

(u) "TransAct" shall have the meaning attributed to that term in the preamble hereof.

(v) "TransAct Group" shall mean the group of corporations at any given time after the Separation Date which would be the Affiliated Group of which TransAct is the Common Parent if TransAct was a "common parent" within the meaning of the Consolidated Return Regulations, and where relevant, all other subsidiaries which are owned directly or indirectly by its Members.

(w) "Tridex" shall have the meaning attributed to such term in the preamble hereof.

(x) "Tridex Group" shall mean the group of corporations at any given time (either prior to, or subsequent to, the Effective Date) which would be the Affiliated Group of which Tridex is the Common Parent if Tridex was a "common parent" within the meaning of the Consolidated Return Regulations, and where relevant, all other subsidiaries which are owned directly or indirectly by its Members.

SECTION 2. CONSOLIDATED RETURN ELECTION; ALLOCATION OF TAX OBLIGATIONS; POST-SEPARATION DATE ALLOCATIONS AND PAYMENTS; TREATMENT OF TAX CARRYFORWARDS; AND COMPUTATION OF INCOME TAX PROVISIONS.

(a) CONSOLIDATED RETURN ELECTION. In determining Tax Liabilities of the Tridex Group and its Members for Fiscal 1996 and where relevant any subsequent fiscal year up to the Separation Date, the computations of the tax liabilities of the Tridex Group and its Members shall, to the extent permitted by law, be made in accordance with the methods used in the consolidated returns for the fiscal years ending prior to Fiscal 1996 which include Tridex and TransAct.

(b) ALLOCATION OF TAX OBLIGATIONS.

(i) Taxes assessed pursuant to the returns described in the preceding subsection will be allocated among the Members of the Tridex Group pursuant to the Tridex Group's historic tax allocation method, described in Section 1552(a)(2) of the Code and Section 1502-33(d)(3) of the Regulations (applying a fixed percentage of 100 percent).

(ii) With respect to fiscal 1996 and any subsequent fiscal year or portion thereof up to the Separation Date for which TransAct remains a Member of the Tridex Group, TransAct shall pay to Tridex an amount equal to the federal income taxes for such period which the TransAct Group would have been liable but for the fact of being a Member of the Tridex Group.

(iii) With respect to Taxes which are determined on a consolidated, combined or unitary basis, similar principles as those described in Section 2(b)(i) and (ii) shall govern the allocation of such Tax Liabilities among the parties hereto.

(c) POST-SEPARATION DATE ALLOCATIONS AND PAYMENTS. With respect to any fiscal year or portion thereof when TransAct is no longer a member of the Tridex Consolidated Group, beginning on the Separation Date, the allocations (to be made by Tridex and TransAct for any fiscal year) will be made not later than 90 days following the filing of the Federal consolidated income tax return of the Tridex Group for each such period. Any payments required as a result of the allocations for any portion of any fiscal year in which the Separation Date occurs will be made by TransAct or Tridex as the case may be, in federal or immediately available funds to such bank account as shall be designated by the recipient. Subject to the provisions of Section 10(c) hereof, such payment shall be made not later than 95 days after the aforementioned returns are filed.

(d) TREATMENT OF TAX CARRYFORWARDS. Magnetec currently has available for its use certain net operating loss and tax credit carryforwards. If for any fiscal year beginning after the Effective Date, TransAct uses any net operating loss or tax credit carryforward of Magnetec's, in excess of that amount which would be determinable on a separate company basis by Magnetec, TransAct will pay to Tridex an amount equal to the net benefit of the carryforward used in the taxable year. If for any fiscal year beginning after the Effective Date, Tridex uses any net operating loss in tax credit carryforward of TransAct, which would be determinable on a separate company basis by TransAct, Tridex will pay to TransAct an amount equal to the net benefit of the carryforward used in the taxable year. Such payment will be made not later than 90 days following the filing of the Federal consolidated income tax return of the Tridex Group for each such period.

(e) COMPUTATION OF INCOME TAX PROVISIONS. For financial reporting purposes, the TransAct Group will compute its income tax accounts as if a separate return had been filed, using those elements of income and expense as reported in the TransAct consolidated or combined financial statements in accordance with U.S. Generally Accepted Accounting Principles.

SECTION 3. SEPARATE COMPANY LIABILITIES.

Notwithstanding the provisions of Section 2 hereof, for all fiscal years prior to the Separation Date, Taxes imposed (including refunds owed) upon Tridex or a Member of the Tridex Group or any of their direct and indirect subsidiaries and which are determined or assessed on a separate company basis will be the separate liability (or asset in the case of a refund) of Tridex or such Member or such subsidiary and not subject to allocation or sharing among other Members of the Tridex Group.

SECTION 4. ALLOCATION OF TAX ATTRIBUTES.

Except as otherwise provided in Section 5 hereof, all Tax Attributes of the Tridex Group (other than foreign tax credits) will be allocated among Tridex, TransAct and their respective

subsidiaries, in accordance with the Regulations promulgated pursuant to Section 1502 of the Code or analogous provisions of state, local or foreign law (the "Consolidated Return Regulations"). All foreign tax credits generated by Tridex's investment in subsidiaries other than members of the TransAct Group shall be allocated to Tridex.

SECTION 5. MINIMUM TAX CREDIT.

(a) ALLOCATION OF CREDIT. The credit against income tax provided by Section 53 of the Code, as well as analogous credits provided by state, local, or foreign law, for payment of alternative minimum tax in periods through and including those ending on the Separation Date (the "Minimum Tax Credit"), shall be allocated as follows:

(i) For each year or portion of the year in which the Separation Date occurs, the Minimum Tax Credit for each such year shall be allocated to TransAct in the amount of such credit multiplied by a fraction whose numerator is the sum of the alternative minimum taxable income or loss for such year for all Members of the TransAct Group and whose denominator is the sum of the alternative minimum taxable income or loss for such year for all Members of the TransAct Group and all Members of the Tridex Group. The remaining portion of such credits shall be allocated to Tridex.

(ii) In no event shall either Tridex or TransAct be allocated for any period an amount of Minimum Tax Credit in excess of that available to the Tridex Group for such period. If in any period TransAct's Minimum Tax Credits calculated on a separate company basis exceeds that available to the Tridex Group, Tridex will reimburse TransAct for any such excess.

(b) FUTURE REGULATIONS. Notwithstanding Section 2(c) hereof, in the event that regulations are promulgated which do not permit the Minimum Tax Credit to be allocated among the members of the Tridex Group in the manner set forth herein, Tridex or TransAct, as the case may be, will be obligated to make a payment to the other in an amount equal to the excess of the Minimum Tax Credit that is allocated to it and its Members by such regulations over that which would be allocated to it pursuant to Subsection 5(a)(i) above.

SECTION 6. CARRYBACKS OF TAX ATTRIBUTES.

(a) TRANSACT CARRYBACKS. If for any taxable year beginning on or after the Separation Date, TransAct or any Member of the TransAct Group recognizes a Tax Attribute which TransAct or such Member of the TransAct Group, under the applicable

provisions of the Code and Regulations promulgated under Section 1502 thereof, is permitted or required to carry back to a prior taxable year of the Tridex Group or the prior taxable year of a Member of the Tridex Group (either on a consolidated, combined, unitary or separate return basis), Tridex (or a Member of the Tridex Group) shall, at TransAct's cost and expense, file appropriate refund claims within a reasonable period after being requested by TransAct. Tridex (or the Member of the Tridex Group receiving such refund) shall promptly remit to TransAct any refunds it receives with respect to any Tax Attribute so carried back.

(b) TRIDEX CARRYBACKS. If for any taxable year Tridex or any Member of the Tridex Group recognizes a Tax Attribute which Tridex or such Member of the Tridex Group, under the applicable provision of the Code and Consolidated Return Regulations, carries back to one of its prior taxable years, Tridex or such Member of the Tridex Group may file appropriate refund claims and shall be entitled to any refund resulting from such claims.

SECTION 7. CONDUCT OF TAX CONTESTS.

(A) JOINT CONTESTS.

(i) Each party shall have the right and obligation to pursue and defend against any Joint Contest. TransAct shall conduct Joint Contests, without prejudice to any right or obligation of Tridex relating to such Joint Contest. Tridex, as the Common Parent of the Tridex Group or otherwise, agrees to take all such actions and to cause its subsidiaries to take all such actions as may be necessary to permit TransAct to conduct such Joint Contests. Each party shall cooperate fully with the other during the course of a Joint Contest as provided in Section 7(c) herein, and shall bear its own costs in so doing except as otherwise provided in clause (iv) or clause (v) of this Section 7(a).

(ii) Each party hereto shall have the right to extend the statute of limitations on assessments with respect to any Taxes of such party without regard to whether the extension leads to the initiation or the continuation of a Joint Contest; the other party hereto shall cooperate fully with the requesting party in accordance with Section 7(c), and shall execute such documentation as may be required to extend the statute if extension is not otherwise within the legal power of the requesting party. Similarly, each party hereto

shall have the right to file a claim for a Tax Refund without regard to whether such claim leads to the initiation or the continuation of a Joint Contest; the other party hereto shall cooperate fully with the requesting party in accordance with Section 7(c), and shall execute such documentation as may be required to claim the Tax Refund if it is not otherwise within the legal power of the requesting party to file such claim. Neither the extension of the statute nor the filing of a claim for Tax Refund in accordance with this paragraph shall entitle either party to any indemnity from the other, except as provided in clause (v) of this Section 7(a).

(iii) The party hereto that receives the first information that a taxing authority is conducting an examination of a Tax return which included the other party hereto and/or its subsidiaries shall immediately notify the other that a possible Joint Contest exists and shall afford such other party the opportunity to participate, at its own expense, in contesting in administrative and judicial proceedings all relevant items that affect the Tax Liability or Tax Attributes of such entities. TransAct and Tridex shall share jointly in any decisions involved in connection with settlements of Joint Contests to the extent that items are involved that affect the Taxes or Tax Attributes of both parties or subsidiaries of both parties. Neither party may agree to settle such a dispute without the consent of the other, which shall not be unreasonably withheld. If both parties agree to pursue or defend a Joint Contest, then each party shall bear its own costs of contesting the matter. Notwithstanding the preceding sentence, if the parties agree on the use of third party advisors or experts, the costs thereof shall be shared equally between both parties. If one party acting reasonably and in good faith declines to pursue or defend a Joint Contest, such declining party nevertheless shall cooperate fully with the contesting party in accordance with Section 7(c) herein, and shall bear its own associated costs and expenses, if any, and shall not be entitled to any indemnity from the contesting party except as provided in clause (v) of this Section 7(a); provided however, that the declining party shall not be required to incur any costs of any third party advisors or experts to whose engagement it has not agreed. Each party shall be liable for its share of any redetermined liability for Taxes in accordance with Section 8 herein.

(iv) Each party hereto shall act reasonably and in good faith in exercising its right to share jointly in any decisions involved in connection with Joint Contests affecting its Taxes or Tax Attributes. A determination of whether a party is acting reasonably and in good faith shall be made taking into account all relevant facts and circumstances; provided however, that it shall not be considered to be acting reasonably and in good faith for purposes of this Section 7(a) if a party declines a reasonable, good faith request by the other party to facilitate the extension of the statute of limitations or the claim of a Tax Refund (as described in clause (ii) of this Section 8(a)).

(v) Neither party shall be required to indemnify or hold harmless the other for any cost or expense incurred in connection with this Agreement. Notwithstanding the preceding sentence, one party shall indemnify the other to the extent of costs (other than Taxes and interest assessed by any taxing authority with respect thereto) incurred by the indemnitee that would not have been incurred but for the failure of the indemnifying party to act reasonably and in good faith in accordance with this Section 7(a). In addition, one party shall indemnify and hold harmless the other from any costs or claims of third party advisors or experts engaged in connection with a Tax Contest and to whose engagement the indemnitee has not agreed.

(b) SEPARATE CONTESTS. Any Separate Contests with respect to tax returns filed by any Member of either the Tridex Group or the TransAct Group on a separate company basis shall be conducted by the entity which filed such tax return (or the Common Parent of the Affiliated Group of which such entity is a Member at the time of such contest), and such entity shall have sole and complete authority to conduct such Tax Contest, including the authority to negotiate with and enter into settlements with any taxing authority. If at any point of the proceedings of a Separate Contest, it becomes a Joint Contest, then the Tax Contest shall thereafter be conducted as a Joint Contest.

(c) COOPERATION. Tridex (and the Members of the Tridex Group) and TransAct (and the Members of the TransAct Group) shall each provide the assistance reasonably requested by the other with respect to conducting any Tax Contest, including without limitation providing access to or furnishing books, records, tax returns and supporting work papers, executing any powers of attorney or other appropriate documentation required to

pursue or defend any Tax Contest, attending administrative or judicial proceedings in connection with Joint Contests as necessary, performing necessary computations, and other functions necessary or helpful to the pursuit or defense of any Tax Contest.

SECTION 8. REDETERMINED TAX LIABILITIES.

In the event of a redetermination of Taxes as a result of audits by the Service or other taxing authority and/or judicial determinations, payments in connection therewith, if any, made or received by or among Tridex, TransAct, and their respective subsidiaries, shall be governed by the following principles:

(a) SEPARATE CONTESTS. In the case of matters arising out of Separate Contests, the redetermined liability will be borne (that is, any increases in Tax Liability will be paid by, and any decreases in Tax Liability will be received by) the applicable entity.

(b) JOINT CONTESTS. In the case of matters arising out of any Joint Contest, a Tax Deficiency shall be paid to the relevant taxing authority by, and a Tax Refund received from the relevant taxing authority shall be paid to, Tridex and/or its subsidiaries; provided, however, that whether or not a payment is required to or from a relevant taxing jurisdiction and subject to the provisions of Section 8(c) hereof, TransAct and/or its subsidiaries shall make payments to Tridex and/or its subsidiaries, or receive payments from Tridex and/or its subsidiaries, based on the following principles:

(i) in the case of adjustments which increase the taxable income of Members of the TransAct Group, TransAct shall make a payment equal to the amount of the adjustment multiplied by the highest applicable marginal rate of taxation in effect for the period for which the adjustment is made; or

(ii) in the case of adjustments which decrease taxable income of Members of the TransAct Group, Tridex shall make a payment equal to the amount of the adjustment multiplied by the highest applicable marginal rate of taxation in effect for the period for which the adjustment is made;

(iii) in the case of adjustments which decrease current year credits (exclusive of credits carried back or forward into such year) of Members of the TransAct

Group, TransAct shall make a payment to Tridex in the amount of such decrease; or

(iv) in the case of adjustments which increase current year credits (exclusive of credits carried back or forward into such year) of Members of the TransAct Group, Tridex shall make a payment to TransAct in the amount of such increase.

Notwithstanding the provisions of Section 8(b)(iii) or (iv), no payment will be required under this Section 8(b) in the case of increases or decreases to the amount of Alternative Minimum Tax Credit. Changes in the amount of Alternative Minimum Tax Credit will be controlled by the provisions of Section 8(c) below.

(c) TAX ATTRIBUTE REALLOCATIONS. If there is a redetermination of Tax Liabilities in connection with either a Joint Contest or a Separate Contest, or for purposes of this Section 8(c) only, as a result of carrybacks or carryforwards of Tax Attributes, and as a result thereof there is an adjustment to Tax Attributes (inclusive of Minimum Tax Credits) allocated among the parties pursuant to Sections 4 and 5 hereof:

(i) Tridex shall, in the case of credits, make a payment to TransAct equal to the amount of any resulting reduction in items allocated to Members of the TransAct Group, or in the case of income items (including but not limited to net operating losses) Tridex shall make a payment to TransAct equal to the amount of the reduction multiplied by the highest applicable marginal rate of taxation in effect for the period in which the adjustment is made; and

(ii) TransAct shall, in the case of credits, make a payment to Tridex equal to the amount of any resulting increase in items allocated to Members of the TransAct Group, or in the case of income items (including but not limited to net operating losses) TransAct shall make a payment to Tridex equal to the amount of the increase multiplied by the highest applicable marginal rate of taxation in effect for the period in which the adjustment is made.

(d) CERTAIN REORGANIZATION-RELATED REDETERMINATIONS. Any Tax Liability arising from adjustments to income in connection with the transactions contemplated by and effected under the Plan shall be borne entirely by Tridex.

(e) TIMING OF PAYMENTS. Any payments required by Section 8(b) or (c) hereof shall be made within 15 days of such adjustments becoming final.

(f) INTEREST. Payments, if any pursuant to this Section 8 shall bear interest determined by applying similar principles as those described herein.

SECTION 9. RETENTION OF RECORDS; ACCESS TO RECORDS; COOPERATION & ASSISTANCE.

(a) RETENTION OF RECORDS.

(i) DUTIES OF TRANSACT. TransAct shall retain all tax returns, tax reports, related work papers and all schedules (along with all documents that pertain to any such tax returns, reports, work papers or schedules) which relate to a tax period ending on or before the Separation Date. TransAct shall make such documents available at no cost to Tridex and/or its subsidiaries at Tridex's request. TransAct shall not dispose of such documents without the permission of Tridex.

(ii) DUTIES OF TRIDEX. Tridex shall retain all tax returns, tax reports, related work papers and all schedules (along with all documents that pertain to any such tax returns, reports, work papers or schedules) which relate to any tax period ending on or before the Separation Date. Tridex shall make such documents available at no cost to TransAct and/or its subsidiaries at TransAct's request. Tridex shall not dispose of such documents without the permission of TransAct.

(b) ACCESS TO RECORDS.

(i) Duties of TransAct. TransAct shall permit Tridex or any Members of the Tridex Group (or their direct and indirect subsidiaries), or their designated representative, to have access at any reasonable time and from time to time, after the Separation Date, to all relevant tax returns and supporting papers therefor in respect of periods ending on or before the Separation Date, wherever located, and shall furnish, and request that the independent accountants of TransAct or any of the members of the TransAct Group furnish, to Tridex and its subsidiaries, as the case may be, such additional tax and other information and documents with respect to consolidated federal and

state income tax returns filed in respect of periods ending on or before the Separation Date, as Tridex or any of its subsidiaries may from time to time reasonably request.

(ii) Duties of Tridex. Tridex shall permit TransAct or any Members of the TransAct Group (or their direct and indirect subsidiaries), or their designated representative, to have access at any reasonable time and from time to time, after the Separation Date, to all relevant tax returns and supporting papers therefor of Tridex and the other members of the Tridex Group in respect of periods ending on or before the Separation Date, wherever located, and shall furnish, and request that the independent accountants of Tridex or any of the members of the Tridex Group furnish, to TransAct and its subsidiaries, as the case may be, such additional tax and other information and documents with respect to consolidated federal and state income tax returns filed in respect of periods ending on or before the Separation Date, as TransAct or any of its subsidiaries may from time to time reasonably request.

(c) ASSISTANCE AND COOPERATION. Tridex (and Members of the Tridex Group) and TransAct (and Members of the TransAct Group) will provide each other with such cooperation, assistance and information as either of them reasonably may request of the other with respect to the filing of any tax return, amended return, claim for refund or other document with any taxing authority. With respect to the federal consolidated tax return or any consolidated, combined, or unitary state or local tax return (or similar aggregate reporting for foreign tax purposes) filed by Tridex for tax periods which begin before the Separation Date and end after the Separation Date, such assistance shall include the timely submission by TransAct to Tridex of pro forma tax returns for TransAct and each Member of the TransAct Group, prepared on the basis that each such Member's tax period ended on the Separation Date.

SECTION 10. PREPARATION OF TAX RETURNS; ESTIMATED PAYMENTS.

(a) FY 1996 AND ALL PRE-SEPARATION DATE TAXABLE YEARS. Tridex shall prepare and timely file the Tridex Group consolidated returns for fiscal 1996 and all taxable periods prior to the Separation Date. In connection therewith, TransAct shall (1) permit Tridex to have access at any reasonable time and from time to time, after the Separation Date, to all tax returns

and supporting papers therefor of TransAct and its subsidiaries, wherever located; and (2) furnish to Tridex such additional tax and other information and documents in the possession of such companies, with respect to consolidated federal and state income tax returns filed in respect of periods including or ending before the Separation Date, as Tridex may from time to time reasonably request. TransAct shall, and shall cause its subsidiaries to, cooperate in connection with the preparation of the consolidated federal and state income tax returns of the Tridex Group for fiscal 1996. It shall be the responsibility of Tridex to make any payments required in connection therewith to the applicable taxing authorities.

(b) POST-SEPARATION DATE TAXABLE YEARS.

(i) TransAct's Separate Returns. All tax returns of the TransAct Group which are filed on a consolidated or combined basis for tax periods beginning after the Separation Date shall be prepared and filed by TransAct. TransAct shall be solely responsible for the payment of all Taxes due with respect to such tax returns for such tax periods.

(ii) Tridex's Separate Returns. All tax returns of the Tridex Group which are filed on a consolidated or combined basis for tax periods beginning after the Separation Date shall be prepared and filed by Tridex. Tridex shall be solely responsible for the payment of all Taxes due with respect to such tax returns for such tax periods.

(c) ESTIMATED PAYMENTS. All payments (including estimated payments or payments made in connection with requests for extensions of time to file such returns) made subsequent to the date hereof with respect to consolidated, combined, or unitary income tax liabilities of the Tridex Group and its Members for any and all tax years prior to the Separation Date shall be made by Tridex. Tridex shall promptly thereafter notify TransAct of the portion, if any, of such payment which it in good faith believes to be attributable to TransAct's share of the liability, as determined under the provisions of Section 2 hereof. TransAct shall, within five (5) business days of the due date for such estimated payments, pay such amount to Tridex or advise Tridex of the basis for its disagreement.

SECTION 11. INDEMNIFICATION.

With respect to all consolidated federal and state income tax returns filed by the Tridex Group:

(a) SELF-ASSESSMENTS. Tridex shall indemnify and hold harmless TransAct and its subsidiaries, and TransAct shall indemnify and hold harmless Tridex and its subsidiaries, from and against any liability, cost, or expense, including, without limitation, any fine, penalty (including interest on penalties or penalty increments to interest) or accountants' or attorneys' fees, arising out of fraudulent or negligently prepared information, workpapers, documents, and other items used in the preparation of, or presented in, any return, amended return, or claim for refund filed for the Tridex Group for the tax years in which a Separation Date occurs, and which information, workpapers, documents, or other items originated with and/or were prepared by such indemnifying party.

(b) REDETERMINATIONS. Except as otherwise provided in Section 11(a) hereof:

(i) Tridex shall indemnify and hold harmless TransAct from and against any liability, cost, or expense incurred or paid by TransAct in excess of its share thereof as allocated pursuant to Section 8 hereof, including any amount paid by TransAct in connection with an assessment by the Service or other taxing authority; and

(ii) TransAct shall indemnify and hold harmless Tridex from and against any liability, cost, or expense incurred or paid by Tridex in excess of its share thereof as allocated pursuant to Section 8 hereof, including any amount paid by Tridex in connection with an assessment by the Service or other taxing authority.

SECTION 12. RESOLUTION OF DISPUTES.

Any disputes between the parties with respect to this Agreement that cannot be resolved by the parties shall be resolved by a public accounting firm or a law firm reasonably satisfactory to Tridex and TransAct, the determination of which shall be final and binding on both parties. The fees and expenses of such firm shall be borne equally by Tridex and TransAct.

SECTION 13. SUBSIDIARIES.

Any reference herein to a subsidiary or subsidiaries includes Members (and their direct and indirect subsidiaries) of the Tridex Group and the TransAct Group. To the extent that the provisions of the Agreement pertain to a subsidiary or subsidiaries of Tridex or TransAct, Tridex and TransAct respectively agree that it will cause the respective subsidiary or subsidiaries to carry out the terms of this Agreement.

SECTION 14. SURVIVABILITY/ASSIGNABILITY.

This Agreement and each of its provisions shall be binding upon and inure to the benefit of the parties and their respective heirs and successors. Nothing in this Agreement is intended or shall be construed to give any person or entity other than the parties and their respective heirs or successors any rights or remedies under or by reason of the Agreement and neither party shall assign its rights and obligations hereunder without the express written consent of the other party, which consent each party reserves the right to withhold in its sole and absolute discretion.

SECTION 15. NOTICES.

All notices and other communications required or permitted under this Agreement shall be in writing, shall be deemed delivered upon receipt, and shall be delivered in person or by courier or sent by certified or registered mail, return receipt requested, first class, postage prepaid, to the parties at their respective addresses set forth below, or as to any party at such other address as shall be designated by such party in a written notice to the other party:

To TransAct: TransAct Technologies Incorporated
7 Laser Lane
Wallingford, CT 06492
Attention: President

To Tridex: Tridex Corporation
61 Wilton Road
Westport, CT 06880
Attention: President

SECTION 16. GOVERNING LAW.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Connecticut.

SECTION 17. COSTS AND EXPENSES.

In any action brought to enforce or interpret this Agreement, each party shall pay its own costs and expenses of maintaining or defending such action.

SECTION 18. REMEDIES CUMULATIVE.

The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law.

SECTION 19. COUNTERPARTS.

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

SECTION 20. SEVERABILITY.

In the event that any portion of this Agreement shall be declared invalid by order, decree or judgment of a court or governmental agency having jurisdiction, this Agreement shall be construed as if such portion had not been inserted herein, except when such construction would operate as an undue hardship on any party to this Agreement or constitute a substantial deviation from the general intent and purpose of said parties as reflected in this Agreement.

SECTION 21. AMENDMENTS; WAIVER.

This Agreement may be amended, and the observance of any terms of this Agreement may be waived, only in a written document signed by Tridex and TransAct.

SECTION 22. EFFECTIVENESS OF AGREEMENT.

This Agreement shall become effective upon the Effective Date and shall continue in effect until otherwise agreed in writing by Tridex and TransAct, or their successors.

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

TRIDEX CORPORATION

By:_____

Title:_____

TRANSACT TECHNOLOGIES INCORPORATED

By:_____

Title:_____

EXHIBIT 10.7

==========

FORM OF

TransAct Technologies Incorporated

1996 STOCK PLAN

Effective _____

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TransAct Technologies Incorporated
1996 STOCK PLAN

1. Purpose

TransAct Technologies Incorporated (the "Company") desires to attract and retain the best available talent and encourage the highest level of performance by employees and other persons who perform services for the Company in order to serve the best interests of the Company and stockholders. By affording eligible persons the opportunity to acquire proprietary interests in the Company and by providing them incentives to put forth maximum efforts for the success of the Company's business, the TransAct Technologies Incorporated 1996 Stock Plan (the "1996 Plan") is expected to contribute to the attainment of those objectives.

2. Scope and Duration

Awards under the 1996 Plan may be granted in the form of incentive stock options ("incentive stock options") as provided in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), in the form of non-qualified stock options ("non-qualified options") (unless otherwise indicated, references in the 1996 Plan to "options" include incentive stock options and non-qualified options), in the form of shares of the common stock, par value $.01 per share, of the Company (the "Common Stock") that are restricted as provided in paragraph 11 ("restricted shares"), in the form of units to acquire shares of Common Stock that are restricted as provided in paragraph 11 ("restricted units") or in the form of stock appreciation rights ("rights") or limited stock appreciation rights ("limited rights"). The maximum aggregate number of shares of Common Stock as to which awards may be granted from time to time under the 1996 Plan is 660,000 shares. The shares available may be in whole or in part, as the Board of Directors of the Company (the "Board of Directors") shall from time to time determine, authorized but unissued shares or issued shares reacquired by the Company. Unless otherwise provided by the Compensation Committee, shares covered by expired or terminated options and forfeited restricted shares or restricted units will be available for subsequent awards under the 1996 Plan, except to the extent prohibited by Rule 16b-3, as amended, or any successor provision thereto ("Rule 16b-3"), or other applicable rules under Section 16(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Any shares issued by the Company in respect of the assumption or substitution of outstanding awards from a corporation or other business entity by the Company shall not reduce the number of shares available for awards under the 1996 Plan. No incentive stock option shall be granted more than 10 years after the Effective Date.

3. Administration

The 1996 Plan shall be administered by the Compensation Committee of the Board of Directors, consisting of not less than two members who shall qualify to administer the 1996 Plan as contemplated by Rule 16b-3 (unless Rule 16b-3 shall permit fewer than two members to so qualify); provided, however, that, with respect to individual participants who are not subject to Section 16(b) of the Exchange Act, the Compensation Committee of the Board of Directors may delegate authority to administer the 1996 Plan to another committee of directors which committee may include directors who do not meet the standards set forth immediately above. Unless the context otherwise requires, the term "Committee" shall refer to both the Compensation Committee and any other committee of directors to whom authority have been delegated.

The Committee shall have plenary authority in its discretion, subject to and not inconsistent with the express provisions of the 1996 Plan to grant options, to determine the purchase price of the shares of Common Stock covered by each option, the term of each option, the persons to whom, and the time or times at which options shall be granted, and the number of shares to be covered by each option; to designate options as incentive stock options or non-qualified options and to determine which options shall be accompanied by rights and limited rights; to grant rights and to determine the terms and conditions applicable to such rights; to grant restricted shares and restricted units and to determine the term of the restricted period and other conditions applicable to such shares or units, the persons to whom, and the time or times at which, restricted shares or restricted units shall be granted and the number of shares or units to be covered by each grant; to interpret the 1996 Plan; to prescribe, amend and rescind rules and regulations relating to the 1996 Plan; to determine the terms and provisions of the option and rights agreements (which need not be identical) and the restricted share and restricted units agreements (which need not be identical) entered into in connection with awards under the 1996 Plan; and to make all other determinations deemed necessary or advisable for the administration of the 1996 Plan. The Committee may delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the 1996 Plan.

The Committee may employ attorneys, consultants, accountants or other persons and the Committee, the Company and its officers and directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all persons who have received awards, the Company and all other interested persons. No member or agent of the Committee shall be personally liable for any action, determination or interpretation taken or made in good faith with respect to the 1996 Plan or awards made thereunder, and all members and agents of the Committee shall be fully indemnified and protected by the Company in respect of any such action, determination or interpretation.

4. Eligibility; Factors to be Considered in Granting Awards

Awards will be limited to officers and other key employees of the Company and its subsidiaries, and except in the case of incentive stock options, any other non-employees who may provide services to the Company or its subsidiaries (all such persons being hereinafter referred to as "employees"). In determining the employees to whom awards shall be granted and the number of shares or units to be covered by each award, the Committee shall take into account the nature of the employees' duties, their present and potential contributions to the success of the Company and such other factors as it shall deem relevant in connection with accomplishing the purposes of the 1996 Plan. A director of the Company or of a subsidiary who is not also an employee of the Company (or deemed to be an employee of the Company as provided above) will not be eligible to receive an award.

Awards may be granted singly, in combination or in tandem and may be made in combination or in tandem with, in replacement of, or as alternatives to, awards or grants under any other employee plan maintained by the Company, its present and future subsidiaries. An employee who has been granted an award or awards under the 1996 Plan may be granted an additional award or awards, subject to such limitations as may be imposed by the Code on the grant of incentive stock options. No award of incentive stock options shall result in the aggregate fair market value of Common Stock with respect to which incentive stock options are exercisable for the first time by any employee during any calendar year (determined at the time the incentive stock option is granted) exceeding $100,000. The Committee, in its sole discretion, may grant to an employee who has been granted an award under the 1996 Plan or any other employee plan maintained by the Company or its subsidiaries, or any predecessors or successors thereto, in exchange for the surrender and cancellation of such award, a new award in the same or a different form and containing such terms, including without limitation a price which is different (either higher or lower) than any price provided in the award so surrendered and cancelled, as the Committee may deem appropriate.

5. Option Price

The purchase price of the Common Stock covered by each option shall be determined by the Committee, but in the case of an incentive stock option shall not be less than 100% of the fair market value (110% in the case of a 10% shareholder of the Company) of the Common Stock on the date the option is granted, which shall be deemed to equal the closing price of the Common Stock as quoted by NASDAQ (the "Market Value") for the date on which the option is granted, or if there are no sales on such date, on the next preceding day on which there were sales. The Committee shall determine the date on which an option is granted, provided that such date is consistent with the Code and any applicable rules or regulations thereunder. In the absence of such determination, the date on which the Committee adopts a resolution granting an option shall be considered the date on which such option is granted, provided the employee to whom the option is granted is promptly notified of the grant and an option agreement is duly executed as of the date of the resolution. The purchase price of the Common Stock covered by each option shall also be applicable in connection with the exercise of any related right or limited right. The purchase price shall be subject to adjustment as provided in paragraph 14.

6. Terms of Options

The term of each incentive stock option granted under the 1996 Plan shall not be more than 10 years (5 years in the case of a 10% shareholder of the Company) from the date of grant, as the Committee shall determine, subject to earlier termination as provided in paragraphs 12 and 13. The term of each non-qualified stock option granted under the 1996 Plan shall be such period of time as the Committee shall determine, subject to earlier termination as provided in paragraphs 12 and 13.

7. Exercise of Options; Loans

(a) Subject to the provisions of the 1996 Plan, an option granted under the 1996 Plan shall become vested as determined by the Committee. The Committee may, in its discretion, determine as a condition of any option, that all or a stated percentage of the options shall become exercisable, in installments or otherwise, only after completion of a specified service requirement. The Committee may also, in its discretion, accelerate the exercisability of any option at any time and provide, in any option agreement, that the option shall become immediately exercisable as to all shares of Common Stock remaining subject to the option on or following either (i) the first purchase of shares of Common Stock pursuant to a tender offer or exchange offer (other than an offer by the Company or any of its subsidiaries) for all, or any part of, the Common Stock ("Offer"), (ii) a change in control of the Company (as defined in this paragraph), (iii) approval by the Company's stockholders of a merger in which the Company does not survive as an independent, publicly owned corporation, a consolidation, or a sale, exchange or other disposition of all or substantially all the Company's assets, or (iv) a change in the composition of the Board of Directors during any period of two consecutive years such that individuals who at the beginning of such period were members of the Board of Directors cease for any reason to constitute at least a majority thereof, unless the election, or the nomination for election by the Company's stockholders, of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period (the date upon which an event described in clause (i), (ii), (iii) or (iv) of this paragraph 7(a) occurs shall be referred to herein as an "acceleration date"). A "change in control" is deemed to occur at the time of any acquisition of voting securities of the Company by any person or group (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), but excluding (i) the Company or any of its subsidiaries, (ii) any person who was an officer or director of the Company on the day

immediately prior to the Effective Date hereof, or (iii) any savings, pension or other benefits plan for the benefit of employees of the Company or any of its subsidiaries, which theretofore did not beneficially own voting securities representing more than 30% of the voting power of all outstanding voting securities of the Company, if such acquisition results in such entity, person or group owning beneficially securities representing more than 30% of the voting power of all outstanding voting securities of the Company. As used herein, "voting power" means ordinary voting power for the election of directors of the Company.

(b) An option may be exercised at any time or from time to time (subject, in the case of an incentive stock option, to such restrictions as may be imposed by the Code), as to any or all full shares as to which the option has become exercisable. Notwithstanding the foregoing provision, no option may be exercised without the prior consent of the Committee by an employee who is subject to Section 16(b) of the Exchange Act until the expiration of six months from the date of the grant of the option.

(c) The purchase price of the shares as to which an option is exercised shall be paid in full at the time of exercise; payment may be made in cash, which may be paid by check, or other instrument acceptable to the Company, or, with the consent of the Committee, in shares of the Common Stock, valued at the Market Value on the date of exercise, or if there were no sales on such date, on the next preceding day on which there were sales or (if permitted by the Committee and subject to such terms and conditions as it may determine) by surrender of outstanding awards under the 1996 Plan. In addition, any amount necessary to satisfy applicable federal, state or local tax requirements shall be paid promptly upon notification of the amount due. The Committee may permit such amount to be paid in shares of Common Stock previously owned by the employee, or a portion of the shares of Common Stock that otherwise would be distributed to such employee upon exercise of the option, or a combination of cash and shares of such Common Stock.

(d) Except as provided in paragraphs 12 and 13, no option may be exercised at any time unless the holder thereof is then an employee of or performing services for the Company or one of its subsidiaries. For this purpose, "subsidiary" shall include, as under Treasury Regulations Section 1.421-7(h)(3) and (4), Example (3), any corporation that is a subsidiary of the Company during the entire portion of the requisite period of employment during which it is the employer of the holder.

(e) The Committee, in its sole discretion, may elect, in lieu of delivering all or a portion of the shares of Common Stock as to which an option has been exercised, if the fair market value of the Common Stock exceeds the exercise price of the option (i) to pay the employee in cash or in shares of Common Stock, or a combination of cash and Common Stock, an amount equal to the excess of (A) the Market Value on the exercise date of the shares of Common Stock as to which such option has been exercised, or if there were no sales on such date, on the next preceding day on which there were sales over (B) the option price, or (ii) in the case of an option which is a non-qualified option, to defer payment and to credit the amount of such excess on the Company's books for the account of the optionee and either (a) to treat the amount in such account as if it had been invested in the manner from time to time determined by the Committee, with dividends or other income therein being deemed to have been so reinvested or (b) for the Company's convenience, to contribute the amount credited to such account to a trust, which may be revocable by the Company, for investment in the manner from time to time determined by the Committee and set forth in the instrument creating such trust; provided, however, that, to the extent required by Rule 16b-3 or other applicable rules under Section 16(b) of the Exchange Act, in order to perfect the exemption provided thereunder for cash settlements of stock appreciation rights, the Committee shall not exercise its discretion to grant cash to any employee who is subject to the provisions of Section 16(b) of the Exchange Act unless the exercise occurs during any period commencing on the third business day following the date of release for publication of any annual or quarterly summary statements of the Company's sales and earnings and ending on the twelfth business day following such date (a "Window Period"). The Committee's election pursuant to this subparagraph shall be made by giving

written notice of such election to the employee (or other person exercising the option). Shares of Common Stock paid pursuant to this subparagraph will be valued at the Market Value on the exercise date, or if there were no sales on such date, on the next preceding day on which there were sales.

(f) Subject to any terms and conditions that the Committee may determine in respect of the exercise of options involving the surrender of outstanding awards, upon, but not until, the exercise of an option or portion thereof in accordance with the 1996 Plan, the option agreement and such rules and regulations as may be established by the Committee, the holder thereof shall have the rights of a stockholder with respect to the shares issued as a result of such exercise.

(g) The Company may make loans to such option holders as the Committee, in its discretion, may determine (including a holder who is a director or officer of the Company) in connection with the exercise of options granted under the 1996 Plan; provided, however, that the Committee shall not authorize the making of any loan where the possession of such discretion or the making of such loan would result in a "modification" (as defined in Section 424 of the Code) of any incentive stock option. Such loans shall be subject to the following terms and conditions and such other terms and conditions as the Committee shall determine not inconsistent with the 1996 Plan. Such loans shall bear interest at such rates as the Committee shall determine from time to time, which rates may be below then current market rates (except in the case of incentive stock options). In no event may any such loan exceed the fair market value, at the date of exercise, of the shares covered by the option, or portion thereof, exercised by the holder. No loan shall have an initial term exceeding five years, but any such loan may be renewable at the discretion of the Committee. When a loan shall have been made, shares of Common Stock having a fair market value at least equal to the principal amount of the loan shall be pledged by the holder to the Company as security for payment of the unpaid balance of the loan. Every loan shall comply with all applicable laws, regulations and rules of the Board of Governors of the Federal Reserve System and any other governmental agency having jurisdiction.

8. Award and Exercise of Rights

(a) A right may be awarded by the Committee in connection with any option granted under the 1996 Plan (a "tandem right"), either at the time the option is granted or thereafter at any time prior to the exercise, termination or expiration of the option. A right may also be awarded separately (a "free-standing right"). Each tandem right shall be subject to the same terms and conditions as the related option and shall be exercisable only to the extent the option is exercisable.

The term of each freestanding right granted under the 1996 Plan shall be such period of time as the Committee shall determine. Subject to the provisions of the 1996 Plan, such right shall become vested as determined by the Committee. Prior to becoming 100% vested, each freestanding right shall become exercisable, in installments or otherwise, as the Committee shall determine. The Committee may also, in its discretion, accelerate the exercisability of any freestanding right at any time and provide, in the agreement covering a freestanding right, that the right shall become immediately exercisable on or following an acceleration date (as defined in paragraph 7(a)).

No right shall be exercisable by an employee who is subject to the provisions of Section 16(b) of the Exchange Act without the prior consent of the Committee prior to the expiration of six months from the date the right is awarded (and then, as to a tandem right, only to the extent the related option is exercisable). Notwithstanding the foregoing, no right shall be exercisable by an employee who is subject to the provisions of Section 16(b) of the Exchange Act without the prior consent of the Committee prior to the expiration of one year from the date of the initial sale of shares of Common Stock of the Company to the public.

(b) A right shall entitle the employee upon exercise in accordance with its terms (subject, in the case of a tandem right, to the surrender unexercised of the related option or any portion or portions thereof which the employee from time to time determines to surrender for this purpose) to receive, subject to the provisions of the 1996 Plan and such rules and regulations as from time to time may be established by the Committee, a payment having an aggregate value equal to (A) the excess of (i) the fair market value on the exercise date of one share over (ii) the option price per share, in the case of a tandem right, or the price per share specified in the terms of the right, in the case of a freestanding right, times (B) the number of shares with respect to which the right shall have been exercised. The payment shall be made in the form of all cash, all shares of Common Stock, or a combination thereof, as elected by the employee, provided that, unless otherwise approved by the Committee, the election by an employee who is subject to the provisions of Section 16(b) of the Exchange Act to receive all or a part of a payment in cash, as well as the exercise by the employee of the right for cash, shall be made only during a Window Period (as defined in paragraph 7(e) hereof); and provided further, that the Committee shall have sole discretion to consent to or disapprove the election of an officer or director to receive all or part of a payment in cash (which consent or disapproval may be given at any time after the election to which it relates). The price per share specified in a freestanding right shall be determined by the Committee but in no event shall be less than the average of the daily closing prices for the Common Stock as reported by NASDAQ during a period determined by the Committee in its sole discretion that shall consist of any trading day or any number of consecutive trading days, not exceeding 30, during the period of 30 trading days ending on the trading day immediately preceding the date the right is granted, provided that, in the absence of a different determination by the Committee, the price per share shall be determined on the basis of a period consisting of 30 trading days. Such price shall be subject to adjustment as provided in paragraph 14. The Committee shall determine the date on which a freestanding right is granted. In the absence of such determination, the date on which the Committee adopts a resolution granting such right shall be considered the date of grant, provided the employee is promptly notified of the grant and an agreement is duly executed as of the date of the resolution.

If upon exercise of a right the employee is to receive a portion of the payment in shares of Common Stock, the number of shares received shall be determined by dividing such portion by the fair market value of a share on the exercise date. The number of shares received may not exceed the number of shares covered by any option or portion thereof surrendered. Cash will be paid in lieu of any fractional share.

No payment will be required from the employee upon exercise of a right, except that any amount necessary to satisfy applicable federal, state or local tax requirements shall be withheld or paid promptly upon notification of the amount due and prior to or concurrently with delivery of cash or a certificate representing shares. The Committee may permit such amount to be paid in shares of Common Stock previously owned by the employee, or a portion of the shares of Common Stock that otherwise would be distributed to such employee upon exercise of the right, or a combination of cash and shares of such Common Stock.

(c) For purposes of this paragraph 8, the fair market value of a share on any particular date shall mean the Market Value of such share on such date, or if there are no sales on such date, on the next preceding day on which there were sales; provided, however, that with respect to exercises of rights by an employee who is subject to the provisions of Section 16(b) of the Exchange Act during any Window Period, the Committee may prescribe, by rule of general application, such other measure of fair market value per share as the Committee may, in its discretion, determine but not in excess of the highest sale price of the Common Stock during such Window Period and, in the case of rights that relate to an incentive stock option, not in excess of the maximum amount that would be permissible under Section 422 of the Code and the Treasury Regulations thereunder without disqualifying such option as an incentive stock option under Section 422.

(d) Upon exercise of a tandem right, the number of shares subject to exercise under the related option shall automatically be reduced by the number of shares represented by the option or portion thereof surrendered.

(e) A right related to an incentive stock option may only be exercised if the fair market value of a share of Common Stock on the exercise date exceeds the option price.

(f) Whether payments to employees upon exercise of tandem rights related to non-qualified options or of freestanding rights are made in cash, shares of Common Stock or a combination thereof, the Committee shall have sole discretion as to timing of the payments, whether in one lump sum or in annual installments or otherwise deferred, which deferred payments may in the Committee's sole discretion (i) bear amounts equivalent to interest or cash dividends, (ii) be treated as invested in the manner from time to time determined by the Committee, with dividends or other income thereon being deemed to have been so reinvested, or (iii) for the convenience of the Company, contributed to a trust, which may be revocable by the Company or subject to the claims of its creditors, for investment in the manner from time to time determined by the Committee and set forth in the instrument creating such trust, all as the Committee shall determine.

(g) If a freestanding right is not exercised, or neither a tandem right nor the related option is exercised, before the end of the day on which the right ceases to be exercisable and the fair market value of a share on such date exceeds (i) the option price per share in the case of a tandem right or (ii) the price per share specified in the terms of the right in the case of a freestanding right, such right shall be deemed exercised and a payment in the amount prescribed by subparagraph 8(b), less any applicable taxes, shall be paid to the employee in cash.

9. Award and Exercise of Limited Rights

(a) A limited right may be awarded by the Committee in connection with any option granted under the 1996 Plan with respect to all or some of the shares of Common Stock covered by such related option. A limited right may be granted either at the time the option is granted or thereafter at any time prior to the exercise, termination or expiration of the option. A limited right may be granted to an employee irrespective of whether such employee is being granted or has been granted a right under paragraph 8 hereof. A limited right may be exercised only during the ninety-day period beginning on an acceleration date (as defined in paragraph 7(a)). In addition, each limited right shall be exercisable only if, and to the extent that, the related option is exercisable and, in the case of a limited right granted in respect of an incentive stock option, only when the fair market value per share of the Common Stock exceeds the option price per share. Upon exercise of a limited right, such related option shall cease to be exercisable to the extent of the shares of Common Stock with respect to which such limited right is exercised. Upon the exercise or termination of a related option, the limited right with respect to such related option shall terminate to the extent of the shares of Common Stock with respect to which the related option was exercised or terminated.

(b) Upon the exercise of limited rights, the holder thereof shall receive in cash whichever of the following amounts is applicable:

(i) in the case of an exercise of limited rights by reason of the occurrence of an Offer (as defined in paragraph 7(a)(i)), an amount equal to the Offer Spread (as defined in paragraph 9(d));

(ii) in the case of an exercise of limited rights by reason of an acquisition of Common Stock described in paragraph 7(a)(ii), an amount equal to the Acquisition Spread (as defined in paragraph 9(h) hereof);

(iii) in the case of an exercise of limited rights by reason of an event described in paragraph 7(a)(iii), an amount equal to the Merger Spread (as defined in paragraph 9(f) hereof); or

(iv) in the case of an exercise of limited rights by reason of a change in the composition of the Board of Directors as described in paragraph 7(a)(iv), an amount equal to the Spread (as defined in paragraph 9(i) hereof).

Notwithstanding the foregoing, in the case of a limited right granted in respect of an incentive stock option, the holder may not receive an amount in excess of such amount as will enable such option to qualify as an incentive stock option.

(c) The term "Offer Price per Share" as used in this paragraph 9 shall mean, with respect to the exercise of any limited right by reason of the occurrence of an Offer, the greater of (i) the highest price per share of Common Stock paid in any Offer, which Offer is in effect at any time during the ninety-day period ending on the date on which such limited right is exercised, or (ii) the highest fair market value per share of Common Stock during such ninety-day period. Any securities or property which are part or all of the consideration paid for shares of Common Stock in the Offer shall be valued in determining the Offer Price per Share at the higher of (A) the valuation placed on such securities or property by the corporation, person or other entity making such Offer or (B) the valuation placed on such securities or property by the Committee.

