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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE TO
Rule 14d-100

TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No.)*

Specialty Equipment Companies, Inc.
(Name of Subject Company (Issuer))
United Technologies Corporation

and

Solar Acquisition Corp.
(Names of Filing Persons (Offerors))

Common Stock, par value $.01 per share
(Title of Class of Securities)

847497203
(CUSIP Number of Class of Securities)

William H. Trachsel, Esq.
Senior Vice President, General Counsel and Secretary
United Technologies Corporation
One Financial Plaza
Hartford, CT 06101
(860) 728-7000

Copies to:
Christopher E. Austin, Esq.
Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, New York 10006
(212) 225-2000
(Name, Address and Telephone Numbers of Person
Authorized to Receive Notices and Communications on Behalf of Filing Persons)

CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee
$595,234,553.50	$119,047

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* The Transaction Value was calculated by multiplying $30.50, the per share tender offer price, by 19,515,887, the total number of outstanding shares sought in the offer. The filing fee, calculated in accordance with Rule 0-11, is 1/50th of one percent of the aggregate Transaction Value.

[_]Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: ___________________ Filing Party: _____________________________
Form or Registration No.: _________________ Date Filed: _______________________________

[_]Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

[X]third-party tender offer subject to Rule 14d-1.

[_]issuer tender offer subject to Rule 13e-4.

[_]going-private transaction subject to Rule 13e-3.

[_]amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer. [_]

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This Tender Offer Statement on Schedule TO (this "Schedule TO") is filed by Solar Acquisition Corp., a Delaware corporation ("Solar") and a wholly owned subsidiary of United Technologies Corporation, a Delaware corporation ("UTC"). This Schedule TO relates to the offer by Solar to purchase all outstanding shares of common stock, par value $.01 per share (the "Shares"), of Specialty Equipment Companies, Inc. (the "Company"), at a purchase price of $30.50 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated October 23, 2000 (the "Offer to Purchase"), and in the related Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(1)(A) and (a)(1)(B) (which, together with the Offer to Purchase and any amendments or supplements hereto and thereto, collectively constitute the "Offer"). The information set forth in the Offer to Purchase and the related Letter of Transmittal is incorporated herein by reference with respect to Items 1-9 and 11 of this Schedule TO. The Agreement and Plan of Merger, dated as of October 13, 2000, among UTC, Solar and the Company and the Stockholder Agreement, dated as of October 13, 2000, among UTC, Solar and certain stockholders of the Company, copies of which are attached as Exhibits (d)(1) and (d)(2) hereto, are incorporated herein by reference with respect to Items 5 and 11 of this Schedule TO.

Item 10. Financial Statements.

Not applicable.

Item 12. Exhibits.

(a)(1)(A)	Offer to Purchase, dated as of October 23, 2000
(a)(1)(B)	Form of Letter of Transmittal
(a)(1)(C)	Form of Notice of Guaranteed Delivery
(a)(1)(D)	Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees
(a)(1)(E)	Form of Letter to Clients for Use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees
(a)(1)(F)	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9
(a)(1)(G)	Text of Press Release issued by UTC on October 16, 2000 (incorporated by reference to the Schedule TO-C filed by UTC and Solar on October 16, 2000)
(a)(1)(H)	Summary Advertisement as published in the Wall Street Journal on October 23, 2000
(b)	Not applicable
(d)(1)	Agreement and Plan of Merger, dated as of October 13, 2000, among the Company, UTC and Solar
(d)(2)	Stockholder Agreement, dated as of October 13, 2000, among UTC, Solar and certain stockholders of the Company
(d)(3)	Confidentiality and Standstill Agreement, dated as of August 14, 2000, between UTC and the Company
(g)	Not applicable
(h)	Not applicable

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: October 23, 2000

UNITED TECHNOLOGIES CORPORATION

/s/ Ari Bousbib
By: ___________________________________
Name: Ari Bousbib
Title: Vice President

SOLAR ACQUISITION CORP.

/s/ Ari Bousbib
By: ___________________________________
Name: Ari Bousbib
Title: President

INDEX TO EXHIBITS

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Offer to Purchase for Cash

All of the Outstanding Shares of Common Stock

of

Specialty Equipment Companies, Inc.

at

$30.50 Net Per Share

by

Solar Acquisition Corp.

a wholly owned subsidiary of

United Technologies Corporation

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON MONDAY, NOVEMBER 20, 2000, UNLESS THE OFFER IS EXTENDED.

THIS OFFER IS BEING MADE IN CONNECTION WITH THE MERGER AGREEMENT, DATED AS OF OCTOBER 13, 2000 (THE "MERGER AGREEMENT"), AMONG UNITED TECHNOLOGIES CORPORATION ("PARENT"), SOLAR ACQUISITION CORP. ("PURCHASER") AND SPECIALTY EQUIPMENT COMPANIES, INC. (THE "COMPANY"). THE BOARD OF DIRECTORS OF THE COMPANY HAS UNANIMOUSLY APPROVED THE MERGER AGREEMENT, THE OFFER AND THE MERGER (EACH AS DEFINED HEREIN), DETERMINED THAT THE OFFER AND THE MERGER ARE ADVISABLE AND FAIR TO AND IN THE BEST INTEREST OF THE HOLDERS OF SHARES (AS DEFINED HEREIN) AND UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS ACCEPT THE OFFER, TENDER THEIR SHARES PURSUANT TO THE OFFER AND APPROVE THE MERGER.

PARENT AND PURCHASER HAVE ENTERED INTO A STOCKHOLDER AGREEMENT WITH STOCKHOLDERS OF THE COMPANY WHO OWN AN AGGREGATE OF APPROXIMATELY 38% OF THE OUTSTANDING SHARES ON A FULLY DILUTED BASIS, ASSUMING THE EXERCISE OF ALL ISSUED AND OUTSTANDING COMPANY STOCK OPTIONS, PURSUANT TO WHICH, AMONG OTHER THINGS, SUCH STOCKHOLDERS HAVE AGREED TO VALIDLY TENDER (AND NOT WITHDRAW) ALL SUCH SHARES PURSUANT TO THE OFFER AND HAVE GRANTED PURCHASER AN OPTION TO PURCHASE ALL SUCH SHARES AT A PRICE OF $30.50 PER SHARE UPON THE OCCURRENCE OF CERTAIN EVENTS.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (A) THERE HAVING BEEN VALIDLY TENDERED AND NOT PROPERLY WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER THAT NUMBER OF SHARES WHICH, WHEN AGGREGATED WITH ANY SHARES THEN BENEFICIALLY OWNED BY PARENT (EXCLUDING SHARES HELD BY AN EMPLOYEE BENEFIT PLAN), REPRESENTS AT LEAST A MAJORITY OF ALL OF THE ISSUED AND OUTSTANDING SHARES ON A FULLY DILUTED BASIS, ASSUMING THE EXERCISE OF ALL OUTSTANDING COMPANY STOCK OPTIONS, AND (B) THE EXPIRATION OR TERMINATION OF ANY WAITING PERIOD UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED, AND THE EXPIRATION OR TERMINATION OF ANY WAITING PERIOD AND THE RECEIPT OF ANY REQUIRED APPROVAL UNDER ANY FOREIGN ANTITRUST AND COMPETITION LAWS APPLICABLE TO THE PURCHASE OF SHARES PURSUANT TO THE OFFER OR THE MERGER.

IMPORTANT

Stockholders desiring to tender all or any portion of their shares of common stock, par value $.01 per share, of the Company, (the "Shares") should either: (a) complete and sign the Letter of Transmittal or a facsimile thereof in accordance with the instructions in the Letter of Transmittal, including any required signature guarantees, and mail or deliver the Letter of Transmittal or such facsimile with certificate(s) for the tendered Shares and any other required documents to the Depositary (as defined herein), or (b) follow the procedures for book-entry tender of Shares set forth in Section 3 or (c) request such stockholder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such stockholder. Stockholders whose Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if they desire to tender such Shares.

A stockholder who desires to tender Shares and whose certificates for such Shares are not immediately available, or who cannot comply with the procedure for book-entry transfer on a timely basis, may tender such Shares by following the procedures for guaranteed delivery set forth in Section 3.

Questions and requests for assistance may be directed to the Information Agent (as defined herein) at its address and telephone number set forth on the back cover of this Offer to Purchase. Requests for additional copies of this Offer to Purchase and the Letter of Transmittal may be directed to the Information Agent or to brokers, dealers, commercial banks or trust companies.

The Information Agent for the Offer is:

[LOGO OF GEORGESON SHAREHOLDER COMMUNICATIONS INC.]

October 23, 2000

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SUMMARY TERM SHEET

Solar Acquisition Corp., which is referred to in this offer to purchase as "Purchaser," is offering to purchase all of the outstanding shares of common stock of Specialty Equipment Companies, Inc., which is referred to in this offer to purchase as the "Company," for $30.50 per share in cash. The following are some of the questions you, as a stockholder of Specialty Equipment Companies, Inc., may have and answers to those questions. We urge you to read the remainder of this offer to purchase and the letter of transmittal carefully because the information in this summary is not complete and additional important information is contained in the remainder of this offer to purchase and the letter of transmittal.

Who is offering to buy my shares?

Solar Acquisition Corp. is a Delaware corporation formed for the purpose of making this tender offer. Solar Acquisition Corp. is a wholly owned subsidiary of United Technologies Corporation, a Delaware corporation, which is referred to in this offer to purchase as "Parent." See Section 9 of this offer to purchase--"Certain Information Concerning Purchaser and Parent."

What shares are being sought in the offer?

Solar Acquisition Corp. is offering to purchase all of the outstanding shares of common stock of Specialty Equipment Companies, Inc. See "INTRODUCTION" and Section 1 of this offer to purchase--"Terms of the Offer."

How much are you offering to pay and what is the form of payment?

Solar Acquisition Corp. is offering to pay $30.50 per share, net to you, in cash. See "INTRODUCTION" and Section 1 of the offer to purchase--"Terms of the Offer."

Do you have the financial resources to make payment?

United Technologies Corporation, the parent of Solar Acquisition Corp., will provide Solar Acquisition Corp. with sufficient funds from available cash on hand to acquire all shares tendered in the offer and all shares to be acquired in the merger which is expected to follow the successful completion of the offer. The offer is not conditioned upon any financing arrangements. See Section 12 of this offer to purchase--"Source and Amount of Funds."

Is your financial condition relevant to my decision to tender in the offer?

We do not think our financial condition is relevant to your decision whether to tender shares and accept the offer because:

- the offer is being made for all outstanding shares solely for cash,
- the offer is not subject to any financing condition, and
- if we consummate the offer, we will acquire all remaining shares for the same cash price in the merger.

How long do I have to decide whether to tender in the offer?

You will have at least until 12:00 midnight, New York City time, on Monday, November 20, 2000, to decide whether to tender your shares in the offer. See Sections 1 and 3 of this offer to purchase--"Terms of the Offer" and--"Procedure for Tendering Shares--Notice of Guaranteed Delivery."

Can the offer be extended and under what circumstances?

Yes. We have agreed with Specialty Equipment that we may extend the offer if less than 90% of the outstanding shares have been tendered or if we are required to extend the offer by the rules of the Securities and Exchange Commission. We have also agreed with Specialty Equipment that we will extend the offer, until as late as December 18, 2000 (and 60 business days thereafter in certain cases), if at the time the offer is scheduled to expire (including at the end of an earlier extension) any of the offer conditions is not satisfied (or waived by us). See Section 1 of this offer to purchase--"Terms of the Offer."

How will I be notified if the offer is extended?

If we extend the offer, we will inform LaSalle Bank National Association (which is the depositary for the offer) of that fact and will make a public announcement of the extension, by not later than 9:00 a.m., New York City time, on the business day after the scheduled expiration date.

What are the most significant conditions to the offer?

We are not obligated to purchase any tendered shares unless the number of shares tendered (and not withdrawn), together with any Shares beneficially owned by United Technologies, equals at least a majority of the shares of Specialty Equipment outstanding on a fully diluted basis, assuming the exercise of all Company stock options. We are also not obligated to purchase tendered shares if there is a material adverse change in Specialty Equipment or its business. The offer is also subject to a number of other conditions. See Section 13 of this offer to purchase--"Certain Conditions of the Offer."

How do I tender my shares?

To tender shares, you must deliver the certificates representing your shares, together with a completed letter of transmittal and any other documents required, to LaSalle Bank National Association, the depositary for the offer, not later than the time the tender offer expires. If your shares are held in street name, the shares can only be tendered by your nominee through The Depository Trust Company. If you cannot deliver to the depositary something that is required by the expiration of the tender offer, you may get a little extra time to do so by having a broker, a bank or another fiduciary, which is a member of the Securities Transfer Agents Medallion Program or another eligible institution, guarantee that the missing items will be received by the depositary within three New York Stock Exchange trading days. However, the depositary must receive the missing items within that three trading day period. See Section 3 of this offer to purchase--"Procedure for Tendering Shares."

Until what time can I withdraw previously tendered shares?

You can withdraw shares at any time until the offer has expired and, if we have not by December 22, 2000 agreed to accept your shares for payment, you can withdraw them at any time after such time until we accept shares for payment. See Sections 1 and 4 of this offer to purchase--"Terms of the Offer" and "Withdrawal Rights."

How do I withdraw previously tendered shares?

To withdraw shares, you must deliver a written notice of withdrawal, or a facsimile of one, with the required information to LaSalle Bank National Association while you still have the right to withdraw the shares. See Sections 1 and 4 of this offer to purchase--"Terms of the Offer" and "Withdrawal Rights."

What does the Specialty Equipment Board of Directors think of the offer?

Solar Acquisition Corp. is making the offer pursuant to a merger agreement with Specialty Equipment. The Specialty Equipment Board of Directors unanimously approved the merger agreement, Solar Acquisition Corp.'s tender offer and its proposed merger with Specialty Equipment. The Specialty Equipment Board of Directors has determined that the offer and the merger are advisable and fair to and in the best interest of Specialty Equipment's

stockholders and it unanimously recommends that stockholders accept the offer, tender their shares and approve the merger. See Section 10 of this offer to purchase--"Background of the Offer; Contacts with the Company." Specialty Equipment has prepared a Solicitation and Recommendation Statement containing additional information regarding the Board's determination and recommendation, which is being sent to stockholders together with this offer to purchase.

Have other stockholders of Specialty Equipment committed to tender their shares?

Certain stockholders of Specialty Equipment, who own in the aggregate approximately 38% of the outstanding shares of Specialty Equipment on a fully diluted basis, assuming the exercise of all issued and outstanding stock options, have each agreed to tender (and not withdraw) all of their shares in the offer. In addition, the same stockholders have granted Solar Acquisition Corp. an option to purchase all of the shares owned by each of them at a price of $30.50 per share (or any other price payable in the offer) upon the occurrence of certain events. See Section 11 of this offer to purchase--"Purpose of the Offer; Plans for the Company; the Merger Agreement; the Stockholder Agreement; Employee Agreements--The Stockholder Agreement."