(d) The term "Offer Spread" as used in this paragraph 9 shall mean an amount equal to the product computed by multiplying (i) the excess of (A) the Offer Price per Share over (B) the option price per share of Common Stock at which the related option is exercisable, by (ii) the number of shares of Common Stock with respect to which such limited right is being exercised.

(e) The term "Merger Price per Share" as used in this paragraph 9 shall mean, with respect to the exercise of any limited right by reason of an event described in paragraph 7(a) (iii), the greater of (i) the fixed or formula price for the acquisition of shares of Common Stock occurring pursuant to such event if such fixed or formula price is determinable on the date on which such limited right is exercised, and (ii) the highest fair market value per share of Common Stock during the ninety-day period ending on the date on which such limited right is exercised. Any securities or property which are part or all of the consideration paid for shares of Common Stock pursuant to such event shall be valued in determining the Merger Price per Share at the higher of (A) the valuation placed on such securities or property by the corporation, person or other entity which is a party with the Company to such event or (B) the valuation placed on such securities or property by the Committee.

(f) The term "Merger Spread" as used in this paragraph 9 shall mean an amount equal to the product computed by multiplying (i) the excess of (A) the Merger Price per Share over (B) the option price per share of Common Stock at which the related option is exercisable, by (ii) the number of shares of Common Stock with respect to which such limited right is being exercised.

(g) The term "Acquisition Price per Share" as used in this paragraph 9 shall mean, with respect to the exercise of any limited right by reason of an acquisition of Common Stock described in paragraph 7(a)(ii), the greater of (i) the highest price per share stated on the Schedule 13D or any amendment thereto filed by the holder of 30% or more of the Company's voting power which gives rise to the exercise of such limited right, and (ii) the highest fair market value per share of Common Stock during the ninety-day period ending on the date the limited right is exercised.

(h) The term "Acquisition Spread" as used in this paragraph 9 shall mean an amount equal to the product computed by multiplying (i) the excess of (A) the Acquisition Price per Share over (B) the option price per share of Common Stock at which the related option is exercisable, by (ii) the number of shares of Common Stock with respect to which such limited right is being exercised.

(i) The term "Spread" as used in this paragraph 9 shall mean, with respect to the exercise of any limited right by reason of a change in the composition of the Board described in paragraph 7(a) (iv), an amount equal to the product computed by multiplying (i) the excess of (A) the highest fair market value per share of Common Stock during the ninety-day period ending on the date the limited right is exercised over (B) the option price per share of Common Stock at which the related option is exercisable, by (ii) the number of shares of Common Stock with respect to which the limited right is being exercised.

(j) Notwithstanding any other provision of the 1996 Plan, rights granted pursuant to paragraph 8 may not be exercised to the extent that any limited rights granted with respect to the same option are then exercisable.

(k) For purposes of this paragraph 9, "fair market value per share of Common Stock" for any day shall mean the Market Value for such day (or if there were no sales on such day, on the next preceding day on which there were sales).

10. Non-Transferability of Options and Rights

Options, rights and limited rights granted under the 1996 Plan shall not be transferable otherwise than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined by Section 414(p) of the Code. Options, rights and limited rights may be exercised during the lifetime of the employee only by the employee or by the employee's guardian or legal representative (unless such exercise would disqualify an option as an incentive stock option).

11. Award and Delivery of Restricted Shares or Restricted Units

(a) At the time an award of restricted shares or restricted units is made, the Committee shall establish a period of time (the "Restricted Period") applicable to such award. Each award of restricted shares or restricted units may have a different Restricted Period. The Committee may, in its sole discretion, at the time an award is made, prescribe conditions for the incremental lapse of restrictions during the Restricted Period, for the lapse or termination of restrictions upon the satisfaction of other conditions in addition to or other than the expiration of the Restricted Period with respect to all or any portion of the restricted shares or restricted units and provide for the lapse of all restrictions with respect to all restricted shares or restricted units covered by the award upon the occurrence of an acceleration date as defined in paragraph 7(a). The Committee may also, in its sole discretion, shorten or terminate the Restricted Period or waive any conditions for the lapse or termination of restrictions with respect to all or any portion of the restricted shares or restricted units. Notwithstanding the foregoing, all restrictions shall lapse or terminate with respect to all restricted shares or restricted units upon death or total disability (as defined in paragraph 13).

(b) Upon the grant of an award of restricted shares, a stock certificate representing a number of shares of Common Stock equal to the number of restricted shares granted to an employee shall be registered in the employee's name but shall be held in custody by the Company for the employee's account. The employee shall generally have the rights and privileges of a stockholder as to such restricted shares, including the right to

vote such restricted shares, except that, subject to the provisions of paragraph 12, the following restrictions shall apply: (i) the employee shall not be entitled to delivery of the certificate until the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee; (ii) none of the restricted shares may be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of during the Restricted Period and until the satisfaction of any other conditions prescribed by the Committee; and (iii) all of the restricted shares shall be forfeited and all rights of the employee to such restricted shares shall terminate without further obligation on the part of the Company unless the employee has remained an employee of the Company or any of its subsidiaries or any combination thereof until the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee applicable to such restricted shares. At the discretion of the Committee, cash and stock dividends with respect to the restricted shares may be either currently paid or withheld by the Company for the employee's account subject to the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee, and interest may be paid on the amount of cash dividends withheld at a rate and subject to such terms as determined by the Committee. Upon the forfeiture of any restricted shares, such forfeited restricted shares and any cash or stock dividends withheld for the employee's account shall be transferred to the Company without further action by the employee. The employee shall have the same rights and privileges, and be subject to the same restrictions, with respect to any shares received pursuant to paragraph 14.

(c) Upon the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee or at such earlier time as provided for in paragraph 12, the restrictions applicable to the restricted shares shall lapse and a stock certificate for the number of shares of Common Stock with respect to which the restrictions have lapsed shall be delivered, free of all such restrictions, except any that may be imposed by law, to the employee or the employee's beneficiary or estate, as the case may be. The Company shall not be required to deliver any fractional share of Common Stock but will pay, in lieu thereof, the fair market value (determined as of the date the restrictions lapse) of such fractional share to the employee or the employee's beneficiary or estate, as the case may be. No payment will be required from the employee upon the issuance or delivery of any restricted shares, except that any amount necessary to satisfy applicable federal, state or local tax requirements shall be withheld or paid promptly upon notification of the amount due and prior to or concurrently with the issuance or delivery of a certificate representing such shares. The Committee may permit such amount to be paid in (i) shares of Common Stock previously owned by the employee, (ii) a portion of the shares of Common Stock that otherwise would be distributed to such employee upon the lapse of the restrictions applicable to the restricted shares, or (iii) a combination of cash and shares of such Common Stock; provided, however, unless otherwise approved by the Committee, that an election by an employee subject to Section 16(b) of the Exchange Act to use shares of Common Stock described in clause (ii) above to satisfy any federal, state or local tax requirement shall be made only during a Window Period (as defined in paragraph 7(e) hereof), and provided further that the Committee shall have sole discretion to consent to or disapprove of any such election (which consent or disapproval may be given at any time after the election to which it relates).

(d) In the case of an award of restricted units, no shares of Common Stock shall be issued at the time the award is made, and the Company shall not be required to set aside a fund for the payment of any such award. At the discretion of the Committee, cash and stock dividends with respect to the Common Stock ("Dividend Equivalents") may be currently paid or withheld by the Company for the employee's account subject to the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee, and interest may be paid on the amount of cash dividends withheld at a rate and subject to such terms as determined by the Committee.

Upon the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee or at such earlier time as provided for in paragraph 12, the Company shall deliver to the employee or the employee's beneficiary or estate, as the case may be, one share of Common

Stock for each restricted unit with respect to which the restrictions have lapsed ("vested unit"), and cash equal to any Dividend Equivalents credited with respect to each such vested unit and any interest thereon; provided, however, that the Committee may, in its sole discretion, elect to pay cash or part cash and part Common Stock in lieu of delivering only Common Stock for vested units. If a cash payment is made in lieu of delivering Common Stock, the amount of such cash payment shall be equal to the Market Value for the date on which the Restricted Period lapsed with respect to such vested unit, or if there are no sales on such date, on the next preceding day on which there were sales. No payment will be required from the employee upon the award of any restricted units, the crediting or payment of any Dividend Equivalents, or the delivery of Common Stock or the payment of cash in respect of vested units, except that any amount necessary to satisfy applicable federal, state or local tax requirements shall be withheld or paid promptly upon notification of the amount due. The Committee may permit such amount to be paid in (i) shares of Common Stock previously owned by the employee, (ii) a portion of the shares of Common Stock that otherwise would be distributed to such employee in respect of vested units, or (iii) a combination of cash and shares of such Common Stock; provided, however, unless otherwise approved by the Committee, that an election by an employee subject to Section 16(b) of the Exchange Act to use the shares of Common Stock described in clause (ii) above to satisfy any federal, state or local tax requirement shall be made only during a Window Period (as defined in paragraph 7(e) hereof); and provided further that the Committee shall have sole discretion to consent to or disapprove of any such election (which consent or disapproval may be given at any time after the election to which it relates).

Upon the occurrence of an acceleration date (as defined in paragraph 7(a)), all outstanding vested units (including any restricted units whose restrictions have lapsed as a result of the occurrence of such acceleration date) and credited Dividend Equivalents shall be payable as soon as practicable but in no event later than 90 days after such acceleration date in cash, in shares of Common Stock, or part in cash and part in Common Stock, as the Committee, in its sole discretion, shall determine. To the extent that an employee receives cash in payment for his vested units, such employee shall receive an amount equal to the product of (i) the number of vested units credited to such employee's account for which such employee is receiving payment in cash times (ii) the Multiplication Factor (as defined below). To the extent that an employee receives Common Stock in payment for his vested units, such employee shall receive the number of shares of Common Stock determined by dividing (i) the product of (x) the number of vested units credited to such employee's account for which such employee is receiving payment in Common Stock times (z) the Multiplication Factor, by (ii) the fair market value per share of the Common Stock as of the day preceding the payment date. "Multiplication Factor" shall mean (i) in the event of the occurrence of an Offer as defined in paragraph 7(a)(i), the Offer Price per Share as modified below, (ii) in the case of an acquisition of Common Stock described in paragraph 7(a) (ii), the Acquisition Price per Share as modified below, (iii) in the case of an event described in paragraph 7(a)(iii), the Merger Price per Share as modified below, or (iv) in the case of a change in the composition of the Board of Directors as described in paragraph 7(a)(iv), the highest fair market value per share of the Common Stock for any day during the applicable ninety-day period described below. For purposes of the preceding sentence, (i) the applicable ninety-day period described in paragraphs 9(c), (e) and (g) and in clause (iv) above shall mean the ninety-day period ending on or within 89 days following an acceleration date which the Committee, in its sole discretion, shall select and (ii) fair market value per share of the Common Stock shall mean the Market Value.

(e) The restricted unit award agreement may permit an employee to request that the payment of vested units (and Dividend Equivalents and the interest thereon with respect to such vested units) be deferred beyond the payment date specified in the agreement. The Committee shall, in its sole discretion, determine whether to permit such deferment and to specify the terms and conditions, which are not inconsistent with the 1996 Plan, to be contained in the agreement. In the event of such deferment, the Committee may determine that interest shall be credited annually on the Dividend Equivalents, at a rate to be determined by the Committee. The Committee may also determine to compound such interest.

12. Termination of Employment

Unless otherwise determined by the Committee, and subject to such restrictions as may be imposed by the Code in the case of any incentive stock options, in the event that the employment of an employee to whom an option, right or limited right has been granted under the 1996 Plan shall be terminated (except as set forth in paragraph 13), such option, right or limited right may, subject to the provisions of the 1996 Plan, be exercised (to the extent that the employee was entitled to do so at the termination of his employment) at any time within three months after such termination, or, in the case of an employee whose termination results from retirement from active employment at or after age 55 within one year after such termination, but in no case later than the date on which the option, right or limited right terminates; provided, however, that any option, right or limited right held by an employee whose employment is terminated for cause shall forthwith terminate, to the extent not theretofore exercised.

Unless otherwise determined by the Committee, if an employee to whom restricted shares or restricted units have been granted ceases to be an employee of the Company or of a subsidiary prior to the end of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee for any reason other than death or total disability (as defined in paragraph 13), the employee shall immediately forfeit all restricted shares and restricted units. Awards granted under the 1996 Plan shall not be affected by any change of duties or position so long as the holder continues to be an employee of the Company or any of its subsidiaries. Any option, right, limited right, restricted share or restricted unit agreement, or any rules and regulations relating to the 1996 Plan, may contain such provisions as the Committee shall approve with reference to the determination of the date employment terminates and the effect of leaves of absence. Any such rules and regulations with reference to any option agreement shall be consistent with the provisions of the Code and any applicable rules and regulations thereunder. Nothing in the 1996 Plan or in any award granted pursuant to the 1996 Plan shall confer upon any employee any right to continue in the employ of the Company or any of its subsidiaries or interfere in any way with the right of the Company or any such subsidiary to terminate such employment at any time.

Notwithstanding anything else in the 1996 Plan to the contrary, if the corporation employing an individual to whom an option, right, limited right, restricted unit or restricted share has been granted under the 1996 Plan ceases to be a subsidiary of the Company, then the Committee may provide that service with such employer or its direct or indirect subsidiaries in any capacity shall be considered employment with the Company for purposes of the 1996 Plan.

13. Death or Total Disability of Employee

If an employee to whom an option, right or limited right has been granted under the 1996 Plan shall die or suffer a "total disability" while employed by the Company or its subsidiaries or within three months (or, in the case of an employee whose termination results from retirement from active employment at or after age 55, within one year) after the termination of such employment (other than termination for cause), such option, right or limited right may be exercised, to the extent that the employee was entitled to do so at the termination of employment (including by reason of death or total disability), as set forth herein (subject to the restrictions set forth in paragraphs 8 and 9 with respect to persons subject to Section 16(b) of the Exchange Act) by the employee, the legal guardian of the employee (unless such exercise would disqualify an option as an incentive stock option), a legatee or legatees of the employee under the employee's last will, or by the employee's personal representatives or distributees, whichever is applicable, at any time within one year after

the date of the employee's death or total disability, but in no case later than the date on which the option, right or limited right terminates. For purposes hereof, "total disability" is defined as the permanent inability of an employee, as a result of accident or sickness, to perform any and every duty pertaining to such employee's occupation or employment for which the employee is suited by reason of the employee's previous training, education and experience.

14. Adjustment upon Changes in Capitalization, etc.

Notwithstanding any other provision of the 1996 Plan, the Committee may at any time, in its sole discretion, make or provide for such adjustments to the 1996 Plan, to the number and class of shares available thereunder or to any outstanding options, rights, restricted shares or restricted units as it may deem appropriate to prevent dilution or enlargement of rights, including adjustments in the event of distributions to holders of Common Stock other than a normal cash dividend, changes in the outstanding Common Stock by reason of stock dividends, split-ups, recapitalizations, mergers, consolidations, combinations or exchanges of shares, separations, reorganizations, liquidations and the like. In the event of any offer to holders of Common Stock generally relating to the acquisition of their shares, the Committee may, in its sole discretion, make any adjustment as it deems equitable in respect of outstanding options, rights, limited rights and restricted units, including in the Committee's discretion revision of outstanding options, rights, limited rights and restricted units so that they may be exercisable for or payable in the consideration payable in the acquisition transaction. Any such determination by the Committee shall be conclusive. No adjustment shall be made in respect of an incentive stock option if such adjustment would disqualify such option as an incentive stock option under Section 422 of the Code and the Treasury Regulations thereunder. No adjustment shall be made in the minimum number of shares with respect to which an option may be exercised at any time. Any fractional shares resulting from such adjustments to options, rights, limited rights or restricted units shall be eliminated.

15. Effective Date

The 1996 Plan shall be effective as of _____, 1996, (the "Effective Date"), provided that the adoption of the 1996 Plan shall have been approved by the stockholders of the Company. The Committee thereafter may, in its discretion, grant awards under the 1996 Plan, the grant, exercise or payment of which shall be expressly subject to the conditions that, to the extent required at the time of grant, exercise or payment, (i) if the Company deems it necessary or desirable, a Registration Statement under the Securities Act of 1933 with respect to such shares shall be effective, and (ii) any requisite approval or consent of any governmental authority of any kind having jurisdiction over awards granted under the 1996 Plan shall be obtained.

16. Termination and Amendment

The Board of Directors of the Company may suspend, terminate, modify or amend the 1996 Plan, provided that any amendment that would increase the aggregate number of shares that may be issued under the 1996 Plan, materially increase the benefits accruing to participants under the 1996 Plan, or materially modify the requirements as to eligibility for participation in the 1996 Plan shall be subject to the approval of the Company's stockholders to the extent required by Rule 16b-3, applicable law or any other governing rules or regulations, except that any such increase or modification that may result from adjustments authorized by paragraph 14 does not require such approval. If the 1996 Plan is terminated, the terms of the 1996 Plan shall, notwithstanding such termination, continue to apply to awards granted prior to such termination. In addition, no suspension, termination, modification or amendment of the 1996 Plan may, without the consent of the employee to whom an award shall theretofore have been granted, adversely affect the rights of such employee under such award.

17. Written Agreements

Each award of options, rights, limited rights, restricted shares or restricted units shall be evidenced by a written agreement, executed by the employee and the Company, which shall contain such restrictions, terms and conditions as the Committee may require.

18. Effect on Other Stock Plans

The adoption of the 1996 Plan shall have no effect on awards made or to be made pursuant to other stock plans covering employees of the Company or its subsidiaries, or any predecessors or successors thereto.

IN WITNESS WHEREOF, the Company has caused its duly authorized officer to execute this Plan as of the _____ day of _____, 1996.

TransAct Technologies Incorporated

By:_____
Title:_____

Exhibit 10.8

FORM OF

TransAct Technologies Incorporated

NON-EMPLOYEE DIRECTORS' STOCK PLAN

TransAct Technologies Incorporated Non-Employee Directors' Stock Plan (the "Plan") is adopted by TransAct Technologies Incorporated (the "Company") for the purpose of advancing the interests of the Company by providing compensation and other incentives for the continued services of the Company's non-employee directors and by attracting able individuals to directorships with the Company.

1. Definitions. For purposes of this Plan, the following terms shall have the meanings set forth below:

"Administrator" means the person(s) appointed by the Board to administer the Plan as provided in Paragraph 2 hereof.

"Annual Meeting" means the annual meeting of the Company's stockholders.

"Board" means the Board of Directors of TransAct Technologies Incorporated.

"Change of Control" means (i) approval by the Company's stockholders of a merger in which the Company does not survive as an independent, publicly owned corporation, a consolidation, or a sale, exchange or other disposition of all or substantially all the Company's assets, or (ii) any acquisition of voting securities of the Company by any person or group (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), but excluding (a) the Company or any of its subsidiaries, (b) any person who was an officer or director of the Company on the day prior to the Effective Date, or (c) any savings, pension or other benefits plan for the benefit of employees of the Company or any of its subsidiaries, which theretofore did not beneficially own voting securities representing more than 30% of the voting power of all outstanding voting securities of the Company, if such acquisition results in such entity, person or group owning beneficially securities representing more than 30% of the voting power of all outstanding voting securities of the Company. As used herein, "voting power" means ordinary voting power for the election of directors of the Company.

"Common Shares" means the Company's common stock, $.01 par value per share.

"Company" means TransAct Technologies Incorporated, a Delaware corporation.

"Effective Date" means the date of the initial offering of the Company's Common Shares to the public.

"Grant Date" means the effective date of a grant of options pursuant to Paragraph 4(a) hereof.

"Market Value" means the closing price of the Common Shares as reported by NASDAQ.

"Participant" means a director who has met the requirements of eligibility and participation described in Paragraph 3 hereof.

2. Administration. The Plan shall be administered by the Administrator. The Administrator may establish, subject to the provisions of the Plan, such rules and regulations as it deems necessary for the proper

administration of the Plan, and make such determination and take such action in connection therewith or in relation to the Plan as it deems necessary or advisable, consistent with the Plan.

3. Eligibility and Participation.

(a) A non-employee director of the Company shall automatically become a Participant in the Plan as of the later of (i) the Effective Date, or (ii) the date of initial election to the Board. A director who is a regular employee or officer of the Company is not eligible to participate in the Plan.

(b) A Participant shall cease participation in the Plan as of the date the Participant (i) fails to be re-elected to the Board, (ii) resigns or otherwise vacates his position on the Board, or (iii) becomes a regular employee or officer of the Company.

4. Compensation. For all services rendered as a director of the Company, the Company shall grant options to each Participant as provided herein.

(a) Grant of Options. Each person who is a Participant on the Effective Date shall be awarded a non-qualified option to purchase 10,000 Common Shares effective as of the Effective Date, at a price equal to the Market Value of Common Shares on that date. Any person who becomes a Participant after the Effective Date shall be awarded non-qualified options to purchase 5,000 Common Shares effective as of the date of the Annual Meeting at which such election occurs, or if the Participant is first elected to the Board other than at an Annual Meeting, as of the date of such election, at a price equal to the Market Value of Common Shares on that date.

For years beginning after 1996, on the date of the first Board meeting following the Annual Meeting of each year, a Participant (other than a director who is first elected at the Annual Meeting for that year or within six months prior to such Annual Meeting), shall be awarded non-qualified options to purchase 2,500 Common Shares, effective as of the date of such Board meeting, at a price equal to the Market Value of Common Shares on that date.

(b) Term and Exercisability. All options shall have a term of 10 years and shall vest in accordance with the following schedule:

Percentage of Options	Vesting Date
20%	1st anniversary of Grant Date
20%	2nd anniversary of Grant Date
20%	3rd anniversary of Grant Date
20%	4th anniversary of Grant Date
20%	5th anniversary of Grant Date

Notwithstanding the foregoing, all options shall become immediately exercisable upon a Change of Control of the Company.

(c) Method of exercise. An option granted under the Plan may be exercised, in whole or in part, by submitting a written notice to the Board, signed by the Participant or such other person who may be entitled to exercise such option, and specifying the number of Common Shares as to which the option is being

exercised. Such notice shall be accompanied by the payment of the full option price for such Common Shares, or shall fix a date (not more than ten business days from the date of such notice) for the payment of the full option price of the Common Shares being purchased. Payment shall be made in the form of cash, Common Shares (to the extent permitted by law), or both. A certificate or certificates for the Common Shares purchased shall be issued by the Company after the exercise of the option and full payment therefor.

(d) Termination of Directorship. If a Participant fails to be re-elected to the Board, resigns or otherwise ceases to be a director of the Company for reasons other than death or disability (within the meaning of Section 22(e)(3) of the Internal Revenue Code), all options granted under this Plan to such Participant which are not exercisable on such date shall immediately terminate, and any remaining options shall terminate if not exercised before thirty (30) days following such termination, or at such earlier time as may be applicable under Paragraph 4(b) above. If the Participant dies or becomes disabled within the thirty (30) day period described above, such remaining options may be exercised by the Participant or the Participant's personal representative at any time before the expiration of twelve (12) months following the date of death or commencement of disability.

If a Participant ceases to be a director of the Company by reason of death or disability (within the meaning of Section 22(e)(3) of the Internal Revenue Code), all options granted under this Plan to such Participant which are not exercisable on such date shall become immediately exercisable, and may be exercised at any time before the expiration of twelve (12) months following the date of death or commencement of disability, or such earlier time as may be applicable under Paragraph 4(b) above.

(e) Non-transferability. Each option and all rights thereunder shall be exercisable during the Participant's lifetime only by him and shall be non-assignable and non-transferable by the Participant except, in the event of the Participant's death, by will or by the laws of descent and distribution. In the event the death of a Participant occurs, the representative or representatives of the Participant's estate, or the person or persons who acquired (by bequest or inheritance) the rights to exercise the Participant's options in whole or in part may exercise the option prior to the expiration of the applicable exercise period, as specified in Paragraph 4(d) above.

(f) No rights as stockholder. A Participant shall have no rights as a stockholder with respect to any Common Shares subject to the option prior to the date of issuance of a certificate or certificates for such Common Shares.

(g) Compliance with securities laws. Options granted and Common Shares issued by the Company upon exercise of options shall be granted and issued only in full compliance with all applicable securities laws, including laws, rules and regulations of the Securities and Exchange Commission and applicable state Blue Sky Laws. With respect thereto, the Board may impose such conditions on transfer, restrictions and limitations as it may deem necessary and appropriate to assure compliance with such applicable securities laws.

5. Shares Subject to the Plan.

(a) The Common Shares to be issued and delivered by the Company upon the exercise of options under the Plan may be either authorized but unissued shares or treasury shares of the Company.

(b) The aggregate number of Common Shares of the Company which may be issued under the Plan shall not exceed 100,000 shares; subject, however, to the adjustment provided in Paragraph 6 in the event of stock splits, stock dividends, exchanges of shares or the like occurring after the effective date of this Plan.

(c) Common Shares covered by an option which is no longer exercisable with respect to such shares shall again be available for issuance under this Plan.

6. Share Adjustments. In the event there is any change in the Company's Common Shares resulting from stock splits, stock dividends, combinations or exchanges of shares, or other similar capital adjustments, equitable proportionate adjustments shall automatically be made without further action by the Board or Administrator in (i) the number of Common Shares available for award under this Plan, (ii) the number of Common Shares subject to options granted under this Plan, and (iii) the option price of options granted under this Plan.

7. Amendment or Termination. The Board may terminate this Plan at any time, and may amend the Plan at any time or from time to time; provided, however, that the Plan shall not be amended more than once every six months, other than to comport with changes in the Internal Revenue Code, the Employee Retirement Income Security Act, or the rules thereunder; and further provided that any amendment that would increase the aggregate number of Common Shares that may be issued under the Plan, materially increase the benefits accruing to Participants under the Plan, or materially modify the requirements as to eligibility for participation in the Plan shall be subject to the approval of the Company stockholders to the extent required by Rule 16b-3 under the Securities Exchange Act of 1934, as amended, or any other governing rules or regulations except that such increase or modification that may result from adjustments authorized by Paragraph 6 does not require such approval. If the Plan is terminated, any unexercised option shall continue to be exercisable in accordance with its terms.

8. Company Responsibility. All expenses of this Plan, including the cost of maintaining records, shall be borne by the Company.

9. Implied Consent. Every Participant, by acceptance of an award under this Plan, shall be deemed to have consented to be bound, on his or her own behalf and on behalf of his or her heirs, assigns, and legal representatives, by all of the terms and conditions of this Plan.

10. Delaware Law to Govern. This Plan shall be construed and administered in accordance with and governed by the laws of the State of Delaware.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer as of the _____ day of _____, 1996.

TransAct Technologies Incorporated

By:_____

Title:_____

[CONFIDENTIAL TREATMENT REQUESTED]

INDICATES MATERIAL THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED, ALL SUCH OMITTED MATERIAL HAS BEEN FILED WITH THE COMMISSION PURSUANT TO RULE 406.

Exhibit 10.9

STRICTLY CONFIDENTIAL

THE PRINTER GROUP (TPG) AND OKI EUROPE LIMITED (OEL) EXCLUSIVE SALES AGREEMENT

PURPOSE: The purpose of this Agreement is to define an Exclusive Sales and Marketing Agreement between The Printer Group (TPG), a subsidiary of TRIDEX Corporation, and Oki Europe Limited (OEL), a subsidiary of OKI ELECTRIC INDUSTRY COMPANY LIMITED of JAPAN. This Agreement is an attachment to the Strategic Agreement between TPG and OKIDATA America, a Division of OKI AMERICA Inc. of MOUNT LAUREL, NEW JERSEY.

1. Terms and Conditions

1.1 Products. As used in this Agreement, "Products" means all the Printer Products for the Point of Transaction (POT) market, as well as spare parts, subassemblies, operating supplies, maintenance kits, and options, if any, manufactured or sold in the Sales Territories managed by OEL. Any other type of product for these markets can be included in this Agreement as an Attachment.

1.2 Markets. As used in this Agreement, "Markets" means products developed for Point of Sale, Point of Transaction, and or Kiosk Markets or their derivatives.

1.3 Services. As use in this Agreement, "Services" means the ancillary services, if any, provided for the Markets in regards to the products as stated in this Agreement.

1.4 Attachments. As used in this Agreement, "attachments" means any document included in or with this Agreement to further define any product, market or services as defined in this Agreement.

1.5 Term and Termination.

[CONFIDENTIAL TREATMENT REQUESTED]

2. Exclusive Sales and Marketing Agreement

2.1 Sales and Marketing Responsibility. All sales and marketing responsibility for the territories managed by OEL will be the sole responsibility of OEL for those customers based in those markets. These territories are defined in

Attachment 1, Territories. Any addition or deletion of territories within Attachment 1, must be agreed upon by both TPG and OEL, in writing, by a duly authorized representative of each party, and made part of Attachment 1.

2.2 Volume Commitment. Within the terms of this Agreement, both parties undertake to provide best endeavors to achieve or exceed a total of thirty thousand (30,000) printers to be ordered for delivery from TPG during the first fourteen (14) months of this Agreement. For every 12 month time period after through the term of this Agreement, a yearly volume expectation will be submitted by OEL and mutually agreed upon by TPG. The products included in the volume commitment will be defined in Attachment 2. All other products (to be known as OEM products) are outside the volume commitment as stated in Attachment 2.

2.3 Forecast. A three (3) month fixed order and rolling twelve (12) month forecast defining volume and product in Attachment 2 will be submitted by OEL to TPG. This forecast will be submitted on a monthly basis, and to be provided by OEL to TPG by the 23rd day of each month. All other products will be produced by TPG for OEL on an order by order basis.

2.4 Products and Pricing. OEL agrees to purchase the products per the prices as defined in this Agreement per Attachment 3. These prices are in effect for the first fourteen (14) months of this Agreement. Prices are subject to change, upon request and mutual agreement of both parties, due to changes in the market or OKIDATA America kit prices. For every year after, through the term of this Agreement, prices will be subject to change and determined based on market conditions and order forecasts presented by OEL.

2.5 [CONFIDENTIAL TREATMENT REQUESTED]

2.6 Consumables. Consumables for products sourced from TPG with the exemption of paper and printheads may be purchased directly from TPG or manufactured by OEL or ODA. In the event of OEL manufacturing or sourcing consumables other than from TPG, a royalty as specified in Attachment 4 will be paid to TPG by OEL.

2.7 Termination. In the event the parties are unable to agree on either the volume or pricing after the expiration of the first 14 months, then either party may terminate this agreement, after giving 90 days notice to the other.

3. Sales Support and Training

3.1 European Support. TPG agrees to provide support to OEL in the form of a TPG European Manager based in the United Kingdom.

3.2 Pre and Post Sales Support. Pre and Post sales support as required will be available to OEL under the direction of the TPG European manager.

3.3 Technical Training and Support. Technical Training and Support as required will be available to OEL under the direction of the TPG European manager.

4. Quality

4.1 Procedural Approvals. All products and the associated consumables as defined in Attachment 3 will be subject to the quality approval of both TPG and OEL for sale in the market.

4.2 Agency Approvals. All products supplied to OEL by TPG must confirm to the relevant safety and agency approval where appropriate, to sell the product within the defined market.

5. Schedule of Implementation

5.1 Milestones. TPG and OEL agree to put forth the maximum effort to achieve the specified milestones below.

MILESTONE	DATE
[CONFIDENTIAL TREATMENT REQUESTED]	
o Customer launch	October 1

5.2 [CONFIDENTIAL TREATMENT REQUESTED]

5.3

5.4

5.5

6.0 Product Liability. TPG shall indemnify OEL from and against any and all liability (whether criminal or civil) claims, judgments, loss, damage, costs, charges or expenses, including without limitation legal fees and costs of litigation or settlement, whether direct or indirect incurred in connection with or arising as a result of any breach by TPG of the Warranty contained in clause 2.5 of this Agreement, or any failure by TPG to provide OEL with reasonable notice of any breach of the said Warranty of which TPG is aware or of any limitations or changes in quality levels of the Products subject to clauses 6.01 to 6.02 as follows:

6.01 OEL shall notify TPG of any claims or proceedings alleging any defect or failure in the Products amounting to a breach of the said Warranty within 60 days after receipt by OEL at its principal office of notice of such claim or service of process relating thereto and OEL shall permit TPG to conduct the defence of any such proceedings provided always TPG consults with and keeps OEL informed as to such proceedings, and acts reasonably in relation thereto and such proceedings shall be at the cost of TPG (TPG having first indemnified and secured OEL to its reasonable satisfaction against any such costs). For the purpose of such proceedings OEL shall provide TPG with such information as is in the possession of OEL which is reasonably relevant to such defence.

6.02 The indemnity in clause 6.01 above is subject to the condition that any sale by OEL to its customers of Products purchased from TPG is on terms whereby OEL warrants that the Products will conform to their specification and be free from

defects in manufacture and design for the period not exceeding twelve (12) months from the date of purchase by OEL's customer (save as otherwise agreed by TPG in writing).

6.1 Manufacturer's/Producer's Liability for Damages. TPG will be responsible for all manufacturer's and producer's liability for damages to third parties arising as a result of or caused by defects in the Product and shall indemnify OEL from and against any and all liability (whether criminal or civil) claims, judgments, loss, damage, costs, charges or expenses including legal costs and costs of litigation or settlement whether direct or indirect resulting from liability imposed in any country by law, contract or otherwise upon OEL in consequence of or in connection with the sale of the Products to OEL's customers or the distribution, use or performance of such Products and whether any claim or proceedings take place in the English courts or in the courts of any other country and without prejudice to the generality of the foregoing such indemnity shall cover claims for liability in respect of death or personal injury, damage to property or loss of use thereof and claims for indirect special or consequential damage or compensation. This indemnity shall apply regardless of whether any liability or claim is a result of or alleged to be the result of any error or omission on the part of TPG relating to the Products (provided always such liability or claim is not the result of any default or negligence on the part of OEL).

6.2 Comprehensive General Liability Insurance. TPG shall at its sole expense at all times whilst this Agreement is in force maintain a comprehensive general liability insurance policy or equivalent policy with an insurance company acceptable to OEL to include insurance cover for the liability of TPG under clauses 6.0 and 6.1 above with liability limits of not less than five million US Dollars ($5,000,000) combined single limit, naming OEL as an additional insured. TPG shall provide OEL at all times with a certificate of such insurance and shall promptly notify OEL of any termination, cancellation or material change in such policy, including without limitation changes in policy limits, covered or conditions.

7.0 Infringement of Third Party Patents. TPG warrants that any product (or part thereof) furnished hereunder shall be free from any rightful claim of any third party for infringements of patent, design, copyright or any other right of third parties.

7.1 [CONFIDENTIAL TREATMENT REQUESTED]

defence and all related settlement negotiation of such Claims; provided further that, no such Claims arise by fault of OEL.

7.2 Limiting of Liability. Notwithstanding the foregoing, TPG shall have no liability to OEL for actual or claimed infringement arising out of: (a) use of PRODUCTS in combination with other equipment or software not reasonably contemplated by TPG: or, (b) use of the PRODUCTS in any process not reasonably contemplated by TPG.

8.0 Governing Law. This Agreement shall be governed by the laws of England in every particular including formation and interpretation and shall be deemed to have been made in England notwithstanding paragraph K of the Strategic Agreement.

8.1 Alternative Dispute Resolution. If any dispute or difference arises out of or in connection with this Agreement the parties shall seek to resolve the dispute or difference amicably by using an alternative dispute resolution ("ADR") procedure acceptable to both parties before pursing any other remedies available to them. If either party fails or refuses to agree or to participate in the ADR procedure or if in any event the dispute or difference is not resolved to the satisfaction of both parties within 90 days after it has arisen the parties will be free to pursue their remedies without further reference to this clause.

8.2 Jurisdiction. Any proceedings arising out of or in connection with this Agreement shall be brought in any competent court of jurisdiction in England. The submission by the parties to such jurisdiction shall not limit the right of OEL to commence any proceedings arising out of this Agreement in any other jurisdiction it may consider appropriate. TPG hereby irrevocably and unconditionally appoints Ithaca Peripherals Limited (a subsidiary of the Tridex Corporation) of Shaw Wood Business Park, Leger Way, Doncaster DN2 5TB to receive for and on its behalf service of process in any proceedings with respect to this Agreement. This subclause shall apply notwithstanding the provisions of paragraph G of the Strategic Agreement.

8.3 Agreement of Tridex Corporation and OkiData. This Agreement is signed by Tridex Corporation and OKIDATA by way of agreement to its terms and by way of variation to the Strategic Agreement.

IN WITNESS WHEREOF, the parties have executed this Execlusive Sales Agreement, by duly authorized representatives as of the date set forth below.

The Printer Group	Old Europe Limited
By: /s/ Bart C. Shuldman (Signature)	By: /s/ Christopher J. Gill (Signature)
Name: Bart C. Shuldman (Printed or Typewritten)	Name: Christopher J. Gill (Printed or Typewritten)
Title: President	Title: Director
Date: May 10, 1996	Date: May 13th 1996
Tridex Corporation	OKIDATA
By: /s/ Seth M. Lukash (Signature)	By: /s/ David L. Vaughan (Signature)
Name: Seth M. Lukash (Printed or Typewritten)	Name: David L. Vaughan (Printed or Typewritten)
Title: Chairman & CEO	Title: Mgr., Legal Affairs
Date: May 9, 1996	Date: May 10, 1996

[CONFIDENTIAL TREATMENT REQUESTED]

INDICATES MATERIAL THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED, ALL SUCH OMITTED MATERIAL HAS BEEN FILED WITH THE COMMISSION PURSUANT TO RULE 406.

EXHIBIT 10.10

GTECH CORPORATION

Agreement No. 95530098001

By and Between

GTECH CORPORATION

55 TECHNOLOGY WAY

WEST GREENWICH, RI 02817

AND

MAGNETEC CORPORATION

61 WEST DUDLEY TOWN ROAD

BLOOMFIELD, CONNECTICUT 06002

For The Purchase of

Refer to Section 1

Commencement Date: September 7, 1994

Term: Forty-eight (48) months

GTECH Representatives:	Vendor Representatives:
Peter Liakos	Bart Shuldman
Dennis Abbott	Mark Goebel
Don Troppoli	
Everett Zurlinden	

GTECH CORPORATION OEM PURCHASE AGREEMENT

ATTACHMENTS

1. - Product Specifications
2. - Pricing
2A. - Recommended Spare Parts List and Pricing
3. - Lead Time & Rescheduling
4. - Bailment Agreement
5. - Non-Warranty Repair Costs
6. - Manufacturing Rights

GTECH OEM PURCHASE AGREEMENT

THIS AGREEMENT between GTECH CORPORATION, a Rhode Island corporation, with offices at 55 Technology Way, West Greenwich, RI 02817 ("GTECH") and Magnetec Corporation a Connecticut corporation. with offices at 61 West Dudley Town Road, Bloomfield, Connecticut 06002 ("VENDOR") sets out the terms and conditions under which VENDOR will sell the Products and provide the Services described in this Agreement and Attachments to GTECH.

1. Terms and Conditions

1.1 Products. As used in this agreement. "Products" means the products, as well as the VENDOR's recommended spare parts, subassemblies, operating supplies, maintenance kits, and options, if any, produced in accordance with the specifications attached hereto as Attachment 1 ("Specifications") and any subsequent modifications authorized in accordance with the terms of this Agreement. Products include pre-approved vendor model numbers in conjunction with the specification.

1.2 Services. As used in this Agreement, "Services" means the ancillary services, if any, to be provided by VENDOR in accordance with the terms of this Agreement including without limitation, those services described in Section 11 and 12 of this Agreement.

1.3 OEM Purchases, GTECH represents that the Products purchased under this Agreement are intended primarily for resale, rental or lease directly and indirectly to GTECH's customers under trademarks and trade names selected by GTECH for use in conjunction with GTECH systems or with other value added by GTECH, its subsidiaries or its distributors. Products may also be used by GTECH and its subsidiaries for their internal use.

1.4

[CONFIDENTIAL TREATMENT REQUESTED]

2. Ordering

2.1 Purchase Orders, All purchases under this Agreement will be made under purchase orders referencing this Agreement issued by GTECH or by any subsidiary or affiliate of GTECH. Purchase Orders will be deemed accepted by VENDOR unless rejected in writing by VENDOR specifying the reasons for rejection within fourteen (14) calendar days after receipt of the Purchase Order. Purchase orders may be rejected by VENDOR only if a Purchase Order does not comply

with the terms and conditions of this Agreement or proposes new or additional terms that are not acceptable to VENDOR.

2.2 Priority Orders. GTECH Purchase Orders for spare parts identified as "Priority Orders" shall be shipped within twenty-four (24) hours after receipt by VENDOR's Customer Service Division. In the event that Products ordered within the Normal Lead Time are overdue for delivery to GTECH, VENDOR shall ship replacement Product to GTECH at no cost to GTECH, and any premium air freight charges shall be prepaid by, and borne by VENDOR.

2.3 Provisioning Orders. GTECH Purchase Orders for spare parts identified as "Provisioning Orders" shall be shipped within twenty (20) days after receipt by VENDOR. Provisioning Orders shall not be decremented by placement of any Priority Orders, unless expressly requested by GTECH.

2.4

2.5 Rescheduling. GTECH may reschedule delivery of any Product or Service by written notice to VENDOR at anytime before the delivery date specified in the applicable Purchase Order, as specified in Attachment 3.

2.6 Cancellation for Convenience, GTECH may cancel any or all Purchase Orders or part thereof at any time prior to the scheduled delivery date. In such event, with respect to customized GTECH-specific Products which cannot be resold, GTECH and VENDOR will negotiate a reasonable cancellation charge based on VENDOR's cost, as supported by proper documentation, to be paid to VENDOR as liquidated damages as GTECH's sole obligation and VENDOR's sole remedy. In no event shall such cancellation charges exceed the amount specified in Attachment 2, Pricing.

2.7 Forecast. Any forecast is provided as a good faith estimate of GTECH's anticipated requirements for Products for the periods indicated based on current market conditions and does not constitute a commitment to purchase any quantity of Products or Services.

3. Shipping, Packaging, And Delivery

3.1 F.O.B., Title, Risk of Loss. Unless otherwise agreed, deliveries of Products will be made F.O.B. VENDOR's dock, continental U.S. facility. Subject to proper packaging, title and risk of loss shall pass to GTECH upon proper tender of the Products to the carrier. VENDOR will

provide proof of delivery upon request and will provide reasonable assistance to GTECH at no charge in any claim GTECH may make against a carrier or insurer for misdelivery, loss or damage to Products after title has passed to GTECH.

3.2 Shipment. VENDOR will ship Product in accordance with GTECH's instructions if a "promise date" is specified in the purchase order. In the absence of any other instructions, Products will be shipped by common carrier commercial land freight for delivery in the continental United States and by ocean freight for deliveries elsewhere, insurance and shipping charges collect.

3.3 Packaging. VENDOR shall affix to the outside of each shipment a list of contents, including serial numbers, to allow for review of contents upon receipt. Products shall be packaged in accordance with any special instructions in Attachment 1. Where no special instructions for packaging is provided, GTECH's general packaging specification, Attachment 6, (or current version supplied to VENDOR) shall be used.

3.4 International Shipments. If GTECH specifies delivery for international shipment by GTECH or GTECH's freight forwarder, VENDOR will be responsible for obtaining any necessary U.S. Department of Commerce export licenses, permits or approvals. GTECH will be responsible for any licenses, permits or approvals of the country of import.

3.5 Early Arrival. GTECH reserves the right to reject Products arriving at GTECH's facilities more than five (5) days before the "promise date" if one is specified in the Purchase Order.

4. Price

4.1 Unit Prices. The prices for Products, Services, (if separately priced) operating supplies, maintenance kits, and spare parts under this Agreement will be as specified in Attachment 2. Unless otherwise stated in Attachment 2, the prices and pricing formulas in Attachment 2 will remain in effect for the Term of the Agreement and any extensions. GTECH international subsidiaries may purchase Products under the same conditions as in Attachment 2, in U.S. dollars. Pricing for Products and Services may be renegotiated from time to time by mutual agreement of the parties.

4.2
[CONFIDENTIAL TREATMENT REQUESTED]
4.3

4.4 [CONFIDENTIAL TREATMENT REQUESTED]

5. Payment

6. Taxes and Duties

Attachment 2 sets forth all taxes applicable to the Products. GTECH will pay as a separate invoiced item only such sales, use, value-added or similar tax listed therein (all other taxes are excluded, including, without limitation, taxes based upon VENDOR's net income), lawfully imposed on the sale of the Products or provision of Services to GTECH. Taxes, duties or like charges imposed on the Products after title has passed to GTECH will be paid by GTECH unless such charges are the result of a trade sanction imposed on VENDOR's Products, as specified in Section 22.2, below. In lieu of taxes, GTECH may furnish to VENDOR a tax exemption certificate. VENDOR agrees to provide reasonable assistance to GTECH, without charge, in any proceeding for the refund or abatement of any taxes GTECH is required to pay under this Section 6.

7. Changes

7.1 Product Changes. VENDOR shall submit evaluation samples of all Products changes that affect form, fit, function, maintainability, repairability, reliability or appearance at least ninety (90) days before such changes are implemented. VENDOR shall forward (2) copies of all requests to make the changes generally described above to: GTECH CORPORATION, 55 Technology Way, West Greenwich, RI 028l7 Attention: Purchasing Agent. GTECH may, at its option, decline to have such changes incorporated into the Products. Proposed changes will not be incorporated into the Products until accepted in writing by GTECH. In no event will GTECH ever be deemed to have accepted any change in the price or delivery schedule without its prior written consent.

7.2 GTECH Changes. GTECH may request changes in the Products at any time or times during the term of this Agreement. If such changes in the Products will require changes in the prices and/or delivery schedule, VENDOR must respond promptly with a written change proposal

setting forth the changes in prices and/or delivery schedule. Such proposal, when signed by an authorized representative of GTECH, will become part of this Agreement. If VENDOR cannot respond within thirty (30) days, VENDOR must provide a written explanation to GTECH as to why they cannot and notify GTECH as to when they can, within thirty (30) day period. If VENDOR does not respond with a written communication within thirty (30) days after receipt of GTECH's request, such changes will be implemented without any alteration in the price and/or delivery schedule. Such changes are and shall remain the property of GTECH, and Vendor may not use such changes or disclose them to others without the prior written consent of GTECH.

7.3

8. Quality and Reliability Requirements

GTECH requires that the vendor have in place at their manufacturing facility or facilities, adequate quality and reliability safeguards to ensure that all product shipped to GTECH meets or exceeds all parameters called forth in the product specification, Attachment 1.

8.1 Vendor Survey. The Vendor will allow GTECH to perform a vendor survey at the vendor's facility or facilitates. This survey will include, but is not limited to, an audit of the manufacturing process, reviewing the yields at each inspection and test point in the manufacturing process, and review of the on-going reliability test data.

8.2 Final Test and Inspection Data. The vendor will make final test and inspection data (yield information), and on-going reliability test data available at the request of GTECH throughout the life of the product.

8.3 Test Equipment and Procedure Correlation. The test equipment and procedures used in the vendor's final inspection and test, will correlate with the test equipment and procedures used by GTECH; if correlation is not achieved within 30 days prior to the first production shipment, the vendor agrees to obtain additional test equipment and/or develop procedures which are capable of correlation. Said test equipment and procedures will be mutually agreed upon by both the vendor and GTECH OEM Test Engineering, Procurement Quality and Purchasing.

8.4 Source Inspection. The vendor will allow' GTECH (or its representatives) to perform source inspection at their facility (or facilities), using mutually agreed upon test equipment

and procedures. To do this in a timely fashion, the vendor will notify GTECH (or its representative) that source inspection is available at least one week prior to the requested source inspection date. Source inspection activity will continue, at the discretion of GTECH Procurement Quality Organization, throughout the life of the product, or until such time as the product meets or exceeds all requirements of the GTECH Ship-To-Stock program.

8.5

8.6 Failure Analysis and Corrective Actions. The vendor agrees to supply, within 15 calendar days of, written failure analysis and corrective actions for any in warranty devices failing to meet any and all form, fit, function, quality or reliability requirements called out in the product specification.

8.7 GTECH's fights with respect to non conforming goods. The testing procedures available to GTECH are discretionary and not mandatory. In the event GTECH chooses not to perform any or some portion of such testing, or such testing would not reasonably reveal a non conformance in the Products, GTECH reserves its fight under the Uniform Commercial Code to reject any shipment of Products and to purchase similar Products and be immediately reimbursed by the Vendor for the difference between the cost of such products and the Vendors' Products.

9. Insurance

9.1 Vendor Insurance Coverage. Vendors shall purchase and maintain throughout the life of this agreement, such insurance as will protect it and GTECH from claims set forth below which may arise out of or result from the Vendor's operations under this agreement whether such operations be by it or by any subcontractor or by anyone for whose acts any of them may be liable. Vendor shall cause GTECH to be named insured under all coverages except Workers Compensation. Appropriate endorsements will be attached to state that the vendors policy will be primary to any other policies that may be in effect.

9.2 Worker's Compensation and Employers Liability. Workers Compensation Insurance as required by statute, and if applicable contractors liability under the Federal Longshoremen and Harbor Workers Act. Employers liability coverage shall be in an amount of no less than $500,000.

9.3 Automobile Liability.- Policies should provide a minimum combined single limit of $1,000,000 for each occurrence of bodily injury and property damage.

9.4 Public Liability. Policies will provide a minimum of $1,000,000 per occurrence for bodily injury and property damage, endorsed at a minimum with the following coverages:

* Products and completed operations to the policy limits;
* Fire Legal Liability to policy limits;
* Blanket Contractual Liability to policy limits;
* Independent contractors inclusion to policy limits:
* Personal injury or the equivalent as provided by a Broad form Comprehensive general Liability Policy.

9.5 Umbrella Policy. An umbrella policy with limits of no less than $5,000,000 will be in place and will include all the above listed primary policies.

9.6 Crime Insurance. A Crime Insurance (Fidelity Bond) policy in the amount of $500,000 that will pay on behalf of the contractor to GTECH for losses caused by the dishonest acts of the Vendor or his employees, agents, or designees.

9.7 Proof of Insurance. Evidence of said insurance will be in the form of a certificate of insurance and will be provided within 10 days from the date of this agreement. Notification to GTECH will occur within 15 days of any cancellation or material change in coverage. In the event of a failure to furnish such proof or the cancellation or material change of such insurance, without prejudice to any other remedy GTECH may have, GTECH may terminate this agreement, or at its option, charge the cost of required insurance to the vendor. Coverage will be in effect with Insurance carriers licensed to do business in any state that the Vendor will perform its services and will be rated no less than A by the AM Best Company. All Certificates of Insurance are to be forwarded to: GTECH Corporation, 55 Technology Way, West Greenwich, RI 02817, ATTN: Risk Management Department.

10. Indemnity

11. Spare Parts

11.1 Recommended Spare Parts. VENDOR shall provide a Recommended Spare Parts List (RSL) for all Products covered by this Agreement (See attachment 2A). The RSL shall include all parts and assemblies necessary to repair and maintain the Products purchased under this Agreement. A separate RSL shall be supplied for each product model or configuration, identifying all common parts.

11.2 Non-Standard Parts, If the Product contains a part not readily available in the marketplace VENDOR shall make such part available to GTECH in accordance with Section 11.4.

11.3 Emergency Stock. VENDOR shall maintain an adequate supply of spare parts at its facility to support Priority Orders, as described in Section 2.2.

11.4 Spares Support. VENDOR shall make all spare parts including Non-Standard Parts as described in Section 11.2 above, available during the term of this Agreement and for a period of five (5) years thereafter. In the event VENDOR is unable to fill GTECH's Purchase Orders promptly, VENDOR shall make available, at no charge to GTECH, VENDOR's manufacturing drawings and specifications, list of suppliers, and information necessary to purchase and/or manufacture all parts and/or assemblies or subassemblies for the parts which are not available from the VENDOR, and Vendor shall be liable for the difference between GTECH's cost of manufacture and Vendor's sales price.

12. Repair Support

12.1 [CONFIDENTIAL TREATMENT REQUESTED]

12.2

12.3 Failure Analysis. VENDOR shall provide a failure analysis on each Product which is returned for repair under warranty. On serialized Products repair data shall be provided for each serialized unit returned. Vendor shall provide general failure data on out of warranty returns.

12.4 Repair Capabilities. GTECH reserves the fight to repair any out-of-warranty assemblies, subassemblies, or other items comprising the Product purchased under this Agreement. VENDOR will supply GTECH with the necessary documentation to repair the Products including the information listed under Sections 12.4, 12.5, 12.6, 12.7 and 12.8.

12.5 Test Equipment. VENDOR shall make available to GTECH, upon written request by GTECH, any test procedures, special tools, jigs, fixtures, diagnostics, programs, test equipment or supplies, with supporting documentation, necessary to repair the unit, any of the assemblies, subassemblies, piece parts, components, or other items comprising the Product purchased under this Agreement to component level.

12.6 Qualified Vendor List. VENDOR shall supply GTECH a qualified vendor list (QVL) for standard components used in the products purchased under this Agreement. This QVL shall include the manufacturers and vendors along with the corresponding part numbers for standard components used in the Product, any of the assemblies, subassemblies, piece parts, components, or other items comprising the Products purchased under this Agreement. Updates to this list shall be forwarded to GTECH CORPORATION, 55 Technology Way, West Greenwich, RI 02817 Attention: Procurement Agent Responsible for Commodity.

12.7 Diagnostics. VENDOR agrees to sell GTECH at prices to be mutually agreed upon, with supporting documentation, any of its diagnostics, test programs and test routines, necessary to repair to component level, the unit, any of the assemblies, subassemblies, piece parts, components, or other items comprising the Products purchased under this Agreement.

12.8

[CONFIDENTIAL TREATMENT REQUESTED]

13. Training

13.1 Initial Training. VENDOR agrees to provide, at no charge to GTECH, two (2) training classes with up to twelve (12) students per class at GTECH World Headquarters, 55 Technology Way, West Greenwich, RI or at Magnetec's facility at 61 West Dudley Town Road, Bloomfield, CT during the term of this Agreement. Pursuant to the above, GTECH shall: (1) reimburse VENDOR for instructors reasonable transportation and living expenses and, (2) provide equipment (or reimburse VENDOR for equipment transportation) as required to support training classes. VENDOR shall provide the instructor and his instructional materials for the above referenced classes. Training classes may be video taped for future us by GTECH.

13.2 Component Level Training. VENDOR shall provide at no charge to GTECH, such training necessary to enable GTECH to repair to a component level, the unit, any of the assemblies, subassemblies, or other items comprising the Products purchased under this Agreement. A minimum of one (1) of the training classes described in Section 13.1 may consist of Component Level Training, if desired.

13.3 Future Training. GTECH may schedule a maximum of three (3) students per quarter in VENDOR's regularly scheduled classes at GTECH World Headquarters, 55 Technology Way, West Greenwich, RI, or Magnetec's facility at 61 West Dudley Town Road, Bloomfield, CT, during the term of this agreement. GTECH agrees to pay a $65.00 per hour trainer charge.

14. Warranties

14.1 VENDOR represents and warrants that all Products delivered to GTECH under this Agreement will comply with applicable U.L, CSA, TUV and VDE standards and will comply with the applicable FCC rules for the type of Product involved, including type acceptance or certification where required. VENDOR will provide all necessary information and assistance to GTECH with respect to listings, certifications and approvals that are required to be in GTECH's name.

14.2 Authority. VENDOR warrants that: (a) it has the right to enter into this Agreement; (b) all necessary actions, corporate and otherwise, have been taken to authorize the execution and delivery of this Agreement and the same is the valid and binding obligation of VENDOR; (c) all licenses, consents and approvals necessary to carry out all of the transactions contemplated in this Agreement have been obtained by VENDOR; and, (d) VENDOR'S performance of this Agreement will not violate the terms of any license contract, note or other obligation to which VENDOR is a party.

14.3 Title: Infringement. VENDOR warrants that: (a) it has and shall pass to GTECH good title to the Products free and clear of all liens and encumbrances; (b) the Products do not infringe any patent, trademark or copyright or otherwise violate the rights of any third party; (c) no claim or action is, to the best of its knowledge, pending or threatened against VENDOR or, to VENDOR's knowledge, against any licenser or supplier of VENDOR that would adversely affect the right of GTECH or any customer of GTECH to use the Products for their intended use.

14.4 Conformance: Defects. Unless otherwise specified in Attachment 1, VENDOR warrants that the Products will: (a) be new: (b) conform to the Specification; (c) conform to the standards and procedures as set forth in the GTECH Quality And Reliability Procedure, Attachment 7; and, (d) be free from defects in materials and workmanship for a period of fifteen (15) months from date of shipment from VENDOR whether GTECH or a customer. Upon written notice from GTECH of a Product or part that fails to meet the foregoing warranty, VENDOR will promptly repair or replace such Products(s) within ten (10) calendar days of receipt by VENDOR of the failed or non-conforming Product or spare part.

14.5

14.6 Freight Charges on Non-Warranty Repairs. Freight charges directly associated with the repair of non-warranty products and/or spare parts shall be borne by GTECH.

15. BAILMENT AGREEMENT

Any tools, equipment, software, documentation or other materials supplied by GTECH to VENDOR whether separately listed or not, are made available pursuant to the terms and conditions of the GTECH Bailment Agreement attached hereto as Attachment 4 and are provided solely for use by VENDOR in its performance of this Agreement.

16. Tooling

Any Tooling purchased by GTECH for the manufacture of the Product, whether kept at GTECH's or VENDOR's premises, shall remain the property of GTECH for GTECH's exclusive use. The Tooling purchased by GTECH and used by VENDOR in the manufacture of this Product shall be stored and maintained by VENDOR but may be removed from the VENDOR's location at any time by GTECH, without notice, and at no additional cost to GTECH. VENDOR shall take such steps to protect GTECH's title to the Tooling as GTECH may reasonably request. At a minimum, VENDOR shall cause a sign to be affixed to such tooling stating "Property of GTECH Corporation".

17. Force Maejure

Either party shall be excused from its performance hereunder to the extent that its performance is prevented by fire, flood, acts of God, strikes or other causes beyond its reasonable control; provided that, the party claiming Force Maejure notifies the other in writing within five (5) days of the commencement of the condition preventing its performance and its intent to rely thereon to extend the time for its performance of this Agreement.

18. Confidentiality

18.1 VENDOR acknowledges and agrees that all documents, data, software or information in any form which are provided by GTECH (hereinafter "Confidential Information") is the property of GTECH. VENDOR will receive and maintain all Confidential Information in the strictest confidence and, except as provided herein, shall not use Confidential Information for its own benefit or disclose it or otherwise make it available to third parties without the prior written consent of GTECH. VENDOR agrees to limit the use of Confidential Information to only those of its employees who need Confidential Information for the purpose of this Agreement and to advise all of its employees of GTECH's rights in the Confidential Information. Nothing in this Agreement shall be construed as granting or conferring any rights by license or otherwise in any Confidential Information, trademarks, patents or copyrights of GTECH, except for the limited purposes of VENDOR's performance hereunder. Confidential Information does not include information which is: (a) in the public domain; (b) already known to the party to whom it is disclosed (hereinafter "Recipient") at the time of such disclosure; (c) subsequently received by Recipient in good faith from a third party having prior right to make such subsequent disclosure; (d) independently developed by Recipient without use of the information disclosed pursuant to this Agreement; (e) approved in waiting for unrestricted release or unrestricted disclosure by the party owning or disclosing the information (hereinafter "Discloser"); or (f) produced or disclosed pursuant to applicable laws, regulations or court order, provided the Recipient has given the Discloser written notice of such request such that the Discloser has an opportunity to defend, limit or protect such production or disclosure. At the request of a Discloser, and in any event upon the expiration or other termination of this Agreement, each Recipient shall promptly deliver to Discloser all products, components and equipment provided by Discloser as well as all records or other things in any media containing or embodying Discloser's Confidential Information within its possession or control which were delivered or made available to each Recipient during or in connection with this Agreement, including any copies thereof.

18.2 GTECH acknowledges and agrees that all confidential and proprietary information of VENDOR provided to GTECH, including, without limitation the manufacturing package and the printhead design and manufacture documents, data, software or information in any form (hereinafter "Confidential Information") is the property of VENDOR. GTECH will receive and maintain all Confidential Information in the strictest confidence, and, except as provided herein, shall not use Confidential Information for its own benefit or disclose it or otherwise make it available to third parties without the prior written consent of VENDOR. GTECH agrees to limit the use of Confidential Information to only those of its employees who need Confidential Information for the purpose of this Agreement and to advise all of its employees of VENDOR's rights in the Confidential Information. Nothing in this Agreement shall be construed as granting or conferring any rights by license or otherwise in any Confidential Information, trademarks, patents or copyrights of VENDOR, except for the limited purposes of GTECH's performance hereunder. Confidential Information does not include information which is: (a) in the public domain; (b) already known to the party to whom it is disclosed (hereinafter "Recipient") at the time of disclosure; (c) subsequently received by Recipient in good faith from a third party having prior right to make such subsequent disclosure; (d) independently developed by Recipient without use of

the information disclosed pursuant to this Agreement; (e) approved in writing for unrestricted release or unrestricted disclosure by the party owning or disclosing the information (hereinafter "Discloser"); or (f) produced or disclosed pursuant to applicable laws, regulations or court order, provided the Recipient has given the Disclosure written notice of such request such that the Disclosure has an opportunity to defend, limit or protect such production or disclosure. At the request of a Disclosure, and in any event upon the expiration or other termination of this Agreement, each Recipient shall promptly deliver to Disclosure all products, components and equipment provided by Disclosure as well as all records or other things in any media containing or embodying Disclosure's Confidential Information within its possession or control which were delivered or made available to each Recipient during or in connection with this Agreement, including any copies thereof.

19. Public Announcements

VENDOR agrees not to make any public announcements regarding this Agreement or to disclose any of the terms and conditions hereof to any third party without prior written consent of GTECH, except as may be required by law or court of competent jurisdiction.

20. Notices

All notices required or contemplated by this Agreement shall be deemed effective if written and delivered in person or actually received or if sent by registered mail, return receipt requested, or overnight delivery to GTECH at the address shown above to the attention of GTECH's Representative or to VENDOR at the address shown above to the attention of VENDOR's Representative; or such other persons or addresses as may hereafter be designated by the respective parties. Notices to GTECH under Section 19 hereof shall not be effective unless a copy is delivered personally, actually received or sent by registered mail, or overnight delivery, return receipt requested to the Office of the General Counsel of GTECH at the address shown above.

21. Assignment

This Agreement and the disclosure of confidential information hereunder is made in reliance upon VENDOR's reputation, skill and expertise. VENDOR agrees not to assign this Agreement or any right or obligation hereunder without the prior written consent of GTECH in each instance, which will not be unreasonably withheld. This Agreement may be assigned to any purchaser or transferee of substantially all of the VENDOR's business assets, without the consent of, but upon notice to GTECH. GTECH can cancel if an assignment is not acceptable to GTECH.

GTECH may assign its rights and/or obligations hereunder, in whole or in part, to any parent or subsidiary corporation, or any affiliate, without the consent of, but upon notice to, VENDOR.

22. Term and Termination

22.1 Terms. This agreement will commence on the 7th day of September, 1994, and will continue for [ ]. The Term is specified

above and includes any renewals or extensions unless terminated earlier as provided in this Agreement. Unless either party notifies the other in writing at least ninety (90) days before the end of the Terms of its intent to terminate this Agreement at the end of the Term, this agreement will be extended automatically and will continue in effect without any volume commitment until terminated by either party on ninety (90) days prior notice. Unless otherwise agreed in writing, the prices during any such extension shall be the prices in effect at the end of the term, as set forth in Attachment 2.

22.2 [CONFIDENTIAL TREATMENT REQUESTED]

22.3 Termination: By VENDOR. VENDOR may terminate this Agreement if; (a) GTECH fails to perform any of its obligations hereunder and such condition has not been cured within thirty (30) days of written notice thereof by VENDOR; provided that, VENDOR may not terminate this Agreement for reason of non-payment by GTECH of any amounts disputed in good faith, or (b) if any assignment is made of GTECH's business for the benefit of creditors; or, (c) if a petition in bankruptcy is filed by or against GTECH and is not dismissed within ninety (90) days, or if a receiver or similar officer is appointed to take charge of all or part of GTECH's property, or if GTECH is adjudicated a bankrupt.

22.4 Obligations of Termination. Upon expiration or termination of this Agreement for any reason, VENDOR shall promptly deliver to GTECH all tools, equipment, software documentation and other materials furnished to VENDOR by GTECH hereunder. VENDOR's obligations under Section 2, 9, 10, 11, 13, 15, 17, 18, 21 and 24 hereof shall survive expiration or Termination of this Agreement or its extensions regardless of the manner of Termination.

23. Conflicting Provisions

In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of any Purchase Order, typewritten terms added by GTECH on a Purchase Order shall control the terms and conditions of this Agreement, and the terms and conditions of this agreement shall control the printed terms and conditions on any purchase order. Typewritten terms added by GTECH on any purchase order shall apply to the Products and/or Services ordered under such individual Purchase Order. The terms and conditions of this agreement and, if applicable, the

typewritten terms and conditions added by GTECH on any purchase order shall prevail over any inconsistent terms and conditions contained in any Vendor acknowledgment or invoice.

Notwithstanding any assignment, VENDOR shall remain responsible for the full performance of all of the terms and conditions of this Agreement.

24. Manufacturing Rights.

Manufacturing Rights will be governed by Attachment 6.

25. Miscellaneous

This Agreement and Attachments and Purchase Orders issued and Accepted hereunder set forth the entire understanding of the parties with respect to the Products and merges all prior written and oral communications relating thereto. It can be modified or amended only in a writing signed by a duly authorized representative of each party. Section headings are provided for the convenience of reference only and shall not be construed otherwise.

Not failure to exercise, or delay in exercising, on the part of either party, any right, power or privilege hereunder shall operate as a waiver thereof, or will any single or partial exercise of any right, power or privilege hereunder preclude the further exercise of the same right or the exercise of any other right hereunder.

This Agreement is made pursuant to and shall be governed by the laws of the State of Rhode Island, without regard to its rules regarding conflict of laws. The parties agree that the courts of the State of Rhode Island, and the Federal Courts located therein, shall have exclusive jurisdiction over all matters arising from this Agreement.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT ON THE DATES MENTIONED BELOW.

MAGNETEC CORPORATION

BY /s/ Bart Shuldman
SIGNATURE

Bart Shuldman
NAME

President
TITLE

September 7, 1994
DATE

GTECH CORPORATION

BY /s/ John C. Smith
SIGNATURE

John C. Smith
NAME

Vice-President, Hardware
TITLE

September 7, 1994
DATE

GTECH CORPORATION

BY /s/ Peter A. Liakos
SIGNATURE

Peter A. Liakos
NAME

Director, Corporate Purchasing
TITLE

September 7, 1994
DATE

Exhibit 10.11

[OKIDATA LETTERHEAD]

April 26, 1996

Mr. Bart Shuldman
Ithaca Peripherals Incorporated
7 Laser Lane
Wallingford, CT 06492

Re: OEM Agreement

Dear Bart:

The purpose of this letter is to renew our OEM Agreement for another five (5) year term which will begin August 28, 1995 and expire August 28, 2000, with deliveries to be completed by February 28, 2001, and to replace Exhibit A with the new Exhibit A as attached. The terms and conditions of this new Agreement will be as stated in the OEM Agreement which we entered in January 21, 1991 and all subsequent agreed upon amendments made thereto.

This Agreement will be subject to the provisions of a Strategic Agreement upon execution of that Agreement between the Parties.

If you agree to this renewal contract, please indicate your acceptance by signing both originals in the space provided. Retain one duplicate original for your records and return the other to my attention.

Certain we appreciate our long standing business relationship as we look forward to continued success in the future.

Sincerely,

/s/ David L. Vaughn

David L. Vaughn
Manager, Legal Affairs

Enclosure

cc: T. Donahue
E. Morris
J. Rowley

Ithaca Peripherals Incorporated

/s/ Bart C. Shuldman

(Signature)

Bart C. Shuldman

(Name)

May 9, 1996

(Date)

T A B L E O F C O N T E N T S

OKIDATA OEM PURCHASE AGREEMENT

REVISED 1/24/90

OKIDATA

DIVISION OF OKI AMERICA, INC.

OEM PURCHASE AGREEMENT

Ithaca Peripherals, Inc. agrees to purchase and OKIDATA Division of OKI AMERICA, INC., (OKIDATA) agrees to sell the Product(s) together with their associated documentation, in the quantity specified in the annexed Exhibit A (the Specified Quantity), at the prices set forth in that Exhibit A and upon the terms and conditions set forth herein. "Products" as used herein and throughout the Agreement pertain to printers. "Standard product" refers to that Product available "off the shelf" from OKIDATA without modification to meet a particular custom configuration.

1. TERM OF AGREEMENT

The term of this Agreement shall be two (2) years commencing on the date on which the last of the parties executes this Agreement (the Effective Date). Orders placed during this twenty-four (24) month ordering period must be scheduled for delivery within thirty (30) months of the Effective Date.

2. CUSTOMER ORDERS

Purchases by Customer will be by individual written Customer purchase orders made during the term of this Agreement issued to and accepted by OKIDATA. Each purchase order, subject to the conditions set forth in Paragraph 4 below, shall set forth the desired delivery schedule for each Product.

3. PRICES

A. Subject to the conditions set forth in subparagraph B below, the unit price for the Specified Quantity and any quantity in excess thereof purchased by Customer shall be as set forth in Exhibit A.

B.

(i) [CONFIDENTIAL TREATMENT REQUESTED]

(ii)

5

(iii)

4.

A.

[CONFIDENTIAL TREATMENT REQUESTED]

5. RESCHEDULING OF DELIVERIES

A. With respect to any Standard Product on any single purchase order, Customer may, by issuing a written amendment to that purchase order, and upon the following conditions, reduce the quantity of the Standard Product to be delivered in accordance with the purchase order delivery schedule:

(i) There has been no prior reduction in delivery of that Product on that purchase order.

(ii) A new delivery schedule will be set forth in the amendment for Standard Products deleted from the original delivery schedule of the purchase order.

(iii) A maximum reduction of seventy-five (75%) percent of the quantity may be made provided the amendment is received by OKIDATA more than sixty (60) days prior to scheduled delivery.

(iv) A maximum reduction of fifty (50%) percent of the quantity may be made provided the amendment is received by OKIDATA between thirty-one (31) and sixty (60) days prior to scheduled delivery.

(v) Any attempted reduction exceeding the quantities set forth in this Paragraph 5, to the extent of the excess of the quantities specified in sub-paragraphs C and D, and any attempted reduction made within thirty (30) days prior to scheduled delivery may, at the option of

OKIDATA, be treated as a cancellation, effective on the date purchase order, and Customer shall pay the cancellation charges set forth in Paragraph 6 below.

B. Rescheduling of deliveries for Non-Standard Product will be quoted on a case by case basis and will vary from the above modification required and a fully executed addendum will be enjoined to this Agreement accordingly.

6. CANCELLATION CHARGES

A. In the event Customer cancels any purchase order or portion thereof, Customer, upon receipt of invoice shall pay OKIDATA cancellation charges computed for Standard Product as follows:

CANCELLATION NOTICE RECEIVED BY OKIDATA	CANCELLATION CHARGE
31 to 60 days prior to originally scheduled delivery date.	Ten (10%) percent of the Specified Quantity price.
Excess of 60 days	No charge.

Cancellation notices received within the thirty (30) day period prior to the originally scheduled delivery or attempted cancellation of a previously rescheduled deliveries will be void and of no force and effect, and Customer will be liable for the full unit price of each Standard Product.

B. Cancellation charges for "Non Standard Product" will vary depending on the extent that the "Non Standard Product" differ from the Standard Product as set forth in an addendum to this Agreement.

7. CUSTOMER FORECASTS

Once each month Customer will furnish to OKIDATA a written non-binding forecast of its requirements for the Product(s) for the ensuing one-hundred eighty (180) days.

8. PAYMENT

A.

[CONFIDENTIAL TREATMENT REQUESTED]

7

B.

9. PATENT INDEMNITY

A. OKIDATA shall defend or settle any suit or proceeding brought against Customer to the extent that such suit or proceeding is based on a claim that Products manufactured to OKIDATA's design and purchased hereunder constitute an infringement of an existing United States Patent, provided OKIDATA is notified promptly in writing and given complete authority, information and assistance required for defense of same, and OKIDATA shall pay all damages and costs awarded as a result thereof against Customer. OKIDATA, however, shall not be responsible for any cost, expense, or compromise incurred or made by Customer without OKIDATA's prior written consent.

B. In the event any Product furnished hereunder is, in OKIDATA's opinion, likely to or does become the subject of a claim of infringement of a patent, OKIDATA may, at its option and expense, procure for Customer the right to continue using the Product, replace same with a non-infringing Product of similar capability, or modify the Product so it becomes non-infringing. If, in OKIDATA's opinion, none of the foregoing alternatives is reasonably available to OKIDATA, OKIDATA may terminate this Agreement forthwith by written notice to Customer and, upon return or disposal of the Product in accordance with the written instructions of OKIDATA, refund the price paid by Customer, less straight line depreciation on the basis of a five (5) year life of the Product.

C. OKIDATA shall have no responsibility or liability for any claim of infringement (i) arising out of the use of its Products in combination with non-OKIDATA products, or (ii) if such infringement arises out of Product manufactured to Customer's design, or (iii) if such infringement arises as a result of a customer modification to the product.

D. The foregoing states the entire liability of OKIDATA with respect to infringement of any patent by the Products of OKIDATA or any parts thereof and, anything herein to the contrary notwithstanding, OKIDATA's liability to Customer hereunder shall in no event exceed the total price plus taxes and other associated charges paid to OKIDATA by Customer for each infringing Product purchased pursuant to this Agreement.

10. TERMINATION

This Agreement may be terminated or canceled as follows:

A. By either party at any time if the other party violates any provision of this Agreement. The defaulting party shall have a period of thirty (30) days from the date of receipt of written notice from the non-defaulting party describing the default within which to remedy the default. Should Customer be the defaulting party, OKIDATA, during the aforesaid thirty (30) day period, shall be relieved of any obligations imposed on it by this Agreement until the default is cured. The termination shall become effective at the end of the thirty (30) day period if the defaulting party has failed to remedy the default.

B. If either party (i) admits in writing its inability to pay its debts generally as they become due, or (ii) makes an assignment for the benefit of its creditors, or (iii) institutes or consents to the filing of a petition in bankruptcy, whether for reorganization or liquidation, under federal or similar applicable state laws, or (iv) is adjudged bankrupt or insolvent by a court having jurisdiction, then in either of such events, the other party may, by written notice, immediately terminate this Agreement.

C. Termination by OKIDATA of this Agreement or any other similar agreement with Customer shall be sufficient justification, at OKIDATA's option, and without liability to OKIDATA, for termination of any or all other Agreements between OKIDATA and Customer.

D. Customer's obligation to pay for all Products received by it hereunder shall survive termination of this Agreement. Moreover, should termination be effected by OKIDATA for any of the reasons set forth in this Paragraph 10, Customer shall be liable for the undelivered quantity of Products to the same extent as if Customer had canceled deliveries pursuant to Paragraphs 3.B. or 6 above, at OKIDATA's option.

11. SHIPPING AND RISK OF LOSS

All prices are F.O.B. OKIDATA's Cherry Hill, N.J. facilities. OKIDATA will package the Products in accordance with accepted standard commercial practices for normal shipment considering the type of Product involved and the normal risks encountered in shipments. Customer shall designate the method of shipment on each individual purchase order issued against this Agreement. OKIDATA shall arrange for shipment by the designated method. All transportation charges are freight collect.

12. LIMITATION OF LIABILITY

In no event will OKIDATA be liable for loss of profits or incidental, special, or consequential damages arising out of any breach of obligations under this Agreement, nor will OKIDATA be liable for any damages caused by delay in delivery of the Products being purchased hereunder.

13. TRAINING

OKIDATA will provide one course for six (6) Customer Employees for a period appropriate to the particular Product purchased (usually two (2) days). The course will be given at OKIDATA's Mt. Laurel facility and will be scheduled at a mutually agreeable time. OKIDATA will provide course material and documentation free of charge. Travel and living expenses are to be borne by Customer. Customer on-site training may be given at Customer's expense and in accordance with OKIDATA's policy at the time of execution of this Agreement.

14. VALUE ADDED

Customer warrants and represents that the Products purchased hereunder are for use and resale by Customer as part of, or as accessories to, equipment manufactured or assembled by Customer.

15. EXPORT RESTRICTIONS

Customer warrants that it shall not at any time make or permit any export or reexport of OKIDATA products directly or indirectly to any country, without full compliance with United States export laws and regulations as issued by the United States Department of Commerce, Office of Export Administration, as amended from time to time, as those laws and regulations apply to OKIDATA products, and all other things delivered to, or derived from things delivered to, Customer under the OEM Purchase Agreement. Customer's failure to comply with the requirements of this paragraph constitutes an event of default giving OKIDATA the right to terminate the OEM Purchase Agreement immediately.

16. CONFIDENTIALITY AND PROPRIETARY RIGHTS

Customer (including its agents and employees) warrants that it shall not disclose to any third party, or use or reproduce for any purpose whatsoever, and treat as proprietary to OKIDATA, OKIDATA's trade secrets, technical data, methods, processes or procedures or any other confidential, financial, or business information or data of OKIDATA which Customer has access to or becomes aware of during the course of its performance of the OEM Purchase Agreement, without the prior written consent of OKIDATA.

Nothing herein shall limit Customer's use or dissemination of information not derived from OKIDATA, or any information that was,

or subsequently has been, made public by OKIDATA. This obligation shall survive the cancellation or other termination of the OEM Purchase Agreement.

17. GENERAL PROVISIONS

A. All notices required to be given hereunder will be sent by registered or certified mail, return receipt requested, postage prepaid, forwarded to the appropriate party at the address shown below, or at such other addresses as that party may, from time to time, advise in writing, and which have been received in the ordinary course of post.

B. Neither party shall have the right to assign its rights or obligations under this Agreement except with the written consent of the other party, provided, however, that a successor in interest by merger, by operation of law, or by assignment, purchase or otherwise of the entire business of either party, shall acquire all interest of such party hereunder. Any prohibited assignment shall be null and void.

C. The failure of either party to enforce at any time the terms, conditions, requirements, or any other provisions of this Agreement shall not be construed as a waiver by such party of any succeeding non-performance of the same term, condition, requirement or any other provision of this Agreement.

D. The headings of paragraphs contained herein are for convenience and reference only and are not a part of this Agreement, nor shall they in any way affect the interpretation thereof.

E. The parties agree that if any portion of this Agreement shall be held illegal and/or unenforceable, the remaining portions of this Agreement shall continue to be binding and enforceable provided that the effectivity of the remaining portion of this Agreement would not defeat the overall business intent of the parties, or give one party any substantial financial benefit to the detriment of the other party.

F. This Agreement and its appendices shall be governed by the laws of the party against whom a claim is being made in any dispute, or if such claim is made in litigation, by the laws of the state of the defendant.

G. This Agreement constitutes the entire Agreement between the parties and supersedes all prior discussion either oral or in writing.

H. The terms and conditions of this Agreement will prevail notwithstanding any variance with the terms and conditions of any order or release submitted by Customer, or any release acknowledgment returned by OKIDATA. Except as expressly set forth in this Agreement, this Agreement shall not be deemed, or construed to be, modified, amended, rescinded, or canceled in whole or in part, except by written amendment executed by the parties hereto. I. EXHIBIT B, WARRANTY, AND EXHIBIT C, SPARE PARTS, attached hereto, are hereby incorporated herein by this reference.

IN WITNESS WHEREOF, the parties hereto have set their names on the dates hereinafter set forth.

ITHACA PERIPHERALS, INC. 767 Warren Road ITHACA, NY 13073	OKIDATA Division of OKI AMERICA, 532 Fellowship Road Mt. Laurel, New Jersey 08054
BY: /s/ S. SCOTT KUMPF	BY: /s/ D. L. VAUGHN
S. Scott Kumpf Typed name	David L. Vaughn Typed name
President Title	Mgr. Sales Operations Mgmt. Title
1/18/91 Date	1/21/91 Date

Exhibit 10.12

[CONFIDENTIAL TREATMENT REQUESTED]
INDICATES MATERIAL THAT HAS BEEN
OMITTED AND FOR WHICH CONFIDENTIAL
TREATMENT HAS BEEN REQUESTED, ALL SUCH
OMITTED MATERIAL HAS BEEN FILED WITH
THE COMMISSION PURSUANT TO RULE 406.

STRATEGIC AGREEMENT

BETWEEN

TRIDEX CORPORATION

AND

OKIDATA

TABLE OF CONTENTS

STRATEGIC AGREEMENT

This is a Strategic Agreement dated as of _____, between Tridex Corporation, a Connecticut Corporation, with offices at 61 Wilton Road, Westport CT 06880 (hereinafter "TPG") and OKIDATA, a Division of Oki America, Inc., a Delaware Corporation, with offices at 532 Fellowship Road, Mt. Laurel, NJ 08054 (hereinafter "Okidata").

Whereas, Okidata is a company engaged in the development, manufacture, marketing, sales, and service of computer peripherals and related consumables.

Whereas, TPG is a Division of Tridex Corporation engaged in the development, manufacture, and sale of Point of Transaction/Sale Systems.

Whereas, both companies desire to use their resources, alliances, and knowhow to grow together in the Point of Transaction/Sale marketplace.

Now therefore, in consideration of the mutual promises hereinafter set forth, and intending to be legally bound, the parties agree as follows:

A. The Overriding Character of this Agreement

1. Unless otherwise agreed by both parties in writing, This Strategic Agreement applies to all present and future Subsidiary Agreements, both domestic and international, between the parties, their subsidiaries and affiliates as it relates to sales and purchases of equipment utilized in the Point of Transaction/Sale Marketplace as further described in section four of this clause. Each Subsidiary Agreement will be appended to this Strategic Agreement as an addendum after its execution by the parties.

2. Unless otherwise agreed by both parties in writing for a specific transaction, no inconsistent or additional term or condition in any Subsidiary Agreement shall be applicable to a transaction within the scope of this Strategic Agreement. Both parties specifically agree that any terms and conditions in any Subsidiary Agreements which are in any way inconsistent with this Strategic Agreement shall be inapplicable and the terms of this Strategic Agreement shall govern unless such terms and conditions clearly indicate to the contrary.

3. The parties agree to use reasonable efforts to place a legend on each Subsidiary Agreement within the scope of this Strategic Agreement substantially as follows:

> "This Agreement is subject to the provisions of a Strategic Agreement dated _____, between the parties."

The terms of this Strategic Agreement shall, however, apply to any Subsidiary Agreement under its terms regardless of whether any such legend shall have been placed on same.

4. This Strategic Agreement will apply to forty column or less dot matrix printer products and thermal printer products which are used in equipment designed to support Point of Transaction/Sale processing (hereinafter "Products").

5. The parties will strive to produce products, sub-components, accessories, and consumables which provide the lowest cost and best value possible for the Point of Transaction/Sale marketplace.

B. Duration and Termination

1. The effective date of this Strategic Agreement is _____. Unless canceled according to the provisions of subparagraphs 2 and 3, below, this Agreement shall be in force and effect for a period of five (5) years from the effective date.

2. In case either party shall breach this Agreement or any attachments hereto, or be in default of the effective performance or any of the terms, conditions, covenant or agreements contained in this Strategic Agreement or any Subsidiary Agreement, the other party may give to such breaching or defaulting party written notice of such breach or default, and if such breaching or defaulting party does not effect an adequate cure thereof within sixty (60) days after the date of said notice, this Strategic and all Subsidiary Agreements may be terminated at the option of the complaining party by dispatch of written notice to that effect. The foregoing is in addition to any rights or remedies the non-defaulting party may have in law or in equity.

3. In the event that one of the parties to this agreement ceases to carry on its business or becomes the subject of any proceedings under state or federal law for the relief of debtors or otherwise become insolvent, bankrupt, or makes an assignment for the benefit of creditors, the other party, at its option, may terminate this Strategic Agreement or any Subsidiary Agreement by written notice to said party.

C.

[CONFIDENTIAL TREATMENT REQUESTED]

D.

1. [CONFIDENTIAL TREATMENT REQUESTED]

2.

E.

F. Proprietary Rights and Non-disclosure

1. Each party acknowledges that in the implementation of this Strategic Agreement it may receive information from the other which is considered to be a proprietary trade secret or which is copyrighted, trademarked or patented. Each party agrees to treat as confidential all such information received by it and so designated in writing as confidential, or if so designated verbally, said designation being confirmed in writing within ten (10) days. Said confidential information shall be held and used with the same degree of care to avoid disclosure as the receiving party would employ with respect to its own proprietary trade secret, confidential, or proprietary information.

2. The following information shall be deemed proprietary and confidential or as representing trade secret information and the obligation of this article shall not apply to any such material which:

   a. is known to the receiving party from third parties at time of receipt;

   b. is or becomes publicly known through no wrongful act of the receiving party;

   c. is developed independently by the receiving party; or

   d. is approved for release by written authorization from whichever party owns the information in question.

3. Except as required by law or to conform with the law, neither party will advertise, issue press releases or otherwise disclose the existence of this Agreement or any terms hereof or arrangements hereunder without the other parties prior written consent.

4. The provisions of this paragraph F shall survive termination of this Agreement for any reason.

5. The parties acknowledge that there is no adequate remedy at law for a breach by any party of the provisions of this paragraph F and agree that the non-breaching party shall have the right to seek and obtain injunctive relief with respect to any breach or threatened breach of the provisions of this paragraph F by the other party, provided that the right shall in no way diminish the jurisdiction of the arbitration provisions of paragraph G except in respect to the specific provisions of this paragraph.

G. Disputes

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the rules of the alternative dispute resolutions firm JAMS/Endispute or its successor or if no such successor exists, the Commercial Arbitration Rules of the American Arbitration Association, said arbitration to take place in Philadelphia, Pennsylvania, and judgement upon the award rendered by the arbitrator(s) may be entered into any court having jurisdiction thereof, and shall be non-appealable and fully enforceable.

H. Notice

Any notice, request, demand, or other communication that is required or permitted under this Agreement shall be deemed properly given if it is deposited in the United States Mail, postage prepaid, properly addressed as follows:

1. If to The Printer Group;
   7 Laser Lane
   Wallingford, CT 06492
   Attn.: Bart Shuldman
   President

2. If to Okidata;
   OKIDATA, Division of Oki America, Inc.
   532 Fellowship Road
   Mt. Laurel, NJ 08054
   Attn.: David L. Vaughn
   Manager, Legal Affairs

I. Force Majeure

Neither party shall be liable for any default hereunder due to causes beyond its reasonable control and occasioned without its fault or negligence including, but not limited to, acts of God, public enemy, fire, flood, shipwreck, strikes, freight and shipping embargoes, governmental order, regulations or action, provided that, in order to excuse its default hereunder for any one or more of the reasons enumerated above, upon the occurrence thereof, said party shall notify immediately the other of the existence of any such causes and best efforts will be made to correct the problem.

J. Entire Agreement

This Strategic Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof, there being no contemporaneous understandings, agreements or representations, promises or inducements whatsoever except any Subsidiary Agreements, and supersedes all prior agreements, promises, representations and warranties, written or verbal, between the parties.

K. Controlling Law

The validity, interpretation, and performance of this agreement shall be governed under the laws of the state of New Jersey without giving effect to its conflict of laws provisions.

L. Assignment

Neither party shall have the right to assign or otherwise transfer its rights and obligations under this Strategic Agreement or any Subsidiary Agreement except to a subsidiary of such party or with the prior written consent of the other party.

M. Non-Waiver

The failure of either party to enforce at any time the terms, conditions, requirements, or any other provisions of this Strategic or any Subsidiary Agreement shall not be construed as a waiver by such party of any right regarding any succeeding non-performance of the same term, condition, requirement or any other provision.

N. Paragraph Headings

The headings of paragraphs contained herein are for convenience and reference only and are not a part of this Strategic Agreement, nor in any way affect the interpretation thereof.

O. Severability

The parties agree that if any portion of this Strategic Agreement or any Subsidiary Agreement shall be held illegal and/or unenforceable, the remaining portions of this Strategic Agreement shall continue to be binding and enforceable provided that the remaining portion of this said Agreement would not defeat the overall business intent of the parties, or give one party any substantial financial benefit to the detriment of the other party.

P. Independent Contractors

The relationship of the parties as established under this Strategic Agreement shall be and at all times remain one of independent contractors, and neither party shall at any time or in any way represent itself as being an agent, partner or other representative of the other party or as having authority to assume or create obligations or otherwise act in any manner on behalf of the other party.

IN WITNESS WHEREOF, the parties have executed this Strategic Agreement by duly authorized representatives as of the date first set forth above.

Tridex Corporation	OKIDATA, Division of Oki America, Inc.
By: /s/ Seth M. Lukash	By: /s/ David L. Vaughn
Name: Seth M. Lukash (Printed or Typewritten)	Name: David L. Vaughn (Printed or Typewritten)
Title: Chairman CEO	Title: Mgr., Legal Affairs
Date: May 9, 1996	Date: May 8, 1996

EXHIBIT 10.13

LEASE OF INDUSTRIAL PROPERTY

FOR AND IN CONSIDERATION of the mutual covenants herein contained, the parties hereto do hereby agree as follows:

1. Incorporated Terms. The following terms are incorporated by reference into this Agreement:

(a) DATE OF LEASE: August 1, 1994

(b) NAME AND ADDRESS OF LANDLORD: PYRAMID CONSTRUCTION COMPANY
275 North Franklin Turnpike
P.O. Box 369
Ramsey, NJ 07446-0369

(c) NAME AND ADDRESS OF TENANT: MAGNETEC CORP.
61 W. Dudley Town Road
Bloomfield, CT 06002

(d) DESCRIPTION OF PROPERTY: Nine (9) acres in Wallingford, CT, consisting of 10,000 s.f. of office space and 32,000 s.f. of light manufacturing located in Medway Park, and shown as Lot 2 on the Resubdivision Plan prepared by Angus L. McDonald & Associates dated November 2, 1993.

(e) TERM OF LEASE: Ten (10) Years

Commencement Date: April 1, 1995

Expiration Date: March 31, 2005

(f) PERMITTED USE: Office and light manufacturing and use incidental thereto.

(g) SECURITY DEPOSIT: None

(h) BROKER: None

(i) RIDERS TO LEASE: Option to Expand the Premises
Option to Purchase Property
Guaranty of Lease

(j) TENANT's S.I.C. NUMBER: _____

(k) FIXED RENTAL SCHEDULE:

The Fixed Rent payable by Tenant to Landlord shall be at the annual rate and payable in the monthly installments as follows:

Period	Monthly Installment	Annual Rate
04/01/95-03/31/00	$22,220.00	$266,640.00
04/01/00-03/31/05	$25,930.00	$311,160.00

(l) ESTIMATED MONTHLY ADDITIONAL RENT: $4,000.00

(m) GUARANTOR: Tridex Corporation

2. Description of Property. Landlord hereby leases to Tenant and Tenant hereby hires from Landlord, the land (the "Land"), building (the "Building") and other improvements described in Section 1(d) (collectively the "Property") and shown on the site plan attached hereto as Exhibit A. Exhibit A sets forth the general layout of the building and property and no material changes shall be made

to the plan without Tenant's consent. Landlord shall, at its sole cost and expense, obtain all necessary governmental approvals for construction of the building, and Landlord shall perform all work with respect to the building and site improvements in conformance with Exhibit B attached hereto. Landlord and Tenant acknowledge that complete construction drawings will replace Exhibit B in this Lease once said drawings are prepared. The substituted Exhibit B shall be in conformance with Exhibit B as originally made a part hereto and acceptable to both parties.

3. Term. The term of the Lease (the "Term") shall commence on the date set forth in Section 1(e) (the "Commencement Date") and terminate on the date set forth in Section 1(e) (the "Expiration Date"), except as hereinafter provided.

Notwithstanding the above, the Lease Term shall commence on the Occupancy Date, which shall be deemed to mean the earlier of (a) the date on which Tenant takes occupancy and conducts business, or (b) the date on which Landlord has obtained a Certificate of Occupancy or temporary Certificate of Occupancy (provided the municipal authorities allow use and occupancy under a temporary certificate of occupancy) for the Property and has substantially completed same and made same available for Tenant's occupancy, provided that Landlord shall have given Tenant thirty (30) days' written notice of the date on which the Building is to be substantially completed and available to Tenant. "Substantially completed" shall mean that Landlord's work is in compliance with the plans and specs in Exhibits B and C and subject only to minor punchlist items on the punchlist provided by Tenant pursuant to Article 10 which will not materially interfere with Tenant's use and occupancy of the Premises.

When the commencement and expiration dates of the Lease term have been determined, as provided herein, Landlord and Tenant shall execute and deliver a written statement, in recordable form, specifying the commencement and expiration dates of the Lease Term. Such statement, when so executed and delivered, will be deemed to be incorporated in, and become a part of, this Lease.

Landlord may not be able to deliver possession of the Property to Tenant on the date specified in Section 1(e) as the Commencement Date. Landlord shall not be liable to Tenant if Landlord does not deliver possession of the Property to Tenant on the specified Commencement Date. In such event the Commencement Date shall be delayed until possession of the Property is delivered to Tenant and the Term shall be extended for a period equal to the delay in delivery of possession of the Property to Tenant, plus the number of days necessary to end the Term on the last day of a month. In the event Landlord has not received site plan approval one day after the October Planning Board Meeting, Tenant may terminate this Lease by providing Landlord with written notice of Tenant's election to terminate. Tenant must provide said notice no later than seven (7) days after the October Planning Board Meeting. If Landlord does not deliver possession of the Property to Tenant by June 1, 1995, Tenant may elect to cancel this Lease by giving written notice to Landlord no later than ten (10) days after the period ends, and neither party shall have any further obligations to the other under this Lease.

If Tenant occupies and uses the Property for normal operations prior to the Commencement Date, the Term of the Lease shall then commence, but the Expiration Date shall not be advanced. Tenant's early occupancy of the Property shall be subject to all of the provisions of this Lease and Tenant shall pay the rent and all other charges specified in this Lease from the Tenant's occupancy date.

If delivery of possession of the Property to Tenant is on a date other than the specified Commencement Date, at the request of either party, Landlord and Tenant shall execute an instrument setting forth the Commencement Date and Expiration Date.

The first Lease year shall be the period commencing on the Commencement Date and ending twelve calendar months thereafter, provided, however, that if the Commencement Date is not the first day of a month, the first Lease Year shall commence on the Commencement Date and end twelve calendar months from the last day of the month in which the Commencement Date occurs. Each succeeding twelve calendar month period thereafter shall be a Lease Year.

4. Fixed Rent. Tenant shall pay to Landlord at the address(es) set forth in Section 1(b), or to such other person or at such other place as Landlord may

from time to time designate, without previous demand therefor and without counterclaim, deduction or set-off, the rent ("Fixed Rent") set forth in Section 1(k), such Fixed Rent to be payable in monthly installments in advance on the first business day of each month during the term of the Lease. If the Commencement Date shall be other than the first day of a calendar month, Tenant shall pay on the Commencement Date, the proportionate amount of Fixed Rent for the balance of such month. The first monthly installment of Fixed Rent will be paid by Tenant upon closing title for the purchase of the property by Landlord for Tenant's building.