Will the tender offer be followed by a merger if all the shares are not tendered in the offer?

After Solar Acquisition Corp. closes the offer and purchases tendered shares in accordance with the offer, subject to certain conditions, Solar Acquisition Corp. will be merged with Specialty Equipment. If that merger takes place, United Technologies and its affiliates will own all of the shares of Specialty Equipment and all other stockholders of Specialty Equipment will receive the same price paid in the offer, that is, $30.50 per share in cash (or any other price per share which is paid in the offer). See "INTRODUCTION" and Section 11 of this offer to purchase--"Purpose of the Offer; Plans for the Company; the Merger Agreement; the Stockholder Agreement; Employee Agreements--The Merger Agreement." There are no appraisal rights available in connection with the offer. However, if the merger takes place, stockholders who have not sold their shares in the offer will have appraisal rights under Delaware law. See Section 14 of this offer to purchase--"Certain Legal Matters--Appraisal Rights."

If I decide not to tender, how will the offer affect my shares?

If the merger takes place, stockholders who do not tender in the offer will receive in the merger the same amount of cash per share which they would have received had they tendered their shares in the offer, subject to their right to seek appraisal rights under Delaware law. Therefore, if the merger takes place, the only difference to you between tendering shares and not tendering shares is that you will be paid earlier if you tender your shares and that you will forego the right to assert appraisal rights under Delaware law. However, until the merger is consummated or if the merger were not to take place for some reason, the number of stockholders of Specialty Equipment and the shares of Specialty Equipment which are still in the hands of the public may be so small that there no longer will be an active public trading market (or, possibly, any public trading market) for the shares. Also, the shares may no longer be eligible to be traded on The New York Stock Exchange or any other securities exchange, and Specialty Equipment may cease making filings with the Commission or otherwise cease being required to comply with the Commission's rules relating to publicly held companies. See Sections 7 and 11 of the offer to purchase--"Possible Effects of the Offer on Market for the Shares; NYSE Listing; Margin Regulations and Exchange Act Registration" and "Purpose of the Offer; Plans for the Company; the Merger Agreement; the Stockholder Agreement; Employee Agreements--The Merger Agreement" of this offer to purchase.

What is the market value of my shares as of a recent date?

On October 13, 2000, the last trading day before United Technologies and Specialty Equipment announced that they had signed the Merger Agreement, the last sale price of the shares reported on The New York Stock Exchange was $24 3/16 per share. On October 20, 2000, the last trading day before Solar Acquisition Corp.

commenced its tender offer, the last sale price of the shares was $30 3/16 per share. We advise you to obtain a recent quotation for shares of Specialty Equipment in deciding whether to tender your shares. See Section 6 of this offer to purchase--"Price Range of Shares; Dividends."

Who can I talk to if I have questions about the tender offer?

You can call Georgeson Shareholder Communications, Inc. ((888) 223-2064). Georgeson Shareholder Communications is acting as the information agent for our tender offer. See the back cover of this offer to purchase.

To the Holders of Shares of Common Stock
of Specialty Equipment Companies, Inc.:

INTRODUCTION

Solar Acquisition Corp., a Delaware corporation ("Purchaser"), and a wholly owned subsidiary of United Technologies Corporation, a Delaware corporation ("Parent"), hereby offers to purchase all of the outstanding shares (the "Shares") of common stock, par value $.01 per share, of Specialty Equipment Companies, Inc., a Delaware corporation (the "Company"), at $30.50 per Share, net to the seller in cash (the "Offer Price"), without interest thereon upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer").

Tendering stockholders will not be obligated to pay brokerage fees or commissions or, subject to Instruction 6 of the Letter of Transmittal, transfer taxes on the purchase of Shares by Purchaser. Purchaser will pay all charges and expenses of LaSalle Bank National Association (the "Depositary") and Georgeson Shareholder Communications, Inc. (the "Information Agent").

The Offer is conditioned upon, among other things, (a) there having been validly tendered and not properly withdrawn prior to the expiration of the Offer that number of Shares which, when aggregated with any Shares then beneficially owned by Parent (excluding Shares held by an employee benefit plan), represents at least a majority of all of the issued and outstanding Shares on a fully diluted basis, assuming the exercise of all outstanding Company stock options (the "Minimum Tender Condition"), and (b) the expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and the expiration or termination of any waiting period and the receipt of any required approval under any foreign antitrust and competition laws or regulations ("Foreign Antitrust Laws") applicable to the purchase of Shares pursuant to the Offer or the Merger. The Offer is also subject to certain other terms and conditions.

The Offer will expire at 12:00 midnight, New York City time, on Monday, November 20, 2000, unless extended. See Sections 1, 13 and 14.

The Offer is being made pursuant to an Agreement and Plan of Merger (the "Merger Agreement"), dated as of October 13, 2000, among the Company, Parent and Purchaser, pursuant to which, after the completion of the Offer and the satisfaction or waiver of certain conditions, Purchaser will be merged with and into the Company and the Company will be the surviving corporation (the "Merger"). The Merger Agreement is exhibit (d)(1) to the Schedule TO of Purchaser and Parent filed with the Securities and Exchange Commission (the "Commission") on the date hereof. On the effective date of the Merger, each outstanding Share (other than Shares owned by Parent, Purchaser or any subsidiary of Parent, Purchaser or the Company or held in the treasury of the Company or held by stockholders who properly exercise appraisal rights, if any, under the Delaware General Corporation Law ("DGCL")), will by virtue of the Merger, and without action by Company, Purchaser or the holder thereof, be canceled and converted into the right to receive an amount in cash, without interest, equal to the per Share price paid pursuant to the Offer (the "Merger Consideration") upon the surrender of the certificate formerly representing such Share. The Merger Agreement is more fully described in Section 11 below. Certain United States federal income tax consequences of the sale of Shares pursuant to the Offer and the Merger, as the case may be, are described in Section 5 below.

The Board of Directors of the Company has unanimously approved the Merger Agreement, the Offer and the Merger, determined that the Offer and the Merger are advisable and fair to and in the best interest of the holders of Shares and unanimously recommends that stockholders accept the Offer, tender their Shares pursuant to the Offer and approve the Merger.

Concurrently with the execution of the Merger Agreement, Purchaser also entered into a stockholder agreement with certain stockholders of the Company (the "Stockholder Agreement"). Pursuant to the Stockholder Agreement, each such stockholder of the Company agreed, among other things, to (a) tender, in accordance with the terms of the Offer, all of the Shares owned by such stockholder, (b) vote all of the Shares owned by such stockholder in favor of the Merger and against certain other extraordinary transactions and (c) grant an option to Purchaser to purchase the Shares held by such stockholder at the per Share price payable pursuant to the Offer. According to the information provided by such stockholders, in the aggregate, 7,768,175 Shares are subject to the Stockholder Agreement, representing approximately 38 percent of the outstanding Shares on a fully diluted basis, assuming the exercise of all outstanding Company stock options. The Stockholder Agreement is more fully described in Section 11 below.

Credit Suisse First Boston Corporation ("CSFB"), the Company's financial advisor, has delivered to the Board of Directors of the Company a written opinion, dated October 13, 2000, to the effect that, as of that date and based on and subject to the matters described in the opinion, the $30.50 per Share consideration to be received by holders of Shares in the Offer and the Merger was fair to such holders (other than Parent and its affiliates) from a financial point of view. A copy of CSFB's written opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations of the review undertaken, is attached as Annex A to the Company's Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9") filed with the Commission in connection with the Offer, a copy of which is being furnished to stockholders concurrently herewith.

If the Minimum Tender Condition and the other conditions to the Offer are satisfied and the Offer is consummated, Purchaser will own a sufficient number of Shares to ensure that the Merger will be approved. Under the DGCL if, after consummation of the Offer, Purchaser owns at least 90 percent of the Shares then outstanding, Purchaser will be able to cause the Merger to occur without a vote of the Company's stockholders. If, however, after consummation of the Offer Purchaser owns less than 90 percent of the then outstanding Shares, a vote of the Company's stockholders will be required under the DGCL to approve the Merger. See Section 11.

The Offer is conditioned upon, among other things, the Minimum Tender Condition being satisfied. The Company has informed Purchaser that, as of October 12, 2000, there were 19,515,887 Shares issued and outstanding and there were 924,100 Shares subject to issuance pursuant to outstanding awards under the Company's stock option and incentive plans. As of the date of this Offer to Purchase, Parent, Purchaser and their affiliates do not currently beneficially own any Shares or rights to acquire Shares, other than Purchaser's rights under the Stockholder Agreement.

Based on the foregoing, Purchaser believes there are 20,439,987 Shares outstanding on a fully diluted basis. Accordingly, if all of the Shares subject to the Stockholder Agreement are tendered into the Offer and not withdrawn, Purchaser believes that the Minimum Tender Condition would be satisfied if at least 2,451,819 Shares, other than the Shares subject to the Stockholder Agreement, are validly tendered prior to the Expiration Date (as defined in Section 1) and not properly withdrawn.

No appraisal rights are available in connection with the Offer. However, stockholders may have appraisal rights in connection with the Merger. See Section 11.

This Offer to Purchase and the related Letter of Transmittal contain important information that should be read carefully and in their entirety before any decision is made with respect to the Offer.

THE TENDER OFFER

1. Terms of the Offer

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any extension or amendment), Purchaser will accept for payment and pay for all Shares validly tendered prior to the Expiration Date and not theretofore properly withdrawn in accordance with Section 4. The term "Expiration Date" means 12:00 midnight, New York City time, on Monday, November 20, 2000, unless Purchaser shall have extended the initial period of time during which the Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the Offer, as so extended by Purchaser, shall expire. If Purchaser shall decide, in its sole discretion, to increase the per Share price offered in the Offer to holders of Shares and if, at the time that notice of such change is first published, sent or given to holders of Shares in the manner specified below, the Offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that such notice is first so published, sent or given, then the Offer will be extended until the expiration of such period of ten business days. For purposes of the Offer, a "business day" means any day other than a Saturday, Sunday or a federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight, New York City time.

The Offer is conditioned upon, among other things, (a) satisfaction of the Minimum Tender Condition and (b) the expiration or termination of any waiting period under the HSR Act and the expiration or termination of any waiting period and the receipt of any required approval under any Foreign Antitrust Laws applicable to the purchase of Shares pursuant to the Offer or the Merger. See Section 13. The Merger Agreement and the Offer may be terminated by Purchaser and Parent if certain events occur. See Section 11.

Purchaser reserves the right (but is not obligated), in accordance with applicable rules and regulations of the Commission and subject to the limitations set forth in the Merger Agreement described below, to waive any condition to the Offer. Pursuant to the Merger Agreement, however, Purchaser has agreed not to waive the Minimum Tender Condition or the condition relating to the expiration of the waiting period under the HSR Act without the consent of the Company. If the Minimum Tender Condition or any other condition set forth in Section 13 has not been satisfied by 12:00 midnight, New York City time, on Monday, November 20, 2000 (or any later time then set as the Expiration Date), Purchaser will delay the Expiration Date for one or more periods but in no event will the Expiration Date be extended beyond December 18, 2000; provided, however, that either Purchaser or Company may, in their respective sole discretion, extend such December 18, 2000 date for an additional period not to exceed 60 business days if the sole reason that Purchaser has not accepted for payment and paid for Shares pursuant to the Offer is the failure of the applicable waiting period under the HSR Act and any Foreign Antitrust Laws to expire or failure to obtain any required governmental or regulatory approval (December 18, 2000, or such later date, the "Outside Date").

Pursuant to the Merger Agreement, Purchaser will not extend the Expiration Date of the Offer beyond November 20, 2000 without the prior consent of the Company, except (a) as required by applicable law including applicable rules and regulations of the Commission or any interpretation or position of the Commission staff, (b) that if, immediately prior to the expiration date of the Offer (as it may be extended), the Shares tendered and not withdrawn pursuant to the Offer constitute less than 90% of the outstanding Shares, Purchaser may, in its sole discretion, extend the Offer for one or more periods not to exceed an aggregate of ten business days, notwithstanding that all conditions to the Offer are satisfied as of such expiration date of the Offer, provided that after November 20, 2000, the Offer will not be subject to any conditions that are at the time of such extension satisfied other than the Minimum Tender Condition and the conditions described in paragraph (a) under "Conditions of the Offer," and (c) that if any condition to the Offer has not been satisfied or waived, Purchaser shall extend the expiration date of the Offer for one or more periods, but in no event later than the Outside Date. In addition, the Offer Price may be increased and the Offer may be extended to the extent required by law in connection with such increase without the consent of the Company.

Purchaser expressly reserves the right at any time and from time to time to modify or amend the terms and conditions of the Offer in any respect. However, pursuant to the Merger Agreement, Purchaser has agreed that it will not, without the prior written consent of the Company, (a) reduce the maximum number of Shares to be purchased pursuant to the Offer, (b) decrease the price per Share payable pursuant to the Offer, (c) change the form of consideration to be paid for the Shares pursuant to the Offer, (d) impose additional conditions to the Offer, (e) make any other change in the terms or conditions of the Offer which is in any manner adverse to the holders of Shares or (f) waive the Minimum Tender Condition or the condition relating to the expiration of the waiting period under the HSR Act.

Subject to the applicable rules and regulations of the Commission and subject to the limitations set forth in the Merger Agreement, Purchaser expressly reserves the right, at any time and from time to time, in its sole discretion to delay payment for any Shares regardless of whether such Shares were theretofore accepted for payment, or to terminate the Offer and not to accept for payment or pay for any Shares not theretofore accepted for payment or paid for, upon the failure of any of the conditions set forth in Section 13, by giving oral or written notice of such delay or termination to the Depositary. Purchaser's right to delay payment for any Shares or not to pay for any Shares theretofore accepted for payment is subject to the applicable rules and regulations of the Commission, including Rule 14e-1(c) under the Exchange Act, relating to Purchaser's obligation to pay for or return tendered Shares promptly after the termination or withdrawal of the Offer.

Any extension of the period during which the Offer is open, payment, delay in acceptance for payment, termination or amendment of the Offer will be followed, as promptly as practicable, by public announcement thereof, such announcement in the case of an extension to be issued not later than the earlier of 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date and the first opening of the New York Stock Exchange after the previously scheduled Expiration Date in accordance with the public announcement requirements of Rules 14d-4(c) and 14e-1(d) under the Exchange Act. Without limiting the obligation of Purchaser under such rule or the manner in which Purchaser may choose to make any public announcement, Purchaser currently intends to make announcements by issuing a press release to the Dow Jones News Service (or such other national media outlet or outlets it deems prudent) and making any appropriate filing with the Commission.