5. Net Lease. It is the intention of Landlord and Tenant that this is a net Lease and that the Fixed Rent shall be absolutely net to Landlord and that Tenant shall be solely responsible for and pay all costs for the use, operation, maintenance, care and repair of the Property, except as otherwise expressly provided herein. All obligations with respect to the Property payable by Tenant other than the Fixed Rent are additional rent under this Lease. The term "rent" means the Fixed Rent and additional rent.

6. Real Property Taxes. (a) Tenant shall pay all real property impositions during the Term. As used herein, the term "real property impositions" means (i) any tax, assessment or other governmental charge of any kind which at any time during the Term may be assessed, levied, imposed upon or become due and payable with respect to the Property; (ii) any tax on the Landlord's right to receive, or the receipt of rent or income from the Property (excluding all federal or state income tax), or against Landlord's business of leasing the Property; (iii) any tax or charge for fire protection, refuse collection, streets, sidewalks or road maintenance or other services provided to the Property by any governmental agency; and (iv) any tax replacing or supplementing in whole or in part any tax previously included within the definition of real property impositions under this Lease. During the first and last years of the Term, the real property impositions payable by Tenant shall be prorated for the fraction of the tax fiscal year included in the Term.

(b) Tenant shall pay real property impositions (as defined in Paragraph (a) of this Section) to Landlord in monthly installments (in the manner set forth in Section 4) on an estimated basis as determined by Landlord. Landlord may adjust such estimate at any time and from time to time based upon Landlord's experience and anticipation of such impositions. After the end of each calendar year during the term, Landlord shall deliver to Tenant a statement setting forth the actual real property impositions for such calendar year for which estimated payments were made, the amount paid by Tenant on account thereof, and the amount due to or from Tenant. If Tenant has paid less than the actual amount due, Tenant shall pay the difference to Landlord (in the manner set forth in Section 4) within ten (10) days after Landlord's request therefor. Any amount paid by Tenant which exceeds the amount due shall be credited against the next succeeding estimated payments due hereunder, unless the Term has then expired, in which amount the excess amount shall be refunded to Tenant.

(c) If an assessment for public improvements is levied against the Property, Landlord shall be deemed to have elected to pay such assessment in the maximum number of installments then permitted by law (whether or not Landlord actually so elects), and Tenant shall pay the installments payable during or attributable to the Term, together with any interest due as a result of the installment payments. Any installment for a period during which the Commencement Date or Expiration Date occurs shall be prorated for the fraction of the period included in the Term. Tenant may prepay the entire assessment in one installment on the balance at any time if this will result in a net tax savings on the property.

(d) Real property impositions do not include Landlord's federal or state income, franchise, inheritance or estate taxes and Tenant shall have no obligation in connection therewith.

(e) Tenant shall not, without Landlord's prior written consent, which shall not be unreasonably withheld, institute or prosecute any appeal or other proceeding with respect to any assessments for real property impositions or assessments for public improvements levied, assessed or imposed upon or against the Property. Landlord will bring such proceeding at Tenant's cost. In the event Landlord is not using a contingency firm to appeal taxes, and Landlord is in the process of finding a firm to appeal the taxes, Landlord will notify Tenant

and within fifteen (15) days, Tenant may provide a proposed contract with a firm to handle the appeal and Landlord will use said firm so long as the cost for the firm proposed by Tenant is materially less than one the Landlord would have employed.

7. Insurance. (a) Landlord's Insurance. At all times during the term of this Lease, Landlord will carry and maintain fire and extended coverage insurance at full replacement cost agreed value, boiler, rental value insurance, and sprinkler insurance covering the Property, and public liability (at a minimum of $5,000,000 on a per occurrence basis) and property damage insurance in such amounts as Landlord determines from time to time in its reasonable discretion. Tenant will pay Landlord, as additional rent, for the costs of all such insurance in accordance with the manner set forth for real property taxes under Section 6(b) of the Lease.

(b) Tenant's Insurance. At all times during the term of this Lease, Tenant will carry and maintain, at Tenant's expense, the following insurance, in the amounts specified below or such other amounts as Landlord may from time to time reasonably request, with insurance companies and on forms satisfactory to landlord:

(i) Public liability and property damage liability insurance, with a combined single occurrence limit of not less than $1,000,000.00. All such insurance will specifically include, without limitation, contractual liability coverage for the performance by Tenant of the indemnity agreements set forth in Section 25 of this Lease.

(ii) Fire and extended coverage insurance covering all leasehold improvements in the Premises and all of Tenant's merchandise, equipment, trade fixtures, appliances, furniture, furnishings and personal property, from time to time in, on, or upon the Premises, in an amount not less than the full replacement cost without deduction for depreciation from time to time during the term of this lease, providing protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, special extended peril (all risk), boiler, flood, glass breakage and sprinkler leakage. All policy proceeds will be used for the repair or replacement of the property damaged or destroyed; however, if this Lease ceases under the provisions of Section 19 , Tenant will be entitled to any proceeds resulting from damage to Tenant's merchandise, equipment, trade fixtures, appliances, furniture and personal property, and Landlord will be entitled to all other proceeds.

(iii) Workmen's compensation insurance insuring against and satisfying Tenant's obligations and liabilities under the workmen's compensation laws of the state in which the Premises are located.

(c) Forms of the Policies. All policies of liability insurance which Tenant is obligated to maintain according to this Lease (other than any policy of workmen's compensation insurance) will name Landlord and such other persons or firms as Landlord specifies from time to time as additional insureds. Original or true copies of original policies (together with copies of the endorsements naming Landlord and any others specified by Landlord as additional insureds) and evidence of the payment of all premiums of such policies will be delivered to Landlord prior to Tenant's occupancy of the Premises and from time to time at least thirty (30) days prior to the expiration of the term of each such policy. All public liability and property damage liability policies maintained by Tenant will contain a provision that Landlord and any other additional insureds, although named as an insured, will nevertheless be entitled to recover under such policies for any loss sustained by Landlord and such other additional insureds, its agents and employees as a result of the acts or omissions of Tenant. All such policies maintained by Tenant will provide that they may not be terminated or amended except after thirty (30) days' prior written notice to Landlord. All public liability, property damage liability and casualty policies maintained by Tenant will be written as primary policies, not contributing with and not supplemental to the coverage that Landlord may carry. No insurance required to be maintained by Tenant by this Section 7 will be subject to more than a $5,000.00 deductible limit without Landlord's prior written consent. All Tenant's policies required to be maintained under this Lease shall contain "severability of interests" and "cross liability" endorsements, and such policies shall be written by an insurance company having a Best Rating of A (VI) or better.

(d) Adequacy of Coverage. Landlord, its agents and employees make no representation that the limits of liability specified to be carried by Tenant pursuant to this Section 7 are adequate to protect Tenant. If Tenant believes that any of such insurance coverage is inadequate, Tenant will obtain, at Tenant's sole expense, such additional insurance coverage as Tenant deems adequate.

(e) Inadequate Insurance. Upon failure of Tenant to comply with the provisions of Section 7, in addition to any other rights and remedies of the Landlord, Landlord shall have a right to obtain such insurance, to pay the premiums for the same, and to recover the cost of such insurance at once as additional rent due from Tenant to Landlord under this Lease. In the event Landlord fails to obtain insurance as specified in 7(a), Tenant, after notice to Landlord and Landlord not obtaining required insurance within seven (7) days, shall have a right to obtain and pay premiums for same and to recover the cost at once from Landlord.

(f) Waiver of Subrogation. Landlord and Tenant each waive any and all rights to recover against the other or against any other tenant or occupant of the property, or against the officers, directors, shareholders, partners, joint venturers, employees, agents, customers, invitees or business visitors of such other party or of such other tenant or occupant of the property, for any loss or damage to such waiving party arising from any cause covered by any insurance required to be carried by such party. Landlord and Tenant, from time to time, will use their respective insurers to issue appropriate waiver of subrogation rights endorsements to all policies of insurance carried in connection with the property or the Premises or the contents of the property or the Premises. Tenant agrees to cause all other occupants of the Premises claiming by, under, or through Tenant to execute and deliver to Landlord such a waiver of claims and to obtain such waiver of subrogation rights endorsements.

8. Utilities. Tenant shall pay, directly to the appropriate supplier, the cost of all light, power, natural gas, fuel, oil, sewer service, sprinkler stand-by service, water, telephone, refuse disposal and other utilities and services supplied to the Property. Landlord shall not be liable to Tenant, and Tenant's obligations under the Lease shall not be abated, in the event of any interruption or inadequacy of any utility or service supplied to the Property. Landlord will, however, be liable to Tenant in the event of interruption or inadequacy of any utility due to Landlord's negligence. Tenant shall have the right to contract for additional utilities supplied to the Premises, provided Tenant undertakes all costs necessary to bring such additional utilities to the property and subject to Landlord's review and approval of plans and specifications for additional utility service. Said Landlord consent is not to be unreasonably withheld.

9. Use of Property. (a) The Property may only be used for the use set forth in Section 1(f) and all uses incidental thereto.

(b) Notwithstanding the foregoing, Tenant shall not use or permit the Property to be used for (i) any unlawful purpose; (ii) in violation of any certificate of occupancy covering the Property; (iii) any use which may constitute a public or private nuisance or make voidable any insurance in force relating to the Property; (iv) any purpose which creates or produces noxious odors, smoke, fumes, emissions, noise or vibrations; or (v) any use which involves or results in the generation, manufacture, refining, transportation, treatment, storage, handling or disposal of petroleum products or hazardous substances or wastes. However, the Tenant may store and handle substances which are classified as hazardous provided they are incidental to the normal operation of an office and light industrial manufacturing facility, and further provided that such substances are stored, handled and disposed of in accordance with applicable State and Federal statutes and regulations.

(c) Tenant shall not cause or permit any overloading of the floors of the Building. Tenant shall not install any equipment or other items upon or through the roof, or cause openings to be made in the roof, without Landlord's prior written consent. Tenant shall not install any underground storage tanks or facilities at the Property.

(d) No storage of any goods, equipment or materials shall be permitted outside the Building on the Property; however, overnight parking of

company vehicles not storing goods is permissible on a temporary basis. Temporary shall be defined as not longer than two (2) nights.

10. Existing Conditions. Upon five (5) days written notice by Landlord to Tenant, Tenant will conduct a walk-through inspection of the Premises with Landlord and prepare a punch-list of items needing additional work by Landlord. Other than the items specified in the punch-list, by taking possession of the Premises, Tenant will be deemed to have accepted the Premises in their condition on the date of delivery of possession; however, Landlord will be responsible for repairs of latent defects in the structure or in any mechanical system for twelve (12) months from the Commencement Date. The punch-list will not include any damage to the Premises caused by Tenant's move-in or early access, if permitted. Damage caused by Tenant will be repaired or corrected by Landlord, at Tenant's expense. Tenant acknowledges that neither Landlord nor its agents or employees have made any representations or warranties as to the suitability or fitness of the Premises for the conduct of Tenant's business or for any other purpose, nor has Landlord or its agents or employees agreed to undertake any alterations or construct any improvements to the Premises except as expressly provided in this Lease and Exhibits B and C to this Lease. If Tenant fails to submit a punch-list to Landlord within three (3) business days of Tenant's inspection, it will be deemed that there are no items needing additional work or repair (except for latent defects). Landlord's contractor will complete all reasonable punch-list items within thirty (30) days after the walk-through inspection or as soon as practicable after such walk-through.

11. Maintenance and Repairs. (a) Tenant shall keep and maintain the Property (including all structural, non-structural, exterior, interior and landscaped areas, and systems and equipment) in good order, condition and repair during the Term. Tenant shall promptly replace any portion of the property or any systems or equipment thereof which cannot be fully repaired. All repairs and replacements shall be performed in a good and workmanlike manner. All of Tenant's obligations to maintain and repair the Property shall be accomplished at Tenant's sole expense. Tenant shall not be responsible to repair damages occasioned by Landlord's negligence.

(b) Tenant shall keep and maintain all portions of the Property and the parking areas, sidewalks and landscaped areas, in the same condition as received from Landlord, reasonable wear and tear excepted, free of dirt and rubbish, and clear the parking areas and sidewalks of accumulations of snow and ice.

(c) During the Term, Tenant shall procure and maintain the following service contracts: (i) contract for inspection and maintenance of the roof of the Building (the inspections pursuant to such contract shall be made at least annually); (ii) contract for the inspection, service, maintenance and repair of all heating, ventilating and air conditioning equipment installed in the Building (the inspection pursuant to such contract shall be made at least quarterly); (iii) contract for maintenance of the landscaped areas of the Property; however, Tenant is not obligated to provide a service contract for maintenance of landscaping provided Tenant adheres to the maintenance obligations set forth in (b) above; and (iv) contract for the inspection, testing, service, maintenance, and repair of the sprinkler system in accordance with the requirements of the National Fire Protection Association (NFPA) and the governmental bodies having jurisdiction. The identity of each contractor and each contract shall be subject to Landlord's reasonable approval. Copies of reports of inspections made hereunder shall be promptly supplied to Landlord.

12. Alterations and Improvements. (a) Tenant shall not make any alterations, additions or improvements to the Property (the "Alterations") without Landlord's prior written consent, except for interior non-structural Alterations which do not exceed $10,000.00 in cost which are not visible from the outside of the Building and which meet all applicable laws and building codes, and which do not affect the insurability or cost of insuring the Premises. In no event shall Alterations reduce the size of the Building or reduce the value of the Property. Tenant shall submit to Landlord detailed plans and specifications for Alterations requiring Landlord's consent and reimburse Landlord for all reasonable expenses incurred by Landlord in connection with its review thereof. Tenant shall also provide to landlord for its reasonable approval the identity of the contractor Tenant proposes to employ to construct

the Alterations for those Alterations requiring Landlord's consent. All Alterations shall be accomplished in accordance with the following conditions:

(1) Tenant shall procure all governmental permits and authorizations for the Alterations, and obtain and provide to Landlord an official certificate of occupancy and/or compliance upon completion of the Alterations, if appropriate.

(2) Tenant shall arrange for extension of its general liability insurance to apply to the construction of the Alterations. Further, Tenant shall procure and maintain Builders Risk Casualty Insurance in the amount of the full replacement cost of the Alterations and statutory Workers Compensation Insurance covering persons employed in connection with the work.

(3) Tenant shall construct the Alterations in a good and workmanlike manner utilizing materials of quality commensurate with others in the building and in compliance with all laws and governmental regulations.

(b) Upon completion of the Alterations, if Landlord so requests, Tenant shall provide Landlord with "as built" reproducible transparency plans of the Alterations; however, Tenant will not be required to provide plans for non-structural alterations which do not require a building permit.

(c) Alterations shall be the property of Landlord and shall remain on the Property upon termination of the Lease or, if Landlord so requires, a portion of or all Alterations shall be removed by Tenant on or prior to the termination of the Lease and Tenant shall restore the Property to its condition prior to such Alterations, reasonable wear and tear excepted. Landlord will, upon Tenant's request, notify Tenant of those Alterations which must be removed at Lease end.

13. Covenant Against Liens. Tenant shall not have any right to subject Landlord's interest in the Property to any mechanic's lien or any other lien whatsoever. If any mechanic's lien or other lien, charge or order for payment of money shall be filed as a result of the act or omission of Tenant, Tenant shall cause such lien, charge or order to be discharged or appropriately bonded within twenty (20) days after written notice from Landlord thereof, and Tenant shall indemnify and save Landlord harmless from all liabilities and costs resulting therefrom.

14. Signs. Tenant shall not place any signs on the Property without Landlord's prior written approval of its design, location and manner of installation, such approval not to be unreasonably withheld. In no event shall any sign be installed on the roof or above the parapet height of the Building. Tenant shall remove its signs upon termination of this Lease and restore the Property to its condition prior to installation of the signs, reasonable wear and tear excepted.

15. Compliance with Law. Tenant shall take all necessary action to conform to and comply with all laws, orders and regulations of any governmental authority or Landlord's or Tenant's insurers, or any Landlord's Mortgagee, now or hereafter applicable to the Property or Tenant's use or occupancy. Tenant shall obtain all permits, including a certificate of occupancy, necessary for Tenant's occupancy or use of the Property. Tenant has no obligation to obtain a certificate of occupancy for any work specified to be done by Landlord in the approved plans and specifications in Exhibit B. If the Tenant must make any capital expenditure in accordance with this section, which expenditure is not due to Tenant's specific use, Tenant will only pay a portion of the expense, said portion to be calculated as the number of years remaining on the Lease Term, or Extended Lease Term, divided by the depreciable life of the capital expenditure under generally accepted accounting principles multiplied by the capital expenditure. Tenant will not be required to make any capital expenditures to conform the property to any laws, orders and regulations of any governmental authority which were in existence as of the date of receipt of a building permit for construction of the facility.

16. Environmental Representations and Compliance. (a) The Tenant, its officers, partners, employees, agents and subsidiaries, agree to indemnify, defend and hold the Landlord, its officers, partners, employees, successors or assigns, harmless from any and all claims, causes of action, and any and all damages, liabilities, costs and expenses of any kind whatsoever, including fines,

assessments, clean-up costs, shut-down fees, contractor's costs and actual attorney fees, which arise out of, are asserted on account of, or traceable to Tenant's use, storage, manufacture, dumping, leakage or the carrying on of any activities or occurrence upon the Premises that is the subject of this Lease relating to oil, waste oil, thinners, spirits, materials all petro-chemical by-products, and any substance, material or compound classified as toxic or hazardous under any federal, state or local environmental law, and any other material or compound known to have an adverse environmental impact. However, nothing herein contained shall make Tenant responsible for conditions existing prior to Tenant's occupancy.

(b) In addition, Tenant hereby makes the following representations with respect to Tenant's occupancy and use of the Premises to Landlord, understanding that Landlord shall and does in fact rely thereon. Tenant shall also indemnify, defend and hold Landlord harmless from any and all claims, costs, damages, expenses, attorney fees, and causes of action arising as a result of, or associated with these representations made by Tenant. However, nothing herein contained shall make Tenant responsible for conditions existing prior to Tenant's occupancy. (Note: Although clauses (1) through (4) below are representations made in the present tense, these representations shall be considered in compliance provided the representations are in fact accurate at the time of occupancy and thereafter):

(1) Air Quality:

(i) Tenant represents that any and all air emission permits required by state, local or federal authorities have been properly obtained and will remain in force.

(ii) Tenant represents that its facility is in compliance with any conditions attendant to such permits.

(iii) Tenant represents that its facility is and will remain in compliance with Occupational Safety Health Act requirements governing exposure of workers to hazardous materials in the workplace.

(2) Water Pre-Treatment:

(i) Tenant represents that any present discharge of industrial waste water into the sewer system has been properly permitted by local, state or federal authorities.

(ii) Tenant represents that all permits have been properly complied with and that Tenant is not in violation of any permits, ordinances, or compliance requirements.

(3) Underground Storage Tanks:

(i) Tenant acknowledges that there are presently no underground storage tanks upon the property and that none will be installed without Landlord's specific written consent.

(4) Water Discharge:

(i) Tenant represents that any permits for such water discharge have been properly obtained and are current and that Tenant is in compliance therewith.

However, in the event of unintentional violation of any of these representations, Tenant shall be entitled to the notice and cure rights provided in Section 23 hereof.

(c) Tenant further understands and agrees that Landlord shall be entitled to enter upon the Premises to conduct environmental audit inspections, tests, borings, samplings and the like which Landlord deems reasonable and necessary to determine the environmental status of the property at Landlord's sole cost and expense. Landlord shall provide prior notice and agrees not to interfere with Tenant's occupancy; Landlord to repair any damage done to Premises; Landlord to indemnify Tenant for any damage or accidents.

(d) Tenant agrees that it shall, at its sole cost and expense, fulfill, observe and comply with all of the terms and provisions of all federal, state and local environmental laws now in effect or hereinafter enacted, as any of the same may be amended from time to time, and all rules, regulations, ordinances, opinions, orders and directives issued or promulgated pursuant thereto or in connection therewith, as and to the extent any of the foregoing may be applicable to the Property and Tenant's use and occupancy thereof except that Tenant shall not be obligated to make any changes to the structural elements or building systems unless necessitated by Tenant's specific use.

(e) Within ten (10) days after written request by the Landlord or any mortgagee of Landlord, and, in any event, on each anniversary of the commencement date hereof, Tenant shall deliver to Landlord or Landlord's mortgagee, as the case may be, a duly executed and acknowledged affidavit of Tenant or Tenant's chief executive officer, certifying:

(1) The proper four digit Standard Industrial Classification number ("S.I.C. number") relating to Tenant's then current use of the Property (said S.I.C. number to be obtained by reference to the then current Standard Industrial Classification Manual prepared and published by the Executive Office of the President, Office of Management and Budget or the successor to such publication). Tenant hereby represents, warrants and covenants that its S.I.C. number as of the date of this Lease is as set forth in Section 1(i) hereof; and

(2) (a) That Tenant's use of the Property does not involve and has not involved the generation, manufacture, refining, transportation, treatment, storage, handling, or disposal of petroleum products or hazardous substances or wastes (as hazardous substances and hazardous wastes are defined in any Environmental Laws) on site, above ground or below ground (all of the foregoing being hereinafter collectively referred to as the Presence of Hazardous Substances); or (b) that Tenant's use does involve or has involved the Presence of Hazardous Substances, in which event, such affidavit shall describe in detail that portion of Tenant's operations which involves or involved the Presence of Hazardous Substances. Said description shall identify each Hazardous Substance and describe the manner in which it is or was generated, handled, manufactured, refined, transported, treated, stored, and/or disposed of. Tenant shall supply Landlord or Landlord's mortgagee with such additional information relating to said Presence of Hazardous Substances as Landlord or Landlord's mortgagee may request. However, the Tenant may store and handle substances which are classified as hazardous provided they are incidental to the normal operation of an office and light industrial manufacturing facility, and further provided that such substances are stored, handled and disposed of in accordance with applicable State and Federal statutes and regulations.

(f) Tenant shall provide Landlord with copies of all reports, information and materials filed with or provided to any governmental agency or authority pursuant to any of the environmental laws.

(g) In the event that, upon the date of termination or expiration of the term of this Lease, Tenant has not satisfied and complied with all requirements imposed upon Landlord or Tenant under any environmental laws or by any governmental agency or authority pursuant to any environmental laws, Tenant shall continue to pay Fixed Rent at the annual rent payable immediately prior to such date of termination or expiration plus an increase for each year until such obligation terminates, each such annual increase to be determined by the percentage increase in the Consumer Price Index published by the Bureau of Labor Statistics of the United States for All Urban Consumers (1982-1984 = 100). Such increased portion of rent over the Fixed Rent shall be computed by the increase in the Index from three (3) months prior to the initial Term of the Lease to the later of three (3) months prior to the expiration of the Lease or three (3) months prior to the anniversary of each continuance of the Lease multiplied by the annual rental during the last year of the Lease. The increased rental when added to the previous Fixed Rent shall become the new Fixed Rent. In no event shall Fixed Rent be reduced below the amount payable for the prior year. Such Fixed Rent shall be payable notwithstanding that Tenant may be barred and precluded from occupying and using the Property. Such payments of Fixed Rent shall continue until Tenant has complied in full with the requirements imposed by environmental laws or by governmental agencies and authorities having jurisdiction with respect thereto and has provided to Landlord written confirmation from governmental agency or authority having jurisdiction that such

compliance has in fact occurred. Tenant shall, in addition to payments of Fixed Rent as aforesaid, promptly pay any fines, penalties, levies or assessments against the Property or Landlord which are imposed at any time or from time to time as a result of any action, act or failure to act of the Tenant relating to environmental laws. For as long as Tenant shall remain liable for rent under this subparagraph (g), Tenant shall have control over any remediation efforts, provided such remediation is in compliance with all applicable federal, state and local laws.

(h) Tenant agrees that each and every provision of this Section shall survive the expiration or earlier termination of the Term of this Lease.

17. Landlord's Access. Landlord and its representatives may enter the Property at all reasonable times (or at any time in the event of emergency) for the purpose of inspecting the Property, or making any necessary repairs, or to show the Property to prospective purchasers, investors, encumbrancers, tenants or other parties, or for any other purpose Landlord deems necessary. During the final six (6) months of the Term, Landlord may place customary "For Sale" or "For Lease" signs on the Property. Landlord shall, in the exercise of its rights under this Section, use its best efforts not to unreasonably interfere with Tenant's use and occupancy of the Property.

18. Assignment and Subletting. Except as otherwise provided herein, Tenant shall not assign or encumber Tenant's interest in this Lease, sublet any portion of the Property, or grant concessions or licenses with respect to the Property.

(a) If Tenant requests Landlord's consent to an assignment of this Lease or a subletting of all of any part of the Premises, Tenant shall submit to Landlord: (1) the name of the proposed assignee or subtenant; (2) the terms of the proposed assignment or subletting together with a conformed or photostatic copy of the proposed assignment or sublease; (3) the nature of business of the proposed assignee or subtenant's business and its proposed use of the Premises; (4) such information as to its financial responsibility and general reputation as Landlord may require; and (5) a summary of plans and specifications for revising the floor layout of the Premises.

(b) Upon the receipt of such information from Tenant, Landlord shall have the option, to be exercised in writing within twenty (20) days after such receipt, to cancel and terminate this Lease if the request is to assign this Lease or to sublet all of the Premises or, if the request is to sublet a portion of the Premises only, to cancel and terminate this Lease with respect to such portion, in each case as of the date set forth in Landlord's notice of exercise of such option.

(c) If Landlord shall cancel this Lease, Tenant shall surrender possession of the Premises, or the portion of the Premises which is the subject of the request, as the case may be, on the date set forth in such notice in accordance with the provisions of this lease relating to surrender of the Premises. If this Lease shall be canceled as to a portion of the Premises only, the Minimum Rent and Additional Rent payable by Tenant hereunder shall be abated proportionately according to the ratio that the number of square feet in the portion of space surrendered (as computed by Landlord) bears to the Rentable Area of the Premises.

(d) If Landlord shall elect not to exercise its option to cancel and terminate this Lease with respect to all of part of the Premises as above provided, Landlord agrees not to unreasonably withhold its consent to the proposed assignment or sublease. However, if the proposed assignee or subtenant is or has been a tenant of Landlord or Landlord's affiliates, or if the proposed assignee or subtenant has had contact with Landlord or Landlord's affiliates within twelve (12) months preceding the proposed assignment or sublease regarding potentially leasing space from the Landlord or Landlord's affiliates, then failure of Landlord to consent shall not be unreasonable. Landlord shall notify Tenant, within twenty (20) days after Landlord's receipt of the information described herein, whether (i) Landlord consents to the proposed assignment or sublease or (ii) does not consent to the proposed assignment or sublease. The cumulative change of more than fifty-one (51%) percent of the ownership interest of Tenant shall be deemed to be an assignment of this Lease requiring Landlord's consent. However, Tenant may assign this Lease or sublet the Property, without Landlord's consent, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from the merger of or consolidation with Tenant, provided such assignee shall assume all of

Tenant's obligations under this Lease, and such assignee or sublessee shall then have a net worth at least equal to that of Tenant on the date hereof.

(e) In the event of a permitted assignment or subletting, Tenant shall remit to Landlord as additional rent each month during the remainder of the Base Term fifty (50%) percent of any rent or other sums received by Tenant from its assignee or sublessee in excess of the Fixed Rent and other charges paid by Tenant allocable to the Property or portion thereof sublet, as the case may be, and 100% of any rent or other sums received by Tenant from its assignee or sublessee in excess of the Fixed Rent and other charges paid by Tenant allocable to the Property or portion thereof sublet, as the case may be for any term in effect beyond a ten (10) year term.

(f) No assignment or subletting hereunder, whether or not with Landlord's consent, shall release Tenant from any obligations under this Lease, and Tenant shall continue to be primarily liable hereunder. Unless otherwise previously released from liability by Landlord, if Tenant's assignee or sublessee defaults under this Lease, Landlord may proceed directly against Tenant without pursuing its remedies against the assignee or sublessee. Consent to one assignment or subletting shall not be deemed a consent to any subsequent assignment or subletting. Landlord may consent to subsequent assignments or modifications of this Lease or sublettings without notice to Tenant and Tenant shall not be relieved of liability under this Lease.

(g) Tenant shall pay to Landlord upon demand all costs, including reasonable legal fees, which Landlord shall incur in reviewing any proposed assignment or subletting; however, Landlord will provide an estimate of costs beforehand and Tenant may decline to have Landlord review or ask Landlord to review and pay such amounts as are due.

19. Casualty. If the Building is damaged by fire or other casualty, and (i) the insurance proceeds received by Landlord on account of such damage are sufficient to pay for the necessary repairs, (ii) Landlord's Mortgagee permits Landlord to utilize the insurance proceeds to repair such damage, and (iii) the Building can be fully repaired within one hundred thirty-five (135) days after such casualty occurred, this Lease shall remain in effect and Landlord shall repair the damage as soon as reasonably possible. If any of the foregoing conditions requiring Landlord to repair the Building is not met, Landlord may elect either to (i) terminate this Lease; or (ii) repair the damage as soon as reasonably possible, in which event this Lease shall remain in full force and effect (but Tenant shall then have the right to terminate this Lease if the Building cannot be fully repaired within six (6) months after such casualty occurred). Landlord shall notify Tenant, in writing, of its election within thirty (30) days after Landlord receives notice of the occurrence of the casualty. Tenant's notification, if any, shall be required within ten (10) days thereafter. The Monthly Base Rent and other charges will be abated proportionately during any period in which, by reason of any damage or destruction not occasioned by the negligence or willful misconduct of Tenant or Tenant's employees or invitees, there is a substantial interference with the operation of the business of Tenant. Such abatement will be proportional to the measure of business in the Premises which Tenant may be required to discontinue. The abatement will continue for the period commencing with such destruction or damage and ending with the completion by the Landlord of such work, repair, or reconstruction as Landlord is obligated to do. Tenant waives the protection of any law which grants a tenant the right to terminate a lease in the event of the destruction of a leased property, and agrees that the provisions of this paragraph shall govern in the event of any destruction of the Building. Landlord shall not be required to repair improvements or alterations to the Property made by Tenant.

20. Condemnation. If more than twenty-five (25%) percent of the Land and/or Building shall be taken under the power of eminent domain or sold under the threat thereof ("Condemnation") and Tenant's use of the Property is materially adversely affected in the reasonable opinion of Tenant, this Lease shall terminate on the date on which title to the Property or portion thereof shall vest in the condemning authority. If this Lease shall remain in effect as to the portion of the Property not taken, Landlord shall restore the improvements of the Property not taken as nearly as reasonably practicable to their condition prior to the Condemnation, and the Fixed Rent and Additional Rent shall be reduced proportionately in accordance with the reduction in the square foot area

of the Building following the Condemnation. Landlord shall be entitled to receive the entire award in any Condemnation proceeding relating to the Property, except that Tenant may assert a separate claim to an award for its moving expenses and for fixtures and personal property installed by Tenant at its expense. It is understood that Tenant shall have no claim against Landlord for the value of the unexpired Term of this Lease or any options granted under this lease. Landlord shall not be required to restore improvements or alterations to the Property made by Tenant.

21. Surrender of Property. Upon termination of the Lease, Tenant shall surrender the Property to Landlord, broom clean, and in good order and condition, except for ordinary wear and tear, and damage by casualty which Tenant was not obligated to remedy under Section 19. Tenant shall remove its machinery, equipment and personal property and repair any damage to the Property caused by such removal. Tenant shall not remove any power wiring or power panels, lighting or lighting fixtures, wall coverings, blinds or other window coverings, carpets or other floor coverings, heaters or air conditioners or fencing or gates, except if installed by Tenant and required by Landlord to be removed from the Property. All personal property of Tenant remaining on the Property after Tenant's removal shall be deemed abandoned and at Landlord's election may either be retained by Landlord or may be removed from the property at Tenant's expense.

22. Holdover. In the event Tenant remains in possession of the Property after the expiration of the Term of this Lease (the "Holdover Period"), in addition to any damages to which Landlord may be entitled or other remedies Landlord may have by law, Tenant shall pay to Landlord a rental for the Holdover Period at the rate of one hundred fifty (150%) percent the sum of (i) the annual rent payable during the last lease year of the Term, plus (ii) all items of additional rent and other charges with respect to the Property payable by Tenant during the last lease year of the Term. Nothing herein contained shall be deemed to give Tenant any right to remain in possession of the Property after the expiration of the Term of this lease. The sum due to Landlord hereunder shall be payable by Tenant upon demand. Prior to asserting a claim for damages due to a lost or delayed prospective tenant, Landlord must provide evidence of any claim against Tenant for missed rent or other damages from a lost prospective tenant due to holdover of Tenant.

23. Events of Default; Remedies. (a) Tenant shall be in default upon the occurrence of one or more of the following events (an "Event of Default"): (i) Tenant fails to pay rent or any other sum of money required to be paid by Tenant hereunder within five (5) days of the date when due; however, Tenant shall be entitled to pay within five (5) days written notice from Landlord on two (2) occasions per year and not be in default; (ii) Tenant fails to perform any of Tenant's non-monetary obligations under this Lease for a period of thirty (30) days after written notice thereof from Landlord. If Tenant is diligently pursuing to cure any non-monetary default and such default cannot be effected within thirty (30) days, then Tenant will be allowed additional time as required to effect such cure; (iii) Tenant abandons the Property for thirty (30) days or more; or (iv) Tenant makes an assignment for the benefit of creditors, or if a petition for adjudication of bankruptcy or for reorganization is filed by or against Tenant and is not dismissed within thirty (30) days, or if a receiver or trustee is appointed for a substantial part of Tenant's property and such appointment is not vacated within thirty (30) days.

(b) On the occurrence of an Event of Default, without limiting any other right or remedy Landlord may have, Landlord may give written notice to Tenant of its intention to take the following actions on the earliest date permitted by law or any later date specified in such notice:

(i) Terminate this Lease and Tenant's right to possession of the Property by any lawful means, or, without terminating this Lease, take possession of the Property. In any such event Tenant shall immediately surrender possession of the Property to Landlord and shall remain liable to Landlord as follows. At its option, Landlord may occupy the Property or cause the Property to be redecorated, altered, divided, consolidated with other adjoining property, or otherwise prepared for reletting, and may relet the Property or any part thereof for a term or terms to expire prior to, at the same time or subsequent to the original Expiration Date, and receive the rent therefor, applying the sums received first to the payment of such expenses as Landlord may have incurred in connection with the recovery of possession, and restoring the Property to the

condition in which Tenant was obligated to maintain the Property under this Lease, to brokerage and attorneys' fees, and then to the payment of damages in amounts equal to the rent hereunder and to the cost and expense of performance of the other covenants of Tenant under this Lease. Tenant agrees to pay to Landlord damages equal to the rent and other sums payable by Tenant under this Lease, reduced by the net proceeds of the reletting, if any, as ascertained from time to time. In reletting the Property, Landlord may grant rent concessions, and Tenant shall not be entitled to any credit therefor. Tenant shall not be entitled to any surplus resulting from any reletting. If Landlord elects to occupy the Property or any part thereof, there shall be allowed against Tenant's obligation for rent during the period of Landlord's occupancy, the reasonable value of such occupancy, not to exceed in any event the rent payable hereunder for such portion of the Property. Such occupancy shall not be construed as a release of Tenant's liability hereunder. In all respects hereto, the Landlord has an affirmative duty to mitigate its damages by attempting to relet the Property.

(ii) Permit Tenant to remain in possession of the Property, in which event this Lease shall continue in effect. Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to receive the rent as it becomes due under this lease.

(iii) Pursue any other remedy now or hereafter available under the laws of the jurisdiction in which the Property is located.

(c) The remedies available to Landlord herein specified are not intended to be exclusive and prevent Landlord from exercising any other remedy or means of redress to which Landlord may be lawfully entitled. In addition to other remedies provided in this Lease, Landlord shall be entitled to restraint by injunction of any violation or threatened violation by Tenant of any of the provisions of this Lease. Landlord's exercise of any right or remedy shall not prevent Landlord from exercising any other right or remedy.

(d) Tenant, for itself and any person claiming through or under Tenant, waives any equity or right of redemption provided by any law.

24. Service Fee; Interest. (a) Tenant's failure to pay rent promptly or make other payments required under this Lease may cause Landlord to incur unanticipated costs, which are impractical to ascertain. Therefore, if Landlord does not receive full payment of Fixed Rent, additional rent or other sums due from Tenant to Landlord within five (5) days after it becomes due, Tenant shall pay Landlord as additional rent a service fee equal to five (5%) percent of the overdue amount; however, Tenant will be allowed one (1) written notice of delinquency per year without imposition of the service fee, providing Tenant pays all amounts due with three (3) days of receipt of Landlord's notice. This service fee shall be in addition to reasonable legal fees and costs incurred by Landlord in enforcing this Lease in the event of default.

(b) Any amount owed by Tenant to Landlord which is not paid when due shall bear interest at the rate per annum of three (3%) percent in excess of the then prime rate of CitiBank, N.A., of New York, New York ("Default Interest") from the date of default in payment of such amount. The payment of Default Interest on such amounts shall not extend the due date of any amount owed. If the interest rate specified in this Lease shall exceed the rate permitted by law, the Default Interest shall be deemed to be the maximum legal interest rate permitted by law.

25. Indemnification by Tenant. Tenant shall indemnify and hold harmless Landlord from and against all liability, claims or costs including reasonable legal fees, arising from (i) Tenant's use of the Property; (ii) any breach of this Lease by Tenant; (iii) any other act or omission of Tenant; or (iv) any injury including claims for death to person or damage to property occurring on or about the Property, except for acts of gross negligence by Landlord. Tenant shall defend Landlord against any such claim of a third party, with counsel reasonably acceptable to Landlord or, at Landlord's election, Tenant shall reimburse Landlord for reasonable legal fees incurred by Landlord's employment of its own counsel.

26. Landlord's Right to Cure Tenant's Default. If Tenant fails to make any payment or perform any act on its part to be made or performed, then Landlord, without waiving or releasing Tenant from such obligation, may, but

shall not be obligated to, make such payment or perform such act on Tenant's part, and the costs incurred by Landlord in connection with such payment or performance, together with Default Interest thereon, shall be paid on demand by Tenant to Landlord as additional rent.

27. Waiver of Liability. Landlord shall not be liable for any injury or damage to the business, equipment, merchandise or other property of Tenant or any of Tenant's employees or invitees or any other person on or about the Property, resulting from any cause, including, but not limited to: (i) fire, steam, electricity, water, gas or rain; (ii) leakage, obstruction or other defects of pipes, sprinklers, wires, plumbing, air conditioning, boilers or lighting fixtures; or (iii) condition of the Property. The preceding excludes any acts of negligence by Landlord.

28. Force Majeure. If either party is unable to perform any of its obligations due to events beyond such party's reasonable control, the time provided to such party for performing such obligations shall be extended by a period of time equal to the duration of such events, and the other party shall not be entitled to any claim against such party by reason thereof. Events beyond a party's reasonable control include, but are not limited to, acts of God, war, civil commotion, labor disputes, strikes, casualty, weather conditions, labor or material shortages, or government regulation or restriction. Nothing herein shall delay or affect Tenant's obligation to pay Fixed Rent, real property impositions or other items of additional rent payable by Tenant under this Lease as the same becomes due. The above provisions will not apply to the receipt of approvals by October 31, 1994.

29. Notice of Landlord's Default. Tenant shall give written notice of any failure by Landlord to perform any of its obligations under this Lease to Landlord and any ground lessor or Landlord's Mortgagee whose name and address have been furnished to Tenant. Landlord shall not be in default under this Lease unless Landlord (or such ground lessor or Landlord's Mortgagee) fails to cure such non-performance within thirty (30) days after receipt of Tenant's notice. If more than thirty (30) days are required to cure such non-performance, Landlord shall not be in default if such cure is commenced within such thirty (30) day period and thereafter diligently pursued to completion. If Landlord shall be in default as aforesaid, Tenant's only right or remedy shall be to perform such work or take such action as shall be reasonably necessary to cure or correct such default. In no event shall Tenant have the right to terminate this Lease by reason of any such default, and in no event shall Tenant have the right to deduct from Fixed Rent or additional rent any amounts expended by Tenant pursuant to this Section.

30. Landlord's Liability Limited. (a) There shall be no personal liability of the Landlord or any partner, stockholder, officer, director or other principal of Landlord in connection with this Lease. Tenant agrees to look solely to the interest of Landlord in the Property for the collection of any judgment or other judicial process requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to this Lease or in any way relating to the Property. No other assets of Landlord or any principal of Landlord shall be subject to levy, execution or other procedures for the satisfaction of Tenant's remedies.

(b) The term "Landlord" as used in this lease means only the owner or mortgagee in possession for the time being of the Property or the owner of a lease thereof so that, in the event of any sale of the Property, or an assignment or transfer of such lease, or an assignment of this Lease, Landlord shall be, and hereby is, entirely freed, relieved and released of all obligations of Landlord hereunder, and it shall be deemed, without further agreement between the parties and such purchaser(s) or assignee(s) that the purchaser or assignee has agreed to perform all of the obligations of Landlord hereunder. This provision shall relate only to obligations which arise after the date of such transfer and do not relieve Landlord for liability for obligations arising prior to such transfer.

31. Estoppel Statement; Financial Statement. (a) Upon Landlord's request, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying: (i) the Commencement Date; (ii) the Expiration Date; (iii) that this Lease is in full force and effect and unmodified (or if modified, stating the modifications); (iv) the last date of payment of the Fixed Rent and other charges and the time period covered by each payment; (v) that Landlord is not in default

under this Lease (or, if Landlord is claimed to be in default, stating the nature of the default); and (vi) such other matters as may be reasonably required by Landlord or any Landlord's Mortgagee. Tenant shall deliver such statement to Landlord within ten (10) days after Landlord's written request. Any such statement may be given to and relied upon by any prospective purchaser or encumbrancer of the Property.

(b) Within ten (10) days after Landlord's request, Tenant shall deliver to Landlord such financial statements as are reasonably required to verify the net worth of Tenant and provided such financial statements have been previously filed with public authorities as required. Any such statement may be given by Landlord to any Landlord's Mortgagee or prospective encumbrancer of the Property, but otherwise shall be kept confidential by Landlord. Tenant represents to Landlord that each such financial statement is a true and accurate statement as of the date of such statement.

32. Quiet Enjoyment. Landlord covenants that as long as Tenant pays the Fixed Rent and additional rent and performs its other obligations under this Lease, Tenant shall peaceably and quietly have, hold and enjoy the Property for the Term provided by this Lease, subject to the provisions of this Lease, any mortgage or other agreements to which this Lease is subordinate.

33. Subordination; Attornment. (a) This Lease is subject and subordinate to any mortgage and related documents or liens which may now or hereafter encumber the Property, and any renewals, modifications, consolidations, replacements or extensions thereof.

(b) If Landlord's interest in the Property is acquired by Landlord's Mortgagee, or purchaser at a foreclosure sale, Tenant shall attorn to the transferee of or successor to Landlord's interest in the Property and recognize such transferee or successor as Landlord under this Lease. Such transferee or successor shall not be liable for any act or omission of any prior landlord, or be subject to any offsets or defenses which Tenant might have against any prior landlord, or be bound by any Fixed Rent which Tenant might have paid for more than the current month to any prior landlord, or be liable for any security deposit under this Lease unless actually transferred to such transferee or successor.

(c) Tenant agrees that this Lease shall be modified in accordance with the reasonable request of any institutional Landlord's Mortgagee, provided no such modification adversely affects the business terms, or operation of Tenant's business, of this Lease.

(d) The foregoing provisions shall be self-operative and no further instrument or act on the part of Tenant shall be necessary to effect the same. Tenant shall nevertheless sign and deliver any document necessary or appropriate to evidence the subordination, attornment or agreement above provided, providing Tenant is provided with a non-disturbance agreement, acceptable to Tenant, granting Tenant the right to have, hold and enjoy the Property for the Term (so long as Tenant pays the Fixed and Additional Rent and performs its other obligations under this Lease).

34. Brokerage. Each party represents to the other that it did not deal with any real estate broker in connection with this Lease, other than the real estate broker (if any) whose identity is set forth in Section 1(h). The commission of such broker (if any) shall be paid by the party as set forth in Section 1(h). Each party shall indemnify and hold the other harmless from any claim for a commission or other fee made by any broker with whom the indemnifying party has dealt, other than the broker identified in Section 1(h).

35. Notices. All notices in connection with this Lease or the Property shall be in writing and shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid or by overnight carrier which obtains delivery receipts (e.g. Federal Express). Notices to Landlord shall be delivered to the address specified in Section 1(b). Notices to Tenant shall be delivered to the address specified in Section 1(c). All notices shall be effective upon the earlier of delivery or attempted delivery in accordance with this provision. Either party may change its notice address upon written notice to the other party given in accordance with this provision.

36. Memorandum of Lease. Tenant shall not record this Lease. However, either Landlord or Tenant may require that a memorandum of this Lease executed by both parties be recorded. Such memorandum shall include such portions of this Lease as either party may reasonably require, but shall not specify the amount of Fixed rent payable hereunder.

37. Miscellaneous. (a) The failure of either party to insist on strict performance of any provision of this Lease, or to exercise any right contained herein, shall not be construed as a waiver of such provision or right in any other instance. All amendments to this lease shall be in writing and signed by both parties.

(b) The captions in this Lease are intended to assist the parties in reading this Lease and are not a part of the provisions of this Lease. Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other.

(c) Landlord and Tenant hereby waive trial by jury in any legal proceeding brought by either of them against the other with respect to any matters arising out of or in any way connected with this Lease or the Property.

(d) The laws of the state in which the Property is located shall govern this Lease.

(e) If Tenant is a corporation or partnership, each person signing this lease on behalf of Tenant represents that he has full authority to do so and that this Lease binds the corporation or partnership, as the case may be.

(f) This Lease shall be binding upon, and inure to the benefit of, Landlord and Tenant and their respective heirs, executors, administrators, successors (by operation of law or otherwise) and assigns, subject, however, to the limitations on Tenant's right to assign and sublet as set forth in Section 18 hereof.

(g) The submission of this Lease to Tenant shall not be deemed to be an offer and shall not bind either party until duly executed by Landlord and Tenant.

(h) This Lease may be executed in counterparts, and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument.

(i) A determination by a court of competent jurisdiction that any provision of this Lease or any part thereof is illegal or unenforceable shall not invalidate the remainder of this Lease or such provision, which shall continue to be in effect.

(j) Waiver of Jury Trial. Landlord and Tenant by this Section 38 waive trial by jury in any action, proceeding or counterclaim brought by either of the parties to this Lease against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or any other claims (including without limitation claims for personal injury or property damage), and any emergency statutory or any other statutory remedy.

The riders enumerated in Section 1(i) are attached hereto and make a part of this Lease as fully as if set forth herein at length. The Terms used in the rider have the same meanings as set forth in the Lease. The provisions of a rider shall prevail over any provisions of the Lease which are inconsistent or conflict with the provisions of the rider.

IN WITNESS WHEREOF, the parties hereby have duly executed this Lease as of the date set forth in Section 1(a).

WITNESS:

/s/
- ----------

LANDLORD:

PYRAMID CONSTRUCTION COMPANY

By: /s/ William J. Coleman

William J. Coleman

ATTEST:

By: /s/

, Secretary

TENANT:

MAGNETEC CORP.

By: /s/ Bart C. Shuldman

Bart C. Shuldman, President

[CORPORATE SEAL]

OPTION TO EXPAND THE PREMISES

DATE OF LEASE: August 1, 1994

LANDLORD: PYRAMID CONSTRUCTION COMPANY

TENANT: MAGNETEC CORP.

1. Grant of Option. Subject to the provisions of Section 3 of this Rider, Landlord hereby grants to Tenant one (1) option (such option is hereunder referred to as the "Option") to expand the premises 10,000 square feet by giving notice during the original term of the Lease.

2. Exercise of Option. The Option shall be exercised only by written notice (the "Expansion Notice") delivered to Landlord in accordance with Section 35 of the Lease prior to the last twelve (12) months of the Lease and at least six (6) months prior to the date that the expanded premises is required.

3. Conditions Precedent to Option. The Option shall be exercisable by Tenant and the Lease shall continue for the term provided under Clause 5 on the following conditions:

   (a) At the time Landlord receives the Expansion Notice, the Tenant shall not be in default under any of the provisions of the Lease.

   (b) At the time Landlord receives the Expansion Notice, the Tenant named in Section 1(c) of the Lease shall not have assigned the Lease or sublet any portion of the Property, except as permitted in Section 18(a) of the Lease.

4. Description of Expansion. 10,000 square feet of light manufacturing finished the same as the original 32,000 square foot portion of the 42,000 square foot building.

5. Expansion Term Provisions.

   (a) The terms and conditions of the expansion premises shall be on the same terms and conditions set forth in the original Lease except for the rent and the term of the Lease.

   (b) Rent on the addition shall commence on the earlier of the date Tenant takes occupancy or the date the building has reached substantial completion and a certificate of occupancy or temporary certificate of occupancy (provided the municipal authorities allow use and occupancy under a temporary certificate of occupancy) is issued. The Landlord shall furnish notice to the Tenant of the date of substantial completion.

   (c) The term of the original Lease is extended ten (10) years from the rent commencement date of the expansion space. If the term ends during a month, then the term is extended to the end of that month.

   (d) The Fixed Annual Rent under the Lease shall be adjusted annually in accordance with the following schedule which is broken down in two (2) components for the Premises; that is rental for the 42,000 square feet and rental for the 10,000 square feet. The Annual Fixed Rent shall be the sum of the two (2) components.

      (1) Portion of Fixed Rent under original term.

         (i) 42,000 sq. ft. - As shown under 1.(k) of the Lease.

         (ii) 10,000 sq. ft. = Annual Fixed Rent = $5.25 x (1.02)n

            n = number of lease or partial lease years that the original lease has been in effect.

(2) Portion of Fixed Rent under the extended term =

(i) 42,000 sq. ft. - $311,160 x (1.02)n

n = number of lease or partial lease years that the original lease has been in effect beyond a 10-year term.

(ii) 10,000 sq. ft. - Annual Fixed Rent = $5.25 x (1.02)n

n = number of lease or partial lease years that the original lease plus any extensions of the original lease has been in effect.

(e) All other terms and conditions under the original Lease for payment of rent shall remain unchanged.

(f) Since the Lease Commencement Term for the original premises and the Lease Term for the expanded premises are different, the Annual Rental Adjustment will take place during different periods for each space in the same year.

OPTION TO PURCHASE PROPERTY

Date of Lease: August 1, 1994

Landlord: PYRAMID CONSTRUCTION COMPANY

Tenant: MAGNETEC CORP.

1. Grant of Option. Subject to the provisions of Section 3 of this Rider, Landlord hereby grants to Tenant an Option to Purchase the Property which is the subject of this Lease on an "as is" condition basis.

2. Exercise of Option. The Option shall be exercised only by written notice delivered to Landlord in accordance with Section 35 of the Lease at least twelve (12) months before the expiration of the Initial Term. Time shall be of the essence with respect to delivery of the notice and if the Tenant fails to deliver the notice within the specified time period, the Option shall lapse, and Tenant shall have no further right to purchase the property.

3. Conditions Precedent to Option. The Option shall be exercisable by Tenant on the following conditions:

   (a) The Tenant is not in default under any provisions of the Lease.

   (b) The Tenant named in Section 1(c) of the Lease shall not have assigned the Lease or sublet any portion of the Property, except as permitted in Section 18(a) of the Lease.

4. Purchase Provisions. The Tenant (Buyer) shall pay the Landlord (Seller) a Purchase Price the product of twelve and one-half (12 1/2) multiplied by the Fixed Rent in effect at the time of closing of title. The Tenant shall close Title within ninety (90) days from the date notice of exercise of the option is delivered to the Landlord.

5. Place of Title Closing. The closing shall take place at the offices of the Landlord (Seller) during regular business hours.

6. Form of Deed. Landlord (Seller) shall deliver a General Warranty Deed.

7. Title. The property shall be free and clear of encumbrances, other than a mortgage or other first deed of trust. It is intended by the parties that easements are not encumbrances. Any restrictions or easements shall not interfere with the present use of the property. The property shall be marketable and insurable at ordinary title insurance rates. In the event the property is encumbered by a mortgage, then Tenant, in its election to purchase, may either assume the mortgage, if assumable, or pay for any prepayment fees which Landlord would incur in prepaying the mortgage. Landlord agrees not to place any additional easements on the property which would prevent the Tenant from using the building for the use in 1(f).

8. Risk of Loss. The risk of loss or damage by fire other insurance casualty shall be upon landlord (Seller) until title closing.

9. Prorations and Adjustments. All prorations and adjustments shall be made as of the day of title closing.

10. Closing Expenses. Landlord (Seller) shall pay for the preparation of a Deed. Landlord (Seller) shall pay for the recording of the Deed and any transfer costs.

11. Tenant may designate an assignee to accept title as long as such assignee is owned or controlled by, or under common ownership or control, or owns or controls, Tenant.

12. At the time of closing, the Landlord (Seller) shall provide to the Tenant (Buyer) a general warranty deed conveying good and marketable fee simple title to the Property subject only to real property taxes not due and payable until after the delivery of the deed and any mortgage or other first deed of trust. Furthermore, Seller shall deliver at closing an owners affidavit in form reasonably acceptable to the Buyer's title insurance company. Landlord shall also supply the following documents: Bill of Sale, if applicable, to equipment; Assignment of all warranties then in effect on the building and equipment; Seller's Title Affidavit; Conveyance Tax Statements; Non-Foreign Affidavit; all applicable keys and existing plans and building specifications.

If Seller is unable to convey title to the premises in accordance with the provisions of this option, Seller may elect to adjourn the closing for a period or periods not to exceed thirty (30) days in the aggregate in order to eliminate exceptions to title other than those permitted herein. If, at the end of such adjournment, Seller is unable to convey title to the premises in accordance with the provisions hereof, Buyer nevertheless may elect to accept such title as Seller may be able to convey. If Tenant shall not so elect, Tenant may elect to terminate its right to purchase pursuant to this option, such termination to be effective immediately upon given written notice of same to Landlord. Such termination shall not terminate Tenant's other rights or obligations under this Lease.

LEASE AMENDMENT

THIS LEASE AMENDMENT dated September 14, 1994, hereby amends a lease entitled Lease of Industrial Property (the "Lease") dated August 1, 1994 by and between Magnetec Corp., 61 W. Dudley Town Road, Bloomfield, CT 06002 (Tenant), Tridex Corporation, 215 Main Street, Westport, CT 06880 (Guarantor), and Pyramid Construction Company, 275 N. Franklin Turnpike, P.O. Box 369, Ramsey, NJ 07446-0369 (Landlord).

WHEREAS, Landlord and Tenant have agreed in the Lease that possession of the property will be delivered by June 1, 1995; and

WHEREAS, Landlord and Tenant have agreed to extend the date for delivery of the property to the Tenant;

NOW, THEREFORE, Landlord and Tenant agree, and the Guarantor hereby acknowledges and agrees to, the following modification to the Lease.

1. In Section 3 Term, paragraph 4, last sentence beginning "If Landlord does" and ending "under this Lease", the date of June 1, 1995 is changed to July 1, 1995.

If there are any conflicts between this Lease Amendment and the Lease, this Lease Amendment shall prevail.

All other terms and conditions of the Lease remain in full force and effect.

WITNESS:

/s/
- ----------

LANDLORD:
PYRAMID CONSTRUCTION COMPANY

By: /s/ William J. Coleman

ATTEST:

/s/
- ----------
Secretary

TENANT:
MAGNETEC CORP.

By: /s/ Bart C. Shuldman

Bart C. Shuldman, President

ATTEST:

/s/
- ----------
Secretary

GUARANTOR:
TRIDEX CORPORATION

By: /s/ Seth M. Lukash

Seth M. Lukash, President

LEASE AMENDMENT II

THIS LEASE AMENDMENT II dated September 21, 1994, hereby amends a lease entitled Lease of Industrial Property (the "Lease") dated August 1, 1994 by and between Magnetec Corp., 61 W. Dudley Town Road, Bloomfield, CT 06002 (Tenant), Tridex Corporation, 215 Main Street, Westport, CT 06880 (Guarantor), and Pyramid Construction Company, 275 N. Franklin Turnpike, P.O. Box 369, Ramsey, NJ 07446-0369 (Landlord).

WHEREAS, Tenant has requested that Landlord increase the size of the office portion of the building; and

WHEREAS, Landlord has agreed to enlarge the office building;

NOW, THEREFORE, Landlord and Tenant agree, and the Guarantor hereby acknowledges and agrees to, the following modification to the Lease.

1. In Section 1(d) Description of Property, "10,000 s.f. of office" is hereby replaced with "12,055 s.f. of office".

2. Section 1(k) Fixed Rent Schedule is omitted and is replaced with the following.

   The fixed rent payable by Tenant to Landlord shall be at the annual rate and payable in monthly installments as follows:

Period	Monthly Installment	Annual Rate
04/01/95-03/31/00	$23,310	$279,720
04/01/00-03/31/05	$27,205	$326,460

3. Section 1(l) Estimated Monthly Additional Rent is changed from "$4,000" to "$4,200".

4. In Option to Expand Premises, Section 5(d), 1st paragraph, "42,000" is changed to "44,055".

   and in 5(d)(1)(i) "42,000" is changed to "44,055".

   and in 5(d)(2)(i) "42,000" is changed to "44,055" and "$311,160" is changed to "$326,460".

   and in 4 "42,000" is changed to "44,055".

If there are any conflicts between this Lease Amendment II and the Lease, this Lease Amendment II shall prevail.

All other terms and conditions of the Lease remain in full force and effect.

WITNESS:

LANDLORD:
PYRAMID CONSTRUCTION COMPANY

By: /s/ William J. Coleman
- ----------

ATTEST:

TENANT: MAGNETEC CORP.

/s/ George T. Crandall

By: /s/ Seth M. Lukash
- ----------
George T. Crandall, Secretary

Seth M. Lukash, Senior Vice President

ATTEST:

GUARANTOR: TRIDEX CORPORATION

/s/ George T. Crandall

By: /s/ Seth M. Lukash
- ----------
George T. Crandall, Assistant Secretary

Seth M. Lukash, CEO, President

LEASE AMENDMENT III

THIS LEASE AMENDMENT III dated April 19, 1995, hereby amends a lease entitled Lease of Industrial Property (the "Lease") dated August 1, 1994 by and between Magnetec Corp., 61 W. Dudley Town Road, Bloomfield, CT 06002 (Tenant), Tridex Corporation, 61 Wilton Road, Westport, CT 06880 (Guarantor), and Pyramid Construction Company, 275 N. Franklin Turnpike, P.O. Box 369, Ramsey, NJ 07446-0369 (Landlord).

WHEREAS, Pursuant to the Lease, Tenant has certain rights which are detailed on a Rider to the Lease entitled "Option to Expand the Premises" and

WHEREAS, Landlord and Tenant have agreed to amend said Rider to the Lease in order to clarify the original intent of the Rider.

NOW, THEREFORE, Landlord and Tenant agree, and the Guarantor hereby acknowledges and agrees to the following modification to the Rider to the Lease entitled "Option to Expand the Premises":

1. Section 3 should be supplemented to add the following Section (c):

(c) In the event Landlord's interest in the property is acquired by Landlord's mortgagee, or purchaser at a foreclosure sale, Tenant herein waives its option rights to expand the premises as set forth in this Rider.

If there are any conflicts between the Lease Amendment III and the Lease, or Lease Amendment I or II, this Lease Amendment III shall prevail.

All other terms and conditions of the Lease remain in full force and effect.

WITNESS:

/s/
- ----------

ATTEST:

/s/ George T. Crandall
- ----------
George T. Crandall, Secretary

ATTEST:

/s/ George T. Crandall
- ----------
George T. Crandall,
Assistant Secretary

LANDLORD:
PYRAMID CONSTRUCTION COMPANY

By: Illegible

TENANT: MAGNETEC CORPORATION

By: /s/ Seth M. Lukash

Seth M. Lukash, Senior V.P.

GUARANTOR: TRIDEX CORPORATION

By: /s/ Richard L. Cote

Richard L. Cote,
Senior V.P. & CFO

GUARANTY OF LEASE

LANDLORD: PYRAMID CONSTRUCTION COMPANY

TENANT: MAGNETEC CORP.

LEASE: APRIL 1, 1995 - MARCH 31, 2005

GUARANTOR: TRIDEX CORPORATION

DATE: August 1, 1994

The Tenant wishes to enter into the Lease with the Landlord. The Landlord is unwilling to enter into the Lease unless the Guarantor assures Landlord of the full performance of the Tenant's obligations under the Lease. The Guarantor is willing to do so.

Accordingly, in order to induce Landlord to enter into the Lease with the Tenant, and for good and valuable consideration, whose receipt and adequacy are acknowledged by Guarantor:

1. The Guarantor unconditionally guarantees to the Landlord, and the successors and assigns of the Landlord, the Tenant's full and punctual performance of its obligations under the Lease. If Tenant defaults, Landlord will notify Guarantor at Tridex Corp., 215 Main Street, Westport, CT 06880 or such other address as Guarantor may provide. If Tenant defaults in the performance of its obligations under the Lease, upon the Landlord's request, the Guarantor will perform the Tenant's obligations under the Lease.

2. Any act of the Landlord, or the successors or assigns of the Landlord, consisting of a waiver of any of the terms or conditions of the Lease, or the giving of any consent to any matter related to or thing relating to the Lease, or the granting of any indulgences or extensions of time to the Tenant, may be done without notice to the Guarantor and without affecting the obligations of the Guarantor under this Guaranty.

3. The obligations of the Guarantor under this Guaranty will not be released by the Landlord's receipt, application, or release of security given for the performance of the Tenant's obligations under the Lease, nor by any modification of the Lease. In case of any such modification, the liability of the Guarantor will be deemed modified in accordance with the terms of any such modification.

4. The liability of the Guarantor under this Guaranty will not be affected by (a) the release or discharge of the Tenant from its obligations under the Lease in any creditors' receivership, bankruptcy, or other proceedings, or the commencement or pendency of the liability of the Tenant or the estate of the Tenant in bankruptcy, or any remedy for the enforcement of the Tenant's liability under the Lease, resulting from the operation of any present or future bankruptcy code or other statute, or from the decision in any court; (c) the rejection or disaffirmance of the Lease in any such proceedings; (d) the assignment or transfer of the Tenant; or (f) the cessation from any cause (other than full performance of all Tenant's obligations under the Lease) whatsoever of the liability of the Tenant under the Lease.

5. Until all of the Tenant's obligations under the Lease are fully performed, the Guarantor; (a) waives any right of subrogation against the Tenant by reason of any payment or acts of performance by the Guarantor, in compliance with the obligations of the Guarantor under this Guaranty; and (c) subordinates any liability or indebtedness of the Tenant held by the Guarantor to the obligations of the Tenant to the Landlord under the Lease.

6. This Guaranty will apply to the Lease, any extension or renewal of the Lease, and any holdover term following the term, or any such extension or renewal.

7. This Guaranty may not be changed, modified, discharged, or terminated orally or in any manner other than by an agreement in writing signed by the Guarantor and the Landlord.

8. The Guarantor is primarily obligated under the Lease. Landlord may, at its option, proceed against the Guarantor without proceeding against the Tenant or anyone else obligated under the Lease.

9. The Guarantor will pay on demand the reasonable attorneys' fees and costs incurred by the Landlord, or its successors and assigns, in connection with the enforcement of this Guaranty.

10. The Guarantor irrevocably appoints the Tenant as its agent for service of process related to this Guaranty.

The Guarantor has executed this Guaranty as of the date written above.

ATTEST:	GUARANTOR: TRIDEX CORPORATION
By: /s/ George T. Crandall	By: /s/ Seth M. Lukash
George T. Crandall, Assistant Secretary	Seth M. Lukash, President

EXHIBIT B

GENERAL BUILDING DESCRIPTION

Magnatec Office and Warehouse Building
Thorpe Avenue
Wallingford, CN.

GENERAL REQUIREMENTS

- Single story 42,000 s.f. masonry building
- 10,000 s.f. general offices
- 32,000 s.f. warehouse
- 10,000 s.f. warehouse expansion
- 4 loading docks
- clear height in warehouse 18'0"
- parking for 161 cars.

SITE WORK

- as per approved engineered site plan

CONCRETE

- 5" concrete floor stab (3,000 PSI). (Floors to be sealed)
- concrete foundations.

MASONRY

- brick and concrete block exterior walls at offices
- decorative concrete block exterior walls at warehouse

METALS

- structural steel framing
- steel bar joists.
- steel roof decking.
- typical (30' X 30').

THERMAL AND MOISTURE PROTECTIONS

- under slab board type building insulation at building perimeter.
- thermal insulation in masonry cells of exterior walls.

EXHIBIT B (CONT'D)

- single ply membrane roofing system with rigid roof insulation
- metal base and counterflashings.
- exterior wall flashings and expansion joints.
- aluminum fascia and gravel stops.
- elastomeric sealants at exterior joints.

STEEL DOORS AND FRAMES

- steel man doors and frames (exterior)
- 4 overhead 10' x 10' doors with steel frames (warehouse)

FLUSH WOOD DOORS

- interior wood doors with steel frames (office)

ALUMINUM ENTRANCES AND STOREFRONTS

- Aluminum and glass exterior entrance door and vestibule doors (office)

ALUMINUM WINDOWS

- commercial grade aluminum painted window frames with fixed insulating glass (office)

GYPSUM DRYWALL

- metal studs and gypsum wallboard,taped, spackled and painted for interior partitions

- metal furring and gypsum wallboard taped, spackled and painted for perimeter office walls.

TILE

- ceramic floor tile and 4-foot high ceramic wall tile in bathrooms

CARPET

- commercial grade carpet and vinyl base (office)

EXHIBIT B (CONT'D)

ACOUSTICAL TILE CEILINGS

- acoustical 2 x 4 lay-in tile ceiling and metal suspension system in offices (approximately 9'0")

PAINTING

- gypsum drywall to receive flat latex finish.
- 1 coat primer & 1 coat interior flat paint.

TOILET COMPARTMENTS

- floor-anchored toilet participations and screens with baked enamel finish

LOADING DOCK EQUIPMENT

- 2 loading docks to have dock bumpers and mechanical recessed dock levelers

HVAC

- office area and warehouse will be heated and air-conditioned with ductwork using rooftop units to provide interior condition 80 F. dry bulb and not over 50% relative humidity when outside conditions are 95 degrees F. dry bulb and 75 degrees F. inside when outside temperature is 0 degrees F.

ELECTRICAL

- 2,000 amp service, 208 volt, three phase.

- lighting (office) 2 x 4 recessed fluorescent units with acrylic diffusers.

- lighting (warehouse) designed to provide 30-foot candles.

PLUMBING

- bathrooms and all other plumbing to be as per building codes.

SPRINKLER SYSTEMS

- automatic sprinkler system throughout as per HFPA-13 Code.

EXHIBIT 10.14

LEASE

LANDLORD	BOMAX PROPERTIES Ithaca, New York
TENANT	ITHACA PERIPHERALS INCORPORATED Groton, New York

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EXHIBITS

LEASE AGREEMENT

THIS AGREEMENT, made and entered into as of the _____ of December, 1991, between BOMAX PROPERTIES, a New York general partnership with an office at 2415 North Triphammer Road, Ithaca, New York 14850, (hereinafter referred to as "Lessor"), and ITHACA PERIPHERALS INCORPORATED, a Delaware corporation with an office at 767 Warren Road, Ithaca, New York 14850 (hereinafter referred to as "Lessee").

W I T N E S S E T H :

That in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

LEASED PROPERTY

A. Real Property. Lessor represents that it is the owner in fee of a certain tract of land located in the Village of Lansing, County of Tompkins, State of New York, more particularly described in Exhibit A, which is attached hereto and made a part hereof, free and clear of all liens, easements and encumbrances, except those described on Exhibit B which is attached hereto and made a part hereof. Exhibit A depicts two parcels of land, Parcel 1 of approximately five and one half acres which is hereinafter referred to as "Premises," and Parcel 2, hereinafter referred to as "Parcel Two."

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Lessor hereby leases and lets, and Lessee hereby hires, the Premises, together with an easement in common with others over Bomax Drive and the connecting private driveway for the purposes of ingress and egress from Warren Road to the Premises. Lessee shall pay one-half (50%) of the maintenance costs pursuant to a maintenance agreement made _____ between Lessor and Bernard Malloy, a copy of which is attached hereto as Exhibit D. The easement and maintenance agreement regarding Bomax Drive shall continue only until such time as Bomax Drive shall have been dedicated to and accepted by the Village or Town of Lansing as a public street or highway.

B. Option and Right of First Refusal. At any time during the Lease term, Lessee shall have the option, upon written notice to Lessor, of including a contiguous portion of Parcel 2 within this Lease. If Lessee exercises its option, Lessee and Lessor shall have 90 days during which to negotiate the terms upon which the portion of Parcel 2 will be included within this Lease, including, if applicable, the terms upon which Lessor will construct and lease any proposed expansion of the building leased to Lessee hereunder. If the parties reach agreement, Lessor shall take all necessary action to obtain subdivision approval to divide the remaining acres of Parcel 2.

If the parties are unable to agree upon lease terms for Parcel Two within the 90-day period, Lessor shall be free to lease all or any portion of Parcel 2 to a third party, subject to the following right of first refusal of Lessee to

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match any lease terms offered to the third party. If Lessor contemplates lease or sale of any other contiguous parcel owned by Lessor and shown on Exhibit A, Lessee shall have the right of first refusal to lease such property at the same price and under the same terms and conditions that Lessor is willing to accept pursuant to a bona fide offer received from any third party. Lessor shall present such offer to Lessee in writing, and Lessee shall have thirty (30) days thereafter to either accept or reject the offer. If Lessee does not accept the offer in writing delivered to Lessor, then Lessor may lease the property to the bona fide third party on substantially the same terms and conditions as contained in the offer.

C. Improvements. Lessor agrees to construct on the Premises, at its own cost and expense, a building and other improvements in accordance with plans revised as of October 14, 1991 ("Revision #2) and specifications dated October 10, 1991, prepared by Tallman & Tallman, architects, which plans and specifications have previously been reviewed and approved by both parties hereto. The specifications as of October 10, 1991, are set forth in Exhibit C which is attached hereto and made a part hereof. The Premises, building and improvements are hereinafter referred to as the "Leased Property."

D. Contingencies. Lessor and Lessee hereby agree that it is a condition of this Lease that Lessor shall have obtained acceptable financing, contractor bids, and final drawings by March 1, 1992. If Lessor is unable to obtain financing, contractor bids or final drawings on terms

acceptable to Lessor in its discretion, then Lessor shall provide written notice to Lessee by March 1, 1992, and this Lease shall terminate as of March 1, 1992, without further liability of one party to the other.

E. Completion of Improvements. Construction of the improvements shall commence on or before March 15, 1992, and shall be completed and delivered to Lessee for lawful occupation by October 1, 1992. On or about June 1, 1992, Lessor will advise Lessee of the projected date for occupancy. If occupancy is not available by October 1, 1992, Lessor will pay Lessee Nine Thousand and no/100 Dollars ($9,000.00) per month. In the event construction is not completed and a Certificate of Compliance issued by January 1, 1993, Lessee shall have the option of terminating the Lease, without further liability or obligation, upon written notice to Landlord. Said improvements shall be constructed, and the Leased Property upon substantial completion shall be rendered to Lessee for occupancy, in compliance with the building code of the Town and Village of Lansing, County of Tompkins and State of New York, for use as a light manufacturing facility. Lessee, by entering into occupancy of the Leased Property, shall be deemed to have agreed that: (1) Lessor, up to the time of such substantial completion and occupancy, had performed all of its obligations and that the Leased Property, except for minor details of construction, decoration and mechanical adjustment, were in satisfactory condition as of the date of such occupancy and (2) the term of this Lease shall commence as of the date specified in Article II below.

F. Representations and Warranties. Lessor represents and warrants the following matters, each of which shall be a condition to commencement of the Lease term and shall survive the execution and delivery of this Lease:

(1) The Lessor has obtained or will obtain prior to the commencement of the Lease term all governmental permits, licenses, certificates and approvals necessary to construct and occupy the building and improvements set forth in Exhibit C.

(2) Lessor has obtained or will obtain prior to commencement of the Lease term all subdivision approvals necessary for the lease of the Leased Property and construction of the building and improvements thereon.

(3) The building and improvements described on Exhibit 3 will be constructed in a good and workmanlike manner, in compliance with all applicable governmental laws, rules and regulations, and will conform to the specifications set forth in Exhibit C.

(4) The Leased Property is zoned for use as a light manufacturing facility contemplated by Lessee, without the need for a special use permit or variance.

(5) On and after the commencement date of this Lease, the Leased Premises shall be free and clear of all liens and encumbrances which could adversely affect the use and enjoyment of the Leased Property in accordance with the terms of this Lease.

(6) The Leased Property is, and upon the commencement of the Lease term shall be, free of any

petroleum or petroleum product, hazardous waste, hazardous material, hazardous substance or any other contaminant or pollutant. In the event that during the Lease term any such substance is discharged onto or released from the Lease Property (other than from causes arising out of Lessee's use or occupancy of the Leased Property), Lessor shall promptly take all appropriate and necessary remedial action and indemnify and hold Lessee harmless from all costs and expenses thereof.

(7) The Leased Property is served by public water and the building to be constructed on the Leased Property will be connected to the public water system.

(8) Lessor shall furnish to Lessee an acceptable Phase I environmental assessment of the Leased Property showing no environmental problems associated with the property. If Lessor's lender requires a more detailed environmental study, Lessor shall provide same to Lessee.

ARTICLE II

TERM

The term of this Lease shall extend for a period of ten (10) years, commencing on the date on which Lessor delivers the Leased Property to Lessee with evidence from the Village of Lansing permitting the Lessee to lawfully occupy the Leased Property for the intended purpose. Lessee has the option to renew this Lease for two (2) additional five (5) year terms. Lessee shall notify Lessor in writing of its intent to renew at least one hundred eighty (180) days prior

to the end of the original term or of the first five (5) year renewal term.

ARTICLE III

RENT

A. Rent. Upon commencement of the term of this Lease, Lessee shall pay to Lessor rent for the Leased Property during the term of this Lease on a gross square footage basis as determined by the exterior dimensions of the building excluding the courtyard (it being the intention of the parties that the gross square footage will be approximately 26,000) at the following annual rates:

Year 1	$6.00 per gross square foot
Year 2	$6.00 per gross square foot
Year 3	$6.00 per gross square foot
Year 4	$7.00 per gross square foot
Year 5	$7.00 per gross square foot
Year 6	$7.50 per gross square foot
Year 7	$7.50 per gross square foot
Year 8	$8.25 per gross square foot
Year 9	$8.25 per gross square foot
Year 10	$8.25 per gross square foot

The rent shall be due and payable in equal monthly installments, in advance, on the first day of each and every month during the term of this Lease. If this Lease commences on a day other than the first of a month, the rent for the first and last months shall be prorated accordingly.

In the event the building is not one hundred percent completed by the occupancy date, Lessee shall be entitled to

a rent abatement in the amount of a percentage equal to the percentage of unfinished interior items using the allocation established under the ALA construction contract. Lessor shall have thirty (30) days to complete any interior punch list items agreed to by the parties. If any exterior items are unfinished, the parties shall agree to a punch list, and Lessor shall provide a written undertaking to provide said exterior items within a specific time frame when weather permits. Lessor will give Lessee a rent offset in the event exterior items are not completed within the agreed time frame.

Lessee shall pay said monthly rental payments without notice or demand and without abatement, deduction or set off except as expressly provided herein, in lawful money of the United States at the office of Lessor or at such other place as Lessor may designate in writing.

In the event Lessee fails to pay a monthly rental payment or additional rent or any other charge due Lessor by Lessee under this Lease, by the fifth day of the month, Lessee shall pay, as additional rent, a five percent (5%) late charge on the amount due.

B. Triple Net Lease. It is intended that this shall be a triple net Lease. Under the terms of this Lease, it is contemplated that Lessee, in addition to paying the rent above, shall pay all real property taxes and assessments, utilities and other costs of operation of said building, and insurance.

C. Commencement. Lessor and Lessee agree that all financial obligations of Lessee under this Lease, including its obligation to pay rent, real property taxes, insurance and utilities commences only upon, and is prorated as of, the commencement of the lease term.

D. Renewal Term Rent. The rental during any renewal term shall be calculated based on the increase, if any, in the cost of living as determined by the Consumer Price Index for all Urban Consumers (CPI-U) "all items" column (published monthly by the United States Department of Labor), hereinafter called the "Index".

(i) The Index number indicated in the column for "all items" for the first month of the last year of the original term shall be the "Base Index" and the corresponding Index number for the last month of the year or renewed year of this Lease immediately preceding the year just renewed and for which this calculation is made (Index) shall be the "Current Index Number." The "Current Index Number" shall be divided by the Base Index Number. From the quotient thereof, there shall be subtracted the integer 1, and any resulting positive number shall be deemed to be the percentage of increase in the cost of living.

(ii) The percentage of increase shall then be multiplied by the annual rent for the last year of the original term and the product shall be considered the increase required in the annual rent, provided, however, that the percentage of increase shall not exceed six percent (6%). This calculation of increase shall be made at the

commencement of the first renewal term and the increased annual rent will be the rent required to be paid for the first three (3) years of the renewal term. Thereafter, the annual rent will be increased by the aforesaid calculation at the commencement of years four, six, and eight of the renewal term or terms.

(iii) Lessor shall, within a reasonable time after obtaining the appropriate data necessary for computing such increase, give Lessee notice of any increase so determined, and Lessor's computation thereof shall be conclusive and binding but shall not preclude any adjustment which may be required in the event of a published amendment of the index figures upon which the computation was based unless Lessee shall, within sixty (60) days after the giving of such notice, notify Lessor of any claimed error therein. Any dispute between the parties as to any such computation shall be determined by arbitration.

(iv) If at the time of any calculation for an increase the Current Index Number is equal to or less than the Base Index number, the annual rent as provided in this Lease shall not be adjusted but shall remain the same for said new year.

ARTICLE IV

REAL PROPERTY TAXES

A. Impositions. Lessee shall pay and discharge, as soon as the same shall become due and payable, all real property taxes, special or general, ordinary or extraordinary, assessments, water and sewer rents, charges

for public utilities, excises, levies, license and permit fees, and other governmental charges which shall be imposed upon or become due and payable or become a lien upon the Leased Property or any part thereof, including any building and improvements which may hereafter be placed or erected thereon, or on the sidewalks or streets in front of the same by any federal, state, municipal or other governmental or public authority under existing law or practice, or under any future law or practice (all such real property taxes, assessments, rents, rates, excises, levies and charges being hereinafter referred to as "Impositions"). If, at any time during the term of this Lease, the present method of taxation shall be changed so that the whole or any part of the said Impositions shall be transferred to the rentals received from the said real estate, Lessee covenants and agrees to pay such Impositions, whether levied on said real estate in whole or in part, or against said rentals in whole or in part, it being the intent of the parties that Lessee shall pay the Impositions assessed, levied or imposed upon the Leased Property, as above expressed, but not income tax or its equivalent, and Lessee agrees to protect and save the Lessor harmless against any such Impositions. If any assessments may be paid in installments, however, Lessee shall be required to pay only such installments as become due and payable during the term of this Lease and at the time each such installment becomes due and payable. Upon Lessor's written request, copies of all receipted tax and similar bills paid by Lessee shall be sent promptly to Lessor. Impositions for periods during which this Lease commences and

terminates shall be apportioned as of commencement and termination of the lease term.

B. Tax Abatement. Lessor and Lessee agree that the Leased Property [ ] qualifies for a Tompkins County Industrial Development Agency ("TCIDA") tax abatement pursuant to an agreement between Lessor and TCIDA. Lessor will take all reasonable steps to [ ] finalize a payment in lieu of taxes agreement in accordance with TCIDA approval, but it is expressly agreed that this Lease is not contingent upon the [ ] finalization of such payment. The parties agree that there are approximately $10,000.00 - $15,000.00 fees payable to the TCIDA, to be paid in the first year.
[ ]

C. Default. Upon default of the payment of any Impositions by Lessee for thirty (30) days after the said Impositions shall have become due and payable, Lessor may, but shall not be obligated to, pay the same plus any interest and penalties, and any amount so paid, with interest at the rate of prime plus 2% per annum, as charged from time to time by Norstar Bank, or its successor, may be added to and be collectible as additional rental hereunder. The bill or receipt issued by the taxing agency shall be deemed conclusive evidence of the amount of tax and the amount paid.

D. Tax Challenge. Lessee shall have the right to review or contest, by legal proceedings instituted and conducted at Lessee's own expense and free of expense to Lessor, any such Impositions imposed upon or against the Leased Property, and in case any such Impositions shall, as a result of such proceeding or otherwise, be reduced,

cancelled, set aside or to any extent discharged, Lessee shall be obligated to pay the amount that shall be finally assessed or imposed against the Leased Property, or be adjudicated to be due and payable, or any such disputed or contested items.

In the event Lessee exercises its right to review, by legal proceedings, any such Impositions imposed upon or against the Leased Property, Lessee shall, nevertheless, pay and continue to pay such Impositions, and if there be a refund payable with respect thereto, Lessee shall be entitled to receive any such refund to the extent that the same has been paid by Lessee. Any refunds received by Lessor, which are payable to Lessee for the reasons stated above, shall be deemed trust funds, and as such, are to be received by Lessor in trust and paid to Lessee forthwith. The term "legal proceedings" as here used shall be construed to include (but not limited to) appropriate appeals from any judgments, decrees or orders, and certiorari proceedings and appeals from orders therein, including appeals to the court of last resort.

E. Tax Escrow. In the event that Lessor is required, by its lender or any other entity or agency, to pay the aforesaid Impositions in the first instance and/or establish an escrow account for the payment of such taxes, Lessee agrees to reimburse Lessor for any taxes paid, and to fund any escrow account to the extent required, on a monthly basis, together with any amounts required by the lender to establish, initially, the escrow account; it being the intention of the parties that Lessee will hold Lessor

harmless against the payment of any real estate taxes or Impositions, this being a triple net Lease, as expressed in ARTICLE III, paragraph B above. Any such reimbursement and payment into the aforesaid escrow account shall be regarded as additional rent due under this Lease. Notwithstanding this reference to the escrow account obligation as additional rent or anything else in the Lease to the contrary, the escrow account and any interest therein shall at all times remain the property of Lessee.

ARTICLE V

UTILITIES

Upon commencement of the lease term, Lessee shall pay all charges for utilities, including, but not limited to, gas, electricity, light, heat, water, sewer rental charges, power and telephone or other communication service used, rendered or supplied, upon or in connection with the Leased Property, and shall indemnify Lessor against any liability or damages on such account.

ARTICLE VI

USE

Lessee shall use and occupy the Leased Property as light manufacturing and offices. Lessee shall not use or occupy, or permit the Leased Property to be used or occupied, nor do or permit anything to be done in or on the Leased Property, in a manner which will in any way violate any certificate of occupancy affecting the Leased Property, or make void or voidable any insurance then in force with respect thereto, or which will make it impossible to obtain fire or other

insurance required to be furnished hereunder or which will cause such insurance to increase, or which will cause or be likely to cause structural damage to the building or any part thereof or which will increase the hazard of fire or which shall be in violation of the rules of the Board of Fire Underwriters or the provisions of the insurance policies on the premises, or which will constitute a public or private nuisance, and shall not use or occupy the Leased Property in any manner which will violate any present or future laws or regulations of any governmental authority.

Lessee agrees that the Leased Property will be used and occupied in a careful, safe and proper manner, and that Lessee will not permit waste, damage or injury to occur therein.

ARTICLE VII

CONDITION OF PROPERTY

Neither Lessor nor its agents have made any other representations with respect to the Leased Property, except as expressly set forth in the provisions of this Lease.

Lessor hereby assigns all of its right, title and interest (including specifically all remedies) in all warranties and guarantees with respect to the construction of the building on the Premises. Lessor shall turn over to Lessee all documents and literature evidencing such warranties and shall execute written assignments of all rights thereunder, as and when requested by Lessee.

ARTICLE VIII

ALTERATIONS/MECHANICS LIENS

A. Alterations. Lessee will not make any alterations of or upon any part of the Leased Property except by or with the written consent of Lessor and any mortgagee, if required by the mortgagee. Lessor agrees not to withhold unreasonably its consent to any such alterations proposed by Lessee. Notwithstanding the foregoing, Lessee shall be entitled to place on the Leased Property one identifying sign, which sign shall conform to the requirements of the Village of Lansing Sign Ordinance, without Lessor's consent. No change or alteration shall at any time be made which shall impair the structural soundness or diminish the value of the Leased Property, and all alterations will be completed in a workmanlike manner. All alterations to the Leased Property shall remain for the benefit of Lessor unless otherwise provided in said written consent, and Lessee further agrees, in the event of making such alterations as herein provided, to indemnify and save harmless Lessor from any expenses, liens, claims or damages to persons or property on the Leased Property, arising out of or resulting from the undertaking or making of said alterations. Lessee shall provide as-built plans for all alterations at the termination of this Lease.

No changes or alterations shall be undertaken until Lessee shall have procured and paid for any required municipal and other governmental permits and authorizations of the various municipal departments and governmental subdivisions having jurisdiction.

In the event, however, any alterations, additions or improvements are made to the demised premises without the consent of Lessor, Lessee shall, upon the expiration of this Lease, or any renewal thereof, unless otherwise agreed to in writing by Lessor and Lessee, restore the demised premises to its original condition as of the date of the commencement of the term hereunder, with consideration given for normal wear and use.

Nothing in this Article shall be deemed or construed as (a) Lessor's consent to any person, firm or corporation for the performance of any work or services or the supply of any materials to the Premises or any improvement thereon, or (b) giving the Lessee or any other person, firm or corporation any right to contract for or to perform or supply any work, services or materials that would permit or give rise to a lien against the Premises or any part thereof.

B. Mechanic's Liens. If, because of any act or omission by Lessee, any mechanic's or other lien for the payment of money shall be filed against the Leased Property, Lessee shall cause the lien to be discharged of record or bonded within ten (10) days after notice to Lessee of the filing of the lien and Lessee shall defend, indemnify and hold Lessor harmless against any and all costs, liabilities, suits or claims, including reasonable attorney's fees, resulting therefrom. If Lessee fails to comply with the foregoing provision, Lessor shall have the option of discharging or bonding any such lien, and Lessee shall reimburse Lessor as additional rent all the costs and

expenses, including reasonable attorney fees, in connection with such discharge within ten (10) days after notification by Lessor.

ARTICLE IX

REPAIRS AND MAINTENANCE

A. Lessor's Repairs. Except where damage is caused by Lessee, Lessor, at Lessor's expense, shall make all necessary structural repairs to the roof, foundation and exterior walls. Lessor shall assign to Lessee, or make other suitable arrangements for Lessee to obtain the benefit of, all builder's and equipment warranties, including warranties on pipes, plumbing and septic system. Lessor shall take all reasonable steps to obtain warranties of the duration previously provided to Lessee, but it is expressly agreed that this Lease is not contingent upon receipt of such warranties. No diminution of rent shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs to the Leased Property unless all or a substantial portion of the Leased Premises shall be uninhabitable for a period of five days or more.

B. Lessee's Repairs. Lessee shall, at its own expense, make all other necessary repairs and replacements to the Leased Property during the term of this Lease. Lessee shall maintain in a good and safe condition the Leased Property, including, but not limited to, the pipes, plumbing and septic systems, heating and cooling system, window glass, fixtures, appliances, appurtenances and equipment used in connection with the Leased Property. Such repairs and

replacements shall apply to the interior and exterior of said Leased Property, and shall be in quality and class at least equal to the original work. Lessee shall also, at its own expense, maintain and keep the parking area and sidewalks and curbs in a clean and orderly condition (including resurfacing of the parking area as required), reasonably free of dirt, rubbish, snow, ice and unlawful obstructions. In the event municipal sewer service becomes available to the Leased Property during the course of construction and prior to issuance of a Certificate of Compliance, the cost of connection to such services shall be borne by Lessor; in the event municipal sewer service becomes available to the Leased Property following issuance of a Certificate of Compliance, the cost of connection to such services shall be borne by Lessee.

C. Default. On default of Lessee in making such repairs or replacements, 30 days after Lessor gives written notice to Lessee and a right to cure such default, Lessor may, but shall not be required to, make any remaining repairs and replacements for Lessee's account, and the expense thereof shall constitute and be collectible as additional rent. The receipted bills of the mechanics or contractors employed by Lessor, showing the payment by Lessor for the making of such repairs or alterations, shall be prima facie evidence of the reasonableness of such charges therefor, and of their payment by Lessor.

D. Indemnification. Lessee shall indemnify Lessor against all costs, expenses, liabilities, losses, damages, suits, fines, penalties, claims and demands, including

reasonable counsel fees, because of Lessee's failure to comply with the foregoing, and Lessee shall not call upon Lessor for any disbursement or outlay whatsoever in connection therewith, and hereby expressly releases and discharges Lessor of and from any liability therefor.

E. Arbitration. In case any dispute shall arise at any time between Lessor and Lessee as to the standard of care and maintenance of the Leased Property, such dispute shall be determined by arbitration according to the then-current commercial arbitration rules of the American Arbitration Association in Ithaca, New York, before a single arbitrator; provided, that if the requirement for making repairs or replacements is imposed by any governmental authority or the holder of any mortgage to which this Lease is subordinate, then such requirement for repairs or replacements shall be complied with by Lessee and shall not be considered an arbitratable dispute, unless arbitration is provided for by law or by agreement with the applicable governmental authority or mortgage holder.

ARTICLE X

INSPECTION

Lessee agrees to permit Lessor, or Lessor's representatives, to inspect or examine the Leased Property at any reasonable time, to permit Lessor to make such repairs to the building as Lessor may determine are reasonably necessary for its safety or preservation and which Lessee has failed to do, and to have access for purpose of showing the premises to prospective tenants or purchasers.

ARTICLE XI

SURRENDER OF PREMISES

At the expiration of the lease term, or at any other termination of this Lease, Lessee shall surrender to Lessor the Leased Property, broom clean, and in as good condition and repair as it was at the commencement of this Lease, ordinary wear and tear or damage by fire or other act of God, the only exceptions. Any holdover by Lessee of the end of this Lease shall be considered to be on a month-to-month basis on the same terms and conditions as expressed herein except the monthly rental payment shall be two times the rental provided at that time unless the parties mutually agree to a different amount.

ARTICLE XII

INSURANCE

A. Lessee's Insurance. Lessee shall carry at its own expense, fire and extended coverage insurance on its own leasehold improvements, on the contents of the premises and on any other personal property owned by Lessee located at the premises.

Lessee, at its sole cost and expense, and for the mutual benefit of Lessor and Lessee, shall carry and maintain loss of rent coverage in an amount equal to at least twelve months' rent.

B. Insurance. Lessor shall procure, provide and maintain insurance for the mutual benefit of Lessor and Lessee against claims for bodily injury or death or injury to

or destruction of tangible property, under a policy of general public liability insurance, with $1,000,000.00 combined single limit for bodily injury, death and property damage for each annual policy period. The liability policy provided for in this section shall be primary to any similar coverage maintained by Lessor or Lessee.

Lessor shall procure, provide and maintain the necessary insurance and pay the premiums for fire, extended coverage and all risk insurance for the benefit of Lessor against loss or damage to the demised premises, and to any improvements in an amount sufficient to prevent Lessor from becoming a co-insurer under the terms of the applicable policies but, in any event, in an amount not less than 80% of the full insurable value thereof, as determined from time to time. The term "full insurable value" shall mean actual replacement cost (exclusive of cost of excavation, foundations and footings below the basement floor) without deduction for physical depreciation. If Lessee does anything that increases Lessor's fire insurance premiums, Lessee shall pay the increase in full as additional rent within ten (10) days of Lessor's notice.

C. Reimbursement. Lessee shall reimburse Lessor for the cost of such insurance obtained by Lessor. Lessee shall make payment of the premium cost within ten (10) days of the rendering of the bill by Lessor. The cost of such insurance premium shall be considered and treated as additional rent hereunder. If Lessee feels that the premium cost of the insurance procured by Lessor is excessive, Lessee will be entitled to obtain competitive quotes for comparable

coverage, and if such quotes are less than the actual cost, Lessor will switch insurance coverage for the next policy year.

D. Waiver of Liability. Lessor and all parties claiming under Lessor hereby release Lessee from any and all claims and liabilities arising from or caused by any hazards covered by the fire insurance policy obtained by Lessor on the Premises, regardless of the cause of such casualty. Lessee and all parties claiming under Lessee hereby release Lessor from any and all claims and liabilities arising from or caused by any hazards covered by the fire insurance policy obtained by Lessee on the Premises, regardless of the cause of such casualty. Lessor shall not be liable for any damage to Lessee's fixture, merchandise or personal property caused by fire regardless of the cause thereof, and Lessee hereby releases Lessor of and from all liabilities for such damage. Lessee shall not be liable for any damages to Lessor's building, fixtures or property caused by fire regardless of the cause thereof and Lessor hereby releases Lessee from all liabilities for such damage.

ARTICLE XIII

FIRE OR CASUALTY LOSS

In the event of damage to the Leased Property by fire or other casualty, Lessor, at its sole expense, shall promptly restore, upon receipt of insurance proceeds, the Leased Property as nearly as possible to its condition prior to such damage or destruction. All insurance proceeds received by the Lessor pursuant to the provisions of this Lease, less the

cost, if any, of obtaining such recovery, shall be held by Lessor and applied by Lessor to the payment of such restoration, as such restoration progresses. In the event of any such partial destruction or damage, provided that there shall be in force the loss-of-rent coverage required by Article XII, A (Lessee's Insurance), there shall be a proportionate abatement of rent until such time as the Leased Property is repaired and delivered to the Lessee based upon the extent to which the Leased Property is rendered untenantable.

If, at any time during the term of this Lease, the Leased Property is completely destroyed or so damaged by fire or other casualty covered by insurance as to render it unfit for its designated use, and repair or restoration cannot be completed within nine months, either party may terminate this Lease on written notice to Lessee of at least ten days and no more than forty-five days. Such notice shall be given within sixty days after the date of such damage or destruction. If the Lease shall so terminate, all basic and additional rent shall be apportioned to the date of the termination, and all insurance proceeds shall belong to Lessor.

If the Lease is not so terminated, Lessor shall promptly rebuild and restore the Leased Property as nearly as possible to its condition prior to such damage. Lessee's obligation to pay rent and all other charges, and to perform all other terms of this Lease, to the extent of the loss-of-rent coverage required by Article XII, A, shall abate during the period the Leased Property is untenantable. Any loss of rent

insurance proceeds receivable on account of such destruction or damage shall belong to Lessor.

ARTICLE XIV

LIABILITY

Lessor shall not be liable to Lessee or those claiming under Lessee for any damage done to or loss of personal property located in the Premises, or damage or loss suffered by the business or occupation of Lessee arising from the bursting of water pipes, sprinkler system, overflowing or leaking of water, sewer or other pipes, or from the heating or plumbing fixtures or from the electric wiring, or from gas odors or from any other cause whatsoever, unless resulting from the negligence or intentional acts of Lessor.