If, subject to the terms of the Merger Agreement, Purchaser makes a material change in the terms of the Offer or the information concerning the Offer, or if it waives a material condition of the Offer (including, with the consent of the Company, a waiver of the Minimum Tender Condition or the condition relating to the expiration of the waiting period under the HSR Act), Purchaser will disseminate additional tender offer materials and extend the Offer if and to the extent required by Rules 14d-4(c), 14d-4(d), 14d-6(d) and 14e-1 under the Exchange Act or otherwise. The minimum period during which a tender offer must remain open following material changes in the terms of the Offer or the information concerning the Offer, other than a change in the consideration offered or a change in the percentage of securities sought, will depend upon the facts and circumstances, including the relative materiality of the changes. With respect to a change in the consideration offered or a change in the percentage of securities sought, the Offer generally must remain open for a minimum of ten business days following such change to allow for adequate disclosure to stockholders.

The Company has provided Purchaser with the Company's list of stockholders and security position listings for the purpose of disseminating the Offer to holders of Shares. This Offer to Purchase and the related Letter of Transmittal will be mailed to record holders of Shares whose names appear on the Company's stockholder list and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares.

2. Acceptance for Payment and Payment for Shares

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), Purchaser will be deemed to have accepted for

payment, and will pay for, all Shares validly tendered and not properly withdrawn as soon as practicable after the Expiration Date, if and when Purchaser gives oral or written notice to the Depositary of Purchaser's acceptance of the tender of such Shares for payment pursuant to the Offer. Purchaser expressly reserves the right to delay acceptance for payment of, or payment for, Shares in order to comply, in whole or in part, with any applicable law. Payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary, which will act as agent for the tendering stockholders for the purpose of receiving payments from Purchaser and transmitting such payments to the tendering stockholders. Under no circumstances will interest be paid on the purchase price for Shares, regardless of any extension of the Offer or any delay in making such payment. See Sections 1 and 14.

In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (a) certificates for such Shares or confirmation of the book-entry transfer of such Shares into the Depositary's account at The Depository Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in Section 3, (b) a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message (as defined in Section 3 below) in lieu of the Letter of Transmittal) and (c) any other documents required by the Letter of Transmittal. See Section 3.

The reservation by Purchaser of the right to delay the acceptance or purchase of or payment for Shares is subject to the provisions of Rule 14e-1(c) under the Exchange Act, which requires Purchaser to pay the consideration offered or to return Shares deposited by or on behalf of tendering stockholders promptly after the termination or withdrawal of the Offer.

If any tendered Shares are not accepted for payment pursuant to the terms and conditions of the Offer for any reason, or if certificates are submitted for more Shares than are tendered, certificates for such unpurchased Shares will be returned, without expense to the tendering stockholder (or, in the case of Shares tendered by book-entry transfer into the Depositary's account at the Book-Entry Transfer Facility pursuant to the procedures set forth in Section 3, such Shares will be credited to an account maintained with the Book-Entry Transfer Facility), as soon as practicable following expiration or termination of the Offer.

If, prior to the Expiration Date, Purchaser increases the consideration offered to holders of Shares pursuant to the Offer, such increased consideration will be paid to all holders of Shares that are purchased pursuant to the Offer, whether or not such Shares were tendered prior to such increase in consideration.

Purchaser reserves the right to transfer or assign in whole or in part, from time to time, to one or more direct or indirect subsidiaries of Parent the right to purchase all or any portion of the Shares tendered pursuant to the Offer, but any such transfer or assignment will not relieve Purchaser of its obligations under the Offer and will in no way prejudice the rights of tendering stockholders to receive payment for Shares validly tendered and accepted for payment pursuant to the Offer. Under the Merger Agreement, Parent may assign any of its rights and Purchaser may assign any of its rights, interest and obligations to any of the direct or indirect subsidiaries of Parent provided that such assignment will not relieve Parent of any liability under the Merger Agreement for any breach by such assignee.

3. Procedure for Tendering Shares

Valid Tender. To tender Shares pursuant to the Offer, either (a) a properly completed and duly executed Letter of Transmittal (or a facsimile thereof) in accordance with the instructions of the Letter of Transmittal, with any required signature guarantees, certificates for the Shares to be tendered and any other documents required by the Letter of Transmittal must be received by the Depositary at its address set forth on the back cover of this Offer to Purchase prior to the Expiration Date, (b) such Shares must be properly delivered pursuant to the procedures for book-entry transfer described below and a confirmation of such delivery received by the Depositary (which confirmation must include an Agent's Message (as defined below) if the tendering stockholder has not delivered a Letter of Transmittal), prior to the Expiration Date, or (c) the tendering stockholder must

comply with the guaranteed delivery procedures set forth below. The term "Agent's Message" means a message, transmitted by the Book-Entry Transfer Facility to, and received by, the Depositary and forming a part of a Book-Entry Confirmation (as defined below), which states that the Book-Entry Transfer Facility has received an express acknowledgment from the participant in the Book-Entry Transfer Facility tendering the Shares which are the subject of such Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that Purchaser may enforce such agreement against the participant.

Book-Entry Transfer. The Depositary will establish an account with respect to the Shares at the Book-Entry Transfer Facility for purposes of the Offer within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in the Book-Entry Transfer Facility's systems may make a book-entry transfer of Shares by causing the Book-Entry Transfer Facility to transfer such Shares into the Depositary's account in accordance with the Book-Entry Transfer Facility's procedures for such transfer. However, although delivery of Shares may be effected through book-entry transfer, either the Letter of Transmittal (or facsimile thereof), properly completed and duly executed, together with any required signature guarantees, or an Agent's Message in lieu of the Letter of Transmittal, and any other required documents, must, in any case, be transmitted to and received by the Depositary at its address set forth on the back cover of this Offer to Purchase by the Expiration Date, or the tendering stockholder must comply with the guaranteed delivery procedures described below. The confirmation of a book-entry transfer of Shares into the Depositary's account at the Book-Entry Transfer Facility as described above is referred to herein as a "Book-Entry Confirmation." Delivery of documents to the Book-Entry Transfer Facility in accordance with the Book-Entry Transfer Facility's procedures does not constitute delivery to the Depositary.

Signature Guarantees and Stock Powers. Except as otherwise provided below, all signatures on a Letter of Transmittal must be guaranteed by a financial institution that is a participant in the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Guarantee Program or the Stock Exchange Medallion Program (an "Eligible Institution"). Most commercial banks, savings and loans associations and brokerage houses are Eligible Institutions. Signatures on a Letter of Transmittal need not be guaranteed (a) if the Letter of Transmittal is signed by the registered owner (which term, for purposes of this section, includes any participant in any of the Book-Entry Transfer Facility's systems whose name appears on a security position listing as the owner of the Shares) of Shares tendered therewith and such registered holder has not completed the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on the Letter of Transmittal or (b) if such Shares are tendered for the account of an Eligible Institution. See Instructions 1 and 5 of the Letter of Transmittal. If the certificates for Shares are registered in the name of a person other than the signer of the Letter of Transmittal, or if payment is to be made or certificates for Shares not tendered or not accepted for payment are to be returned to a person other than the registered holder of the certificates surrendered, then the tendered certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name or names of the registered holders or owners appear on the certificates, with the signatures on the certificates or stock powers guaranteed as described above. See Instructions 1 and 5 of the Letter of Transmittal.

Guaranteed Delivery. A stockholder who desires to tender Shares pursuant to the Offer and whose certificates for Shares are not immediately available, or who cannot comply with the procedures for book-entry transfer on a timely basis, or who cannot deliver all required documents to the Depositary prior to the Expiration Date, may tender such Shares by following all of the procedures set forth below:

(a) such tender is made by or through an Eligible Institution;

(b) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by Purchaser, is received by the Depositary (as provided below) prior to the Expiration Date; and

(c) the certificates for all tendered Shares, in proper form for transfer (or a Book-Entry Confirmation with respect to all such Shares), together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees (or, in the case of a book-entry transfer, an

Agent's Message in lieu of the Letter of Transmittal), and any other required documents, are received by the Depositary within three trading days after the date of execution of such Notice of Guaranteed Delivery. A "trading day" is any day on which The New York Stock Exchange, Inc. (the "NYSE") is open for business.

The Notice of Guaranteed Delivery may be delivered by hand to the Depositary or transmitted by telegram, facsimile transmission or mail to the Depositary and must include a guarantee by an Eligible Institution in the form set forth in such Notice of Guaranteed Delivery.

The method of delivery of Shares, the Letter of Transmittal and all other required documents, including delivery through the Book-Entry Transfer Facility, is at the election and risk of the tendering stockholder. Delivery of all such documents will be deemed made only when actually received by the Depositary (including, in the case of a book-entry transfer, by Book-Entry Confirmation). If such delivery is by mail, it is recommended that all such documents be sent by properly insured registered mail with return receipt requested. In all cases, sufficient time should be allowed to ensure timely delivery.

Other Requirements. Notwithstanding any provision hereof, payment for Shares accepted for payment pursuant to the Offer will in all cases be made only after timely receipt by the Depositary of (a) certificates for (or a timely Book-Entry Confirmation with respect to) such Shares, (b) a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal) and (c) any other documents required by the Letter of Transmittal. Accordingly, tendering stockholders may be paid at different times depending upon when certificates for Shares or Book-Entry Confirmations with respect to Shares are actually received by the Depositary. Under no circumstances will interest be paid by Purchaser on the purchase price of the Shares, regardless of any extension of the Offer or any delay in making such payment.

Tender Constitutes a Binding Agreement. The valid tender of Shares pursuant to one of the procedures described above will constitute a binding agreement between the tendering stockholder and Purchaser upon the terms and subject to the conditions of the Offer and subject to the withdrawal rights described in Section 4.

Appointment as Proxy; Consent to Election of Directors. By executing and delivering a Letter of Transmittal as set forth above (or, in the case of a book-entry transfer, by delivery of an Agent's Message, in lieu of a Letter of Transmittal), the tendering stockholder irrevocably appoints designees of Purchaser as such stockholder's attorneys in fact and proxies, each with full power of substitution, to the full extent of such stockholder's rights with respect to the Shares tendered by such stockholder and accepted for payment by Purchaser. All such proxies and powers of attorney will be considered coupled with an interest in the tendered Shares. Such appointment is effective when, and only to the extent that, Purchaser deposits the payment for such Shares with the Depositary. Upon the effectiveness of such appointment, all prior powers of attorney, proxies and consents given by such stockholder will be revoked, and no subsequent powers of attorney, proxies and consents may be given (and, if given, will not be deemed effective). Purchaser reserves the right to require that, in order for Shares to be deemed validly tendered, immediately upon Purchaser's acceptance for payment of such Shares, Purchaser must be able to exercise full voting rights to the extent permitted under applicable law with respect to such Shares.

Without limiting the foregoing, by executing and delivering a Letter of Transmittal as set forth above (or, in the case of a book-entry transfer, by delivery of an Agent's Message, in lieu of a Letter of Transmittal), the tendering stockholder will be deemed to consent thereby to the election of directors of the Company, to be designated by Purchaser, to fill the vacancies on the Board of Directors of the Company that are expected to result, after completion of the Offer, from the resignation of certain directors of the Company pursuant to the Merger Agreement. The number of directors that are expected to resign, and that will be designated for election by Purchaser, will equal the number, rounded up to the nearest whole number, which is the product of the total number of directors on the Board of Directors of the Company and the percentage that the aggregate number of Shares beneficially owned by Purchaser after completion of the Offer bears to the total number of Shares then

outstanding, provided that there will remain after the Offer but prior to the time the Merger becomes effective, two directors who were directors of the Company on the date of the Merger Agreement and who are not representatives of Parent. Such consent is effective when, and only to the extent that, Purchaser deposits the payment for the Shares tendered hereby with the Depositary. See the Company's enclosed Proxy Statement on Schedule 14A for additional information regarding the consent described in this paragraph.

Determination of Validity. All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any tender of Shares will be determined by Purchaser in its sole and absolute discretion, which determination will be final and binding. Purchaser reserves the absolute right to reject any and all tenders determined by it not to be in proper form or the acceptance for payment of or payment for which may, in the opinion of Purchaser, be unlawful. Purchaser also reserves the absolute right to waive any defect or irregularity in the tender of any Shares of any particular stockholder whether or not similar defects or irregularities are waived in the case of any other stockholder. No tender of Shares will be deemed to have been validly made until all defects and irregularities relating thereto have been cured or waived. None of Parent, Purchaser, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. Purchaser's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and Instructions and any other related documents thereto) will be final and binding.

4. Withdrawal Rights

Except as otherwise provided in this Section 4, tenders of Shares made pursuant to the Offer are irrevocable. Shares tendered pursuant to the Offer may be withdrawn at any time prior to the Expiration Date and, unless theretofore accepted for payment by Purchaser pursuant to the Offer, may also be withdrawn at any time after December 22, 2000.

For a withdrawal of Shares to be effective, a written facsimile transmission notice of withdrawal must be timely received by the Depositary at its address set forth on the back cover of this Offer to Purchase. Any notice of withdrawal must specify the name of the person having tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the recordholder of the Shares to be withdrawn, if different from that of the person who tendered such Shares. The signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution, unless such Shares have been tendered for the account of any Eligible Institution. If Shares have been tendered pursuant to the procedures for book-entry transfer as set forth in Section 3, any notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares. If certificates have been delivered or otherwise identified to the Depositary, the name of the registered holder and the serial numbers shown on such certificates must also be furnished to the Depositary as aforesaid prior to the physical release of such certificates.

Subject to applicable law, all questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by Purchaser, in its sole and absolute discretion, which determination shall be final and binding. No withdrawal of Shares shall be deemed to have been properly made until all defects and irregularities relating thereto have been cured or waived. None of Purchaser, Parent, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification. Withdrawals of tenders of Shares may not be rescinded, and any Shares properly withdrawn will be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by following one of the procedures described in Section 3 at any time prior to the Expiration Date.

If Purchaser extends the Offer, is delayed in its acceptance for payment of Shares or is unable to accept for payment Shares pursuant to the Offer for any reason, then, without prejudice to Purchaser's rights under this Offer, the Depositary may, nevertheless, on behalf of Purchaser, retain tendered Shares, and such Shares may not be withdrawn except to the extent that tendering stockholders are entitled to withdrawal rights as set forth in this Section 4.

5. Certain United States Federal Income Tax Consequences of the Offer

The following is a summary of the material United States federal income tax consequences to the Company's stockholders of the sale of Shares pursuant to the Offer and the exchange of Shares for cash pursuant to the Merger. This summary does not purport to be a description of all tax consequences that may be relevant to the Company's stockholders, and assumes an understanding of tax rules of general application. It does not address special rules which may apply to the Company's stockholders based on their tax status, individual circumstances or other factors unrelated to the Offer or the Merger. Stockholders are encouraged to consult their own tax advisors regarding the Offer and the Merger.

The receipt of cash in exchange for Shares pursuant to the Offer or the Merger will be a taxable transaction for federal income tax purposes, and may also be taxable under applicable state, local, foreign and other tax laws. For federal income tax purposes, a stockholder whose Shares are purchased pursuant to the Offer or who receives cash as a result of the Merger will realize gain or loss equal to the difference between the adjusted basis of the Shares sold or exchanged and the amount of cash received therefor. Such gain or loss will be capital gain or loss if the Shares are held as capital assets by the stockholder and will be long-term capital gain or loss if the stockholder's holding period in such Shares for federal income tax purposes is more than one year at the time of the sale or exchange. Long-term capital gain of a non-corporate stockholder is generally subject to a maximum tax rate of 20 percent. In addition, a stockholder's ability to use capital losses to offset ordinary income is limited.

Backup Withholding. Under the federal income tax backup withholding rules, unless an exemption applies, Purchaser is required to, and will, withhold 31 percent of all payments to which a stockholder is entitled pursuant to the Offer, unless such stockholder provides a tax identification number and certifies under penalties of perjury that the number is correct. If a stockholder is an individual, the tax identification number is a social security number. If a stockholder is not an individual, the tax identification number is an employer identification number. Each stockholder should complete and sign the substitute Form W-9, which will be included with the Letter of Transmittal to be returned to the Depositary, in order to provide the information and certification necessary to avoid backup withholding, unless an applicable exception exists and is proved in a manner satisfactory to the Depositary. Certain stockholders, including corporations and some foreign individuals, are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, however, he or she must submit a Certificate of Foreign Status on Form W-8BEN attesting to his or her exempt status. Any amounts withheld will be allowed as a credit against the holder's federal income tax liability for that year.

The foregoing discussion is included for general information purposes and may not apply to stockholders who acquired their Shares pursuant to the exercise of employee stock options or other compensation arrangements with the Company, or who are not citizens or residents of the United States or who are otherwise subject to special tax treatment. The tax discussion above is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change, possibly retroactively. Each stockholder is urged to consult his, her or its own tax advisor with respect to the tax consequences of the Offer and the Merger, including the application and effect of state, local, foreign or other tax laws.

6. Price Range of Shares; Dividends

The Shares are listed on the NYSE under the symbol "SEC." The following table sets forth, for the calendar quarters indicated, the high and low sales prices for the Common Stock on the NYSE:

Calendar Year	High	Low
1998:		
First Quarter	$23 3/4	$16 3/8
Second Quarter	24	20
Third Quarter	24 3/8	18 7/8
Fourth Quarter	27 1/8	18
1999:		
First Quarter	28 15/16	25
Second Quarter	31 3/4	27 5/8
Third Quarter	34 1/8	21 1/2
Fourth Quarter	25 1/2	20 7/16
2000:		
First Quarter	24 3/8	15
Second Quarter	27 1/8	18 15/16
Third Quarter	30 3/8	24
Fourth Quarter (through October 20, 2000)	30 3/8	23 5/8

On October 13, 2000, the last full trading day prior to the public announcement of the terms of the Offer and the Merger, the reported closing price per Share on the NYSE was $24 3/16 per Share. On October 20, 2000, the last full trading day prior to the commencement of the Offer, the reported closing price per Share on the NYSE was $30 3/16 per Share. The Company has not paid any dividends since January 1, 1998. Stockholders are urged to obtain a current market quotation for the Shares.

7. Possible Effects of the Offer on the Market for the Shares; NYSE Listing; Margin Regulations and Exchange Act Registration

Possible Effects of the Offer on the Market for the Shares. The purchase of Shares pursuant to the Offer will reduce the number of Shares that might otherwise trade publicly and could adversely affect the liquidity and market value of the remaining Shares held by the public.

NYSE Listing. Depending upon the number of Shares purchased pursuant to the Offer and the Stockholder Agreement, the Shares may no longer meet the standards for continued listing on the NYSE. According to its published guidelines, the NYSE would give consideration to delisting the Shares if, among other things, the number of publicly held Shares falls below 600,000, the number of holders of round lots of Shares falls below 400 (or below 1,200 if the average monthly trading volume is below 100,000 for the last twelve months) or the aggregate market value of such publicly held Shares falls below $8,000,000. Shares held by officers or directors of the Company or their immediate families, or by any beneficial owner of more than 10 percent or more of the Shares, ordinarily will not be considered as being publicly held for this purpose.

In the event the Shares are no longer eligible for listing on the NYSE, quotations might still be available from other sources. The extent of the public market for the Shares and the availability of such quotations would, however, depend upon the number of holders of such Shares at such time, the interest in maintaining a market in such Shares on the part of securities firms, the possible termination of registration of such Shares under the Exchange Act as described below and other factors.

Margin Regulation. The Shares are presently "margin securities" under the regulations of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which has the effect, among other

things, of allowing brokers to extend credit using such Shares as collateral. Depending upon factors similar to those described above regarding listing and market quotations, the Shares might no longer constitute "margin securities" for the purposes of the Federal Reserve Board's margin regulations in which event the Shares would be ineligible as collateral for margin loans made by brokers.

Exchange Act Registration. The Shares are currently registered under the Exchange Act. Such registration may be terminated by the Company upon application to the Commission if the outstanding Shares are not listed on a national securities exchange and if there are fewer than 300 holders of record of Shares. Termination of registration of the Shares under the Exchange Act would reduce the information required to be furnished by the Company to its stockholders and to the Commission and would make certain provisions of the Exchange Act, such as the short-swing profit recovery provisions of Section 16(b) and the requirement of furnishing a proxy statement in connection with stockholders' meetings pursuant to Section 14(a) and the related requirement of furnishing an annual report to stockholders, no longer applicable with respect to the Shares. Furthermore, the ability of "affiliates" of the Company and persons holding "restricted securities" of the Company to dispose of such securities pursuant to Rule 144 under the Securities Act of 1933, as amended, may be impaired or eliminated. If registration of the Shares under the Exchange Act were terminated, the Shares would no longer be eligible for NYSE reporting or for continued inclusion on the Federal Reserve Board's list of "margin securities." Purchaser intends to seek to cause the Company to apply for termination of registration of the Shares as soon as possible after consummation of the Offer if the requirements for termination of registration are met.

8. Certain Information Concerning the Company

The Company is a manufacturer of a diversified line of highly engineered commercial and institutional hot and cold food service equipment. The Company's products are used by customers in the food service and beverage equipment market segment and include a variety of national restaurant chains, other commercial restaurants, convenience store chains, soft drink bottlers, hotels, brewers, roasters, office coffee contractors and institutional food service operators. The Company services its customers through a broad-based global distribution and service network. The Company's principal executive offices are located at 1245 Corporate Boulevard, Suite 401, Aurora, Illinois, 60504 and the Company's telephone is (630) 585-5111.

Set forth below is certain summary consolidated financial information for the Company's last three fiscal years and for the six months ended July 31, 1999 and July 31, 2000. The summary consolidated financial information is derived from more comprehensive financial information included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2000 and Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2000 (including management's discussion and analysis of financial condition and results of operation) and other documents filed by the Company with the Commission, and is qualified in its entirety by reference to such reports and other documents and all of the financial information and notes contained therein. Copies of such reports and other documents may be examined at or obtained from the Commission in the manner set forth below.

SPECIALTY EQUIPMENT COMPANIES, INC.

SELECTED CONSOLIDATED FINANCIAL INFORMATION
(In thousands, except ratio and per share amounts)

	Fiscal Year Ended			Six Months Ended	
	January 31, 2000	January 31, 1999	January 31, 1998	July 31, 2000	July 31, 1999
OPERATING DATA:					
Net revenue............	$502,119	$495,647	$433,121	$266,063	$268,698
Gross margin...........	157,969	156,758	133,899	85,379	84,554
Earnings from operations before interest expense and income taxes.......	71,966	74,124	63,043	38,933	40,489
Earnings before extraordinary item.....	44,369	44,025	37,542		
Net earnings...........	44,369	37,601	37,542	21,244	22,534
Net earnings per diluted common share...........	2.22	1.86	1.86	1.08	1.12
Interest expense........	7,964	14,068	15,944	4,643	3,867
Ratio of earnings to fixed charges(1).......	8.77x	5.10x	3.85x	8.21x	10.16x
FINANCIAL RATIOS AND OTHER DATA:					
EBITDA(2)...............	$ 78,968	80,625	$ 68,882	43,035	$ 43,766
Depreciation............	5,971	5,352	4,871	3,320	2,852
Amortization(3).........	1,031	1,149	968	782	425
Capital expenditures....	11,603	7,527	4,715	3,020	5,480
Ratio of EBITDA to interest expense.......	9.92x	5.73x	4.32x	9.27x	11.32x
Ratio of EBITDA less capital expenditures to interest expense.......	8.46x	5.20x	4.02x	8.62x	9.90x
BALANCE SHEET DATA (AT PERIOD END):					
Total assets...........	$265,316	$236,745	$241,450	$284,505	$247,173
Cash and each equivalents, including restricted cash equivalents...........	1,561	6,814	42,609	12,626	14,007
Long-term debt, including current installments..........	127,335	128,515	177,986	118,941	123,688
Total other liabilities...........	110,604	108,154	102,275	1,694	1,772
Total stockholders' equity (deficit).......	27,377	76	(38,811)	41,364	504

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1. For purposes of determining this ratio, earnings consist of earnings (loss) from operations before income tax expense (benefit) plus interest expense and amortization of deferred financing costs. Fixed charges consist of interest expense, plus amortization of deferred financing costs.
2. EBITDA is defined as earnings from operations before interest expense, income taxes, depreciation and amortization. EBITDA does not represent earnings from operating activities as defined by generally accepted accounting principles and should not be considered as an alternative to net earnings as an indicator of the Company's operating performance or to cash flows as a measure of liquidity, but rather provides additional information related to debt service capability.
3. Amortization expense includes the amortization of deferred financing costs, reorganization value in excess of amounts allocable to identifiable assets, goodwill, other intangible assets and unearned compensation.

Except as otherwise set forth herein, the information concerning the Company contained in this offer to purchase has been taken from or based upon publicly available documents and records on file with the Commission and other public sources and is qualified in its entirety by reference thereto. Although Parent has no knowledge that would indicate that any statements contained herein taken from or based on such documents and records are untrue, Parent cannot take responsibility for the accuracy or completeness of the information contained in such documents and records, or for any failure by the Company to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to Parent.

The Company is subject to the information and reporting requirements of the Exchange Act and in accordance therewith is obligated to file reports and other information with the Commission relating to its business, financial condition and other matters. Information, as of particular dates, concerning the Company's directors and officers, their remuneration, stock options granted to them, the principal holders of the Company's securities, any material interests of such persons in transactions with the Company and other matters is required to be disclosed in proxy statements distributed to the Company's stockholders and filed with the Commission. Such reports, proxy statements and other information should be available for inspection at the public reference

room at the Commission's office 450 Fifth Street, N.W., Room 1024, Judiciary Plaza, Washington, D.C. 20549, and also should be available for inspection and copying at the following regional offices of the Commission: 7 World Trade Center, Suite 1300, New York, New York 10048 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies may be obtained by mail, upon payment of the Commission's customary charges, by writing to its principal office at 450 Fifth Street, N.W., Room 1024, Judiciary Plaza, Washington, D.C. 20549. Further information on the operation of the Commission's Public Reference Room in Washington, D.C. can be obtained by calling the Commission at 1-800-Commission-0330. The Commission also maintains an Internet web site that contains reports, proxy statements and other information about issuers, such as the Company, who file electronically with the Commission. The address of that site is http://www.sec.gov.

During the discussions between the Company and Parent that led to execution of the Merger Agreement, the Company provided Parent with certain information relating to the Company that Parent and Purchaser believe is not publicly available. This information included projections of the operating performance of the Company for the years ended on or about January 31, 2001, January 31, 2002 and January 31, 2003, based on financial projections developed by the Company. The projections do not take into account any of the transactions contemplated by the Merger Agreement, including the Offer or the Merger. These events may cause actual results to differ materially from the projections.

The projections include the following information regarding the Company's anticipated results of operations for the years ended January 31, 2001, January 31, 2002 and January 31, 2003:

	Fiscal Year Ended		
	January 31, 2001	January 31, 2002	January 31, 2003
	(in millions, except percentages)		
Consolidated Revenue..................	$508.6	$573.4	$630.5
Consolidated projected earnings from operations before interest expense, income taxes and amortization ("EBITA")...........................	$ 72.6	$ 86.6	$ 97.3
Consolidated EBITA Margins............	14.3%	15.1%	15.4%

The projections are forward looking statements that are subject to certain risks and uncertainties that could cause actual results to differ from those statements and should be read with caution. The projections are subjective in many respects and are thus susceptible to interpretations and periodic revisions based on actual experience and recent developments. The projections are based on a variety of estimates and hypothetical assumptions made by management of the Company with respect to, among other things, industry performance, general economic and competitive conditions, inflation rates and technology trends.

The Company has advised Parent and Purchaser that it does not as a matter of course disclose projections as to future revenues, earnings or other income statement data and the projections were not prepared with a view to public disclosure. In addition, the projections were not prepared in accordance with generally accepted accounting principles, or with a view to compliance with the published guidelines of the Commission or the American Institute of Certified Public Accountants regarding projections or generally accepted accounting principles, which would require a more complete presentation of the data than as shown above. The projections have not been examined, reviewed or compiled by the Company's independent auditors. Accordingly such auditors have not expressed an opinion or provided any other assurance on the data and assume no responsibility for the data. The forecasted information is included herein solely because such information was furnished to Parent and Purchaser prior to the Offer. Accordingly, the inclusion of the projections in this Offer should not be regarded as an indication that Parent, Purchaser or the Company or their respective financial advisors or their respective officers and directors consider such information to be accurate or reliable. In addition, because the estimates and assumptions underlying the projections are inherently subject to significant economic and competitive uncertainties and contingencies, which are difficult or impossible to predict accurately and are beyond the

control of the Company, Parent or Purchaser, there can be no assurance that results set forth in the above projections will be realized and it is expected that there will be differences between actual and projected results, and actual results may be materially higher or lower than those set forth above. More specifically, based upon the Company's year to date performance, the Company may not achieve its projected revenue and EBITA for fiscal year 2001.

9. Certain Information Concerning Purchaser and Parent

Purchaser is a Delaware corporation and, to date, has engaged in no activities other than those incident to its formation and the Offer and the Merger. Purchaser is currently a direct wholly owned subsidiary of Parent. The principal executive offices of Purchaser are located at One Financial Plaza, Hartford, Connecticut 06101 and Purchaser's telephone number is (860) 728-7000.

Parent is a Delaware corporation. Parent and its consolidated subsidiaries conduct their business within four principal operating segments. The operating units of Parent and its consolidated subsidiaries are grouped based upon the operating segment in which they participate. The units participating in each operating segment and their respective principal products are as follows:

- Otis offers a wide range of elevators, escalators, moving walks and shuttle systems and related installation, maintenance and repair services; and modernization products and services for elevators and escalators.

- Carrier provides heating, ventilating and air conditioning (HVAC) equipment for commercial, industrial and residential buildings; HVAC replacement parts and services; building controls; commercial, industrial and transport refrigeration equipment; and aftermarket service and components.