ARTICLE XV

COVENANT OF QUIET ENJOYMENT

Lessee, upon the payment of the rent and other charges herein provided for, and performing all other terms of this Lease, shall at all times during the lease term, peaceably and quietly enjoy the Premises without any disturbance from Lessor or from any other person claiming through Lessor.

ARTICLE XVI

SUBORDINATION

This Lease is and shall be subject and subordinate to any mortgage or mortgages now in force or which shall at any time be placed upon the Premises or any part thereof or the building of which the Premises is a part, provided the mortgage contains a standard non-disturbance clause allowing

this Lease to remain in effect so long as Lessee is not in default hereunder and, in the event of a fire or other casualty, gives Lessor access to insurance proceeds to enable Lessor to fulfill its obligations under Article XIII. Lessee agrees that it will, upon demand, execute and deliver such instruments as necessary to effect more fully such subordination of this Lease to the lien of any such mortgage or mortgages as shall be desired by any mortgagee, or proposed mortgagee, and in the event of the failure of Lessee to execute such instrument, Lessee hereby nominates and appoints Lessor attorney-in-fact for the purpose of executing any such instrument of subordination.

ARTICLE XVII

ASSIGNMENT

Lessee shall have the right to assign this Lease, or to sublease the Leased Property for any purpose lawful under the Village of Lansing Zoning Law without the consent of Lessor. Lessee shall remain liable for the payment of all rent and other charges to be paid hereunder and for the performance of all the terms, covenants and conditions herein undertaken by Lessee for the remainder of the original term and any renewal term or terms. If Lessor in its sole discretion consents to an assignment by Lessee, Lessor shall release and discharge Lessee from any further obligation under this Lease or any renewal term or terms.

Lessor shall have the right to assign the within Lease to a corporation or to a partnership or proprietorship now in existence or hereinafter formed, with no further obligation

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on the part of Lessor, provided such assignment will not have an adverse affect on any tax abatement applicable to the Leased Premises. Upon such assignment, Lessor shall have no further liability hereunder.

Lessee shall not mortgage or pledge its leasehold interest in the Premises or its rights under this Lease, except upon the written consent of Lessor, which consent shall not be unreasonably withheld.

ARTICLE XVIII

APPROPRIATION

If the whole of the Leased Property, or such portion of the building thereon as will make the Leased Property unsuitable for use as a manufacturing facility and office, is taken by condemnation or the right of eminent domain, or by agreement between Lessor and those authorized to exercise such right, then, in any of such events, this Lease shall cease and be terminated from the time when possession is taken by such public authority, and rental and other payments shall be accounted for between Lessor and Lessee as of the date of surrender of possession. Such termination shall be without prejudice to the rights of either Lessor or Lessee to recover compensation from the condemning authority for any loss or damage caused by such condemnation. Any portion of an award attributable to the Leased Property shall be the sole property of Lessor, provided the Lessee is entitled to claim, prove and receive the value of its leasehold improvements, fixtures and moving costs. Neither Lessor nor

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If such default or condition is not corrected or remedied or Lessee has not substantially undertaken a cure within the applicable time period, if any, this Lease and the rights of Lessee thereunder shall, at Lessor's option, cease and terminate. Lessor shall provide written notice of such termination to Lessee.

Lessor shall have the right to enter and repossess said Leased Property by force, summary or dispossess proceedings, or otherwise, and to dispossess and remove therefrom any and all occupants and their effects without being liable to prosecution or damages therefore, and to hold said premises as if this Lease had ceased by expiration through maturity of the term above specified. Lessee shall pay or cause to be paid to Lessor the deficits between the monthly amount of the rent hereby reserved and the monthly amount of rents which shall be collected and received or might with due diligence be collected and received from the Leased Property during the remainder of the term of this Lease as the several amounts of such deficits shall from month to month be ascertained.

If Lessor at any time is compelled to pay or elects to pay any sum of money, by reason of the failure of Lessee to comply with any provision of this Lease, or if Lessor reasonably incurs any expense, including reasonable attorney's fees, in instituting, prosecuting and/or defending any action or proceeding instituted by reason of any default of Lessee hereunder, the sum or sums so paid by Lessor, with all interest costs and damages, shall be deemed to be additional rent hereunder and shall be due from Lessee to

Lessor within ten (10) days following the incurring of such respective expenses. Lessor and Lessee agree that in any action or proceeding brought by either Lessor or Lessee against the other on any matters whatsoever arising out of, under or by virtue of the terms of this Lease, that Lessor and Lessee shall and do hereby waive trial by jury.

Lessee hereby expressly waives (to the extent legally permissible), for itself and all persons claiming by, through or under it, any right of redemption and for the restoration of the operation to this Lease under any present or future law in case Lessee shall be dispossessed for any cause or in case Lessor shall obtain possession of the Leased Property as herein provided.

ARTICLE XX

LESSOR DEFAULTS

The Lessor shall be in default of this Lease upon the happening of any of the following events:

A. Lessor shall fail to keep and perform any of the covenants, agreements or conditions of this Lease to be kept or performed by Lessor after thirty days notice in writing thereof has been delivered to Lessor, and such default shall not have been cured or a cure has been substantially commenced within said thirty day period.

B. Any of the representations and warranties made by Lessor herein shall prove to have been materially inaccurate when made.

C. [ ] A Lessor shall (i) file a petition in bankruptcy or a petition seeking reorganization or other relief under

applicable bankruptcy or creditors' rights laws or seeking the appointment of a receiver or (ii) have filed against it a petition seeking relief under any of the foregoing which petition shall not have been stayed or dismissed within 60 days after the filing thereof.

Upon the occurrence of an event of default specified above, which default is not cured or a cure is not substantially undertaken within the applicable time period, if any, Lessee may terminate this Lease upon written notice to Lessor.

ARTICLE XXI

NO WAIVER OF RIGHTS

The failure of Lessor or Lessee to insist upon a strict performance of any term or condition of this Lease shall not be deemed a waiver of any right or remedy that the Lessor or Lessee may have, and shall not be deemed a waiver of any subsequent breach of such term or condition.

ARTICLE XXII

INDEMNIFICATION

Lessee will indemnify Lessor against all liabilities, damages and other expenses, including reasonable attorney's fees which may be imposed upon, incurred by, or asserted against Lessor by reason of any of the following occurring during the term of this Lease:

A. Any use or condition of the Leased Property (other than a condition for which Lessor is responsible under this

Lease) or any part thereof, or any parking area, sidewalk, curb or space adjacent thereto;

B. Any negligence on the part of Lessee, or its agents, contractors, licensees or invitees;

C. Any personal injury or property damage occurring on or about the Leased Property or any adjoining street, sidewalk, curb or space if caused by the negligence or intentional act of Lessee;

D. Any failure on the part of Lessee to perform or comply with any covenant required to be performed or complied with by Lessee hereunder.

If any action or proceeding is brought against Lessor by reason of any such occurrence, Lessee will, at Lessee's expense, resist or defend such action or proceeding by counsel approved by Lessor, such approval not to be withheld unreasonably.

Lessor will indemnify Lessee against all liabilities, damages and other expenses, including reasonable attorneys' fees, which may be imposed upon, incurred by or asserted against Lessee by reason of any of the following:

A. Any negligent or intentional act on the part of Lessor or its agents, contractors, licensees, invitees or employees.

B. The failure on the part of Lessor to perform or comply with any covenant or obligation required to be performed or complied with by Lessor hereunder.

C. The material breach of any representation or warranty made by Lessor in this Lease.

ARTICLE XXIII

BENEFIT

This Lease and its terms and conditions shall inure to the benefit of Lessor, its successors and assigns, and Lessee, its successors and assigns, limited, however, by the provisions herein expressed to the contrary. An assignment for the benefit of creditors of Lessee by an operation of law shall not be effective to transfer or assign Lessee's interests herein without and unless Lessor shall first consent thereto in writing.

ARTICLE XXIV

NOTICES

Any notice under this Lease must be in writing and must be sent by registered or certified mail, postage prepaid, return receipt requested, to the last address of the party to whom the notice is to be given, as designated by such party in writing. Lessor hereby designates its address as _____ _____, Ithaca, New York 14850. Lessee hereby designates its address as _____, _____, New York _____. Either party may change its designated address by written notice to the other party, in the manner herein provided.

Such notice shall be deemed to have been given on the date received by the other party.

ARTICLE XXV

ENTIRE AGREEMENT

This Lease contains the entire agreement and understanding between the parties. There are no oral

understandings, terms or conditions, and neither party has relied upon any representation, express or implied, not contained in this Lease. All prior understandings, terms or conditions are deemed merged in this Lease. This Lease cannot be changed or supplemented orally.

ARTICLE XXVI

CAPTIONS

The captions of this Lease are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

ARTICLE XXVII

SEVERABILITY

If any provision of this Lease shall be declared invalid or unenforceable, the remainder of the Lease shall continue in full force and effect.

ARTICLE XXVIII

GOVERNING LAW

This Lease shall be governed by, construed and enforced in accordance with the laws of the State of New York.

ARTICLE XXIX

RECORDING

Lessee shall not record this Lease without written consent of Lessor; however, both parties shall join in the execution of a memorandum or so-called short form of this Lease for the purpose of recordation. Said memorandum or

short form of this Lease shall describe the parties, the Premises, and the term of this Lease, shall describe the easements and options set forth in Article I and shall incorporate this Lease by reference.

ARTICLE XXX

LESSEE'S CERTIFICATE

At any time within ten(10) days after request by Lessor, Lessee, by written instrument, duly executed and acknowledged, shall certify to Lessor, any Mortgagee, assignee of a Mortgagee, any purchaser, or any person specified by Lessor, to the effect (a) whether or not Lessee is in possession of the Leased Premises; (b) whether or not this Lease is unmodified and in full force and effect (or if there has been modification, that the same is in full force and effect as modified and setting forth such modification); (c) whether or not there are then existing set-offs or defenses against the enforcement of any right or remedy of Lessor, or any duty or obligation of Lessee (and, if so, specifying the same); and (d) dates, if any, to which any rent or other charges have been paid in advance.

ARTICLE XXXI

NO BROKER

Lessor and Lessee warrant and represent that each has dealt with no broker and shall indemnify and hold each other harmless for any and all claims from any broker, including reasonable attorney's fees.

IN WITNESS WHEREOF, the parties have executed these presents in duplicate on the day and year first above written.

BOMAX PARTNERSHIP
(Lessor)

By:_____

Title: General Partner

ITHACA PERIPHERALS INCORPORATED

By:_____

Title:_____

STATE OF NEW YORK)
)ss:
COUNTY OF _____)

On this _____ day of _____, 1991, before me, the subscriber, personally appeared _____ to me personally known, who, being by me duly sworn, did depose and say that he resides at _____ that he is a general partner of BOMAX PARTNERSHIP, a New York general partnership, described in and which executed the above lease.

_____
Notary Public

STATE OF NEW YORK)
)ss:
COUNTY OF _____)

On this _____ day of _____, 1991, before me, the subscriber, personally appeared _____, to me personally known, who, being by me duly sworn, did depose and say that he resides at _____, that he is an officer of ITHACA PERIPHERALS INCORPORATED, on whose behalf he signed the above lease.

_____
Notary Public

GUARANTY OF LEASE

WHEREAS, BOMAX PROPERTIES as Lessor, and ITHACA PERIPHERALS INCORPORATED, as Lessee, have entered into a Lease Agreement dated _____ _____, 1991 for the lease of premises at ____ Bomax Drive, Village of Lansing, New York (the "Lease"); and

WHEREAS, BOMAX PROPERTIES has required that ITHACA PERIPHERALS INCORPORATED furnish a guaranty of the Lease executed by its parent, TRIDEX CORPORATION;

NOW, THEREFORE, in consideration of One Dollar ($1.00) and other good and valuable consideration, TRIDEX CORPORATION ("Guarantor") hereby guarantees unto BOMAX PROPERTIES the full and faithful performance of all of the obligations of ITHACA PERIPHERALS INCORPORATED under the Lease, including, without limitation, the prompt payment of all base rent and additional rent due under the Lease or under any renewal or extension thereof.

BOMAX PROPERTIES agrees to give to Guarantor written notice of any default by ITHACA PERIPHERALS INCORPORATED under the Lease at the address set forth below (or at such other address as the Guarantor may designate in writing), and to permit Guarantor to cure any such default within any applicable cure period set forth in the Lease.

DATED: _____

Address for Notices:
215 West Main Street
Westport, CT 06880

TRIDEX CORPORATION

By: _____
Title: _____

BOMAX PROPERTIES

By: _____
Title: _____

Exhibit 10.15

LEASE AMENDMENT

This Lease Amendment, dated as of October 18, 1993, is by and between BOMAX PROPERTIES, a New York general partnership with an office at 2415 North Triphammer Road, Ithaca, New York 14850 ("Lessor"), ITHACA PERIPHERALS INCORPORATED, a Delaware corporation with an office at 20 Bomax Drive, Ithaca, New York 14850 ("Lessee"), THE TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a New York public benefit corporation organized pursuant to the New York Public Authorities Law ("IDA"), and TRIDEX CORPORATION, a corporation with an office at 215 West Main Street, Westport, Connecticut ("Guarantor").

RECITALS

A. Lessor and Lessee are parties to a Lease Agreement dated as of March 23, 1992 ("Lease"), pursuant to which Lessor leased to Lessee approximately 5.34 acres of land in the Village of Lansing, Tompkins County, State of New York and agreed to construct a manufacturing and office building for Lessee on the Premises. Permanent occupancy of the building was obtained by Lessee on or about November 20, 1992 and the lease commencement date under the Lease was November 20, 1992.

B. Lessor transferred the Premises to the IDA, subject to the Lease, on or about June 11, 1993 and entered into an installment sales contract to purchase the property back from the IDA. Under the installment sales contract, Lessor retains all beneficial rights and interests in the Premises.

C. The Lease was guaranteed by Guarantor, the parent company of Lessee.

D. Lessee has requested Lessor to construct an addition of approximately 10,476 square feet to the Leased Property (as defined in the Lease). The purpose of this Lease Amendment is to provide for the construction of such addition and to amend the Lease accordingly.

NOW, THEREFORE, in consideration of the following mutual covenants, the parties agree as follows:

1. All capitalized terms used herein which are not otherwise defined shall have the same meaning given to those terms in the Lease.

2. The last sentence of the first paragraph of Article I, Section C of the Lease is amended to read as follows:

> The Premises, building and improvements, including the Addition referenced below, are hereafter referred to as the "Leased Property."

3. The following paragraph is hereby added at the end of the first paragraph of Article I, Section C:

> Lessor agrees to construct on the Premises, at its own cost and expense, an addition of approximately 10,476 sq. ft. on the rear of the building currently located on the Premises (along with parking space for 24 additional cars) (hereafter referred to as the "Addition"). The Addition shall be constructed in accordance with the following plans and drawings prepared by Tallman & Tallman, Architects, which plans have previously been reviewed and approved by Lessor and Lessee, along with such other changes thereto as may be hereinafter approved by Lessor and Lessee:

Description	Date	Revised
AD-1	6/10/93	8/11/93
AD-2	6/10/93	8/11/93
AD-3	6/10/93	8/11/93
A8	1/27/92	8/11/93
ME-1	8/11/93	N/A

The foregoing plans and drawings shall be deemed to have been modified to provide for the elimination of the entire south wall of the existing building.

4. The following new paragraph shall be added at the end of Article I, Section E:

Construction of the Addition shall commence on or before October 21, 1993 and shall be completed and delivered to Lessee for lawful occupation by June 1, 1994. The Addition shall be constructed, and the Addition shall be rendered to Lessee for occupancy, in compliance with the Building Code of the Town and Village of Lansing, County of Tompkins and State of New York for use as a light manufacturing facility.

5. Article I, Section F(1) of the Lease is hereby amended to read as follows:

(1) The Lessor has obtained or will obtain all governmental permits, licenses, certificates and approvals necessary to construct and occupy the building and improvements (including the Addition) set forth in the plans as described in paragraph C above.

6. The first sentence of Article II of the Lease is amended as follows to confirm the actual lease commencement date:

The term of this Lease shall extend for a period of ten (10) years commencing on November 20, 1992.

7. The first sentence of Article III, Section A of the Lease is hereby amended as follows to confirm the actual square footage of the existing building:

Upon commencement of the term of this Lease, Lessee shall pay to Lessor rent for the Leased Property (excluding the Addition) during the term of this Lease based on 25,715 sq. ft. at the following annual rates:

8. The following is hereby added to Article III, Section A following the chart on page 8:

In addition to the foregoing, Lessee shall pay to Lessor rent for the Addition during the term of this Lease on a gross square footage basis as determined by the exterior dimensions of the Addition (approximately 10,476 sq. ft.) at the following annual rates:

Year One	-	Not applicable
Year Two	-	$4.00 per gross square foot
Year Three	-	$4.00 per gross square foot
Year Four	-	$5.00 per gross square foot
Year Five	-	$5.00 per gross square foot
Year Six	-	$5.50 per gross square foot
Year Seven	-	$5.50 per gross square foot
Year Eight	-	$6.25 per gross square foot
Year Nine	-	$6.25 per gross square foot
Year Ten	-	$6.25 per gross square foot

Payment of this additional rent with respect to the Addition shall commence only upon completion of the Addition and issuance of a certificate of occupancy for the Addition, and shall be prorated for the year. If the Addition is completed On a day other than the - first of a month, the first and last month's rent for the Addition shall be prorated accordingly.

9. All references in the Lease to the "building and improvements" or phrases of similar meaning shall be deemed to include the Addition as described herein.

10. Except as specifically amended hereby, the Lease Agreement remains in full force and effect in accordance with its terms.

11. The IDA is signing this Lease Amendment solely for the purpose of signifying its consent to the amendment of the Lease but does not undertake and shall not be liable or responsible for any of the obligations or liabilities of the landlord under the Lease Agreement, as amended.

12. The Guarantor is signing this Lease Amendment solely for the purpose of signifying its consent hereto and confirming that its guarantee of the Lease, as hereby amended, remains in full force and effect.

13. This Lease Amendment may be signed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have subscribed this Lease Amendment as of the date first written above.

BOMAX PROPERTIES

By: /s/ Robert T. Dean /s/ Maxine Dean

Title: Partners

IN WITNESS WHEREOF, the parties have subscribed this Lease Amendment as of the date first written above.

ITHACA PERIPHERALS INCORPORATED

By: /s/ S. Scott

Title: President

TRIDEX CORPORATION

By: /s/ Richard L. Cote

Title: Senior Vice President & CFO

IN WITNESS WHEREOF, the parties have subscribed this Lease Amendment as of the date first written above.

THE TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: ----------

Title: ----------

Exhibit 10.16

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of December 15, 1995

among

TRIDEX CORPORATION,

ITHACA PERIPHERALS INCORPORATED,

ULTIMATE TECHNOLOGY CORPORATION,

MAGNETEC CORPORATION,

CASH BASES INCORPORATED

and

FLEET BANK, NATIONAL ASSOCIATION

AMENDED AND RESTATED CREDIT AGREEMENT dated as of December 15, 1995 among TRIDEX CORPORATION, a corporation organized under the laws of the State of Connecticut, ITHACA PERIPHERALS INCORPORATED, a corporation organized under the laws of the State of Delaware, ULTIMATE TECHNOLOGY CORPORATION, a corporation organized under the laws of the State of New York, MAGNETEC CORPORATION, a corporation organized under the laws of the State of Connecticut, and CASH BASES INCORPORATED, a corporation organized and existing under the laws of the State of Delaware (collectively, all such corporations being the "Borrowers" and each, individually, a "Borrower"), and FLEET BANK, NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States of America (the "Bank").

PRELIMINARY STATEMENTS.

A. The Borrowers (other than Cash Bases Incorporated) and the Bank have entered into a Credit Agreement dated as of June 17, 1994. Cash Bases Incorporated was added as a "Borrower" under said Credit Agreement pursuant to the terms of a certain Letter Agreement dated as of December 23, 1994 among Cash Bases Incorporated, the Bank and the other Borrowers. The Credit Agreement was amended by a Letter Amendment dated as of March 31, 1995, and Amendment No. 1 dated as of June 22, 1995, and the Revolving Credit Termination Date has been extended pursuant to correspondence between the Bank and the Borrowers (said Credit Agreement, as so amended and modified, being hereinafter referred to as the "Existing Credit Agreement").

B. Pursuant to the Existing Credit Agreement, the Borrowers are indebted to the Bank in the aggregate principal amount of $5,291,333.32 as of the Closing Date (the "Indebtedness"), which indebtedness is owed by the Borrowers to the Bank without offset, defense, counterclaim of any kind, nature or description. As security for such Indebtedness, the Borrowers have heretofore granted to the Bank a first priority security interest in all of the Borrowers' personal property, whether now owned or hereafter acquired, wherever located of any kind, nature or description, tangible or intangible, including, without limitation, the Borrowers' accounts receivable, inventory, equipment, and general intangibles, and such security interests and liens granted by the Borrowers to the Bank are hereby reacknowledged and reconfirmed by Borrowers.

C. The Borrowers have requested that the Bank increase the principal amount available under the Existing Credit Agreement, extend certain maturity dates under the Existing Credit Agreement and otherwise amend certain provisions of the Existing Credit Agreement, and the Bank has agreed to do so, subject to the conditions precedent set forth herein.

D. Effective upon compliance with the conditions precedent set forth in Section 4.1 hereof, the Existing Credit Agreement is amended and restated in its entirety to read as set forth herein.

ARTICLE DEFINITIONS; ACCOUNTING TERMS

Section 1.1. Definitions. As used in this Agreement, the following terms have the following meanings (terms defined in the singular to have a correlative meaning when used in the plural and vice versa):

"Adjusted Leverage Ratio" means, for the Borrowers, as at any date, on a consolidated basis, the ratio of Consolidated Funded Debt to EBITDA, as measured at the end of each fiscal quarter for the twelve month period then ended (a rolling twelve month calculation measured as of the end of each successive quarter).

"Affiliate" means any Person: (a) which directly or indirectly controls, or is controlled by, or is under common control with, any Borrower or any of its Subsidiaries; (b) which directly or indirectly beneficially owns or holds five percent or more of any class of voting stock of any Borrower or any such Subsidiary; (c) five percent or more of the voting stock of which is directly or indirectly beneficially owned or held by any Borrower or such Subsidiary; or (d) which is a partnership in which any Borrower or any of its Subsidiaries is a general partner. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

"Agreement" means this Credit Agreement, as amended or supplemented from time to time. References to Articles, Sections, Exhibits, Schedules and the like refer to the Articles, Sections, Exhibits, Schedules and the like of this Agreement unless otherwise indicated.

"Amortization Date" means the last day of each calendar month, commencing on May 31, 1996, up to (and including) the Maturity Date, provided that if any such day is not a Banking Day, such day shall be the next succeeding Banking Day (or, if such next succeeding Banking Day falls in the next calendar month, the next preceding Banking Day).

"Banking Day" means any day on which commercial banks are not authorized or required to close in Hartford, Connecticut, and whenever such day relates to a LIBOR Loan or notice with respect to any principal amounts bearing interest at the LIBO Rate, a day on which dealings in Dollar deposits are also carried out in the London interbank market.

"Borrowing Base" means, as of any date of determination thereof, an amount equal to the sum of (i) 80% of Eligible Receivables, plus (ii) the lesser of (A) 25% of Eligible Inventory or (B) $1,500,000. Unless the Bank shall otherwise determine, the Borrowing Base as of any date shall be the Borrowing Base set forth on the most current Borrowing Base Certificate certified and delivered by a Borrower pursuant to either Section 6.8 or Section 4.2. If, at any time, the Borrowing Base shall exceed the Working Capital Commitment, for purposes of this Agreement the Borrowing Base shall be deemed to be equal to the Working Capital Commitment.

"Borrowing Base Certificate" means a certificate substantially in the form of Exhibit G hereto or such other form agreed to in writing by the Bank and the Borrowers.

"Borrowing" means any Loan or Foreign Exchange Transaction requested by any Borrower hereunder.

"Capital Expenditures" means, for any Person for any period, the Dollar amount of gross expenditures (including obligations under Capital Leases) made by such Person during such period for fixed assets, real property, plant and equipment, and all renewals, improvements and replacements thereto (but not repairs thereof) incurred by such Person during such period.

"Capital Lease" means any lease which has been or should be capitalized on the books of the lessee in accordance with GAAP.

"Cash Bases GB" means Cash Bases GB Limited, a corporation organized under the laws of the United Kingdom and a Subsidiary of the Parent.

"Cash Bases GB Excess Cash Flow" means (i) excess cash flow after all sources and uses of cash as shown on Cash Bases GB's annual audited statement of cash flows less (ii) the amount (if any) by which (A) the outstanding principal amount of advances under any working capital or overadvance facility provided to Cash Bases GB or any of its Subsidiaries as at the end of such fiscal year exceeds (B) the outstanding principal amount of any such advances as at the end of the fiscal year immediately preceding such fiscal year. If Cash Bases GB has any Subsidiaries at any time, the foregoing calculation shall be done on a consolidated basis with its Subsidiaries.

"Cash Bases GB Pledge Agreement" means the Charge Over Shares and Securities dated June 20, 1994 by and between the Parent and the Bank, a photocopy of which is attached hereto as Exhibit H.

"Cash Bases USA" means Cash Bases Incorporated, a Delaware corporation.

"Closing Date" means the date this Agreement has been executed by the Borrowers and the Bank.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" means the Term Commitment together with the Working Capital Commitment.

"Consolidated Capital Expenditures" means Capital Expenditures of the Borrowers and their Consolidated Subsidiaries, as determined on a consolidated basis in accordance with GAAP.

"Consolidated Current Assets" means Current Assets of the Borrowers and their Consolidated Subsidiaries, as determined on a consolidated basis in accordance with GAAP.

"Consolidated Current Liabilities" means Current Liabilities of the Borrowers and their Consolidated Subsidiaries, as determined on a consolidated basis in accordance with GAAP.

"Consolidated Funded Debt" means Funded Debt of the Borrowers and their Consolidated Subsidiaries, as determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Income" means Net Income of the Borrowers and their Consolidated Subsidiaries, as determined on a consolidated basis in accordance with GAAP.

"Consolidated Senior Liabilities" means Senior Liabilities of the Borrowers and their Consolidated Subsidiaries, as determined on a consolidated basis in accordance with GAAP.

"Consolidated Subsidiary" means any Subsidiary whose accounts are or are required to be consolidated with the accounts of a Person in accordance with GAAP.

"Consolidated Tangible Capital Base" means Tangible Capital Base of the Borrowers and their Consolidated Subsidiaries, as determined on a consolidated basis in accordance with GAAP.

"Consolidated Tangible Net Worth" means Tangible Net Worth of the Borrowers and their Consolidated Subsidiaries, as determined on a consolidated basis in accordance with GAAP.

"Current Assets" of any Person at any time means all cash, Receivables and inventory of such Person.

"Current Liabilities" means all liabilities of a Person treated as current liabilities in accordance with GAAP, including without limitation (a) all obligations payable on demand or within one year after the date in which the determination is made and (b) installment and sinking fund payments required to be made within one year after the date on which determination is made, but excluding all such liabilities or obligations which are renewable or extendible at the option of such Person to a date more than one year from the date of determination.

"Debt" means, with respect to any Person: (a) indebtedness of such Person for borrowed money; (b) indebtedness for the deferred purchase price of property or services (except trade payables in the ordinary course of business); (c) Unfunded Benefit Liabilities of such Person (if such Person is not the Parent, determined in a manner analogous to that of determining Unfunded Benefit Liabilities of the Parent); (d) the face amount of any outstanding letters of credit issued for the account of such person; (e) obligations arising under acceptance facilities; (f) guaranties, endorsements (other than for collection in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any Person, or otherwise to assure a creditor against loss, including any contingent obligations under swaps, derivatives, currency exchanges and similar transactions; (g) obligations secured by any Lien on property of such Person; and (h) obligations of such Person as lessee under Capital Leases.

"Debt Service Coverage Ratio" means, for any Person, as at any date, on a consolidated basis, the ratio of (a) EBITDA to (b) the sum of (i) the amount of principal installments and other principal maturities of Consolidated Funded Debt of such Person for such period, plus (ii) Interest Expense for such period.

"Default" means any event which with the giving of notice or lapse of time, or both, would become an Event of Default.

"Default Rate" means, with respect to the principal of any Loan and, to the extent permitted by law, any other amount payable by any Borrower under this Agreement or any Note that is not paid when due (whether at stated maturity, by acceleration or otherwise), a rate per annum during the period from and including the due date, to, but excluding the date on which such amount is paid in full equal to two percent above the Variable Rate as in effect from time to time plus the applicable Margin (provided that, if the amount so in default is principal of a Fixed Rate Loan and the due date thereof is a day other than the last day of the Interest Period therefor, the "Default Rate" for such principal shall be, for the period from and including the due date and to but excluding the last day of the Interest Period therefor, 2% above the interest rate for such Loan as provided in Section 2.10 hereof and, thereafter, the rate provided for above in this definition).

"Dollars" and the sign "$" mean lawful money of the United States of America.

"EBITDA" means, for any Person, for any period, earnings before Interest Expense, taxes, depreciation, amortization and extraordinary items for such Person determined in accordance with GAAP.

"Eligible Inventory" means, as of any date of determination thereof, all Inventory (valued at the lower of the cost or fair market value on a first-in-first-out basis), but excluding (a) those items that have no use in the current product line of the Borrowers, (b) obsolete items and used parts, (c) those finished goods that are not of merchantable quality in the

ordinary course of business, (d) all Inventory in which the Bank does not have a first perfected security interest, subject to no other Lien prior to or on a parity with such security interest, (e) scrap, (f) work-in-process and (g) all other Inventory which is determined by the Bank to be ineligible for any other reason generally accepted in the commercial finance business as a reason for ineligibility. Notwithstanding the preceding sentence, "Eligible Inventory" shall not include any Inventory not located at premises owned by or leased to a Borrower unless such Inventory is in transit (and insured) or such Borrower has made a formal financing statement filing against the consignee of such Inventory and has given any party claiming of record a security interest in such consignee's inventory, or other assets that might include such Inventory, notice of such Borrower's consignment arrangements with such consignee or has taken equivalent protective steps satisfactory to the Bank.

"Eligible Receivable" means, as of any date of determination thereof, all Receivables owing to the Borrowers net of the Borrowers' customary reserves, unearned customer deposits, taxes, trade or other documents, discounts, claims, credits, returns, rebates, allowances or set-offs, excluding the following:

(i) any Receivable unpaid for 90 or more days from the date of the original invoice;

(ii) any goods the sale of which gave rise to such Receivable not shipped or delivered to the account debtor on an absolute sale basis or goods shipped on a bill and hold sale basis, a consignment sale basis, a guaranteed sale basis, a sale or return basis, or on the basis of any other similar understanding, or any part of such goods has been returned or rejected;

(iii) any Receivable evidenced by chattel paper or an instrument of any kind;

(iv) any Receivable which is owed by an account debtor which (A) is insolvent or the subject of any bankruptcy or insolvency proceedings of any kind or of any other proceeding or action, threatened or pending, which might have an adverse effect on the business of such account debtor or (B) is, in the sole discretion of the Bank, deemed ineligible for credit or other reasons;

(v) all Receivables deemed uncollectable by a Borrower or turned over to collection agencies or attorneys;

(vi) any Receivable arising from the shipment of goods or the performance of services, such shipment or performance having not been fully completed or rendered;

(vii) any Receivable which is not a valid, legally enforceable obligation of the account debtor or is subject to any present or contingent, or any fact exists which is the basis for any future, offset or counterclaim or other defense on the part of such account debtor;

(viii) any Receivable not evidenced by an invoice or other documentation in form acceptable to the Bank;

(ix) any Receivable which arises out of any transaction between (A) a Borrower and (B) any other Borrower or a Subsidiary of the Parent or any Affiliate;

(x) any Receivable which is subject to any provision prohibiting its assignment or requiring notice of or consent to such assignment;

(xi) all Receivables from customers having their place of business outside of the United States of America, except for such Receivables backed by either (A) letters of credit denominated in Dollars issued to a Borrower by banks acceptable to the Bank or (B) credit insurance policies acceptable to the Bank;

(xii) all Receivables arising out of or in connection with advance billings of a customer's requirements of supplies over a period of time;

(xiii) all Receivables that do not conform to the representations and warranties contained in Article 2 of the Security Agreement;

(xiv) all Receivables in which the Bank does not have a first perfected security interest, subject to no other Lien prior to or on a parity with such security interest;

(xv) all Receivables not denominated in Dollars;

(xvi) all Receivables from an account debtor if more than 50% of the aggregate Dollar amount of invoices billed with respect to such account debtor is more than 90 days past due according to the original terms of payment;

(xvii) if any account debtor owes greater than 15% of the Dollar value of total Receivables collectively owed to the Parent and its Subsidiaries on a consolidated basis, then all Receivables owed by such account debtor in excess of such 15% limitation shall be ineligible;

(xviii) any Receivable which is owed by an account debtor who has disputed liability or made any claim with respect to any other account due from such account debtor to a Borrower, except the foregoing exclusion shall not apply to any account debtor unless and until such disputed amounts equal or exceed twenty percent (20%) of the aggregate Dollar amount of accounts due from such account debtor; and

(xix) any Receivable which is determined by the Bank to be ineligible for any other reason generally accepted in the commercial finance business as a reason for ineligibility.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, including any rules and regulations promulgated thereunder.

"ERISA Affiliate" means any corporation or trade or business which is a member of any group of organizations (i) described in section 414(b) or (c) of the Code of which a Borrower is a member, or (ii) solely for purposes of potential liability under section 302(c)(11) of ERISA and section 412(c)(11) of the Code and the lien created under section 302(f) of ERISA and section 412(n) of the Code, described in section 414(m) or (o) of the Code of which a Borrower is a member.

"Event of Default" has the meaning given such term in Section 9.1.

"Excess Cash Flow" means (i) excess cash flow after all sources and uses of cash as shown on the Borrowers' annual audited statement of cash flows less (ii) the amount (if any) by which (A) the outstanding principal amount of Working Capital Loans as at the end of such fiscal year exceeds (B) the outstanding principal amount of Working Capital Loans as at the end of the fiscal year immediately preceding such fiscal year (the term "Working Capital Loans" as used in this clause (B) to have the meaning ascribed to it in the Existing Credit Agreement for the first such calculation following the Closing Date).

"F/E Credit" means, at the date of determination, the aggregate Dollar amount of the risk internally ascribed by the Bank to all obligations under or pursuant to all Foreign Exchange Transactions. As of the Closing Date, it is the policy of the Bank to assess the risk by multiplying the aggregate daily market value of Foreign Exchange Transactions by 0.2, but there can be no assurance that such internal formula will not change.

"Facility Documents" means this Agreement, the Notes, the Pledge Agreement, the Cash Bases GB Pledge Agreement, the Security Agreement, the Interest Rate Protection Agreements and each of the documents, certificates or other instruments referred to in Article 4 hereof as well as any other document, instrument or certificate to be delivered by any Borrower in connection with this Agreement or in connection with the documents, certificates or instruments referred to in Article 4, including documents delivered in connection with any Borrowing.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions as published by the Federal Reserve Bank of Boston for such day (or for any day that is not a Banking Day, for the immediately preceding Banking Day).

"Fixed Rate" means any LIBO Rate or any Offered Rate.

"Fixed Rate Loan" means any LIBOR Loan or any Offered Loan.

"Foreign Exchange Transaction" means any transaction between any Borrower and the Bank involving a forward foreign exchange contract.

"Forfeiture Proceeding" means any action, proceeding or investigation affecting the Parent or any of its Subsidiaries or Affiliates before any court, governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, or the receipt of notice by any such party that any of them is a suspect in or a target of any governmental inquiry or investigation, which may result in an indictment of any of them or the seizure or forfeiture of any of their property.

"Funded Debt" means, with respect to any Person, all Debt of such Person for money borrowed.

"GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time, applied on a basis consistent with those used in the preparation of the financial statements referred to in Section 5.5 (except for changes concurred in by the Borrowers' independent public accountants).

"Interest Expense" shall mean, with respect to any Person, for any period, the sum, for such Person in accordance with GAAP, of (a) all interest on Debt that is accrued as an expense during such period (including, without limitation, imputed interest on Capital Lease obligations), plus (b) all amounts paid, accrued or amortized as an expense during such period in respect of interest rate protection agreements, minus (c) all amounts received or accrued as income during such period in respect of interest rate protection agreements.

"Interest Period" means, with respect to any Fixed Rate Loan, the period commencing on the date such Loan is made, converted from another type of Loan or renewed, as the case may be, and ending, as a Borrower may select pursuant to Section 2.14, (i) with respect to any LIBOR Loan, on the numerically corresponding day in the first, second, third or sixth calendar month thereafter, provided that each such Interest Period which commences on the last Banking Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Banking Day of the appropriate calendar month; and (ii) with respect to any Offered Loan, at the end of the period mutually agreed to by the Bank and a Borrower pursuant to Section 2.15.

"Interest Rate Protection Agreement" means any interest rate protection agreement entered into with the Bank or one or more of its affiliates whereby the Borrowers obtain a hedge or cap for the interest rate that will be payable by the Borrowers on the LIBOR Loans that are outstanding with respect to the Term Loan.

"Inventory" means all inventory, now or hereafter owned and wherever located, of the Borrowers, including (without limitation) raw materials, work-in-process, finished goods, supplies and packaging materials.

"Lending Office" means the lending office of the Bank set forth on the signature page.

"LIBO Rate" means with respect to any Interest Period for LIBOR Loans, a rate per annum (rounded upwards, if necessary, to the nearest 1/100 of one percent) determined by the Bank to be equal to the quotient of (i) the rate per annum (rounded upwards, if necessary, to the nearest 1/16 of one percent) quoted at approximately 11:00 a.m. London time by the principal London branch of the Bank two Banking Days prior to the first day of such Interest Period for the offering to leading banks in the London interbank market of Dollar deposits in immediately available funds, for a period, and in an amount, comparable to the Interest Period and principal amount of the LIBOR Loan outstanding during such Interest Period, divided by (ii) one minus the Reserve Requirement for such LIBOR Loan for such Interest Period.

"LIBOR Loan" means any Working Capital Loan, or any designated portion of the principal of the Term Loan, when and to the extent the interest rate therefor is determined on the basis of the definition "LIBO Rate."

"Lien" means any lien (statutory or otherwise), security interest, mortgage, deed of trust, priority, pledge, negative pledge, charge, conditional sale, title retention agreement, financing lease or other encumbrance or similar right of others, or any agreement to give any of the foregoing.

"Loan" or "Loans" means, as the context requires, (i) any loan made by the Bank pursuant to Section 2.1, whether a Term Loan or a Working Capital Loan or (ii) one or more designated portion(s) of the principal of the Term Loan bearing interest at a LIBO Rate, an Offered Rate and/or a Variable Rate.

"Margin" means (a) for a Variable Rate Loan, (i) with respect to the Term Loan, 1.25 percentage points, (ii) with respect to the Working Capital Loans, 1.00 percentage points, and (b) for a LIBOR Loan, the Margin for such type of Loan that would apply under Section 2.13.

"Maturity Date" means November 30, 2001; provided that if such date is not a Banking Day, the Maturity Date shall be the next succeeding Banking Day (or, if such next succeeding Banking Day falls in the next calendar month, the next preceding Banking Day) or (ii) the earlier date of maturity of the Term Loan pursuant to Section 9.2.

"Multiemployer Plan" means a Plan defined as such in section 3(37) of ERISA to which contributions have been made by the Borrowers or any ERISA Affiliate and which is covered by Title IV of ERISA.

"Net Income" of any Person for any period means the net income (loss) of such Person for such period determined in accordance with GAAP.

"Notes" means, collectively, the Term Note and the Working Capital Note, each of which is a "Note."

"Notice of Borrowing" shall mean the notice of each Borrowing required by Section 4.2.

"Offered Loan" means any designated portion of the principal amount of the Term Loan when and to the extent the interest rate therefor is determined in relation to the Offered Rate.

"Offered Loan Request" shall have the meaning set forth in Section 2.15.

"Offered Rate" means an interest rate per annum quoted by the Bank to a Borrower and agreed to by a Borrower pursuant to Section 2.15.

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

"Parent" means Tridex Corporation, a Connecticut corporation.

"Person" means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

"Plan" means any employee benefit or other plan established or maintained, or to which contributions have been made, by the Borrowers or any ERISA Affiliate and which is covered by Title IV of ERISA, other than a Multiemployer Plan.

"Pledge Agreement" means the pledge agreement dated June 17, 1994 by the Parent in favor of the Bank, a photocopy of which is attached hereto as in the form of Exhibit C, as amended by the Pledge Agreement Amendment.

"Pledge Agreement Amendment" means the Amendment to Pledge Agreement in the form of Exhibit I to be delivered to the Bank under the terms of this Agreement.

"Prime Rate" means that rate of interest from time to time announced by the Bank at the Principal Office as its prime commercial lending rate.

"Principal Office" means the principal office of the Bank, presently located at One Constitution Plaza, Hartford, Connecticut 06115.

"Receivable" means all accounts owing to a Person arising out of or in connection with the bona fide sale or lease of goods or services in the ordinary course of business.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as the same may be amended or supplemented from time to time.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System as the same may be amended or supplemented from time to time.

"Regulatory Change" means any change after the date of this Agreement in United States federal, state, municipal or foreign laws or regulations (including without limitation Regulation D) or the adoption or making after such date of any interpretations, directives or requests applying to a class of banks including the Bank of or under any United States, federal, state, municipal or foreign laws or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof.

"Reserve Requirement" means, for any Interest Period for any LIBOR Loan, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves) are required to be maintained during such Interest Period under Regulation D by member banks of the Federal Reserve System in Boston with deposits exceeding $1,000,000,000 against "Eurocurrency liabilities" (as such term is used in Regulation D). Without limiting the effect of the foregoing, the Reserve Requirement shall reflect any other reserves required to be maintained by such member banks by reason of any Regulatory Change against (i) any category of liabilities which includes deposits by reference to which the LIBO Rate for LIBOR Loans is to be determined as provided in the definition of "LIBO Rate" in this Section 1.1 or (ii) any category of extensions of credit or other assets which include LIBOR Loans.

"Revolving Credit Termination Date" means September 30, 1997; provided that if such date is not a Banking Day, the Revolving Credit Termination Date shall be the next succeeding Banking Day (or, if such next succeeding Banking Day falls in the next calendar month, the next preceding Banking Day) or (ii) the earlier date of termination of the Working Capital Commitment pursuant to Section 9.2.

"Security Agreement" means the security agreement dated June 17, 1994 by the Borrowers in favor of the Bank, a photocopy of which is attached hereto as Exhibit D, as amended by the Security Agreement Amendment.

"Security Agreement Amendment" means the Amendment to Security Agreement in the form of Exhibit J to be delivered to the Bank under the terms of this Agreement.

"Senior Liabilities" means for any Person at any time, all Debt, other than contingent liabilities and Subordinated Debt.

"Subordinated Debt" means Funded Debt of a Person subordinated to the Loans on terms satisfactory to the Bank.

"Subsidiary" means, with respect to any Person, any corporation or other entity of which at least a majority of the securities or other ownership interests having ordinary voting power (absolutely or contingently) for the election of directors or other persons performing similar functions are at the time owned directly or indirectly by such Person.

"Tangible Capital Base" means, at any date of determination thereof, the sum of (a) Subordinated Debt of a Person, plus (b) such Person's shareholders' equity (excluding the effect of extraordinary or unusual items), less (c) such Person's goodwill, trademarks, patents, organizational costs, unamortized debt discounts and expenses and other like intangible assets.

"Tangible Net Worth" means, at any date of determination thereof, the excess of total assets of a Person over total liabilities of such Person, excluding, however, from the determination of total assets: goodwill, trademarks, patents, organizational costs, unamortized debt discounts and expenses and other like intangible assets as defined by GAAP.

"Term Commitment" means the obligation of the Bank to make the Term Loan under this Agreement up to the aggregate principal amount of $5,500,000.

"Term Loan" shall have the meaning set forth in Section 2.1(a) herein.

"Term Note" means the amended and restated promissory note of the Borrowers, in substantially the form of Exhibit A hereto, evidencing the indebtedness of the Borrowers resulting from the Term Loan.

"Unfunded Benefit Liabilities" means, with respect to any Plan, the amount (if any) by which the present value of all benefit liabilities (within the meaning of section 4001(a)(16) of ERISA) under the Plan exceeds the fair market value of all Plan assets allocable to such benefit liabilities, as determined on the most recent valuation date of the Plan and in accordance with the provisions of ERISA for calculating the potential liability of the Borrowers or any ERISA Affiliate under Title IV of ERISA.

"Variable Rate" means, for any day, the higher of (a) the Federal Funds Rate for such day plus one-quarter of one percent and (b) the Prime Rate for such day.

"Variable Rate Loan" means any Working Capital Loan, or any designated portion of the principal of the Term Loan, when and to the extent the interest rate therefor is determined in relation to the Variable Rate.

"Working Capital Commitment" means the obligation of the Bank to make the Working Capital Loans under this Agreement up to the aggregate principal amount of $5,000,000, subject to Borrowing Base limitations, and as such amount may be reduced or otherwise modified from time to time pursuant to Section 2.7 or otherwise.

"Working Capital Loans" shall have the meaning set forth in Section 2.1(b) herein.

"Working Capital Note" means the promissory note of the Borrowers, in substantially the form of Exhibit B hereto, evidencing the indebtedness of the Borrowers resulting from the Working Capital Loans.

Section 1.2. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, and all financial data required to be delivered hereunder shall be prepared in accordance with GAAP.

Section 1.3. Currency Equivalents. For all purposes of this Agreement, all amounts denominated in a currency other than Dollars shall be converted into the Dollar equivalent of such amounts. The equivalent in another currency of an amount in Dollars shall be determined at the rate of exchange quoted by Fleet Bank of Massachusetts, N.A. in Boston at 9:00 a.m. (Boston time) on the date of determination, to prime banks in Boston for the spot purchase in the Boston foreign exchange market of such amount of Dollars with such other currency.

ARTICLE 2. THE CREDIT

Section 2.1. The Loans.

(a) Subject to the terms and conditions of this Agreement, the Bank agrees to make a loan (the "Term Loan") to the Parent on, or within five (5) Banking Days of, the Closing Date in the principal amount of the Term Commitment. Designated portions of the principal amount of the Term Loan may be outstanding as Variable Rate Loans, LIBOR Loans or Offered Loans (each a "type" of Loan).

(b) The Term Loan shall be due and payable in installments, as nearly equal as possible, on each Amortization Date, provided that all amounts outstanding on the Maturity Date shall be paid in full on the Maturity Date.

(c) Subject to the terms and conditions of this Agreement, the Bank agrees to make loans (the "Working Capital Loans") to the Borrowers from time to time from and including the date hereof to and including the Revolving Credit Termination Date, up to but not exceeding in the aggregate principal amount at any one time outstanding the amount by which the Borrowing Base exceeds the aggregate amount of outstanding F/E Credits; provided, however, that direct borrowings by Cash Bases USA shall not exceed $100,000 in the aggregate outstanding at any time. The Working Capital Loans may be outstanding as Variable Rate Loans or LIBOR Loans (each a "type" of Loan).

(d) The Working Capital Loans shall be due and payable on the Revolving Credit Termination Date.

(e) Foreign Exchange Transactions. The Bank may in its discretion, upon the request of a Borrower, enter into Foreign Exchange Transactions for the account of such Borrower so long as the F/E Credits at any time outstanding do not exceed the lesser of (i) the amount by which the Borrowing Base exceeds the aggregate outstanding principal amount of Working Capital Loans and (ii) $500,000. Such Foreign Exchange Transactions shall be subject to the Bank's normal policies and procedures for such transactions, including its underwriting requirements and the payment by the Borrowers of the Bank's customary fees and charges for such transactions, and shall be accomplished pursuant to documentation satisfactory in all respects to the Bank. Such documentation shall be deemed to be Facility Documents hereunder and under the terms and provision of the other Facility Documents, including the Security Agreement and the Pledge Agreement.