- Pratt & Whitney provides large and small commercial and military turbofan (jet) and turboprop engines, spare parts and product support; specialized engine maintenance and overhaul and repair services for airlines, government and private fleets; and rocket engines and space propulsion systems and industrial gas turbines.

- Flight Systems is made up of Sikorsky and Hamilton Sundstrand. Sikorsky offers military and commercial helicopters and maintenance services. Hamilton Sundstrand offers engine and flight controls; propellers; environmental controls systems; space life support systems; electrical, mechanical and power systems products for aircraft; rotary screw compressors, power transmission equipment; pumps and other industrial products.

In addition, Parent's International Fuel Cell operation is engaged in research, development and production of fuel cell power systems for commercial, transportation, residential and space applications.

Parent's principal executive offices are located at One Financial Plaza, Hartford, Connecticut 06101 and Parent's telephone number is (860) 728-7000.

The name, citizenship, business address, present principal occupation, and material positions held during the past five years of each of the directors and executive officers of Parent and Purchaser are set forth in Schedule A to this Offer to Purchase.

Neither Parent nor Purchaser (except in connection with the Stockholder Agreement) nor, to the best of Parent's and Purchaser's knowledge, any of the persons listed in Schedule A hereto or any associate or majority owned subsidiary of Parent, beneficially owns (directly or indirectly) or has a right to acquire (pursuant to options or otherwise) any securities of the Company or has any contract, arrangement, understanding or relationship with any other person with respect to any securities of the Company, including, but not limited to, any agreements relating to transfers or the voting of any securities of the Company, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees of profits or guarantees against loss, division of

profits or loss or the giving or withholding of proxies consents or authorizations, or has effected any transaction in the securities of the Company during the past 60 days.

Except as set forth in this Offer to Purchase, since October 23, 1998, neither Parent, Purchaser, any person acting jointly or in concert with Purchaser nor, to the best of Parent's and Purchaser's knowledge, any of the persons listed on Schedule A hereto nor any associate of a person listed on Schedule A hereto, has had any transaction with the Company or any of its executive officers, directors or affiliates that is required to be reported under the rules and regulations of the Commission applicable to the Offer. Except as set forth in this Offer to Purchase, since October 23, 1998, there have been no contacts, negotiations or transactions between Parent, any of its subsidiaries or, to the best of Parent's and Purchaser's knowledge, any of the persons listed in Schedule A to this Offer to Purchase, on the one hand, and the Company or its affiliates, on the other hand, concerning any matter, including (but not limited to) a merger, consolidation, acquisition, tender offer or other acquisition of securities of any class of the Company, election of directors of the Company, or a sale or other transfer of a material amount of assets of the Company or any of its subsidiaries.

10. Background of the Offer; Contacts with the Company

On August 3, 2000, representatives of CSFB contacted Parent to ascertain on a preliminary basis Parent's level of interest in a business combination with the Company. On August 8, 2000, Parent provided an oral indication to CSFB of its interest in an acquisition of all of the Shares of the Company for cash, and requested a meeting with the management of the Company.

On August 14, 2000, the Company and Parent entered into a confidentiality and standstill agreement (the "Confidentiality and Standstill Agreement").

On August 15, 2000, management of the Company, including Mr. Rhodenbaugh, Chief Executive Officer of the Company and Mr. Donald McKay, Executive Vice President of the Company, met with representatives of Parent and its wholly owned subsidiary Carrier Corporation, including Mr. Jack Keller, Manager, Corporate Strategy and Development of Parent and Mr. Nicholas Pinchuk, President of Carrier Refrigeration Operations, a division of Carrier Corporation, in Chicago to discuss the Company's business.

On August 22, 2000, the Company received a non-binding, written indication of interest from Mr. Ari Bousbib, Vice President, Corporate Strategy and Development of Parent, with a range of $30-$34 per Share in an all cash offer to acquire the Company subject to satisfaction of certain conditions.

From August 24 through 29, 2000, representatives of Parent and its advisors met with the Company's management, toured the Company's plants and conducted a due diligence investigation of the Company.

On August 26, 2000, the Company distributed a proposed form of Merger Agreement to Parent.

On September 4, 2000, Parent indicated to CSFB a proposed price of $30 per Share for the acquisition.

On September 6, 2000, counsel to Parent distributed to the Company and its counsel its comments to the draft Merger Agreement, as well as a draft of the Stockholder Agreement proposed to be entered into by the Company's principal stockholders.

On September 14, 2000, Mr. Bousbib confirmed that Parent continued to believe that a $30 per Share offer price was appropriate.

On September 27 and 28, 2000, Mr. Malcolm Glazer met with Mr. George David, Chairman and Chief Executive Officer of Parent, and Mr. Bousbib to discuss the proposed acquisition, and in particular the terms under which the Glazer family would be willing to agree to the terms of the Stockholder Agreement. Parent indicated to Mr. Glazer that it would be willing to increase its proposed offer price to $30.50 per Share if the

Glazer family would enter into a Stockholder Agreement that provided Parent an option to purchase the Shares beneficially owned by the Glazer family at a price of $30.50 per Share.

On September 29, 2000, the Company delivered a revised Merger Agreement to Parent.

On October 2, 2000, Parent's Board of Directors approved the acquisition of the Company at a purchase price of $30.50 per Share.

On October 3, 2000, counsel for the Company and counsel for Parent discussed the principal issues under the Merger Agreement. Negotiations between the parties continued during the period from October 3 through October 13.

On October 10, 2000, Mr. Rhodenbaugh and Mr. McKay, together with the Company's legal and financial advisors, met with Mr. Bousbib and Mr. Keller and Parent's legal advisors to discuss unresolved issues related to the Merger Agreement.

On October 11 through 13, 2000, Mr. Rhodenbaugh met with certain executives of Parent's Carrier Corporation to discuss issues relating to Parent's proposals for the Company to amend the employment agreements of certain key executives. During these discussions, the parties continued to negotiate and discuss the open issues on the Merger Agreement and the Stockholder Agreement.

On Friday night, October 13, 2000, the Company entered into amendments to the employment agreements of certain of its employees. At a meeting held that night, and after discussion and consideration of certain factors, the Company's Board unanimously determined that the terms of the Offer and the Merger were advisable, fair to and in the best interest of, the stockholders of the Company, unanimously approved the Offer, the Merger, the Merger Agreement, the Stockholder Agreement and the other transactions contemplated thereby, and unanimously determined to recommend that the Company's stockholders accept the Offer and tender their Shares pursuant to the Offer and approve and adopt the Merger Agreement. Following the meeting of the Company's Board of Directors, Parent, Purchaser and the Company executed the Merger Agreement.

On October 16, 2000, prior to the opening of the financial markets, a press release was issued announcing the execution of the Merger Agreement.

On October 23, 2000, in accordance with the Merger Agreement, Purchaser commenced the Offer.

11. Purpose of the Offer; Plans for the Company; the Merger Agreement; the Stockholder Agreement; Employee Agreements

Purpose. The purpose of the Offer and the Merger is to acquire control of, and the entire equity interest in, the Company. The Offer, as the first step in the acquisition of the Company, is intended to facilitate the acquisition of all outstanding Shares. The purpose of the Merger is to acquire all of the capital stock of the Company not purchased pursuant to the Offer or otherwise. If Purchaser owns a majority of the issued and outstanding Shares following the consummation of the Offer, it will have the ability under the DGCL to approve the Merger without the approval of the holders of any other Shares, although a stockholder vote may be necessary. If, however, after consummation of the Offer, Purchaser owns at least 90 percent of the Shares then outstanding, Purchaser will be able to cause the Merger to occur without a vote of the Company's stockholders.

Plans for the Company. In connection with the Offer, Parent and Purchaser have reviewed, and will continue to review, various possible business strategies that they might consider in the event that Purchaser acquires control of the Company, whether pursuant to the Offer, the Merger or otherwise. Such strategies could include, among other things, changes in the Company's business, corporate structure, capitalization or management.

The Merger Agreement. The following is a summary of certain provisions of the Merger Agreement. This summary is qualified in its entirety by reference to the Merger Agreement, which is incorporated herein by reference and a copy of which has been filed with the Commission as an exhibit to the Tender Offer Statement on Schedule TO to which this Offer to Purchase is an exhibit (the "Schedule TO"). The Merger Agreement may be examined and copies may be obtained in the manner set forth in Section 8. Defined terms used herein and not defined herein have the meanings assigned to those terms in the Merger Agreement.

The Offer. The Merger Agreement provides that Parent will cause Purchaser to commence the Offer and that, upon the terms and subject to prior satisfaction or waiver of the conditions set forth in the Offer as described in Section 13 (including, if the Offer is extended or amended, the terms and conditions of any extension or amendment), Purchaser will accept for payment, and pay for, all Shares validly tendered pursuant to the Offer and not withdrawn on or prior to the Expiration Date.

Directors. Pursuant to the Merger Agreement, promptly after Purchaser has purchased Shares pursuant to the Offer, Purchaser will have the right to have persons designated by it become directors of the Company so that the total number of such persons equals the number, rounded up to the nearest whole number, which is the product of the total number of directors on the Board of Directors of the Company and the percentage that the aggregate number of Shares purchased bears to the total number of Shares then outstanding. The Merger Agreement provides that the Company will promptly take all actions necessary to cause such Purchaser designees to be so elected, including, upon request by Purchaser, using its best efforts to seek the resignations of one or more existing directors. At such time, the Company will also cause, if requested by Purchaser, (a) each committee of the Board of Directors, (b) the board of directors of each of the subsidiaries of the Company and (c) each committee of such board to include persons designated by Purchaser constituting up to the same percentage (rounded up to the nearest whole number) of each such committee or board as Purchaser's designees constitute on the Board of Directors. In addition, pursuant to the Merger Agreement, the Company (x) has established October 18, 2000 as a record date for the written consent by the Company's stockholders to such election and (y) has filed with the Commission a Schedule 14A (together with any supplements or amendments thereto the "Schedule 14A") regarding the solicitation of written consents to the election of the Purchaser designees which contains the information required by Schedule 14A under the Exchange Act necessary to enable the Purchaser designees to be elected to the Board of Directors. Until the time the Merger becomes effective (the "Effective Time"), the Company, Purchaser and Parent will use all reasonable best efforts to retain as members of the Board of Directors at least two directors who were directors of the Company on the date of the Merger Agreement and who are not representatives of Parent (the "Independent Directors"). Following the time Purchaser designees constitute a majority of the Board of Directors and prior to the Effective Time, any amendment or termination of the Merger Agreement which requires action by the Company, any extension of time for the performance of any of the obligations of Parent under the Merger Agreement, any exercise or waiver of any of the provisions of the Merger Agreement providing rights or remedies to the Company and any other action by the Company that could adversely affect the interest of the stockholders (other than Parent, Purchaser and their affiliates) with respect to the Merger Agreement, the Merger or the Offer will require the affirmative vote of a majority of the Independent Directors.

The Merger. The Merger Agreement provides that, after the completion of the Offer and the satisfaction or waiver of certain conditions, Purchaser will be merged with and into the Company and the Company will be the surviving corporation. On the effective date of the Merger, each outstanding Share (other than Shares owned by Parent, Purchaser or any subsidiary of Parent, Purchaser or the Company, or held in the treasury of the Company, or held by stockholders who properly exercise appraisal rights under the DGCL, if any) will by virtue of the Merger and without action by the holder thereof be cancelled and converted into the right to receive the Merger Consideration.

The Company has agreed pursuant to the Merger Agreement that it will take all action necessary in accordance with the DGCL and the Certificate of Incorporation and By-Laws of the Company to convene

and hold a special meeting of its stockholders following the consummation of the Offer for the purpose of approving and adopting the agreement of merger (within the meaning of Section 251 of the DGCL) contained in the Merger Agreement or, at the option of Parent, to seek such approval and adoption of the merger by written consent in lieu of such special meeting. Further, the Company will use its reasonable efforts to solicit from stockholders of the Company proxies in the event a stockholder meeting is to be held in favor of the Merger (or written consent is to be obtained in lieu thereof) and will take all other action necessary or, in the reasonable opinion of Parent, advisable to secure any vote (or written consent) of stockholders required by the DGCL to effect the Merger. Parent has agreed that it will vote, or cause to be voted, at the special meeting of stockholders all Shares then owned by it or Purchaser or any of Parent's other subsidiaries and affiliates in favor of the Merger and the adoption of this Agreement (or deliver written consents conforming to the requirements of the DGCL in lieu thereof).

The Merger Agreement further provides that, notwithstanding the foregoing, if Purchaser or any other subsidiary of Parent acquires at least 90 percent of the outstanding Shares (and provided that all conditions to the Merger as set forth below have been satisfied or waived), the Company will use its best efforts to take all necessary and appropriate action to cause the Merger to become effective as soon as practicable after such acquisition without the approval of the stockholders of the Company, in accordance with Section 253 of the DGCL.

As promptly as practicable after the consummation of the Offer if required by the Exchange Act, the Company will prepare and file with the Commission a proxy statement to be sent to the Stockholders of the Company in connection with a meeting of the Company's Stockholders to consider the Merger or the information statement to be sent to such Stockholders in connection with any action by consent in writing in lieu of a meeting as appropriate (such proxy statement or information statement, as amended or supplemented, the "Proxy Statement"), subject to the prior review and approval of Parent and Purchaser (which approval will not be unreasonably withheld) and will use all reasonable efforts to have it cleared by the Commission. The Company will obtain and furnish the information required to be included in the Proxy Statement, will provide Parent and Purchaser with, and consult with Parent and Purchaser regarding, any comments that may be received from the Commission or its staff with respect thereto, will, subject to the prior review and approval of Parent and Purchaser, which approval will not be unreasonably withheld, respond promptly to any such comments made by the Commission or its Staff with respect to the Proxy Statement and will cause the Proxy Statement to be mailed to its stockholders at the earliest practicable date. The Proxy Statement will contain the recommendation of the Company's Board of Directors that stockholders of the Company approve and adopt the Merger Agreement and the Merger.

Charter, Bylaws, Directors and Officers. Parent and Purchaser have agreed that the Certificate of Incorporation and By-Laws of Company in effect immediately prior to the Effective Time will be the Certificate of Incorporation and By-Laws of the surviving corporation until amended as provided by law, such Certificate of Incorporation and, with respect to the By-Laws, such By-Laws. The foregoing is subject to the provisions of the Merger Agreement that provide certain rights to indemnification as described below under "Indemnification; Directors' and Officers' Insurance."

The directors of Purchaser immediately prior to the Effective Time will be the initial directors of the surviving corporation, and the officers of the Company immediately prior to the Effective Time will be the initial officers of the surviving corporation, in each case until their successors are duly elected or appointed and qualified or until their earlier death, permanent disability, resignation or removal.

Conversion of Shares. Each Share issued and outstanding immediately prior to the Effective Time (other than (a) Shares owned by Parent, Purchaser or any subsidiary of Parent, Purchaser or the Company or held in the treasury of the Company, all of which will be cancelled without any consideration being exchanged therefor and (b) Shares held by stockholders who properly exercise appraisal rights) will, by virtue of the Merger and without any action on the part of Purchaser, the Company or the holder thereof, be canceled and converted at the Effective Time into the right to receive in cash an amount per Share equal to

the Merger Consideration, without interest, upon surrender of the certificate representing such Share less any applicable withholding taxes. At the Effective Time, each share of common stock of Purchaser, $.0001 par value, issued and outstanding immediately prior to the Effective Time will, by virtue of the Merger and without any action on the part of the Purchaser, the Company or the holder thereof, be converted into and become one share of common stock of the surviving corporation.

The Merger Agreement provides that, as of the Effective Time, each outstanding option to purchase Shares (each, a "Company Stock Option") issued pursuant to the Company's Executive Long-Term Incentive Plan and Non-Employee Directors Long-Term Incentive Plan will be cancelled and each holder of Company Stock Options, whether such Company Stock Option is vested or not, will receive, in consideration of such holder's Company Stock Options a cash payment from Parent immediately upon the Effective Time equal to the product of (a) the amount by which the Merger Consideration amount exceeds the exercise price of such Company Stock Option and (b) the number of Shares issuable upon exercise of such Company Stock Option.

Representations and Warranties. In the Merger Agreement, the Company has made customary representations and warranties to Parent and Purchaser with respect to, among other matters, its organization, qualification and subsidiaries, capitalization, authority relative to the Merger Agreement, lack of conflicts, required filings and consents, Commission filings, financial statements, the absence of certain changes or events, litigation, employee benefit plans, labor and employment matters, environmental matters, licenses, permits and compliance with laws, taxes, information to be included in the Offer documents and Proxy Statement, brokerage fees, the opinion of CSFB regarding the price per Share payable in the Offer, material contracts, real property, intellectual property, related party transactions, the inapplicability of state takeover statutes and the vote required of the Company stockholders to approve the Merger. Each of Parent and Purchaser has made customary representations and warranties to the Company with respect to, among other matters, its corporate organization, authority relative to the Merger Agreement, information to be included in the Offer documents and the Proxy Statement, lack of conflicts, required filings and consents, brokerage fees and financing arrangements.

Covenants. The Merger Agreement provides that, from the date of the Merger Agreement until the Effective Time, the Company will, and will cause each of its subsidiaries (except as expressly required by the Merger Agreement or otherwise with the prior consent of Purchaser or as specifically disclosed to Purchaser), to (a) carry on its businesses in the ordinary course consistent with past practice, (b) use reasonable efforts to preserve intact its then current business organizations, and keep available the services of the then current officers and employees, (c) use all reasonable efforts to preserve the then present relationships with customers, suppliers and other persons with which it has business dealings, and (d) comply in all material respects with all laws and regulations applicable to it or any of its properties, assets or business. The Merger Agreement also provides, without limiting the generality of the foregoing provisions, that from the date of the Merger Agreement to the Effective Time, the Company will not, and will cause its subsidiaries not to, do or commit to do, certain actions without the prior written consent of Parent, including, among other things and subject to certain exceptions: (a) change its Certificate of Incorporation or By-Laws; (b) sell, pledge or encumber any stock owned by the Company in any of its subsidiaries; (c) issue or sell its securities or make any other changes in its capital structure; (d) declare or pay any dividends or other distributions; (e) reclassify or redeem any shares of capital stock of the Company or any subsidiary; (f) make acquisitions in excess of $100,000, except in limited circumstances; (g) incur any indebtedness, other than borrowings in the ordinary course of business under the Company's existing credit facility, or issue any debt securities; (h) enter into, or modify, amend or terminate, any material contract or agreement; (i) authorize or make capital expenditures not in the ordinary course of business or in excess of $2,000,000; (j) (i) increase the compensation or benefits of any of its directors, officers or employees, (ii) grant any increase in severance or termination pay not then required to be paid, (iii) enter into or amend any employment, consulting or severance agreement, (iv) make any material determination not in the ordinary course of business under any collective bargaining agreement or employee benefit plan

or (v) forgive any loans to employees, officers or directors; (k) change any of the accounting methods used by it; (l) make any material tax election, make or change any method of accounting with respect to taxes, file any amended tax returns that may have a material adverse effect on the tax position of the Company or any subsidiary or settle or compromise any material federal, state, local or foreign tax liability or refund; (m) settle certain litigation or claims; (n) adopt a plan to liquidate, dissolve, merge or reorganize the Company; (o) pay, discharge or satisfy any claims, liabilities or obligations, cancel any material indebtedness or agree to modify any confidentiality, standstill or similar agreement; (p) sell, or subject to any encumbrance, its assets; (q) make any loans to, or investments in, any other person; (r) take any action that is reasonably likely to result in the conditions to the Offer not being satisfied, or that would materially impair the ability to consummate the Offer or the Merger; (s) agree to take any of the foregoing actions; or (t) except as may be required by applicable law or the Company's Certificate of Incorporation or By-Laws, call or hold any stockholders' meeting other than as required by Section 251 of the DGCL to approve the Merger.

No Solicitation. In the Merger Agreement, the Company has agreed not to (for so long as the Merger Agreement has not been terminated in accordance with its terms), and to cause its subsidiaries and its and their respective officers, directors, employees, consultants, representatives, agents or affiliates (collectively, the "Company Representatives"), not to, directly or indirectly, (a) encourage, solicit, initiate or facilitate the making of, or take any other action to facilitate any inquiries or the making of any proposal that constitutes or may reasonably be expected to lead to, any proposal or offer, or any indication of interest in making an offer or proposal, by any person or group relating to (i) any acquisition or purchase which is structured to permit such person or group to acquire beneficial ownership of at least 10% of the assets of the Company or any of its subsidiaries or of over 10% of any class of equity securities of the Company or any of its subsidiaries, (ii) any tender offer or exchange offer that would result in any person, other than Parent, Purchaser, their affiliates or any group of which any of them is a member, beneficially owning 10% or more of any class of equity securities of the Company or any of its subsidiaries, or (iii) any merger, consolidation, business combination, sale of substantially all the assets, recapitalization, liquidation, dissolution or similar transaction involving the Company or any of its subsidiaries (an "Acquisition Proposal") (including, without limitation, by taking any action that would make Section 203 of the DGCL inapplicable to an Acquisition Proposal), (b) participate in any way in discussions or negotiations with, or furnish or disclose any information or afford any access to the properties, books or records of the Company or any of its subsidiaries to, any person (other than Parent or Purchaser or any affiliate or associate of Parent or Purchaser) in connection with any Acquisition Proposal, (c) withdraw or modify, or propose to withdraw or modify, in a manner adverse to Parent or Purchaser the approval and recommendation of the Offer, the Merger or the Merger Agreement, (d) approve or recommend, or propose publicly to approve or recommend, any Acquisition Proposal (unless contemporaneously with such approval or recommendation the Company terminates the Merger Agreement in the manner described in paragraph (e) under "Termination" below), (e) release any third party from any confidentiality or standstill agreement to which the Company is a party or fail to enforce to the fullest extent possible, or grant any waiver, request or consent to any Acquisition Proposal under, any such agreement, or (f) enter into any agreement, letter of intent or similar document contemplating or otherwise relating to any Acquisition Proposal.

The Merger Agreement provides, that notwithstanding the foregoing provisions, neither the Company nor the Company Representatives will be prohibited from:

(a) (i) issuing a press release or otherwise publicly disclosing the terms of the Merger Agreement, the Offer, the Merger or any Acquisition Proposal, (ii) proceeding with the transactions contemplated by the Merger Agreement, (iii) communicating to the stockholders a position with respect to an Acquisition Proposal by a third party contemplated by Rule 14d-9 and Rule 14e-2 under the Exchange Act, or (iv) making any disclosure to the stockholders which, in the judgment of the Company's Board of Directors (after receiving the advice of legal counsel) is advisable to be made under applicable law; or

(b) participating in discussions or negotiations with, or furnishing or disclosing nonpublic information to or entering into any confidentiality or standstill or similar agreements with, any person in response to an unsolicited, bona fide and written Acquisition Proposal that is submitted to the Company by such person after the date of the Merger Agreement and prior to the date an amount of Shares sufficient to satisfy the Minimum Tender Condition have been accepted for payment pursuant to the Offer if (i) such Acquisition Proposal does not result from a violation of any of the provisions described in this "No Solicitations" section, (ii) a majority of the members of the Company's Board of Directors determines in good faith, after having received the advice of its financial advisor and outside legal counsel, that (A) such person is reasonably capable of consummating such Acquisition Proposal, (B) such Acquisition Proposal is reasonably likely to lead to an unsolicited bona fide written proposal by such person to acquire all of the issued and outstanding Shares pursuant to a tender offer or a merger or to acquire all of the properties and assets of the Company on terms and conditions that the Company's Board of Directors has determined in good faith, after receiving the written advice of its financial advisor and taking into account all the terms and conditions of such proposal, is more favorable to the Company's stockholders from a financial point of view than the transactions contemplated hereby and is reasonably likely to be consummated (a "Superior Proposal") and (C) failure to do so would result in a breach of the fiduciary duty of the Board of Directors of the Company to the stockholders under applicable law and (iii) prior to participating in discussions or negotiations with, or furnishing or disclosing any nonpublic information to, such person, the Company gives Parent written notice of the identity of such person and of the Company's intention to participate in discussions or negotiations with, or furnish or disclose nonpublic information to, such person, and the Company receives from such person an executed confidentiality agreement containing terms no less restrictive than the terms of the Confidentiality Agreement.

Pursuant to the Merger Agreement, Parent and Purchaser have agreed that neither the Company, the Company Representatives, nor any person who makes an Acquisition Proposal will be deemed, by reason of taking actions described under paragraphs (a) and (b) above, to have tortiously or otherwise wrongfully interfered with or caused a breach of the Merger Agreement or any other agreements, instruments or documents executed in connection with the Merger Agreement, or tortiously or otherwise wrongfully interfered with the Offer, the Merger, the other transactions contemplated thereby or the rights of Parent, Purchaser or any of their affiliates thereunder.

The Merger Agreement requires the Company to, and to cause its subsidiaries and the Company Representatives to, immediately cease and cause to be terminated any discussions or negotiations, if any, with any other parties that might have been ongoing as of the date of the Merger Agreement with respect to any Acquisition Proposal.

Nothing described in this "No Solicitation" section will prohibit Purchaser from purchasing the Shares pursuant to the Offer or consummating the Merger. Without limiting any other rights of Parent or Purchaser under the Merger Agreement in respect of any such action, neither any withdrawal or modification by the Company of the approval or recommendation of the Offer or the Merger nor the termination of the Merger Agreement will have any effect on the approvals of, and other actions referred to herein for the purpose of causing Section 203 of the DGCL, the takeover statutes referred to in the Merger Agreement and the statutes referred to under "Confidentiality and Standstill Agreement" below to be inapplicable to the Merger Agreement and the Stockholder Agreement and the transactions contemplated thereby, which approvals and actions are irrevocable.

Efforts. The Merger Agreement provides that, subject to the terms and conditions provided in the Merger Agreement, each of the Company, Parent and Purchaser will use its reasonable efforts to obtain in a timely manner all necessary waivers, consents, and approvals and to effect all necessary registrations and filings and to take, or cause to be taken, all other actions and to do or cause to be done all other things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions

contemplated by the Merger Agreement except that Parent and Purchaser are not obligated to extend the Offer except as provided therein.

Nothing in the Merger Agreement obligates Parent, Purchaser or any of their respective subsidiaries or affiliates to agree (a) to limit in any manner or not to exercise any rights of ownership of any securities (including the Shares), or to divest, dispose of or hold separate any securities or all or any material portion of their respective businesses, assets or properties or of the businesses, assets or properties of the Company or any of its subsidiaries or (b) to limit in any material manner the ability of such entities (i) to conduct their respective businesses or own such assets or properties or to conduct the businesses or own the properties or assets of the Company and its subsidiaries or (ii) to control their respective businesses or operations or the businesses or operations of the Company and its subsidiaries.

Indemnification; Directors' and Officers' Insurance. In the Merger Agreement, Parent and Purchaser have agreed that the Certificate of Incorporation and the By-Laws of the surviving corporation will contain the provisions in favor of the directors, officers, employees or agents of the Company or of any other corporation, partnership, joint venture, trust or other enterprise with which he or she is or was serving in such capacity at the request of the Company, with respect to indemnification and exculpation from liability set forth in the Company's Certificate of Incorporation and By-Laws as in effect on the date of the Merger Agreement and have agreed not to amend, repeal or otherwise modify the Certificate of Incorporation or the By-laws for a period of six years from the Effective Time in any manner that would adversely affect the rights thereunder of individuals who on or prior to the Effective Time were directors, officers or employees of the Company, or any of its subsidiaries unless such modification is required by law. Parent has agreed to guarantee the obligations of the surviving corporation with respect to the indemnification provisions contained in the surviving corporation's Certificate of Incorporation and By-Laws and in any agreements existing on the date of the Merger Agreement with respect to indemnification between the Company and any of its current and former officers, directors or employees of the Company, to the extent such agreements have been disclosed and provided to the Company.

The Merger Agreement further provides that the surviving corporation will cause to be maintained in effect for a period of six years after the Effective Time, in respect of acts or omissions occurring prior to the Effective Time, policies of directors' and officers' liability insurance covering the persons covered by such policies (on the date of the Merger Agreement) on terms with respect to coverage and amount no less favorable in any material respect than those of such policy in effect on the date of the Merger Agreement. However, the surviving corporation will not be obligated to pay annual premiums in excess of 200 percent of the amount paid per annum by the Company for such coverage on the date of the Merger Agreement; and provided further that, if the annual premiums of such insurance coverage exceeds such amount, the surviving corporation will only be required to obtain policies with as much coverage as is available for a cost not exceeding such amount.

Take-over Laws. The Merger Agreement provides that if any state takeover statute or other similar statute or regulation becomes or is deemed to become applicable to the Offer, the Merger, the Merger Agreement or any of the transactions contemplated thereby, the Company shall promptly take all action necessary to render such statute or regulation inapplicable.

Employee Benefit Arrangements. Parent and Purchaser have agreed that each employee of the Company, or any of its subsidiaries, immediately prior to the Effective Time will become an employee of the surviving corporation as of the Effective Time ("Company Employees"). Purchaser will provide to Company Employees for a period of one year after the Effective Time compensation, employee welfare benefits, tax-qualified retirement benefits and other employee and fringe benefits that are, in the aggregate, of at least equal value to those in effect for such Company Employees at the date of the Merger Agreement. Purchaser will waive any pre-existing condition clause or waiting period requirement in welfare benefit plans or programs (except to the extent such condition or waiting period in comparable plans of the Company would apply to a participant or beneficiary after the closing of the Merger if such plans continued

after the closing of the Merger) and give credit for deductible amounts and co-payments paid by Company Employees during the deductible year in which the Merger Agreement was executed. Purchaser will grant each Company Employee credit under its tax-qualified retirement plans, for purposes of eligibility and vesting (but not for purposes of benefit accrual), for Company Employee's service with the Company and its affiliates prior to the Effective Time. Notwithstanding anything in the Merger Agreement to the contrary, Parent will cause the surviving corporation to honor and assume the written employment agreements, severance agreements, indemnification agreements with then existing directors and officers of the Company, incentive arrangements and other agreements disclosed to Parent, all as in effect on the date of the Merger Agreement. The provisions described in this paragraph are not intended to create any enforceable rights by current or former employees, officers and directors of the Company and their respective heirs and legal representatives.