Notwithstanding anything to the contrary herein, (i) no single Foreign Exchange Transaction may have a daily market value in excess of $500,000, (ii) no two Foreign Exchange Transactions can settle on the same day, and (iii) no Foreign Exchange Transaction shall have a settlement date later than the Revolving Credit Termination Date.

Section 2.2. The Notes. The Term Loan shall be evidenced by a promissory note in favor of the Bank in the form of Exhibit A, dated the date of this Agreement, duly completed and executed by the Borrowers. The Working Capital Loans shall be evidenced by a single promissory note in favor of the Bank in the form of Exhibit B, dated the date of this Agreement, duly completed and executed by the Borrowers.

Section 2.3. Purpose. The Parent shall use the proceeds of the Term Loan to refinance the entire "Acquisition Loan" under the Existing Credit Agreement and to refinance all or a portion of the outstanding principal amount of "Working Capital Loans" under the Existing Credit Facility. The Borrowers shall use the proceeds of the Working Capital Loans for working capital and general corporate needs of the Borrowers and to refinance the remaining outstanding principal amount of "Working Capital Loans" under the Existing Credit Agreement. No proceeds of the Working Capital Loans shall be used to directly or indirectly fund the needs of any Subsidiary of any Borrower if such Subsidiary is not also a Borrower hereunder. No proceeds of the Loans shall be used for the purpose, whether immediate, incidental or ultimate, of buying or carrying "margin stock" within the meaning of Regulation U.

Section 2.4. Borrowing Procedures. The Borrowers shall give the Bank notice of each Borrowing to be made hereunder as provided in Section 2.8. Not later than 1:00 p.m. Hartford, Connecticut time on the date of such Borrowing, the Bank shall, subject to the conditions of this Agreement, make the amount of the Loan to be made by it on such day available to the Borrowers, in immediately available funds, by the Bank crediting an account of a Borrower designated by the Borrowers and maintained with the Bank at the Lending Office.

Section 2.5. Prepayments and Conversions.

(a) Optional Prepayments and Conversions. The Borrowers shall have the right to make prepayments of principal, or to convert one type of Loans into another type of Loans, at any time or from time to time; provided that: (i) the Borrowers shall give the Bank notice of each such prepayment or conversion as provided in Section 2.8; (ii) Fixed Rate Loans may be prepaid or converted only on the last day of an Interest Period for such Loans; (iii) prepayments of the Term Loan shall be applied to the installments of principal in the inverse order of their maturities; and (iv) prepayments of the Term Loan may not be reborrowed.

(b) Mandatory Prepayments.

(i) The Borrowers must prepay no later than one Banking Day after delivery of any Borrowing Base Certificate an amount by which the sum of (A) the aggregate principal amount of all outstanding Working Capital Loans and (B) the aggregate outstanding amount of all F/E Credits exceeds the Borrowing Base, together with accrued interest to the date of such prepayment on the principal amount prepaid. Similarly, if, at any time, the Bank determines that the sum of the aggregate principal amount of outstanding Working Capital Loans and the aggregate outstanding amount of all F/E Credits exceeds the Borrowing Base, the Borrowers shall, upon demand, immediately prepay an amount equal to such excess, together with accrued interest to the date of such prepayment on the principal amount prepaid.

(ii) The Borrowers must prepay the Term Loan as soon as possible, but not later than 60 days after delivery of the annual audited financial statements furnished pursuant to Section 6.8(a), by an amount equal to 50% of Excess Cash Flow for each fiscal year of the Borrowers.

(iii) Each such prepayment in accordance with paragraphs (i) and (ii) above shall be applied first to any expenses incurred by the Bank, second to any interest due on the amount prepaid, and last to the outstanding principal amount of the Loans prepaid, in each case in such manner as the Bank in its discretion shall determine.

Section 2.6. Late Charges. Payments not received within 10 days of the due date therefor (including payments which are incomplete because there are insufficient funds in the Parent's account located at the Bank) will be subject to a one-time charge equal to 5% of the amount overdue.

Section 2.7. Changes of Commitment.

(a) The Borrowers shall have the right to reduce or terminate the amount of unused Working Capital Commitment at any time or from time to time, provided that: (i) the Borrowers shall give notice of each such reduction or termination to the Bank as provided in Section 2.8; and (ii) each partial reduction shall be in an aggregate amount at least equal to $500,000. The Working Capital Commitment once reduced or terminated may not be reinstated.

(b) At any time that the Working Capital Commitment is terminated pursuant to subsection (a) of this Section 2.7, the Borrowers shall furnish the Bank for deposit in a cash collateral account maintained at the Bank adequate cash reserves for the benefit of the Bank on the Revolving Credit Termination Date in the amount of any F/E

Credits for any Foreign Exchange Transaction which remain outstanding on the Revolving Credit Termination Date, or must otherwise provide for a financial institution acceptable to the Bank to indemnify the Bank against loss in connection with outstanding Foreign Exchange Transactions, pursuant to indemnification documentation in form and substance satisfactory to the Bank.

Section 2.8. Certain Notices. Notices by the Borrowers to the Bank of each Borrowing pursuant to Section 2.4, and each prepayment or conversion pursuant to Section 2.5(a), and each reduction or termination of the Working Capital Commitment pursuant to Section 2.7 shall be irrevocable and shall be effective only if received by the Bank not later than 12:00 noon Hartford, Connecticut time, and (a) in the case of Borrowings and prepayments of, conversions into and (in the case of LIBOR Loans) renewals of (i) Variable Rate Loans, given one Banking Day prior thereto;(ii) LIBOR Loans, given two Banking Days prior thereto; (iii) Offered Loans, given two Banking Days prior thereto; and (b) in the case of reductions or termination of the Working Capital Commitment, given three Banking Days prior thereto. Each such notice shall specify the Loans to be borrowed, prepaid, converted or renewed and the amount (subject to Section 2.9) and type of the Loans to be borrowed, or converted, or renewed or prepaid and the date of the Borrowing or prepayment, or conversion or renewal (which shall be a Banking Day). Each such notice of reduction or termination shall specify the amount of the Working Capital Commitment to be reduced or terminated. Each Notice of Borrowing for a Foreign Exchange Transaction shall be accompanied by the customary application and other documentation for such transaction.

Section 2.9. Minimum Amounts. Except for Borrowings which exhaust the full remaining amount of the Borrowing Base or prepayments or conversions which result in the prepayment or conversion of all Term Loans or Working Capital Loans, as the case may be, of a particular type, each Borrowing, optional prepayment, conversion and renewal of principal of Loans of a particular type shall be in an amount at least equal to (a) $25,000 with respect to Variable Rate Loans, and (b) $500,000 and integral multiples of $100,000 in excess thereof with respect to Fixed Rate Loans (borrowings, prepayments, conversions or renewals of or into Loans of different types or, in the case of Fixed Rate Loans, having different Interest Periods at the same time hereunder to be deemed separate borrowings, prepayments, conversions and renewals for the purposes of the foregoing, one for each type of Interest Period).

Section 2.10. Interest.

(a) Interest shall accrue on the outstanding and unpaid principal amount of each Loan for the period from and including the date of such Loan to but excluding the date such Loan is due at the following rates per annum: (i) for Variable Rate Loans, at a variable rate per annum equal to the Variable Rate plus the Margin; (ii) for LIBOR Loans, at a fixed rate equal to the LIBO Rate plus the Margin for the period from and including the first day of the Interest Period therefor to but excluding the last day of such Interest Period; and (iii) for an Offered Loan, at a fixed rate equal to the Offered Rate for the period from and including the first day of the Interest Period therefor to but excluding the last day of such Interest Period. If the principal amount of any Loan and any other amount payable by any Borrower hereunder or under either Note shall not be paid when due (at stated maturity, by acceleration or otherwise), interest shall accrue on such amount to the fullest extent permitted by law from and including such due date to but excluding the date such amount is paid in full at the Default Rate for such type of Loan.

(b) The interest rate on Variable Rate Loans shall change when the Variable Rate changes and interest on each such Loan shall be calculated on the basis of a year of 360 days for the actual number of days elapsed. Interest on each Fixed Rate Loan shall be calculated on the basis of a year of 360 days for the actual number of days elapsed.

(c) Accrued interest on all types of Loans shall be due and payable in arrears upon any payment of principal and on the last day of each calendar month, commencing December 31, 1995, and on the Revolving Credit Termination Date with respect to the Working Capital Loans and on the Maturity Date with respect to the Term Loan; provided that interest accruing at the Default Rate shall be due and payable from time to time on demand of the Bank.

Section 2.11. Fees.

(a) Commitment Fee. The Borrowers shall pay to the Bank a commitment fee on the daily average unused Working Capital Commitment (without giving effect to Borrowing Base limitations) for the period from and including the date hereof to the Revolving Credit Termination Date at a rate per annum equal to one-half of one percent (1/2 of 1%), calculated on the basis of a year of 360 days for the actual number of days elapsed. The accrued commitment fee shall be due and payable in arrears upon any reduction or termination of the Working Capital Commitment and on the last day of each March, June, September and December, commencing on the first such date after the Closing Date.

(b) Advisory Fee. The Borrowers shall pay to the Bank an advisory fee in the amount of $69,793.34. The first nonrefundable installment of the advisory fee in the amount of $15,000 was received by the Bank upon acceptance by the Borrowers of the commitment letter. The second nonrefundable installment of the advisory fee in the amount of $54,793.34 shall be fully earned by the Bank on the Closing Date and shall be due and payable by the Borrowers to the Bank on the Closing Date.

Section 2.12. Payments Generally. All payments under this Agreement or the Notes shall be made in Dollars in immediately available funds not later than 1:00 p.m. Hartford, Connecticut, time on the relevant dates specified above (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Banking Day) at the Lending Office of the Bank. The Bank may (but shall not be obligated to) debit the amount of any such payment which is not made by such time to any ordinary deposit account of any Borrower with the Bank. Until the Bank and the Borrowers otherwise agree, the Bank shall debit the Parent's account number 9361886549 with the Bank for the amount of any payment required hereunder, but the Bank may also debit any ordinary deposit account of any Borrower if the amount in account number 9361886549 is insufficient to make any required payment. The Borrowers shall, at the time of making each payment under this Agreement or any Note, specify to the Bank the principal or other amount payable by the Borrowers under this Agreement or such Note to which such payment is to be applied (and in the event that it fails to so specify, or if a Default or Event of Default has occurred and is continuing, the Bank may apply such payment as it may elect in its sole discretion). If the due date of any payment under this Agreement or any Note would otherwise fall on a day which is not a Banking Day, such date shall be extended to the next succeeding Banking Day and interest shall be payable for any principal so extended for the period of such extension.

Section 2.13. LIBOR Margins. The Margin that will apply to LIBOR Loans is set forth below and is based upon the Borrowers' Adjusted Leverage Ratio as at the end of the Borrowers' most recent fiscal quarter, as reported in accordance with Section 6.8:

LIBOR MARGINS

Adjusted Leverage Ratio	Working Capital Loans (Percentage Points)	Term Loan (Percentage Points)
Greater than or equal to 1.25	3.00	3.25
Greater than or equal to 1.00, but less than 1.25	2.50	2.75
Greater than or equal to 0.75, but less than 1.00	2.00	2.25
Less than 0.75	1.50	1.75

Margin adjustments resulting from such calculations will become effective on the Banking Day following the date that such calculations are received by the Bank after delivery in accordance with Section 6.8.

Section 2.14. Interest Periods; Renewals.

(a) In the case of each Fixed Rate Loan, the Borrowers shall select an Interest Period of any duration in accordance with the definition of Interest Period in Section 1.1, subject to the following limitations: (i) no Interest Period may extend beyond an Amortization Date unless, after giving effect thereto, the aggregate principal amount of the Fixed Rate Loans having Interest Periods which end after such Amortization Date shall be equal to or less than the principal amount to be outstanding hereunder after such Amortization Date; (ii) notwithstanding clause (i) above, no Interest Period shall have a duration less than one month (in the case of a LIBOR Loan) or one year (in the case of an Offered Loan), and if any such proposed Interest Period would otherwise be for a shorter period, such Interest Period shall not be available; (iii) if an Interest Period would end on a day which is not a Banking Day, such Interest Period shall be extended to the next Banking Day, unless, in the case of a LIBOR Loan, such Banking Day would fall in the next calendar month in which event such Interest Period shall end on the immediately preceding Banking Day; (iv) no more than five Interest Periods may be outstanding at any one time.

(b) Upon notice to the Bank as provided in Section 2.8, the Borrowers may renew any LIBOR Loan on the last day of the Interest Period therefor as the same type of Loan with an Interest Period of the same or different duration in accordance with the limitations provided above. If the Borrowers shall fail to give notice to the Bank of such a renewal, such LIBOR Loan shall automatically become a Variable Rate Loan on the last day of the current Interest Period; provided that the foregoing shall not prevent the conversion of any type of LIBOR Loan into another type of Loan in accordance with Section 2.5.

Section 2.15. Offered Loans. From time to time, upon request of a Borrower, the Bank may quote (orally or in writing) a fixed rate of interest (an "Offered Rate") that would be applicable to designated principal amounts of the Term Loan specified by such Borrower and for an Interest Period of a duration specified by such Borrower. On the date of such quotation (or within such period as shall be agreed upon by a Borrower and the Bank) a Borrower may deliver to the Bank a written request (the "Offered Loan Request") in accordance with Section 2.8 (which may be sent by facsimile),

stating each Offered Loan and its amount, the Offered Rate quoted by the Bank and the duration and first day of the Interest Period for such Offered Loan, which day shall be the Banking Day on which such Offered Rate was quoted by the Bank (or such other day as the Bank shall specify in making its quotation). If such Offered Loan Request is timely and in accordance with the Bank's quotation, the Bank will indicate its acceptance of and agreement to such Offered Loan Request by signing a copy thereof and will send such copy to the Borrowers, whereupon the designated principal amount referred to in such Offered Loan Request shall become an Offered Loan on the date specified in such request and the Borrowers shall pay interest on the principal amount of such designated principal amount during the Interest Period specified in such Offered Loan Request, at the Offered Rate specified in such Offered Loan Request. If, however, the Bank does not sign and return to a Borrower a copy of such Offered Loan Request within one Banking Day of the date of delivery thereof by a Borrower to the Bank, then no such designated principal amount will become an Offered Loan.

Section 2.16. Interest Rate Protection. The Borrowers may enter into Interest Rate Protection Agreements mutually satisfactory to the Borrowers and the Bank. The obligations of the Borrowers to the Bank or one or more of its affiliates under such Interest Rate Protection Agreements will automatically constitute obligations of the Borrowers under this Agreement and will be secured by any Lien granted under the Facility Documents pari passu with the other obligations of the Borrowers under this Agreement.

Section 2.17. Cash Bases GB Pledge Agreement. The Borrowers have requested that the Cash Bases GB Pledge Agreement be amended within the six-month period following the Closing Date to reduce the percentage of stock pledged by the Parent to the Bank from 100% to 66%. The Bank is willing to enter into such an amendment, in form and substance satisfactory to the Bank, provided that no Default or Event of Default then exists and the Bank receives an opinion of British counsel in form and substance satisfactory to the Bank and such other certificates as it may reasonably require.

ARTICLE 2. YIELD PROTECTION; ILLEGALITY; ETC.

Section 3.1. Additional Costs.

(a) The Borrowers shall pay to the Bank from time to time on demand such amounts as the Bank may determine to be necessary to compensate it for any costs which the Bank determines are attributable to its making or maintaining any Fixed Rate Loans under this Agreement or the Notes or its obligation to make any such Loans hereunder, or any reduction in any amount receivable by the Bank hereunder in respect of any such Loans or such obligation (such increases in costs and reductions in amounts receivable being herein called "Additional Costs"), resulting from any Regulatory Change which: (i) changes the basis of taxation of any amounts payable to the Bank under this Agreement or the Notes in respect of any of such Loans (other than taxes imposed on the overall net income of the Bank or of its Lending Office for any of such Loans by the jurisdiction in which the Principal Office or such Lending Office is located); or (ii) imposes or modifies any reserve, special deposit, deposit insurance or assessment, minimum capital, capital ratio or similar requirements relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, the Bank (including any of such Loans or any deposits referred to in the definition of "LIBO Rate" in Section 1.1); or (iii) imposes any other condition affecting this Agreement or the Notes (or any of such extensions of credit or liabilities). The Bank will notify the Borrowers of any event occurring after the date of this Agreement which will entitle the Bank to compensation pursuant to this Section 3.1(a) as promptly as practicable after it obtains knowledge thereof and determines to request such compensation.

(b) Without limiting the effect of the foregoing provisions of this Section 3.1, in the event that, by reason of any Regulatory Change, the Bank either (i) incurs Additional Costs based on or measured by the excess above a specified level of the amount of a category of deposits or other liabilities of the Bank which includes deposits by reference to which the interest rate on LIBOR Loans is determined as provided in this Agreement or a category of extensions of credit or other assets of the Bank which includes LIBOR Loans or (ii) becomes subject to restrictions on the amount of such a category of liabilities or assets which it may hold, then, if the Bank so elects by notice to the Borrowers, the obligation of the Bank to make or renew, and to convert Loans of any other type into, Loans of such type hereunder shall be suspended until the date such Regulatory Change ceases to be in effect, and the Borrowers shall on the last day(s) of the then current Interest Period(s) for the outstanding Loans of such type, either prepay such Loans or convert such Loans into another type of Loan in accordance with Section 2.5.

(c) Without limiting the effect of the foregoing provisions of this Section 3.1 (but without duplication), the Borrowers shall pay to the Bank from time to time on request such amounts as the Bank may determine to be necessary to compensate the Bank for any costs which it determines are attributable to the maintenance by it or any of its affiliates pursuant to any law or regulation of any jurisdiction or any interpretation, directive or request (whether or not having the force of law and whether in effect on the date of this Agreement or thereafter) of any court or governmental or monetary authority of capital in respect of its Loans hereunder or its obligation to make Loans hereunder (such compensation to include, without limitation, an amount equal to any reduction in return on assets or equity of the Bank to a level below that

which it could have achieved but for such law, regulation, interpretation, directive or request). The Bank will notify the Borrowers if it is entitled to compensation pursuant to this Section 3.1(c) as promptly as practicable after it determines to request such compensation.

(d) Determinations and allocations by the Bank for purposes of this Section 3.1 of the effect of any Regulatory Change pursuant to subsections (a) or (b), or of the effect of capital maintained pursuant to subsection (c), on its costs of making or maintaining Loans or its obligation to make Loans, or on amounts receivable by, or the rate of return to, it in respect of Loans or such obligation, and of the additional amounts required to compensate the Bank under this Section 3.1, shall be conclusive, provided that such determinations and allocations are made on a reasonable basis; provided, however, that the Bank shall provide ninety days' notice of any additional amounts required to compensate the Bank under this Section 3.1 (the "Adjustment"), and the Borrowers may thereafter attempt to negotiate the amount of the Adjustment in good faith with the Bank within ninety days of the day on which the Borrowers are so notified. If the Borrowers and the Bank are unable to agree on the amount of the Adjustment within such ninety-day period, then the amount of the Adjustment shall be the amount set forth in the aforementioned notice from the Bank to the Borrowers. Whatever the final Adjustment may be, if the Bank shall still have any Loans outstanding to the Borrowers upon the expiration of such ninety-day period, then the Adjustment shall be effective retroactive to the date on which the Borrowers first received notice of the Adjustment. The Bank shall not be obligated to offer LIBO Rates with respect to Interest Periods commencing during the period following any such notice and prior to agreement by the Bank and the Borrowers as to the amount of the Adjustment.

Section 3.2. Limitation on Types of Loans. Anything herein to the contrary notwithstanding, if the Bank determines (which determination shall be conclusive) that:

(a) quotations of interest rates for the relevant deposits referred to in the definition of "LIBO Rate" in Section 1.1 are not being provided in the relevant amounts or for the relevant maturities for purposes of determining the rate of interest for any LIBOR Loans as provided in this Agreement; or

(b) the relevant rates of interest referred to in the definition of "LIBO Rate" in Section 1.1 upon the basis of which the rate of interest for any LIBOR Loans is to be determined do not adequately cover the cost to the Bank of making or maintaining such Loans; then the Bank shall give the Borrowers prompt notice thereof, and so long as such condition remains in effect, the Bank shall be under no obligation to make or renew Loans of such type or to convert Loans of any other type into Loans of such type and the Borrowers shall, on the last day(s) of the then current Interest Period(s) for the outstanding Loans of the affected type, either prepay such Loans or convert such Loans into another type of Loans in accordance with Section 2.5.

Section 3.3. Illegality. Notwithstanding any other provision in this Agreement, in the event that it becomes unlawful for the Bank or its Lending Office to (a) honor its obligation to make or renew LIBOR Loans hereunder or convert Loans of any type into Loans of such type, or (b) maintain LIBOR Loans hereunder, then the Bank shall promptly notify the Borrowers thereof and the Bank's obligation to make or renew LIBOR Loans and to convert other types of Loans into Loans of such type hereunder shall be suspended until such time as the Bank may again make, renew or convert and maintain such affected Loans and the Borrowers shall, on the last day(s) of the then current Interest Period for the outstanding LIBOR Loans, as the case may be (or on such earlier date as the Bank may specify to the Borrowers), either prepay such Loans or convert such Loans into another type of Loans in accordance with Section 2.5.

Section 3.4. Certain Compensation. The Borrowers shall pay to the Bank, upon the request of the Bank, such amount or amounts as shall be sufficient (in the reasonable opinion of the Bank) to compensate it for any loss, cost or expense which the Bank determines is attributable to:

(a) any payment, prepayment, conversion or renewal of a Fixed Rate Loan on a date other than the last day of an Interest Period for such Loan (whether by reason of acceleration or otherwise); or

(b) any failure by the Borrowers to borrow, convert into or renew a Fixed Rate Loan to be made, converted into or renewed by the Bank on the date specified therefor in the relevant notice under Section 2.4, 2.5 or 2.14, as the case may be.

Without limiting the foregoing, such compensation shall include an amount equal to the excess, if any, of: (i) the amount of interest which otherwise would have accrued on the principal amount so paid, prepaid, converted or renewed or not borrowed, converted or renewed for the period from and including the date of such payment, prepayment or conversion or failure to borrow, convert or renew to but excluding the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, convert or renew, to but excluding the last day of the Interest Period for such Loan which would have commenced on the date specified therefor in the relevant notice) at the applicable rate of interest for such Loan provided for herein; over (ii) with respect to a LIBOR Loan, the amount of interest (as reasonably determined by the Bank) the Bank would have bid in the London interbank market for Dollar deposits for amounts comparable to such principal amount and maturities comparable to such period, and with respect to an Offered Loan, the rate determined by the Bank to be its marginal cost of funds for commonly available liabilities issued by it on the date of such Loan for a term

comparable to such Interest Period. A determination of the Bank as to the amounts payable pursuant to this Section 3.4 shall be conclusive absent manifest error.

ARTICLE 4. CONDITIONS PRECEDENT

Section 4.1. Documentary Conditions Precedent. The obligation of the Bank to make the Loan or enter into the Foreign Exchange Transaction constituting the initial Borrowing is subject to the condition precedent that the Bank shall have received on or before the date of such Borrowing each of the following, in form and substance satisfactory to the Bank and its counsel:

(a) the Notes duly executed by the Borrowers;

(b) the Pledge Agreement and the Pledge Agreement Amendment duly executed by the Parent together with (i) certificates representing the Pledged Shares referred to therein accompanied by undated stock powers executed in blank, and (ii) evidence that all other actions necessary or, in the opinion of the Bank, desirable to perfect and protect the security interests created by the Pledge Agreement have been taken;

(c) the Cash Bases GB Pledge Agreement duly executed by the Parent and such other items as are necessary or, in the opinion of the Bank, desirable to perfect its security interest in the stock of Cash Bases GB;

(d) the Security Agreement and the Security Agreement Amendment duly executed by the Borrowers, together with (i) acknowledgment copies of the financing statements (UCC-1) duly filed under the Uniform Commercial Code of all jurisdictions necessary or, in the opinion of the Bank, desirable to perfect the security interest created by the Security Agreement; (ii) certified copies of requests for information (Form UCC-11) identifying all of the financing statements on file with respect to any Borrower in all jurisdictions referred to under (i), including the financing statements filed by the Bank against the Borrowers, indicating that no party claims an interest in any of the Collateral (as defined in the Security Agreement);

(e) a certificate of the Secretary or Assistant Secretary of each Borrower, dated the Closing Date, attesting to all corporate action taken by such Borrower, including resolutions of its Board of Directors authorizing the execution, delivery and performance of the Facility Documents to which it is a party and each other document to be delivered pursuant to this Agreement and certifying copies of the Certificate of Incorporation and by-laws of such Borrower;

(f) a certificate of the Secretary or Assistant Secretary of each Borrower, dated the Closing Date, certifying the names and true signatures of the officers of such Borrower authorized to sign the Facility Documents to which it is a party and the other documents to be delivered by such Borrower under this Agreement;

(g) a certificate of a duly authorized officer of each Borrower, dated the Closing Date, stating that the representations and warranties in Article 5 of this Agreement, and Article 2 of the Security Agreement, and in each other Facility Document, are true and correct on such date as though made on and as of such date and that no event has occurred and is continuing which constitutes a Default or Event of Default;

(h) an Environmental Indemnification Agreement duly signed by the Borrowers in form and substance satisfactory to the Bank;

(i) a certificate of good standing for each Borrower from the Secretary of the State of the state in which such Borrower is incorporated and each other jurisdiction in which each Borrower is qualified to do business and equivalent certificates for Cash Bases GB;

(j) payment by the Borrowers to the Bank of the advisory fee and all other expenses and fees incurred by the Bank;

(k) a Borrowing Base Certificate setting forth the Borrowing Base within 5 days prior to closing;

(l) a favorable opinion of counsel for the Borrowers, dated the Closing Date, in substantially the form of Exhibit E and as to such other matters as the Bank may reasonably request;

(m) evidence of satisfactory capitalization of the Borrowers and Cash Bases GB, solvency of each Borrower and Cash Bases GB, and certified fair value balance sheets demonstrating the solvency of each Borrower;

(n) copies of all Subordinated Debt of any Borrower and a satisfactory review of the same;

(o) an intercreditor agreement between IBM Credit Corporation and the Bank regarding Liens on assets of Ultimate Technology Corporation, in form and substance satisfactory to the Bank;

(p) evidence of no material adverse change in the business, management, operations, properties, prospects or condition (financial or otherwise) of any Borrower, Cash Bases GB or any of their respective Subsidiaries since the date of the commitment letter; and

(q) evidence of the absence of any change in market conditions which, in the Bank's opinion, would materially impair a financial institution's ability to fund Loans of this type.

Section 4.2. Additional Conditions Precedent. The obligation of the Bank to make the Loans or enter into a Foreign Exchange Transaction pursuant to a Borrowing which increases the amount outstanding hereunder (including the initial Borrowing) shall be subject to the further conditions precedent that on the date of such Borrowing:

(a) the following statements shall be true:

(i) the representations and warranties contained in Article 5 herein, and in Article 2 of the Security Agreement, and in each other Facility Document, are true and correct on and as of the date of such Loan as though made on and as of such date; and

(ii) no Default or Event of Default has occurred and is continuing, or would result from such Loan; and

(iii) there has been no material adverse change in the business, management, operations, properties, prospects or condition (financial or otherwise) of any Borrower, Cash Bases GB or any of their respective Subsidiaries since the Closing Date;

(b) the Borrowers shall be current in the delivery of the most recent Borrowing Base Certificate required to be delivered pursuant to this Agreement;

(c) a Borrower shall have delivered to the Bank a Notice of Borrowing in substantially the form of Exhibit F, which shall include a Borrowing Base Certificate setting forth the Borrowing Base as of the Banking Day immediately preceding the date of the Notice of Borrowing; and

(d) the Bank shall have received such approvals, opinions or documents as the Bank may reasonably request.

Section 4.3. Deemed Representations. Each Notice of Borrowing hereunder and acceptance by any Borrower of the proceeds of such Borrowing shall constitute a representation and warranty that the statements contained in Section 4.2(a) are true and correct both on the date of such notice and, unless any Borrower otherwise notifies the Bank prior to such Borrowing, as of the date of such Borrowing.

ARTICLE 5. REPRESENTATIONS AND WARRANTIES

Each Borrower hereby represents and warrants that:

Section 5.1. Incorporation, Good Standing and Due Qualification. Each of such Borrower and its Subsidiaries is duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its assets and to transact the business in which it is now engaged or proposed to be engaged, and is duly qualified as a foreign corporation and in good standing under the laws of each other jurisdiction in which such qualification is required.

Section 5.2. Corporate Power and Authority; No Conflicts. The execution, delivery and performance by such Borrower of the Facility Documents to which it is a party have been duly authorized by all necessary corporate action and do not and will not: (a) require any consent or approval of its stockholders; (b) contravene its charter or by-laws; (c) violate any provision of, or require any filing (other than the filing of the financing statements contemplated by the Security Agreement), registration, consent or approval under, any law, rule, regulation (including, without limitation, Regulation U), order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to such Borrower or any of its Subsidiaries or Affiliates; (d) result in a breach of or constitute a default or require any consent under any indenture or loan or credit agreement or any other agreement, lease or instrument to which such Borrower is a party or by which it or its properties may be bound or affected; (e) result in, or require, the creation or imposition of any Lien (other than as created under the Security Agreement), upon or with respect to any of the properties now owned or hereafter acquired by such Borrower; or (f) cause such Borrower (or any Subsidiary or Affiliate, as the case may be) to be in default under any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any such indenture, agreement, lease or instrument.

Section 5.3. Legally Enforceable Agreements. Each Facility Document to which such Borrower is a party is, or when delivered under this Agreement will be, a legal, valid and binding obligation of such Borrower enforceable against such Borrower in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

Section 5.4. Litigation. There are no actions, suits or proceedings pending or, to the knowledge of such Borrower, threatened, against or affecting such Borrower or any of its Subsidiaries before any court, governmental

agency or arbitrator, which may, in any one case or in the aggregate, materially adversely affect the financial condition, operations, properties or business of such Borrower or any such Subsidiary or of or the ability of such Borrower to perform its obligation under the Facility Documents to which it is a party.

Section 5.5. Financial Statements. The consolidated and consolidating balance sheet of the Borrowers and their Consolidated Subsidiaries as at April 1, 1995, and the related consolidated and consolidating income statement and statements of cash flows and changes in stockholders' equity of the Borrowers and their Consolidated Subsidiaries for the fiscal year then ended, and the accompanying footnotes, together with the opinion thereon as to the consolidated statements, of Price Waterhouse, independent certified public accountants, and the interim consolidated and consolidating balance sheet of the Borrowers and their Consolidated Subsidiaries as at September 30, 1995, and the related consolidated and consolidating income statement and statements of cash flows and changes in stockholders' equity for the six-month period then ended, copies of which have been furnished to the Bank, are complete and correct and fairly present the financial condition of the Borrowers and their Consolidated Subsidiaries as at such dates and the results of the operations of the Borrowers and their Consolidated Subsidiaries for the periods covered by such statements, all in accordance with GAAP consistently applied (subject to year-end adjustments in the case of the interim financial statements). There are no liabilities of the Borrowers or any of their Consolidated Subsidiaries, fixed or contingent, which are material but are not reflected in the financial statements or in the notes thereto, other than liabilities arising in the ordinary course of business since April 1, 1995. No information, exhibit or report furnished by the Borrowers to the Bank in connection with the negotiation of this Agreement contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statement contained therein not materially misleading. Since April 1, 1995, there has been no material adverse change in the condition (financial or otherwise), business, operations or prospects of any Borrower or any of their Subsidiaries.

Section 5.6. Ownership and Liens. Such Borrower and each of its Consolidated Subsidiaries has title to, or valid leasehold interests in, all of its properties and assets, real and personal, including the properties and assets, and leasehold interests reflected in the financial statements referred to in Section 5.5 (other than any properties or assets disposed of in the ordinary course of business), and none of the properties and assets owned by such Borrower or any of its Subsidiaries and none of its leasehold interests is subject to any Lien, except as disclosed in such financial statements or as may be permitted hereunder and except for the Lien created by the Security Agreement.

Section 5.7. Taxes. Such Borrower and each of its Subsidiaries has filed all tax returns (federal, state and local) required to be filed and has paid all taxes, assessments and governmental charges and levies thereon to be due, including interests and penalties. Absent fraud, the years still subject to audit by the Internal Revenue Service are the taxable years ending 1991, 1992, 1993 and 1994.

Section 5.8. ERISA. Each Plan, and, to the best knowledge of such Borrower, each Multiemployer Plan, is in compliance in all material respects with, and has been administered in all material respects in compliance with, the applicable provisions of ERISA, the Code and any other applicable federal or state law, and no event or condition is occurring or exists concerning which such Borrower would be under an obligation to furnish a report to the Bank in accordance with Section 6.8(k) hereof. As of the most recent valuation date for each Plan, each Plan was "fully funded," which for purposes of this Section 5.8 shall mean that the fair market value of the assets of the Plan is not less than the present value of the accrued benefits of all participants in the Plan, computed on a Plan termination basis. To the best knowledge of such Borrower, no Plan has ceased being fully funded as of the date these representations are made with respect to any Loan under this Agreement.

Section 5.9. Subsidiaries and Ownership of Stock. Schedule 5.9 is a complete and accurate list of the Subsidiaries of such Borrower, showing the jurisdiction of incorporation or organization of each Subsidiary and showing the percentage of such Borrower's ownership of the outstanding stock or other interest of each such Subsidiary. All of the outstanding capital stock or other interest of each such Subsidiary has been validly issued, is fully paid and nonassessable and is owned by such Borrower free and clear of all Liens.

Section 5.10. Credit Arrangements. Schedule 5.10 is a complete and correct list of all credit agreements, indentures, purchase agreements, guaranties, Capital Leases and other investments, agreements and arrangements presently in effect providing for or relating to extensions of credit (including agreements and arrangements for the issuance of letters of credit or for acceptance financing) in respect of which such Borrower or any of its Subsidiaries is in any manner directly or contingently obligated; and the maximum principal or face amounts of the credit in question, outstanding and which can be outstanding, are correctly stated, and all Liens of any nature given or agreed to be given as security therefor are correctly described or indicated in such Schedule.

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Section 5.11. Operation of Business. Such Borrower and each of its Subsidiaries possesses all licenses, permits, franchises, patents, copyrights, trademarks and trade names, or rights thereto, to conduct its business substantially as now conducted and as presently proposed to be conducted, and neither such Borrower nor any of its Subsidiaries is in violation of any valid rights of others with respect to any of the foregoing.

Section 5.12. Hazardous Materials. Such Borrower and each of its Subsidiaries have obtained all permits, licenses and other authorizations which are required under all Environmental Laws, except to the extent failure to have any such permit, license or authorization would not have a material adverse effect on the consolidated financial condition, operations, business or prospects of the Borrowers and their Consolidated Subsidiaries. Such Borrower and each of its Subsidiaries are in compliance with the terms and conditions of all such permits, licenses and authorizations, and are also in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in any applicable Environmental Law or in any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder, except to the extent failure to comply would not have a material adverse effect on the consolidated financial condition, operations, business or prospects of the Borrowers and their Consolidated Subsidiaries.

In addition, except as set forth in Schedule 5.12 hereto:

(a) No notice, notification, demand, request for information, citation, summons or order has been issued, no complaint has been filed, no penalty has been assessed and no investigation or review is pending or threatened by any governmental or other entity with respect to any alleged failure by such Borrower or any of its Subsidiaries to have any permit, license or authorization required in connection with the conduct of the business of such Borrower or any of its Subsidiaries or with respect to any generation, treatment, storage, recycling, transportation, release or disposal, or any release as defined in 42 U.S.C. s/s 9601(22) ("Release") of any substance regulated under Environmental Laws ("Hazardous Materials") generated by such Borrower or any of its Subsidiaries.

(b) Neither such Borrower nor any of its Subsidiaries has handled any Hazardous Material, other than as a generator, on any property now or previously owned or leased by such Borrower or any of its Subsidiaries to an extent that it has, or may reasonably be expected to have, a material adverse effect on the consolidated financial condition, operations, business or prospects taken as a whole of the Borrowers and their Consolidated Subsidiaries; and

(i) to the best of its knowledge, no PCB is or has been present at any property now or previously owned or leased by such Borrower or any of its Subsidiaries;

(ii) to the best of its knowledge, no asbestos is or has been present at any property now or previously owned or leased by such Borrower or any of its Subsidiaries;

(iii) there are no underground storage tanks for Hazardous Materials, active or abandoned, at any property now or previously owned or leased by such Borrower or any of its Subsidiaries;

(iv) no Hazardous Materials have been Released, in a reportable quantity, where such a quantity has been established by statute, ordinance, rule, regulation or order, at, on or under any property now or previously owned by such Borrower or any of its Subsidiaries.

(c) Neither such Borrower nor any of its Subsidiaries has transported or arranged for the transportation of any Hazardous Material to any location which is listed on the National Priorities List under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), listed for possible inclusion on the National Priorities List by the Environmental Protection Agency in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLIS") or on any similar state or foreign list or which is the subject of federal, state, foreign or local enforcement actions or other investigations which may lead to claims against such Borrower or any of its Subsidiaries for clean-up costs, remedial work, damages to natural resources or for personal injury claims, including, but not limited to, claims under CERCLA.

(d) No Hazardous Material generated by such Borrower or any of its Subsidiaries has been recycled, treated, stored, disposed of or Released by such Borrower or any of its Subsidiaries at any location other than those listed in Schedule 5.12 hereto.

(e) No oral or written notification of a Release of a Hazardous Material has been filed by or on behalf of such Borrower or any of its Subsidiaries and no property now or previously owned or leased by such Borrower or any of its Subsidiaries is listed or proposed for listing on the National Priority List promulgated pursuant to CERCLA, on CERCLIS or on any similar state or foreign list of sites requiring investigation or clean-up.

(f) There are no Liens arising under or pursuant to any Environmental Laws on any of the real property or properties owned or leased by such Borrower or any of its Subsidiaries, and no government actions have been taken or are in process which could subject any of such properties to such Liens and neither such Borrower nor any of

its Subsidiaries would be required to place any notice or restriction relating to the presence of Hazardous Materials at any property owned by it in any deed to such property.

(g) There have been no environmental investigations, studies, audits, tests, reviews or other analyses conducted by or which are in the possession of such Borrower or any of its Subsidiaries in relation to any property or facility now or previously owned or leased by such Borrower or any of its Subsidiaries which have not been made available to the Bank.

Section 5.13. No Default on Outstanding Judgments or Orders. Such Borrower and each of its Subsidiaries has satisfied all judgments and neither such Borrower nor any of its Subsidiaries is in default with respect to any judgment, writ, injunction, decree, rule or regulation of any court, arbitrator or federal, state, municipal or other governmental authority, commission, board, bureau, agency or instrumentality, domestic or foreign.

Section 5.14. No Defaults on Other Agreements. Neither such Borrower nor any of its Subsidiaries is a party to any indenture, loan or credit agreement or any lease or other agreement or instrument or subject to any charter or corporate restriction which could have a material adverse effect on the business, properties, assets, operations or conditions, financial or otherwise, of such Borrower or any of its Subsidiaries, or the ability of such Borrower to carry out its obligations under the Facility Documents to which it is a party. Neither such Borrower nor any of its Subsidiaries is in default in any respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument material to its business to which it is a party.

Section 5.15. Labor Disputes and Acts of God. Neither the business nor the properties of such Borrower or of any of its Subsidiaries are affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance), materially and adversely affecting such business or properties or the operation of such Borrower or such Subsidiary.

Section 5.16. Governmental Regulation. Neither such Borrower nor any of its Subsidiaries is subject to regulation under the Public Utility Holding Company Act of 1935, the Investment Company Act of 1940, the Interstate Commerce Act, the Federal Power Act or any statute or regulation limiting its ability to incur indebtedness for money borrower as contemplated hereby.

Section 5.17. Partnerships. Neither such Borrower nor any of its Subsidiaries is a partner in any partnership.

Section 5.18. No Forfeiture. Neither such Borrower nor any of its Subsidiaries or Affiliates is engaged in or proposes to be engaged in the conduct of any business or activity which could result in a Forfeiture Proceeding and no Forfeiture Proceeding against any of them is pending or threatened.

Section 5.19. Solvency.

(a) The present fair salable value of the assets of such Borrower after giving effect to all the transactions contemplated by the Facility Documents and the funding of all Commitments hereunder exceeds the amount that will be required to be paid on or in respect of the existing debts and other liabilities (including contingent liabilities) of such Borrower and its Subsidiaries as they mature.

(b) The property of such Borrower does not constitute unreasonably small capital for such Borrower to carry out its business as now conducted and as proposed to be conducted, including the capital needs of such Borrower.

(c) Such Borrower does not intend to, nor does it believe that it will, incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be received by such Borrower, and of amounts to be payable on or in respect of debt of such Borrower). The cash available to such Borrower, after taking into account all other anticipated uses of the cash of such Borrower, is anticipated to be sufficient to pay all such amounts on or in respect of debt of such Borrower when such amounts are required to be paid.

(d) Such Borrower does not believe that final judgments against it in actions for money damages will be rendered at a time when, or in an amount such that, such Borrower will be unable to satisfy any such judgments promptly in accordance with their terms (taking into account the maximum reasonable amount of such judgments in any such actions and the earliest reasonable time at which such judgments might be rendered). The cash available to such Borrower after taking into account all other anticipated uses of the cash of such Borrower (including the payments on or in respect of debt referred to in paragraph (c) of this Section 5.19), is anticipated to be sufficient to pay all such judgments promptly in accordance with their terms.

Section 5.20. Subordinated Debt. The Subordinated Debt of such Borrower now outstanding, true and complete copies of instruments evidencing which have been furnished to the Bank, has been duly authorized by such Borrower, has not been amended or otherwise modified, and constitutes the legal, valid and binding obligation of such Borrower enforceable against such Borrower in accordance with its terms. There exists no default in respect of any such Subordinated Debt.

ARTICLE 6. AFFIRMATIVE COVENANTS

So long as any Note shall remain unpaid or the Bank shall have any Commitment under this Agreement, the Borrowers shall:

Section 6.1. Maintenance of Existence. Preserve and maintain, and cause each of their respective Subsidiaries to preserve and maintain, their corporate existence and good standing in the jurisdiction of their incorporation, and qualify and remain qualified, and cause each of their respective Subsidiaries to qualify and remain qualified, as a foreign corporation in each jurisdiction in which such qualification is required.

Section 6.2. Conduct of Business. Continue, and cause each of their respective Subsidiaries to continue, to engage in an efficient and economical manner in a business of the same general type as conducted by it on the date of this Agreement.

Section 6.3. Maintenance of Properties. Maintain, keep and preserve, and cause each of their respective Subsidiaries to maintain, keep and preserve, all of its properties (tangible and intangible), necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted.

Section 6.4. Maintenance of Records. Keep, and cause each of their respective Subsidiaries to keep, adequate records and books of account, in which complete entries will be made in accordance with GAAP, reflecting all financial transactions of the Borrowers and their respective Subsidiaries.

Section 6.5. Maintenance of Insurance. Maintain, and cause each of their respective Subsidiaries to maintain, insurance with financially sound and reputable insurance companies or associations in such amounts and covering such risks as are usually carried by companies engaged in the same or similar business and similarly situated, which insurance may provide for reasonable deductibility from coverage thereof.

Section 6.6. Compliance with Laws. Comply, and cause each of their respective Subsidiaries to comply, in all respects with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, paying before the same become delinquent all taxes, assessments and governmental charges imposed upon it or upon its property.

Section 6.7. Right of Inspection. At any reasonable time and from time to time, permit the Bank or any agent or representative thereof, to examine and make copies and abstracts from the records and books of account of, and visit the properties of, the Borrowers and any of their respective Subsidiaries, and to discuss the affairs, finances and accounts of the Borrowers and any such Subsidiary with any of their respective officers and directors and the Borrowers' independent accountants. The Bank shall perform an annual field audit of the Borrowers at the Borrowers' expense; provided that such expenses shall not exceed $4,000 per annum.