Conditions to the Consummation of the Merger. Pursuant to the Merger Agreement, the respective obligations of Parent, Purchaser and the Company to consummate the Merger are subject to the satisfaction or waiver, where permissible, on or prior to the Effective Time of the following conditions: (a) Purchaser shall have made, or caused to be made, the Offer and shall have accepted for payment and paid for Shares in an amount necessary to satisfy the Minimum Tender Condition and otherwise pursuant to the Offer; (b) the Merger and the Merger Agreement shall have been approved and adopted by the requisite vote of the stockholders of the Company, if required by the DGCL; and (c) no statute, rule, regulation, judgment, writ, decree, order or injunction shall have been promulgated, enacted, entered or enforced, and no other action shall have been taken, by any federal, state or local government or any court, administrative or regulatory agency or commission or other governmental authority or agency, domestic or foreign (a "Governmental Entity") that in any of the foregoing cases has the effect of making illegal or directly or indirectly restraining, prohibiting or restricting the consummation of the Merger (provided that each party to the Merger Agreement has agreed to use its reasonable best efforts to have vacated or reversed, in accordance with the Merger Agreement, any applicable judgment, writ, decree, order or injunction).

Termination. The Merger Agreement provides that it may be terminated and the Merger may be abandoned at any time prior to the Effective Time, notwithstanding approval thereof by the stockholders of the Company (with any termination by Parent also being an effective termination by Purchaser):

(a) by the mutual written consent of the Company and Parent;

(b) by Parent or the Company if any statute, law, rule or regulation shall have been promulgated that prohibits the consummation of the Offer or the Merger or if any Governmental Entity of competent jurisdiction shall have issued an order, decree or ruling or taken any other action (which order, decree or ruling the parties to the Merger Agreement will use reasonable efforts to have vacated or reversed in accordance with the provisions described under "Efforts" above), in each case restraining, enjoining or otherwise prohibiting the transactions contemplated by the Merger Agreement and such order, decree, ruling or other action shall have become final and non-appealable;

(c) by the Company if (i) Purchaser fails to commence the Offer in accordance with the terms of Merger Agreement, (ii) as a result of the failure of one or more conditions set forth in Annex I to the Merger Agreement, Purchaser has not accepted for payment and paid for Shares pursuant to the Offer in accordance with the terms of the Offer on or before the Outside Date or (iii) Purchaser fails to purchase validly tendered Shares in violation of the terms of the Merger Agreement;

(d) by Parent if due to an occurrence or circumstance which would result in a failure to satisfy any of the conditions to the Offer, Purchaser has (i) not commenced the Offer within six business days after the public announcement of the terms of the Merger Agreement, (ii) terminated the Offer without purchasing any Shares pursuant to the Offer or (iii) failed to accept for payment Shares pursuant to the Offer prior to the Outside Date;

(e) by the Company, prior to the purchase of Shares pursuant to the Offer, if (i) the Company has complied with its obligations as described under "No Solicitation" above and (ii) the Company has

given Parent and Purchaser prior written notice, of not less than the greater of seventy-two hours and two full business days, of its intention to terminate the Merger Agreement and accept or recommend a Superior Proposal and of the material terms and conditions of such Superior Proposal; provided that such termination shall not be effective unless and until the Company shall have paid the termination fee discussed below to Parent;

(f) by Parent, prior to the purchase of Shares pursuant to the Offer, if the Company breaches any of the covenants referred to above under "No Solicitation," or if the Board of Directors of the Company shall have resolved to effect any of the actions referred to in the first paragraph under "No Solicitation" above;

(g) By Parent, prior to the purchase of Shares pursuant to the Offer, if the Company shall have breached any of its representations, warranties or covenants contained in the Merger Agreement, which breach would give rise to a failure of a condition to the Offer and which breach has not been or is incapable of being cured by the Company prior to the Outside Date; or

(h) By the Company, prior to the purchase of Shares pursuant to the Offer, if Parent or Purchaser shall have breached any of their representations, warranties or covenants contained in the Merger Agreement, which breach would cause Parent or Purchaser to be unable to complete the Offer and the Merger and which breach has not been or is incapable of being cured prior to the Outside Date.

In the event that the Merger Agreement is terminated, the Merger Agreement will become void and have no effect, without any liability or obligation on the part of Parent, Purchaser or the Company, except that certain provisions relating to, among other things, the payment of certain fees and expenses, including the Termination Fee, will survive any such termination.

Fees and Expenses. Except as provided below and as otherwise expressly set forth in the Merger Agreement, whether or not the Merger is consummated, all fees, costs and expenses incurred in connection with the Offer, the Merger Agreement and the transactions contemplated by the Merger Agreement will be paid by the party incurring such fees, costs and expenses.

In the event that the Merger Agreement is terminated pursuant to the provisions described under (i) subparagraph (e) of "Termination" above, (ii) subparagraph (f) of "Termination above or (iii) subparagraph (c)(ii) or subparagraph (d) of "Termination" above and, in the case of this clause (iii) only, at any time after the date of the Merger Agreement and prior to such termination an Acquisition Proposal shall have been publicly announced or otherwise publicly communicated to the stockholders of the Company generally and as of the date of such termination such Acquisition Proposal shall not have been withdrawn or lapsed in accordance with its terms, then the Company will pay to Parent an amount equal to $20 million ("Termination Fee"). If the Termination Fee becomes payable, it will be payable simultaneously with such termination (in the case of termination by the Company) or within two business days thereafter (in the case of termination by Parent).

The Company has acknowledged pursuant to the Merger Agreement that the agreements described in the preceding paragraph are an integral part of the transactions contemplated by the Merger Agreement, and that, without such agreements, Parent and Purchaser would not enter into the Merger Agreement; accordingly, if the Company fails to pay the Termination Fee and, in order to obtain such payment, Parent or Purchaser commences a suit which results in a judgment against the Company with respect to the Termination Fee, the Company will pay to Parent or Purchaser, as the case may be, its costs and expenses in connection with such suit, together with interest on the amount of the Termination Fee.

Amendment. To the extent permitted by applicable law, the Merger Agreement may be amended by action taken by or on behalf of the respective Boards of Directors of the Company, Parent and Purchaser, subject in the case of the Company to the approval of the Independent Directors as described under "Directors" above, at any time prior to the Effective Time; provided, however, that after approval of the

Merger by the stockholders of the Company, no amendment may be made which by law requires further approval by such stockholders without such further approval.

Appraisal. No appraisal rights are available in connection with the Offer. If the Merger is consummated, however, stockholders of the Company who have not tendered their Shares will have certain rights under the DGCL to dissent and demand appraisal of, and to receive payment in cash of the fair value of, their Shares. See Section 14.

The Stockholder Agreement. The following is a summary of certain provisions of the Stockholder Agreement. This summary is qualified in its entirety by reference to the Stockholder Agreement, which is incorporated herein by reference and a copy of which has been filed with the Commission as an exhibit to the Schedule TO. The Stockholder Agreement may be examined and copies may be obtained in the manner set forth in Section 8.

In order to induce Parent and Purchaser to enter into the Merger Agreement, pursuant to the Stockholder Agreement, the Malcolm I. Glazer Family Limited Partnership, Kevin E. Glazer and Avram A. Glazer (each a "Stockholder" and collectively the "Stockholders"), who own in the aggregate approximately 38 percent of the outstanding Shares on a fully diluted basis, assuming the exercise of all issued and outstanding Company stock options, have agreed to validly tender (or cause the record owner of such Shares to validly tender), and not to withdraw, pursuant to the Offer, not later than the fifth business day after its commencement, all Shares beneficially owned by such Stockholder on the date of the Stockholder Agreement or subsequently acquired by such Stockholder.

Each Stockholder has granted Purchaser an irrevocable option to purchase all (but not less than all) of the Shares beneficially owned by such stockholder (the "Option Shares") at the price per Share payable in the Offer, exercisable at any time in whole after (a) the occurrence of any event as a result of which Parent is entitled to receive a Termination Fee under the Merger Agreement or (b) such Stockholder shall have breached certain specified agreements contained in the Stockholder Agreement. Each such option that becomes exercisable will remain exercisable until the later of (x) the date that is 60 days after the date such option became exercisable, and (y) the date that is ten days after the later of the date that all waiting periods under the HSR Act required for the purchase of the Shares upon such exercise shall have expired or been terminated and the date on which all approvals required under Foreign Antitrust Laws have been obtained; provided that if at the expiration of such period there is in effect any injunction or other order issued by any Governmental Entity prohibiting the exercise of such option, the exercise period will be extended until ten (10) days after the date that no such injunction or order is in effect.

Each Stockholder has agreed that, unless the Merger Agreement has been terminated, at any meeting of the stockholders of the Company, however called, or in connection with any written consent of the stockholders of the Company, such Stockholder will vote (or cause to be voted) all Shares held of record or beneficially owned by such Stockholder (a) in favor of the Merger, the execution and delivery by the Company of the Merger Agreement and the approval of the terms thereof and each of the other actions contemplated by the Merger Agreement and the Stockholder Agreement and any actions required in furtherance thereof and (b) against any proposal relating to an Acquisition Proposal and against any action or agreement that would impede, frustrate, prevent or nullify the Stockholder Agreement, or result in a breach in any respect of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement or which would result in any of the conditions described in Section 13 or "Conditions to the Consummation of the Merger" above, not being fulfilled. Each such Stockholder irrevocably granted to and appointed Purchaser as such Stockholder's proxy and attorney-in-fact (with full power of substitution) to vote the Shares beneficially owned by such Stockholder, or grant a consent or approval in respect of such Shares, in the manner specified above.

Each Stockholder has agreed that, except as provided by the Merger Agreement and the Stockholder Agreement, such Stockholder will not (a) offer to transfer, transfer or consent to any transfer of, any or all of the Shares beneficially owned by such Stockholder or any interest therein, (b) enter into any contract, option or other

agreement or understanding with respect to any transfer of any or all of such Shares or any interest therein, (c) grant any proxy, power-of-attorney or other authorization or consent in or with respect to such Shares, (d) deposit such Shares into a voting trust or enter into a voting agreement or arrangement with respect to such Shares or (e) take any other action that would make any representation or warranty of such Stockholder contained in the Stockholder Agreement untrue or incorrect or in any way restrict, limit or interfere with the performance of its obligations thereunder or the transactions contemplated thereby or by the Merger Agreement.

Each Stockholder has agreed that neither such Stockholder nor any of its affiliates, representatives or agents will (and, if such Stockholder is a corporation, partnership, trust or other entity, such Stockholder will cause its officers, directors, partners, and employees, representatives and agents, including its investment bankers, attorneys and accountants, not to), directly or indirectly, encourage, solicit, initiate or participate in any way in any discussions or negotiations with, or provide any information to, or afford any access to the properties, books or records of the Company or any of its subsidiaries to, or otherwise take any other action to assist or facilitate, any person or group (other than Parent or Purchaser or any affiliate or associate of Parent or Purchaser) concerning any Acquisition Proposal. Each Stockholder has agreed to immediately cease any activities, discussions or negotiations conducted prior to the date of the Stockholder Agreement with respect to any Acquisition Proposal. Each Stockholder has agreed to immediately communicate to Purchaser the terms of any Acquisition Proposal (or any discussion, negotiation or inquiry with respect thereto) and the identity of the person making such Acquisition Proposal or inquiry which it may receive.

Subject to the terms and conditions of the Stockholder Agreement, each of the parties thereto has agreed to use all reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws to consummate and make effective the transactions contemplated by the Stockholder Agreement.

Each Stockholder has waived any rights of appraisal or rights to dissent from the Merger that it might have had.

The Stockholder Agreement will terminate with respect to each Stockholder upon the earliest of (a) the Effective Time, (b) the first anniversary of the date of the Stockholder Agreement, and (c) termination of the Merger Agreement (unless, in the case of (c), either (i) Parent is entitled to receive a Termination Fee in connection with such termination or (ii) prior to such termination such Stockholder has breached certain specified agreements contained in the Stockholder Agreement).

Confidentiality and Standstill Agreement. Pursuant to the Confidentiality and Standstill Agreement, Parent agreed to keep confidential certain information furnished to it by the Company and to use such information solely for the purpose of evaluating a possible transaction with the Company. The Confidentiality and Standstill Agreement also provides that:

(a) Parent may disclose such information to its representatives who need to know such information for purposes of evaluating a possible transaction with the Company and who shall be informed by Parent of the confidential nature of such information and instructed to comply with the terms of the Confidentiality and Standstill Agreement;

(b) subject to certain requirements (including prior notification of the Company), Parent and Purchaser may only disclose the fact that discussions or negotiations are taking place concerning a possible transaction between the Company and Parent or any of the terms, conditions or other facts with respect to any such possible transaction, including the status thereof, to the extent required by applicable law, regulation or stock exchange rules; and

(c) upon the Company's request, Parent and Purchaser must promptly return all documents furnished by the Company and destroy all portions of documents, memoranda, notes and other writings based on the confidential information furnished by the Company.

The Confidentiality and Standstill Agreement additionally provides that, unless approved in writing by the Board of Directors of the Company, Parent will not, and will direct its representatives not to (and will not assist or encourage others to), directly or indirectly, during the 18 month period commencing on the date of the Confidentiality and Standstill Agreement (any of the following being referred to as "Prohibited Actions"):

(a) make any public announcement with respect to, or submit any proposal for, a business combination or other transaction between the Company and Parent (or any of its affiliates or any person acting in concert with Parent) involving the Company, unless the proposal is directed and disclosed solely to the Company's management or their representatives and the Company shall have requested in advance the submission of such proposal;

(b) by purchase or otherwise, acquire, offer to acquire, or agree to acquire, ownership of any assets or businesses of the Company or its affiliates or of any securities issued by the Company or its affiliates or any direct or indirect rights (including convertible securities) or options to acquire such ownership (or otherwise act in concert with or in any way assist any person which so acquires, offers to acquire, or agrees to acquire);

(c) make, or in any way participate in, directly or indirectly, any "solicitation" of "proxies" (as such terms are defined or used in Regulation 14A under the Exchange Act) or become a "participant" in an "election contest" (as such terms are defined or used in Rule 14a-11 under the Exchange Act) with respect to the Company or seek to advise or influence any person with respect to the voting of any securities issued by the Company;

(d) initiate, propose or otherwise solicit stockholders for the approval of one or more stockholder proposals with respect to the Company as described in Rule 14a-8 under the Exchange Act or induce or attempt to induce any other person to initiate any stockholder proposal;

(e) acquire or affect the control of the Company or directly or indirectly participate in or encourage the formation of any "group" (within the meaning of Section 13(d)(3) of the Exchange Act) which owns or seeks to acquire ownership of voting securities of the Company, or to acquire or affect control of the Company;

(f) call or seek to have called any meeting of the stockholders of the Company or execute any written consent in lieu of a meeting of holders of any securities of the Company;

(g) seek election or seek to place a representative on the Board of Directors of the Company or seek the removal of any member of the Board of Directors;

(h) otherwise, directly or indirectly, alone or in concert with others, seek to influence or control the management, Board of Directors or policies of the Company or any of its affiliates; or

(i) request any waiver, modification, termination or amendment of the foregoing provisions of the agreement or the relinquishment by the Company of any rights with respect thereto.