Section 6.8. Reporting Requirements. Furnish to the Bank:

(a) as soon as available and in any event within 90 days after the end of each fiscal year of the Borrowers, a consolidated and consolidating balance sheet of the Borrowers and their Consolidated Subsidiaries as of the end of such fiscal year and a consolidated and consolidating income statement and statements of cash flows and changes in stockholders' equity and working capital of the Borrowers and their Consolidated Subsidiaries for such fiscal year and computations of Excess Cash Flow and Cash Bases GB Excess Cash Flow for such fiscal year, all in reasonable detail and stating in comparative form the respective consolidated and consolidating figures for the corresponding date and period in the prior fiscal year and all prepared in accordance with GAAP and as to the consolidated statements accompanied by an opinion thereon acceptable to the Bank by Price Waterhouse or other independent accountants of national standing selected by the Borrowers;

(b) as soon as available and in any event within 45 days after the end of each fiscal quarter of the Borrowers, a true and complete copy of the Parent's Form 10-Q;

(c) as soon as available and in any event within 25 days after the end of each fiscal month, a consolidating balance sheet of the Borrowers and their Consolidated Subsidiaries as of the end of such month and a consolidating income statement and statements of cash flows and changes in stockholders' equity and working capital, of the Borrowers and their Consolidated Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such month, all in reasonable detail and stating in comparative form the consolidating figures for the corresponding date and period in the previous fiscal year and all prepared in accordance with GAAP and certified by the Chairman or Chief Financial Officer of each Borrower (subject to year-end adjustments);

(d) promptly upon receipt thereof, copies of any reports, inclusive of any management letters, submitted to any Borrower or any of its Subsidiaries by independent certified public accountants in connection with examination of the financial statements of such Borrower or any such Subsidiary made by such accountants;

(e) simultaneously with the delivery of the Form 10-Q referred to above, a certificate of the Chairman or Chief Financial Officer of each Borrower (i) certifying that to the best of his knowledge no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action which is proposed to be taken with respect thereto, and (ii) with computations demonstrating compliance with the covenants contained in Articles 7 and 8, and setting forth the Borrowers' Adjusted Leverage Ratio;

(f) as soon as available and in any event within 90 days after the end of each fiscal year of the Parent, a true and complete copy of the Parent's Form 10-K;

(g) as soon as available and in any event within 90 days after the end of each fiscal year of the Borrowers, management's projected financial statements inclusive of a balance sheet, an income statement and a statement of cash flow (supported by key assumptions) for each upcoming fiscal year, prepared on a quarter-by-quarter basis;

(h) simultaneously with the delivery of the annual financial statements referred to in Section 6.8(a), a certificate of the independent public accountants who audited such statements to the effect that, in making the examination necessary for the audit of such statements, they have obtained no knowledge of any condition or event which constitutes a Default or Event of Default, or if such accountants shall have obtained knowledge of any such condition or event, specifying in such certificate each such condition or event of which they have knowledge and the nature and status thereof;

(i) promptly after the commencement thereof, notice of all actions, suits and proceedings before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting any Borrower or any of its Subsidiaries which, if determined adversely to such Borrower or such Subsidiary, could have a material adverse effect on the financial condition, properties or operations of such Borrower or such Subsidiary;

(j) as soon as possible and in any event within five days after the occurrence of each Default or Event of Default a written notice setting forth the details of such Default or Event of Default and the action which is proposed to be taken by the Borrowers with respect thereto;

(k) as soon as possible, and in any event within ten days after any Borrower knows or has reason to know that any of the events or conditions specified below with respect to any Plan or Multiemployer Plan have occurred or exist, a statement signed by a senior financial officer of such Borrower setting forth details respecting such event or condition and the action, if any, which such Borrower or its ERISA Affiliate proposes to take with respect thereto (and a copy of any report or notice required to be filed with or given to PBGC by such Borrower or an ERISA Affiliate with respect to such event or condition):

(i) any reportable event, as defined in section 4043(b) of ERISA, with respect to a Plan, as to which PBGC has not by regulation waived the requirement of section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event (provided that a failure to meet the minimum funding standard of section 412 of the Code or section 302 of ERISA including, without limitation, the failure to make on or before its due date a required installment under section 412(m) of the Code or section 302(e) of ERISA, shall be a reportable event regardless of the issuance of any waivers in accordance with section 412(d) of the Code) and any request for a waiver under section 412(d) of the Code for any Plan;

(ii) the distribution under section 4041 of ERISA of a notice of intent to terminate any Plan or any action taken by such Borrower or an ERISA Affiliate to terminate any Plan;

(iii) the institution by PBGC of proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by such Borrower or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by PBGC with respect to such Multiemployer Plan;

(vi) the complete or partial withdrawal from a Multiemployer Plan by such Borrower or any ERISA Affiliate that results in liability under section 4201 or 4204 of ERISA (including the obligation to satisfy secondary liability as a result of a purchaser default) or the receipt

of such Borrower or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under section 4041A of ERISA;

(v) the institution of a proceeding by a fiduciary of any Multiemployer Plan against such Borrower or any ERISA Affiliate to enforce section 515 of ERISA, which proceeding is not dismissed within 30 days;

(vi) the adoption of an amendment to any Plan that pursuant to section 401(a)(29) of the Code or section 307 of ERISA would result in the loss of tax-exempt status of the trust of which such Plan is a part if such Borrower or an ERISA Affiliate fails to timely provide security to the Plan in accordance with the provisions of said Sections;

(vii) any event or circumstance exists which may reasonably be expected to constitute grounds for such Borrower or any ERISA Affiliate to incur liability under Title IV of ERISA or under sections 412(c)(11) or 412(n) of the Code with respect to any Plan; and

(viii) the Unfunded Benefit Liabilities of one or more Plans increase after the date of this Agreement in an amount which is material in relation to the financial condition of such Borrower and its Subsidiaries, on a consolidated basis; provided, however, that such increase shall not be deemed to be material so long as it does not exceed during any consecutive 2-year period $200,000;

(l) promptly after the request of the Bank, copies of each annual report filed pursuant to section 104 of ERISA with respect to each Plan (including, to the extent required by section 104 of ERISA, the related financial and actuarial statements and opinions and other supporting statements, certifications, schedules and information referred to in section 103) and each annual report filed with respect to each Plan under section 4065 of ERISA; provided, however, that in the case of a Multiemployer Plan, such annual reports shall be furnished only if they are available to such Borrower or an ERISA Affiliate;

(m) promptly after the furnishing thereof, copies of any statement or report furnished to any other party pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Bank pursuant to any other clause of this Section 6.8;

(n) promptly after the sending or filing thereof, copies of all proxy statements, financial statements and reports which any Borrower or any of its Subsidiaries sends to its stockholders, and copies of all regular, periodic and special reports, and all registration statements which any Borrower or any such Subsidiary files with the Securities and Exchange Commission or any governmental authority which may be substituted therefor, or with any national securities exchange;

(o) as soon as available, and in any event within 10 days of the end of each fiscal month, a Borrowing Base Certificate and an aging schedule with respect to Receivables with names of all account debtors, each as of the end of such calendar month and each certified by the Chairman or Chief Financial Officer of each Borrower;

(p) promptly after the commencement thereof or promptly after any Borrower knows of the commencement or threat thereof, notice of any Forfeiture Proceeding;

(q) and such other information respecting the condition or operations, financial or otherwise, of any Borrower or any of its Subsidiaries as the Bank may from time to time reasonably request.

Section 6.9. Operating Accounts. Maintain, and cause all of their respective Subsidiaries to maintain, all United States operating accounts at the Bank.

Section 6.10. Cash Bases GB Guaranty. If requested by the Bank at any time that the Bank, based upon an opinion of a mutually acceptable law firm in the United Kingdom, reasonably determines that a guaranty of all or any part of the Loans by Cash Bases GB would not violate the laws of the United Kingdom, cause Cash Bases GB to timely provide a guaranty in form and substance reasonably satisfactory to the Bank at the Borrowers' cost and expense. In determining whether or not a guaranty by Cash Bases GB would be lawful, the Bank shall take into consideration the items that would need to be provided by accountants, auditors or other similar professionals and whether or not the professional standards of such Persons would permit such items to be provided in connection with such a guaranty.

ARTICLE 7. NEGATIVE COVENANTS

So long as any Note shall remain unpaid or the Bank shall have any Commitment under this Agreement, the Borrowers shall not:

Section 7.1. Debt. Create, incur, assume or suffer to exist, or permit any of their respective Subsidiaries to create, incur, assume or suffer to exist any Debt, except:

(a) Debt of the Borrowers under this Agreement or the Notes;

(b) Debt described in Schedule 5.10, including renewals, extensions or refinancings thereof, provided that the principal amount thereof does not increase;

(c) Debt of any Borrower to any other Borrower;

(d) Debt of the Borrowers pursuant to Interest Rate Protection Agreements;

(e) Debt of the Borrowers or any such Subsidiary, in the maximum principal amount of $240,000, arising in connection with that certain Assistance Agreement by and between the State of Connecticut acting by the Department of Economic Development and Tridex Corporation pursuant to which the State of Connecticut has agreed to make available to the Parent up to $240,000, in the form of loans or grants, for asset acquisitions (the "Assistance Agreement"); and

(f) Debt of the Borrowers or any such Subsidiary secured by purchase money Liens permitted by Section 7.3.

Section 7.2. Guaranties, Etc. Assume, guaranty, endorse or otherwise be or become directly or contingently responsible or liable, or permit any of their respective Subsidiaries to assume, guarantee, endorse or otherwise be or become directly or indirectly responsible or liable (including, but not limited to, an agreement to purchase any obligation, stock, assets, goods or services or to supply or advance any funds, assets, goods or services, or an agreement to maintain or cause such Person to maintain a minimum working capital or net worth or otherwise to assure the creditors of any Person against loss) for the obligations of any Person, except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business.

Section 7.3. Liens. Create, incur, assume or suffer to exist, or permit any of their respective Subsidiaries to create, incur, assume or suffer to exist, any Lien, upon or with respect to any of its properties, now owned or hereafter acquired, except:

(a) Liens securing the Loans hereunder and the Borrowers' obligations under Interest Rate Protection Agreements permitted by Section 2.16;

(b) Liens for taxes or assessments or other government charges or levies if not yet due and payable or if due and payable if they are being contested in good faith by appropriate proceedings and for which appropriate reserves are maintained;

(c) Liens imposed by law, such as mechanic's, materialmen's, landlord's, warehousemen's and carrier's Liens, and other similar Liens, securing obligations incurred in the ordinary course of business which are not past due for more than 30 days, or which are being contested in good faith by appropriate proceedings and for which appropriate reserves have been established;

(d) Liens under workers' compensation, unemployment insurance, social security or similar legislation (other than ERISA);

(e) Liens, deposits or pledges to secure the performance of bids, tenders, contracts (other than contracts for the payment of money), leases (permitted under the terms of this Agreement), public or statutory obligations, surety, stay, appeal, indemnity, performance or other similar bonds, or other similar obligations arising in the ordinary course of business;

(f) judgment and other similar Liens arising in connection with court proceedings; provided that the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are being actively contested in good faith and by appropriate proceedings;

(g) easements, rights-of-way, restrictions and other similar encumbrances which, in the aggregate, do not materially interfere with the occupation, use and enjoyment by any Borrower or any such Subsidiary of the property or assets encumbered thereby in the normal course of its business or materially impair the value of the property subject thereto;

(h) Liens securing obligations of such a Subsidiary to a Borrower or another such Subsidiary;

(i) Liens set forth on Schedule 7.3, provided the Debt secured by such Liens is permitted by Section 7.1;

(j) purchase money Liens on any property hereafter acquired or the assumption of any Lien on property existing at the time of such acquisition, or a Lien incurred in connection with any conditional sale or other title retention agreement or a Capital Lease; provided that:

(i) any property subject to any of the foregoing is acquired by a Borrower or any such Subsidiary in the ordinary course of its business and the Lien on any such property is created contemporaneously with such acquisition;

(ii) the obligation secured by any Lien so created, assumed or existing shall not exceed 80 percent of the lesser of cost or fair market value as of the time of acquisition of the property covered thereby to a Borrower or such Subsidiary acquiring the same;

(iii) each such Lien shall attach only to the property so acquired and fixed improvements thereon; and

(iv) the obligations secured by such Lien are permitted by the provisions of Section 7.1; and

(k) Liens on assets acquired by a Borrower pursuant to the Assistance Agreement and securing Debt permitted by Section 7.1(d). The Bank hereby agrees to execute and deliver to the Borrowers any and all agreements, instruments and documents reasonably requested by the Borrowers subordinating the Bank's Lien on any such assets acquired by the Borrowers in connection with the Assistance Agreement.

Section 7.4. Leases. Create, incur, assume or suffer to exist, or permit any of their respective Subsidiaries to create, incur, assume or suffer to exist, any obligation as lessee for the rental or hire of any real or personal property, except: (a) leases existing on the date of this Agreement and any extensions or renewals thereof; (b) leases (other than Capital Leases) which do not in the aggregate require the Borrowers and their respective Subsidiaries on a consolidated basis to make payments (including taxes, insurance, maintenance and similar expense which any Borrower or any Subsidiary is required to pay under the terms of any lease) in any fiscal year of the Borrowers in excess of $250,000; (c) leases between any Borrower and any other Borrower; (d) Capital Leases permitted by Section 7.3.

Section 7.5. Investments. Make, or permit any of their respective Subsidiaries to make, any loan or advance to any Person or purchase or otherwise acquire, or permit any such Subsidiary to purchase or otherwise acquire, any capital stock, assets, obligations or other securities of, make any capital contribution to, or otherwise invest in, or acquire any interest in, any Person, except: (a) direct obligations of the United States of America or any agency thereof with maturities of one year or less from the date of acquisition; (b) commercial paper of a domestic issuer rated at least "A-1" by Standard & Poor's Corporation or "P-1" by Moody's Investors Service, Inc.; (c) certificates of deposit with maturities of one year or less from the date of acquisition issued by any commercial bank operating within the United States of America having capital and surplus in excess of $500,000,000; (d) for stock, obligations or securities received in settlement of debts (created in the ordinary course of business) owing to a Borrower or any such Subsidiary; (e) Interest Rate Protection Agreements permitted by Section 2.16; and (f) the loans from the Borrowers to officers of the Borrowers as reflected on the Borrowers' audited financial statements dated April 1, 1995.

Section 7.6. Dividends. Declare or pay any dividends, purchase, redeem, retire or otherwise acquire for value any of its capital stock now or hereafter outstanding, or make any distribution of assets to its stockholders as such whether in cash, assets or in obligations of a Borrower, or allocate or otherwise set apart any sum for the payment of any dividend or distribution on, or for the purchase, redemption or retirement of any shares of its capital stock, or make any other distribution by reduction of capital or otherwise in respect of any shares of its capital stock or permit any of their respective Subsidiaries to purchase or otherwise acquire for value any stock of a Borrower or another such Subsidiary, except that: (a) a Borrower may declare and deliver dividends and make distributions payable solely in common stock of such Borrower; (b) a Borrower may purchase or otherwise acquire shares of its capital stock by exchange for or out of the proceeds received from a substantially concurrent issue of new shares of its capital stock; and (c) any Subsidiary may declare and deliver dividends and make distributions to the Parent.

Section 7.7. Sale of Assets. Sell, lease, assign, transfer or otherwise dispose of, or permit any of their respective Subsidiaries to sell, lease, assign, transfer or otherwise dispose of, any of its now owned or hereafter acquired assets (including, without limitation, shares of stock and indebtedness of such Subsidiaries, receivables and leasehold interests); except: (a) for inventory disposed of in the ordinary course of business; (b) the sale or other disposition of assets no longer used or useful in the conduct of its business; and (c) that any such Subsidiary may sell, lease, assign or otherwise transfer its assets to the Parent.

Section 7.8. Stock of Subsidiaries, Etc. Sell or otherwise dispose of any shares of capital stock of any of their respective Subsidiaries or permit any such Subsidiary to issue any additional shares of its capital stock, except directors' qualifying shares.

Section 7.9. Transactions with Affiliates. Enter into any transaction, including, without limitation, the purchase, sale or exchange of property or the rendering of any service, with any Affiliate or permit any of their respective Subsidiaries to enter into any transaction, including, without limitation, the purchase, sale or exchange of property or the rendering of any service, with any Affiliate, except in the ordinary course of and pursuant to the reasonable requirements of

(b) any representation or warranty made or deemed made by any Borrower or Cash Bases GB in this Agreement or in any other Facility Document or which is contained in any certificate, document, opinion, financial or other statement furnished at any time under or in connection with any Facility Document shall prove to have been incorrect in any material respect on or as of the date made or deemed made;

(c) any Borrower shall: (i) fail to perform or observe any term, covenant or agreement contained in Section 2.3 or Articles 7 or 8; or (ii) fail to perform or observe any term, covenant or agreement on its part to be performed or observed (other than the obligations specifically referred to elsewhere in this Section 9.1) in any Facility Document and such failure shall continue for 20 consecutive days;

(d) any Borrower, Cash Bases GB or any of their respective Subsidiaries shall: (i) fail to pay any indebtedness under any Interest Rate Protection Agreement or any other indebtedness, including but not limited to indebtedness for borrowed money (other than the payment obligations described in (a) above), of such Borrower, Cash Bases GB or such Subsidiary, as the case may be, or any interest or premium thereon, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise); or (ii) fail to perform or observe any term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any such Interest Rate Protection Agreement or other indebtedness, when required to be performed or observed, if the effect of such failure to perform or observe is to accelerate, or to permit the acceleration of, after the giving of notice or passage of time, or both, the maturity of such indebtedness, whether or not such failure to perform or observe shall be waived by the holder of such indebtedness; or any such indebtedness shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof;

(e) any Borrower, Cash Bases GB or any of their respective Subsidiaries: (i) shall generally not, or be unable to, or shall admit in writing its inability to, pay its debts as such debts become due; or (ii) shall make an assignment for the benefit of creditors, petition or apply to any tribunal for the appointment of a custodian, receiver or trustee for it or a substantial part of its assets; or (iii) shall commence any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; or (iv) shall have had any such petition or application filed or any such proceeding shall have been commenced against it, in which an adjudication or appointment is made or order for relief is entered, or which petition, application or proceeding remains undismissed for a period of 30 days or more; or shall be the subject of any proceeding under which its assets may be subject to seizure, forfeiture or divestiture (other than a proceeding in respect of a Lien permitted under Section 7.3(b)); or (v) by any act or omission shall indicate its consent to, approval of or acquiescence in any such petition, application or proceeding or order for relief or the appointment of a custodian, receiver or trustee for all or any substantial part of its property; or (vi) shall suffer any such custodianship, receivership or trusteeship to continue undischarged for a period of 30 days or more;

(f) one or more judgments, decrees or orders for the payment of money in excess of $250,000 in the aggregate shall be rendered against any Borrower, Cash Bases GB or any of their respective Subsidiaries and such judgments, decrees or orders shall continue unsatisfied and in effect for a period of 30 consecutive days without being vacated, discharged, satisfied or stayed or bonded pending appeal;

(g) any event or condition shall occur or exist with respect to any Plan or Multiemployer Plan concerning which any Borrower is under an obligation to furnish a report to the Bank in accordance with Section 6.8(h) hereof and as a result of such event or condition, together with all other such events or conditions, such Borrower or any ERISA Affiliate has incurred or in the opinion of the Bank is reasonably likely to incur a liability to a Plan, a Multiemployer Plan, the PBGC or a section 4042 Trustee (or any combination of the foregoing) which is material in relation to the financial position of such Borrower and its Subsidiaries, on a consolidated basis; provided, however, that any such amount shall not be deemed to be material so long as all such amounts do not exceed in the aggregate during any consecutive 2-year period $200,000;

(h) the Unfunded Benefit Liabilities of one or more Plans have increased after the date of this Agreement in an amount which is material (as specified in Section 9.1(g) hereof);

(i) (A) except for Seth M. Lukash and/or Alvin Lukash, any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rules 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of 8 percent or more of the outstanding shares of voting stock of the Parent; or (B) during any period of 12 consecutive months, commencing before or after the date of this Agreement, individuals who at the beginning of such 12-month period were directors of the Parent cease for any reason to constitute a majority of the board of directors of the Parent;

(j) (A) any Forfeiture Proceeding shall have been commenced or any Borrower shall have given the Bank written notice of the commencement of any Forfeiture Proceeding as provided in Section 6.8 or (B) the Bank has a good faith basis to believe that a Forfeiture Proceeding has been threatened or commenced;

(k) there shall be any material adverse change in the condition (financial or otherwise), business, management, operations, properties

or prospects of the Borrowers and their Subsidiaries since the Closing Date; or

(l) the Security Agreement, the Pledge Agreement or the Cash Bases GB Pledge Agreement shall at any time after its execution and delivery and for any reason cease: (A) to create a valid and perfected first priority security interest in and to the property purported to be subject to such agreement; or (B) to be in full force and effect or shall

be declared null and void, or the validity or enforceability thereof shall be contested by the party thereto, or such party shall deny it has further liability or obligation thereunder or such party shall fail to perform any of its obligations thereunder.

Section 9.2. Remedies. If any Event of Default shall occur and be continuing, the Bank may, by notice to the Borrowers, (a) declare the Working Capital Commitment and the Bank's obligation to enter into Foreign Exchange Transactions to be terminated, whereupon the same shall forthwith terminate, and (b) declare the outstanding principal of the Notes or any one of them, all interest thereon and all other amounts payable under this Agreement and the Notes or any one of them to be forthwith due and payable, whereupon the Note(s), all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrowers; provided that, in the case of an Event of Default referred to in Section 9.1(e) or Section 9.1(j)(A) above, the Working Capital Commitment and the Bank's obligation to enter into Foreign Exchange Transactions shall be immediately terminated, and the Notes, all interest thereon and all other amounts payable under this Agreement shall be immediately due and payable without notice, presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Borrowers.

ARTICLE 10. MISCELLANEOUS

Section 10.1. Amendments and Waivers. Except as otherwise expressly provided in this Agreement, any provision of this Agreement may be amended or modified only by an instrument in writing signed by the Borrowers and the Bank, and any provision of this Agreement may be waived by the Borrowers and the Bank. No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof or preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 10.2. Usury. Anything herein to the contrary notwithstanding, the obligations of the Borrowers under this Agreement and the Notes shall be subject to the limitation that payments of interest shall not be required to the extent that receipt thereof would be contrary to provisions of law applicable to the Bank limiting rates of interest which may be charged or collected by the Bank.

Section 10.3. Expenses. The Borrowers shall reimburse the Bank on demand for all reasonable costs, expenses and charges (including, without limitation, telephone, telex, courier expenses, printing costs, reasonable fees and charges of external legal counsel for the Bank and reasonable costs allocated after the Closing Date by its internal legal department) incurred by the Bank in connection with the preparation, negotiation, execution, delivery, filing, recording, performance, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement, the Notes or any Facility Document. The Borrowers agree to indemnify the Bank and its directors, officers, employees and agents from, and hold each of them harmless against, any and all losses, liabilities, claims, damages or expenses incurred by any of them arising out of or by reason of any investigation or litigation or other proceedings (including any threatened investigation or litigation or other proceedings) relating to any actual or proposed use by the Borrowers or any Subsidiary of the proceeds of the Loans, including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any such investigation or litigation or other proceedings (but excluding any such losses, liabilities, claims, damages or expenses incurred by reason of the gross negligence or willful misconduct of the Person to be indemnified).

Section 10.4. Survival. The obligations of the Borrowers under Section 10.3 shall survive the repayment of the Loans and the termination of the Commitments.

Section 10.5. Assignment; Participations. This Agreement shall be binding upon, and shall inure to the benefit of, the Borrowers, the Bank and their respective successors and assigns, except that no Borrower may assign or transfer its rights or obligations hereunder. The Bank may assign, or sell participations in, all or any part of any Loan to another bank or other entity, in which event (a) in the case of an assignment, upon notice thereof by the Bank to the Borrowers, the assignee shall have, to the extent of such assignment (unless otherwise provided therein), the same rights, benefits and obligations as it would have if it were the Bank hereunder; and (b) in the case of a participation, the participant shall have no rights under the Facility Documents. The agreement executed by the Bank in favor of the participant shall not give the participant the right to require the Bank to take or omit to take any action hereunder except action directly relating to (i) the extension of a payment date with respect to any portion of the principal of or interest on any amount outstanding hereunder allocated to such participant, (ii) the reduction of the principal amount outstanding hereunder or (iii) the reduction of the rate of interest payable on such amount or any amount of fees payable hereunder to a rate or amount, as the case may be, below that which the participant is entitled to receive under its agreement with the Bank. The Bank may furnish any

information concerning the Borrowers in the possession of the Bank from time to time to assignees and participants (including prospective assignees and participants); provided that the Bank shall require any such prospective assignee or such participant (prospective or otherwise) to agree in writing to maintain the confidentiality of such information.

Section 10.6. Notices. Unless the party to be notified otherwise notifies the other party in writing as provided in this Section, and except as otherwise provided in this Agreement, notices shall be delivered in person or sent by overnight courier, facsimile, ordinary mail, cable or telex addressed to such party at its "Address for Notices" on the signature page of this Agreement. Notices shall be effective: (a) on the day on which delivered to such party in person, (b) on the first Banking Day after the day on which sent to such party by overnight courier, (c) if given by mail, 48 hours after deposit in the mails with first-class postage prepaid, addressed as aforesaid, and (d) if given by facsimile, cable or telex, when the facsimile, cable or telex is transmitted to the facsimile, cable or telex number as aforesaid; provided that notices to the Bank shall be effective upon receipt.

Section 10.7. Setoff. The Borrowers agree that, in addition to (and without limitation of) any right of setoff, banker's lien or counterclaim the Bank may otherwise have, the Bank shall be entitled, at its option, to offset balances (general or special, time or demand, provisional or final) held by it for the account of any Borrower at any of the Bank's offices, in Dollars or in any other currency, against any amount payable by any Borrower under this Agreement or any Note which is not paid when due (regardless of whether such balances are then due to such Borrower), in which case it shall promptly notify the Borrowers thereof; provided that the Bank's failure to give such notice shall not affect the validity thereof.

SECTION 10.8. JURISDICTION; IMMUNITIES. EACH BORROWER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY CONNECTICUT STATE OR UNITED STATES FEDERAL COURT SITTING IN CONNECTICUT OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY NOTE, AND EACH BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH CONNECTICUT STATE OR FEDERAL COURT. EACH BORROWER IRREVOCABLY CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES OF SUCH PROCESS TO SUCH BORROWER AT ITS ADDRESS SPECIFIED IN SECTION 10.6. EACH BORROWER AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. EACH BORROWER FURTHER WAIVES ANY OBJECTION TO VENUE IN SUCH STATE AND ANY OBJECTION TO AN ACTION OR PROCEEDING IN SUCH STATE ON THE BASIS OF FORUM NON CONVENIENS. EACH BORROWER FURTHER AGREES THAT ANY ACTION OR PROCEEDING BROUGHT AGAINST THE BANK SHALL BE BROUGHT ONLY IN CONNECTICUT STATE OR UNITED STATES FEDERAL COURT SITTING IN CONNECTICUT. EACH BORROWER WAIVES ANY RIGHT IT MAY HAVE TO JURY TRIAL.

(a) Nothing in this Section 10.8 shall affect the right of the Bank to serve legal process in any other manner permitted by law or affect the right of the Bank to bring any action or proceeding against any Borrower or its property in the courts of any other jurisdictions.

(b) To the extent that any Borrower has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether from service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, such Borrower hereby irrevocably waives such immunity in respect of its obligations under this Agreement and the Notes.

Section 10.9. Table of Contents; Headings. Any table of contents and the headings and captions hereunder are for convenience only and shall not affect the interpretation or construction of this Agreement.

Section 10.10. Severability. The provisions of this Agreement are intended to be severable. If for any reason any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 10.11. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing any such counterpart.

Section 10.12. Integration. The Facility Documents set forth the entire agreement between the parties hereto relating to the transactions contemplated thereby and supersede any prior oral or written statements or agreements with respect to such transactions.

SECTION 10.13. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND INTERPRETED AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CONNECTICUT.

Section 10.14. Confidentiality. The Bank agrees (on behalf of itself and each of its affiliates, directors, officers, employees and representatives) to use reasonable precautions to keep confidential, in accordance with safe and sound banking practices, any nonpublic information supplied to it by the Borrowers pursuant to this Agreement which is identified by the Borrowers as being confidential at the time the same is delivered to the Bank, provided that nothing herein shall limit the disclosure of any such information (i) to the extent required by statute, rule, regulation or judicial process, (ii) to counsel for the Bank, (iii) to bank examiners, auditors or accountants, (iv) in connection with any litigation to which the Bank is a party or (v) to any assignee or participant (or prospective assignee or participant) so long as such assignee or participant (or prospective assignee or participant) agrees to maintain the confidentiality of such information; and provided finally that in no event shall the Bank be obligated or required to return any materials furnished by the Borrowers.

Section 10.15. Treatment of Certain Information. Each Borrower (a) acknowledges that services may be offered or provided to it (in connection with this Agreement or otherwise) by the Bank or by one or more of its subsidiaries or affiliates and (b) acknowledges that information delivered to the Bank by any Borrower may be provided to each such subsidiary and affiliate.

SECTION 10.16. COMMERCIAL WAIVER. EACH BORROWER ACKNOWLEDGES THAT THE LOANS EVIDENCED BY THE NOTES ARE FOR COMMERCIAL PURPOSES AND WAIVES ANY RIGHT TO NOTICE AND HEARING UNDER SECTIONS 52-278a THROUGH 52-278n OF THE CONNECTICUT GENERAL STATUTES AS NOW OR HEREAFTER AMENDED AND AUTHORIZES THE ATTORNEY OF THE BANK, OR ANY SUCCESSOR THERETO, TO ISSUE A WRIT OF PREJUDGMENT REMEDY WITHOUT COURT ORDER. FURTHER, EACH BORROWER HEREBY WAIVES, TO THE EXTENT PERMITTED BY LAW, THE BENEFITS OF ALL VALUATION, APPRAISEMENTS, HOMESTEAD, EXEMPTION, STAY, REDEMPTION AND MORATORIUM LAWS NOW IN FORCE OR WHICH MAY HEREAFTER BECOME LAWS. EACH BORROWER ACKNOWLEDGES THAT IT MAKES THESE WAIVERS AND THE WAIVERS CONTAINED IN SECTION 10.8 KNOWINGLY, VOLUNTARILY AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THESE WAIVERS WITH ITS ATTORNEYS.

SECTION 10.17. Multiple Borrowers.

(a) It is understood and agreed by each Borrower that the handling of this credit facility on a joint borrowing basis as set forth in this Agreement is solely as an accommodation to the Borrowers and at their request, and that the Bank shall not incur liability to the Borrowers as a result thereof. To induce the Bank to do so and in consideration thereof, each Borrower hereby agrees to indemnify the Bank and to hold the Bank harmless from and against any and all liabilities, expenses, losses, damages and claims of damage or injury asserted against the Bank by any Borrower or by any other Person arising from or incurred by reason of the Bank's handling of the financing arrangements of the Borrowers as provided herein, reliance by the Bank on any request or instruction from the Parent or any other Borrower or any other action taken by the Bank with respect to this Section 10.17.

(b) Each Borrower represents and warrants to the Bank that the request for joint handling of the Loans to be made by the Bank hereunder was made because the Borrowers are engaged in an integrated operation which required financing on a basis permitting the availability of credit from time to time to each Borrower as required for the continued successful operation of each Borrower of the integrated operation of the Borrowers. Each Borrower expects to derive benefit, directly or indirectly, from such availability because the successful operation of the Borrowers is dependent on the continued successful performance of the functions of the integrated group.

(c) Each Borrower hereby irrevocably designates the Parent as its attorney to borrow, sign and endorse notes, and execute and deliver all instruments, documents, writings and further assurances now or hereafter required hereunder, on behalf of each Borrower, and does hereby authorize the Bank to pay over or credit all Loan proceeds hereunder to the Parent as the Borrowers' attorney in fact, recognizing, however, that Lender is not bound by such authorization and may elect either to disburse loan proceeds to each Borrower directly for its use, to the Parent as attorney for

any Borrower or to the Parent for its own account, in which case the Parent may advance or lend such proceeds to the other Borrowers. Each Borrower further agrees that all obligations hereunder or referred to herein or under any other Facility Document shall be joint and several, and that each Borrower shall make payment upon any notes issued pursuant hereto and any and all other obligations hereunder or referred to herein or under any other Facility Document upon their maturity by acceleration or otherwise, and that such obligation and liability on the part of each Borrower shall in no way be affected by any extensions, renewals and forbearances granted by the Bank to any Borrower, failure of the Bank to give any Borrower notice of borrowing or any other notice, any failure of the Bank to pursue or preserve its rights against any other Borrower, the release by the Bank of any collateral now or hereafter acquired from any Borrower, failure of the Bank to realize upon such collateral in a commercially reasonable manner, and that such agreement by each Borrower to pay upon any notice issued pursuant hereto is unconditional and unaffected by prior recourse by the Bank to the other Borrowers or any collateral for such Borrowers' obligations or the lack thereof.

(d) Each Borrower hereby grants a right of contribution to each other Borrower for any amount paid by such other Borrower in satisfaction of any obligations under this Agreement, any Note or any other Facility Document; provided, however, that the aggregate of the rights of contribution against any Borrower hereunder shall not exceed such Borrower's net worth. In calculating the net worth of any Borrower for purposes of this paragraph, such Borrower's obligations under the Facility Documents will not be included in its liabilities and such Borrower's rights of contribution against other Borrowers for amounts paid under the Facility Documents will not be included in its assets.

(e) All notices to, or other communications with, the Borrowers or any one of them shall be sufficient if given to any of the Borrowers. Although the Bank may require that all of the Borrowers or a particular Borrower execute any document (including any Notice of Borrowing) in any matter pertaining to this Agreement or any of the other Facility Documents, any one of the Borrowers may bind all of the Borrowers and any document (including any Notice of Borrowing) signed by any Borrower, and any and all action taken by any Borrower, is sufficient to represent all of the Borrowers. Without limiting the foregoing, any single Borrower may make representations and warranties on behalf of all the Borrowers or any other Borrower, and such representations and warranties shall be of the same force and effect as if made directly by such other Borrowers.

Section 10.18. Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or Event of Default if such action is taken or condition exists.

Section 10.19. Time of the Essence. Time and punctuality shall be of the essence with respect to this instrument, but no delay or failure of the Bank to enforce any of the provisions herein contained and no conduct or statement of the Bank shall waive or affect any of the Bank's rights hereunder.

Section 10.20. Reference to and Effect on the Facility Documents.

(a) Upon the effectiveness of this Agreement, on and after the date hereof each reference in the Facility Documents to the Credit Agreement or the Notes, shall mean and be a reference to this Credit Agreement as amended and restated hereby or the Notes as amended and restated in connection with the execution and delivery of this Agreement.

(b) The Existing Credit Agreement is amended and restated in its entirety by this Agreement and the "Notes" delivered under the Existing Credit Agreement are amended and restated in their entirety by the Notes delivered pursuant to this Agreement. The Bank shall use its best efforts to deliver to the Borrowers on the Closing Date the Notes issued to the Banks under the Existing Credit Agreement marked "REPLACED AND REISSUED"; provided, however, that the failure to deliver said Notes to the Borrowers shall not adversely affect the replacement of said Notes. All other Facility Documents shall remain in full force and effect and are hereby ratified and confirmed. Without limiting the generality of the foregoing, the Security Agreement and all of the Collateral described therein, the Pledge Agreement and all of the Pledged Collateral described therein, the Cash Base GB Pledge Agreement and all of the Charged Property described therein, and each other security document and all of the collateral described in such security document, do and shall continue to secure the payment of all Obligations or Secured Liabilities (as therein defined), in each case as amended hereby and by the separate amendments to such documents.

(c) The execution, delivery and effectiveness of this Agreement shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Bank under any of the Facility Documents, nor constitute a waiver of any provision of any of the Facility Documents.

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

TRIDEX CORPORATION

By_____
Richard L. Cote, Senior Vice President and
Chief Financial Officer

ITHACA PERIPHERALS INCORPORATED,
ULTIMATE TECHNOLOGY CORPORATION,
MAGNETEC CORPORATION

By_____
George T. Crandall
Secretary as to each of the above
corporations

CASH BASES INCORPORATED

By_____
George T. Crandall
Treasurer

Address for Notices to all Borrowers:
61 Wilton Road
Westport, Connecticut 06880
Attention: Richard L. Cote
Facsimile No.: (203) 226-8806

FLEET BANK, NATIONAL ASSOCIATION

By_____
Frederick A. Meagher
Vice President

Address for Notices and Lending Office:
One Stamford Plaza
263 Tresser Boulevard
Stamford, Connecticut 06901
Attn: Frederick A. Meagher
Vice President
Facsimile No.: (203) 351-1511

Exhibit 10.17

AMENDMENT NO. 1

AMENDMENT dated as of March 15, 1996, among TRIDEX CORPORATION, a corporation organized under the laws of the State of Connecticut, ITHACA PERIPHERALS INCORPORATED, a corporation organized under the laws of the State of Delaware, ULTIMATE TECHNOLOGY CORPORATION, a corporation organized under the laws of the State of New York, MAGNETEC CORPORATION, a corporation organized under the laws of the State of Connecticut, CASH BASES INCORPORATED, a corporation organized under the laws of the State of Delaware (collectively, all such corporations being the "Borrowers" and each, individually, a "Borrower"), and FLEET BANK, NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States of America (the "Bank").

Background

A. The Borrowers (other than Cash Bases Incorporated) and the Bank have entered into the Amended and Restated Credit Agreement dated as of December 15, 1995 (as amended, modified or supplemented from time to time, the "Credit Agreement:).

B. The Borrowers have informed the Bank that they did not meet certain of the financial covenants contained in the Credit Agreement for the period ended December 31, 1995, and have requested, among other things, that the Bank waive its compliance with those covenants for that period.

C. The Borrower and the Bank have agreed to amend the Credit Agreement as hereinafter set forth.

Agreement

In consideration of the Background, which is incorporated by reference, the parties, intending to be legally bound, agree as follows:

SECTION 1. Defined Terms. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Credit Agreement.

SECTION 2. Amendments to Credit Agreement. The Credit Agreement is effective as of the date hereof and, subject to the satisfaction of the conditions precedent set forth in Section 5 hereof, is amended as follows:

(a) The definition of "Revolving Credit Termination Date" contained in Section 1.1 of the Credit Agreement is deleted and the following is substituted therefor:

> "Revolving Credit Termination Date" means June 30, 1997; provided that if such date is not a Banking Day, the Revolving Credit Termination Date shall be the next succeeding Banking Day (or, if such next succeeding Banking Day falls in the next calendar month, the next preceding Banking Day) or (ii) the earlier date of termination of the Working Capital Commitment pursuant to Section 9.2 hereof.

(b) The figure "$5,000,000" contained in the definition of Working Capital Commitment in Section 1.1 of the Credit Agreement is deleted and the figure "$3,000,000" is substituted therefor.

(c) The following is added after the phrase "outstanding F/E Credits" in the sixth line of Section 2.1 (c) of the Credit Agreement:

> but in no event shall Working Capital Loans exceed the aggregate outstanding amount of $3,000,000 from time to time

(d) Section 8.1 of the Credit Agreement is deleted and the following is substituted therefor:

> Section 8.1. Minimum Tangible Net Worth. The Borrowers shall maintain at all times, as measured at the end of each fiscal quarter, a Consolidated Tangible Net Worth of not less than $5,500,000 (except for the quarter ended March 31, 1996, for which such Consolidated Tangible Net Worth shall not be less than $5,250,000), and such minimum

Consolidated Tangible Net Worth hereunder shall increase from fiscal year to fiscal year by an amount equal to 50% of Consolidated Net Income for each immediately preceding fiscal year end.

SECTION 3. Waiver of Covenants. Subject to the satisfaction of the conditions precedent set forth in Section 5 below, the Bank hereby waives compliance by the Borrowers with the provisions of Sections 8.1, 8.3 and 8.6 for the period ended December 31, 1995 only and the provisions of such Sections shall remain in full force and effect for all other periods.

SECTION 4. Amendments to Other Facility Documents. The Working Capital Note is amended and restated in its entirety in the form of Schedule 1 hereto.

SECTION 5. Conditions of Effectiveness. This Amendment shall become effective when, and only when, the Bank shall have received counterparts of this Amendment executed by the Borrowers and the Bank, and the following documents, each document (unless otherwise indicated) being dated the date of receipt thereof by the Bank (which date shall be the same for all such documents), in form and substance satisfactory to the Bank:

(a) The executed Amended and Restated Working Capital Note in the form of Schedule 1 hereto.

(b) A certificate of the Secretary or an Assistant Secretary of each Borrower certifying the names and true signatures of the officers of such Borrower authorized to sign this Amendment and the other documents to be delivered hereunder.

(c) A favorable opinion of Hinckley, Allen & Snyder, counsel for the Borrowers, to the effect that this Amendment, and the Amended and Restated Working Capital Note have been duly authorized, executed and delivered by the Borrowers, and such instruments constitute the legal, valid and binding obligations of the Borrowers, enforceable against the Borrowers, in accordance with their respective terms.

(d) A certificate signed by a duly authorized officer of each Borrower stating that:

(i) The representations and warranties contained in Section 8 hereof are correct on and as of the date of such certificate as though made on and as of such date, and

(ii) No event has occurred and is continuing which constitutes a Default or Event of Default.

SECTION 6. Termination of LIBOR Loans. Notwithstanding anything contained in the Credit Agreement to the contrary, the Borrowers agree that, subsequent to the date hereof, they shall not be entitled to request LIBOR Loans and that upon the expiration of the Interest Period for each LIBOR Loan outstanding on the date of this Agreement, each such LIBOR Loan shall be deemed automatically converted to a Loan bearing interest per annum at the Variable Rate plus the Margin.

SECTION 7. Amendment Fee. In consideration of the execution and delivery of this Amendment, the Borrowers agree to pay to the Lender in immediately available funds, the amount of $35,000, which shall be paid by the Lender's exercise of its rights under Section 2.12 of the Credit Agreement.

SECTION 8. Representations and Warranties of the Borrower. Each Borrower represents and warrants as follows:

(a) Such Borrower is duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its assets and to transact the business in which it is now engaged or proposed to be engaged, and is duly qualified as a foreign corporation and in good standing under the laws of each other jurisdiction in which such qualification is required.

(b) The execution, delivery and performance by such Borrower of this Amendment, the Amended and Restated Working Capital Note and the Facility Documents, as amended hereby, to which it is a party have been duly authorized by all necessary corporate action and do not and will not: (a) require any consent or approval of its

stockholders; (b) contravene its charter or by-laws; (c) violate any provision of, or require any filing, registration, consent or approval under, any law, rule, regulation (including, without limitation, Regulation U), order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to such Borrower or any of its Subsidiaries or Affiliates; (d) result in a breach of or constitute a default or require any consent under any indenture or loan or credit agreement or any other agreement, lease or instrument to which such Borrower is a party or by which it or its properties may be bound or affected; (e) result in, or require, the creation or imposition of any Lien , upon or with respect to any of the properties now owned or hereafter acquired by such Borrower; or (f) cause such Borrower (or any Subsidiary or Affiliate, as the case may be) to be in default under any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any such indenture, agreement, lease or instrument.

(c) This Amendment, the Amended and Restated Working Capital Note and each other Facility Document, as amended hereby, to which such Borrower is a party is, or when delivered under this Amendment will be, a legal, valid and binding obligation of such Borrower enforceable against such Borrower in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

(d) There are no actions, suits or proceedings pending or, to the knowledge of such Borrower, threatened, against or affecting such Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator, which may, in any one case or in the aggregate, materially adversely affect the financial condition, operations, properties or business of such Borrower or any such Subsidiary or of or the ability of such Borrower to perform its obligation under this Amendment, the Amended and Restated Working Capital Note or any of the other Facility Documents, as amended hereby.

(e) The Security Agreement constitutes valid and perfected first priority Liens in and to the Collateral covered thereby enforceable against all third parties in all jurisdictions and secure the payment of all obligations of the Borrowers under the Facility Documents, as amended hereby, including all obligations of the Borrower under the Amended and Restated Working Capital Note, and the execution, delivery and performance of this Amendment do not adversely affect the aforesaid Liens of such Security Agreement.

SECTION 9. Reference to and Effect on the Facility Documents.

(a) Upon the effectiveness of Sections 1 and 2 hereof, on and after the date hereof each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import, and each reference in the other Facility Documents to the Credit Agreement and Notes, shall mean and be a reference to the Credit Agreement and Notes as amended hereby.

(b) Except as specifically amended above, the Credit Agreement and the Notes, and all other Facility Documents, shall remain in full force and effect and are hereby ratified and confirmed. Without limiting the generality of the foregoing, the Pledge Agreement and all of the Pledged Collateral described therein, the Security Agreement and all of the Collateral described therein, and the Cash Bases Pledge Agreement and all of the Charged Property described therein do and shall continue to secure the payment of all Obligations, in each case as amended hereby.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Bank under any of the Facility Documents, nor constitute a waiver of any provision of any of the Facility Documents.

SECTION 10. Costs, Expenses and Taxes. The Borrowers jointly and severally agree to pay on demand all costs and expenses of the Bank in connection with the preparation, execution and delivery of this Amendment, the Amended and Restated Working Capital Note and the other instruments and documents to be delivered hereunder, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Bank with respect thereto and with respect to advising the Bank as to its rights and responsibilities hereunder and thereunder. The Borrowers further jointly and severally agree to pay on demand all costs and expenses, if any (including, without limitation, reasonable counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Amendment, the Amended and Restated Working Capital Note and the other instruments and documents to be delivered hereunder, including, without limitation, reasonable counsel fees and expenses in connection with the enforcement of rights under this Section 6. In addition, the Borrowers shall pay any and all stamp and other taxes payable or determined to be payable in connection with the execution and delivery of this Amendment, the Amended and Restated Working Capital Note and the other instruments and documents to be delivered hereunder, and agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes.

SECTION 11. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

SECTION 12. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of Connecticut.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

TRIDEX CORPORATION

By

Richard L. Cote
Title: Senior Vice President and
Chief Financial Officer

ITHACA PERIPHERALS INCORPORATED,
ULTIMATE TECHNOLOGY CORPORATION,
MAGNETEC CORPORATION

By

George T. Crandall
Title: Secretary as to each of the
above corporations

CASH BASES INCORPORATED

By

George T. Crandall
Title: Treasurer

FLEET BANK, NATIONAL ASSOCIATION

By

Frederick A. Meagher
Title: Vice President

SCHEDULE 1

Working Capital Note

AMENDED AND RESTATED PROMISSORY NOTE

$3,000,000

Westport, Connecticut
As of March 15, 1996

For value received, TRIDEX CORPORATION, ITHACA PERIPHERALS INCORPORATED, ULTIMATE TECHNOLOGY CORPORATION, CASH BASES INCORPORATED and MAGNETEC CORPORATION (each, a "Borrower" and collectively, the "Borrowers"), hereby promise, jointly and severally, to pay to the order of FLEET BANK, NATIONAL ASSOCIATION (the "Bank") at the principal office of the Bank, at One Constitution Plaza, Hartford, Connecticut 06115, for the account of the appropriate Lending Office of the Bank, the principal sum of THREE MILLION DOLLARS ($3,000,000) or, if less, the amount of Working Capital Loans made by the Bank to the Borrowers pursuant to the Credit Agreement referred to below, in lawful money of the United States of America and in immediately available funds, on the date(s) and in the manner provided in said Credit Agreement. The Borrowers also promise to pay interest on the unpaid principal balance hereof, for the period such balance is outstanding, at said principal office for the account of said Lending Office, in like money, at the rates of interest as provided in the Credit Agreement referred to below, on the date(s) and in the manner provided in said Credit Agreement.

The date and amount of each Working Capital Loan made by the Bank to the Borrowers under the Credit Agreement referred to below, and each payment of principal thereof, shall be recorded by the Bank on its books and, prior to any transfer of this Note (or, at the discretion of the Bank, at any other time), endorsed by the Bank on the schedule attached hereto or any continuation thereof.

This is the Working Capital Note referred to in that certain Amended and Restated Credit Agreement (as amended from time to time the "Credit Agreement") dated as of December 15, 1995 among the Borrowers and the Bank and evidences the Working Capital Loans made by the Bank thereunder. All terms not defined herein shall have the meanings given to them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain Events of Default and for prepayments on the terms and conditions specified therein.

Each Borrower waives presentment, notice of dishonor, protest and any other notice or formality with respect to this Note.

This Note shall be governed by, and interpreted and construed in accordance with, the laws of the State of Connecticut.

This Note amends and restates in its entirety the Amended and Restated Promissory Note, dated as of December 15, 1995, from the Borrowers to the Bank, in the original principal amount of Five Million Dollars ($5,000,000) (the "Existing Note"). Upon the execution and delivery of this Note, this Note shall replace the Existing Note and shall immediately evidence all outstanding indebtedness under the Existing Note. The Borrowers and the Bank hereby agree that the indebtedness embodied in and evidenced by this Note is the same indebtedness embodied in and evidenced by the Existing Note, and that such indebtedness is a continuing obligation of the Borrowers to the Bank, and has been and continues to be fully enforceable, absolute and in existence.

TRIDEX CORPORATION

By

Richard L. Cote, Senior Vice President
and Chief Financial Officer

ITHACA PERIPHERALS INCORPORATED,
ULTIMATE TECHNOLOGY CORPORATION,
MAGNETEC CORPORATION

By

George T. Crandall
Secretary as to each of the above
corporations

CASH BASES INCORPORATED

By

George T. Crandall
Treasurer

Date	Amount of Loan	Amount of Payment	Balance Outstanding	Notation By

EXHIBIT 21.1

SUBSIDIARIES OF TRANSACT TECHNOLOGIES INCORPORATED*

SUBSIDIARY	STATE OF INCORPORATION	% OWNERSHIP
Magnetec Corporation.....	Connecticut	100
Ithaca Peripherals Ltd.	United Kingdom	100

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*After completion of the transactions contemplated by the Plan of Reorganization dated as of June 24, 1996, by and among Transact Technologies Incorporated, Tridex Corporation, Magnetec Corporation and Ithaca Peripherals Incorporated.

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in the Prospectus constituting part of this Registration Statement on Form S-1 of our report dated June 10, 1996, relating to the combined financial statements of TransAct Technologies Incorporated, which appears in such Prospectus. We also consent to the reference to us under the heading "Experts" in such Prospectus.

PRICE WATERHOUSE LLP
Hartford, Connecticut
June 25, 1996

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1,000

YEAR	3-MOS	
	DEC-31-1995	DEC-31-1996
	APR-02-1995	JAN-01-1996
	DEC-31-1995	MAR-30-1996
	0	0
	0	0
	3,286	5,285
	40	55
	6,353	6,408
	10,107	12,347
	7,597	7,778
	4,556	4,760
	15,969	17,961
	3,826	3,800
	0	0
	0	0
	0	0
	0	0
	11,702	13,678
15,969	17,961	
	25,497	10,463
	25,497	10,463
	17,529	6,984
	23,918	9,192
	15	(170)
	0	0
	0	0
	1,564	1,441
	648	576
	916	865
	0	0
	0	0
	0	0
	916	865
	0	0
	0	0