Notwithstanding the provisions of the Confidentiality and Standstill Agreement, no outside law firm, Big Five accounting firm, investment bank, environmental consulting firm or similar independent consultant retained by Parent or on Parent's behalf in connection with Parent's evaluation of the proposed transaction ("Representatives") which is not affiliated with Parent shall be prohibited from representing or providing services to other clients which may engage in Prohibited Actions, so long as such Representatives do not take any action which if taken by the Company would be a breach of the Confidentiality and Standstill Agreement (other than a Prohibited Action). The Confidentiality and Standstill Agreement also does not prohibit Parent from taking Prohibited Actions with respect to any company which after the date of the Confidentiality and Standstill Agreement becomes an affiliate of the Company through acquisition of (1) stock of the Company or (2) all or substantially all of the Company's assets or businesses.

Parent, pursuant to the Confidentiality and Standstill Agreement, agreed that, without the prior written consent of the Company, neither Parent nor its representatives would, subject to certain exceptions, require, induce or influence any management employee Company identified through the confidential information received

from the Company to leave his or her employment with the Company or its affiliates, or employ any such employee until August 14, 2002.

Employee Agreements. In order to induce Parent and Purchaser to enter into the Merger Agreement, the Company and certain employees, including Robert R. Friedl and Jeffrey P. Rhodenbaugh (each an "Employee"), entered into an amendment to each such Employee's Amended Employment Retention Agreement (each an "Original Agreement"), which such amendment will be effective only upon the closing of the Merger and only if such closing occurs on or before March 1, 2001 (each an "Amendment"). Under each Amendment, the Company agrees to employ such Employee and such Employee agrees to be employed by the Company until the second anniversary of the closing of the Merger, unless terminated sooner in accordance with the Original Agreement, as modified by the Amendment. Under the Amendments, each Employee will be entitled to receive a transition payment, which shall be payable in monthly installments for two years following the closing of the Merger, provided that the Employee remains employed by the Company following the Merger. The Amendments also provide that each Employee will not compete against the Company during his employment with the Company and for a one-year period following the termination of his employment. See Item 3 of the Schedule 14D-9 under the caption "Arrangements with Executive Officers, Directors or Affiliates of the Company--Change-in-Control Arrangements."

12. Source and Amount of Funds

The Offer is not conditioned upon any financing arrangements.

Parent and Purchaser estimate that the total amount of funds required to purchase all of the outstanding Shares pursuant to the Offer and the Merger and to pay related fees and expenses will be approximately $614 million. Purchaser will obtain such funds from Parent. Parent currently intends to obtain such funds from available cash on hand at the time of the completion of the Offer.

13. Certain Conditions of the Offer

Notwithstanding any other provision of the Offer or the Merger Agreement, Purchaser will not be required (subject to the rules and regulations of the Commission) to pay for any Shares tendered in connection with the Offer, if (i) the Minimum Tender Condition has not been satisfied, (ii) any applicable waiting period under the HSR Act and any Foreign Antitrust Law shall not have expired or been terminated or any required approval under any Foreign Antitrust Law shall not have been obtained or (iii) at any time after the date of the Merger Agreement and prior to the acceptance of such Shares for payment or payment for any such Shares, any of the following events shall occur or conditions shall exist:

(a) there shall have been any statute, rule, regulation, legislation, judgment, order or injunction, promulgated, enacted, entered, enforced, issued, amended or deemed applicable by a Governmental Entity to Parent, Purchaser, the Company, any other affiliate of Parent or the Company, the Offer or the Merger, that would or is reasonably likely to (i) make the acceptance for payment of, or payment for or purchase of all or a substantial number of the Shares pursuant to the Offer illegal, or otherwise materially restrict or prohibit the consummation of the Offer or the Merger, (ii) result in a material delay in the ability of Purchaser to accept for payment, pay for or purchase all or a substantial number of the Shares pursuant to the Offer or to effect the Merger, (iii) render Purchaser unable to accept for payment or pay for or purchase all or a substantial number of the Shares pursuant to the Offer, (iv) impose material limitations on the ability of Parent, Purchaser or any of their respective subsidiaries or affiliates to acquire or hold, transfer or dispose of, or effectively to exercise all rights of ownership of, all or a substantial number of the Shares including the right to vote the Shares purchased by it pursuant to the Offer on an equal basis with all other Shares on all matters properly presented to the stockholders of the Company, (v) require the divestiture by Parent, Purchaser or any of their respective subsidiaries or affiliates of any Shares, or require Purchaser, Parent, the Company, or any of their respective subsidiaries or affiliates to dispose of all or any material portion of their respective businesses, assets or properties or impose any material limitations on the ability of any of

such entities to conduct their respective businesses or own such assets, properties or Shares or on the ability of Parent or Purchaser to conduct the business of the Company and its subsidiaries and own the assets and properties of the Company and its subsidiaries, or (vi) impose any material limitations on the ability of Parent, Purchaser or any of their respective subsidiaries or affiliates effectively to control the business or operations of the Company, Parent, Purchaser or any of their respective subsidiaries or affiliates;

(b) the Merger Agreement shall have been terminated in accordance with its terms;

(c) the representations and warranties of the Company set forth in the Merger Agreement shall not have been true and correct when made, or shall not continue to be true and correct except (i) those representations and warranties that address matters only as of a particular date (which shall be true and correct as of such date), and (ii) where the failure of such representations and warranties has not had, and is not reasonably likely to have, a material adverse effect on the business, financial condition or operations of the Company and its subsidiaries taken as a whole, other than adverse effects from (i) conditions, circumstances or changes in the general economy or capital markets or (ii) any disclosure of the Merger Agreement (a "Material Adverse Effect");

(d) the Company shall have failed to perform in any material respect, or to comply in any material respect with, any obligation, agreement or covenant of the Company to be performed or complied with by it under the Merger Agreement;

(e) there shall have occurred (i) any general suspension of, or limitation on trading in securities on the New York Stock Exchange (other than any suspension or limitation on trading in any particular security as a result of a computerized trading limit or any intraday suspension due to "circuit breakers") or (ii) the declaration of any banking moratorium or any suspension of payments in respect of banks or any limitation (whether or not mandatory) on the extension of credit by lending institutions in the United States; or

(f) there shall have occurred any change, condition, event or development that, individually or in the aggregate, has had or is reasonably likely to have a Material Adverse Effect.

The conditions described above are for the sole benefit of Parent and Purchaser and may be asserted by either of Parent or Purchaser regardless of the circumstances (including any action or inaction by Parent or Purchaser or any of their affiliates giving rise to any such condition) or waived by Parent or Purchaser in whole or in part at any time or from time to time in its discretion subject to the terms and conditions of the Merger Agreement. The failure of Parent or Purchaser at any time to exercise any of the rights described above will not be deemed a waiver of any such right and each such right will be deemed an ongoing right which may be asserted at any time and from time to time.

14. Certain Legal Matters

General. Except as otherwise disclosed herein, Parent and Purchaser are not aware of any licenses or other regulatory permits which appear to be material to the business of the Company and which might be adversely affected by the acquisition of Shares by Purchaser pursuant to the Offer or of any approval or other action by any governmental, administrative or regulatory agency or authority which would be required for the acquisition or ownership of Shares by Purchaser pursuant to the Offer. Should any such approval or other action be required, it is currently contemplated that such approval or action would be sought or taken. There can be no assurance that any such approval or action, if needed, would be obtained or, if obtained, that it will be obtained without substantial conditions or that adverse consequences might not result to the Company's or Parent's business or that certain parts of the Company's or Parent's business might not have to be disposed of in the event that such approvals were not obtained or such other actions were not taken. Purchaser's obligation under the Offer to accept for payment and pay for Shares is subject to certain conditions. See Section 13.

Antitrust Compliance. Under the provisions of the HSR Act applicable to the Offer, the purchase of Shares under the Offer may be consummated following the expiration or earlier termination of a 15 calendar day waiting period following the filing by Purchaser of a Notification and Report Form with respect to the Offer, unless

Purchaser receives a request for additional information or documentary material from the Antitrust Division of the U.S. Department of Justice (the "Antitrust Division") or the U.S. Federal Trade Commission (the "FTC"). Purchaser expects to make its filing with the Antitrust Division and the FTC on or about October 23, 2000, and the waiting period is expected to terminate within 15 calendar days thereafter. If, within the initial 15-day waiting period, either the Antitrust Division or the FTC requests additional information or documentary material from Purchaser, the waiting period will be extended and would expire at 11:59 p.m., New York City time, on the tenth calendar day after the date of substantial compliance by Purchaser with such request. Only one extension of the waiting period pursuant to a request for additional information is authorized by the HSR Act. Thereafter, such waiting period may be extended only by court order or with the consent of Purchaser. If the acquisition of Shares is delayed pursuant to a request by the FTC or the Antitrust Division for additional information or documentary material pursuant to the HSR Act, the Offer may be extended and, in any event, the purchase of and any payment for Shares will be deferred until the Expiration Date. Unless the Offer is extended, any extension of the waiting period may not give rise to any additional withdrawal rights. See Section 4.

In practice, complying with a request for additional information or documentary material can take a significant amount of time. In addition, if the Antitrust Division or the FTC raises substantive issues in connection with a proposed transaction, the parties frequently engage in negotiations with the relevant governmental agency concerning possible means of addressing those issues and may agree to delay consummation of the transaction while such negotiations continue.

The FTC and the Antitrust Division frequently scrutinize the legality under the antitrust laws of transactions such as Purchaser's proposed acquisition of the Company. At any time before or after Purchaser's purchase of Shares pursuant to the Offer, the Antitrust Division or the FTC could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the purchase of Shares pursuant to the Offer or the Merger or seeking the divestiture of Shares acquired by Purchaser or the divestiture of substantial assets of Purchaser or its subsidiaries, or of the Company or its subsidiaries. Private parties may also bring legal action under the antitrust laws under certain circumstances. If any such action by the FTC, the Antitrust Division or any other person should be threatened or commenced, Purchaser believes that consummation of the Offer would not violate any antitrust laws; there can be no assurance, however, that a challenge to the Offer on antitrust grounds will not be made or, if a challenge is made, what the result will be.

Parent, Purchaser and the Company have been advised that notice filings with respect to the Offer are required in Argentina, Austria, Brazil, Germany, Ireland, Italy, the Netherlands, Poland, South Africa, and Taiwan. Other regulatory filings may also be required or advisable in connection with the completion of the merger. Parent, Purchaser and the Company are currently in the process of reviewing whether filings or approvals may be required or desirable in these jurisdictions. It is possible that one or more of these filings may not be made or one or more of these approvals may not be obtained prior to the Expiration Date. Under the Merger Agreement, either Purchaser or Company has the option in their respective sole discretion to extend the Expiration Date until as late as the Outside Date if the sole reason that Purchaser has not accepted for payment and paid for Shares pursuant to the Offer is the failure of the applicable waiting period under the HSR Act and Foreign Antitrust Laws to expire or failure to obtain any required governmental or regulatory approval.

State Take-over Laws. A number of states (including Delaware where the Company is incorporated) have adopted takeover laws and regulations which purport, to varying degrees, to be applicable to attempts to acquire securities of corporations which are incorporated in such states or which have substantial assets, stockholders, principal executive offices or principal places of business therein. To the extent that certain provisions of certain of these state takeover statutes purport to apply to the Offer or the Merger, Purchaser believes that such laws conflict with federal law and constitute an unconstitutional burden on interstate commerce.

Section 203 of the DGCL prevents certain "business combinations" with an "interested stockholder" (generally, any person who owns or has the right to acquire 15 percent or more of a corporation's outstanding voting stock) for a period of three years following the time such person became an interested stockholder, unless, among other things, prior to the time the interested stockholder became such, the board of directors of the

corporation approved either the business combination or the transaction in which the interested stockholder became such. The Board of Directors of the Company has irrevocably taken all necessary steps to render the restrictions of Section 203 of the DGCL inapplicable to the Merger, the Offer and the transactions contemplated by the Merger Agreement and Stockholder Agreement.

Purchaser has not attempted to comply with any state takeover statutes in connection with the Offer or the Merger. Purchaser reserves the right to challenge the validity or applicability of any state law allegedly applicable to the Offer or the Merger, and nothing in this Offer to Purchase nor any action taken in connection herewith is intended as a waiver of that right. In the event that it is asserted that one or more takeover statutes apply to the Offer or the Merger, and it is not determined by an appropriate court that such statute or statutes do not apply or are invalid as applied to the Offer or the Merger, as applicable, Purchaser may be required to file certain documents with, or receive approvals from, the relevant state authorities, and Purchaser might be unable to accept for payment or purchase Shares tendered pursuant to the Offer or be delayed in continuing or consummating the Offer. In such case, Purchaser may not be obligated to accept for purchase, or pay for, any Shares tendered. See Section 13.

Appraisal Rights. No appraisal rights are available in connection with the Offer. If the Merger is consummated, however, stockholders of the Company who have not tendered their Shares will have certain rights under the DGCL to dissent and demand appraisal of, and to receive payment in cash of the fair value of, their Shares. Under Section 262 of the DGCL, dissenting stockholders of the Company who comply with the applicable statutory procedures will be entitled to a judicial determination of the fair value of their Shares (exclusive of any element of value arising from the accomplishment or expectation of the Merger) and to receive payment of such fair value in cash, together with a fair rate of interest thereon, if any. Any such judicial determination of the fair value of the Shares could be based upon factors other than, or in addition to, the price per Share to be paid in the Merger or the market value of the Shares. The value so determined could be more or less than the price per Share to be paid in the Merger.

The foregoing summary of the rights of dissenting stockholders under the DGCL does not purport to be a complete statement of the procedures to be followed by stockholders desiring to exercise any appraisal rights under the DGCL. The preservation and exercise of appraisal rights require strict adherence to the applicable provisions of the DGCL.

"Going Private" Transactions. Rule 13e-3 under the Exchange Act is applicable to certain "going private" transactions and may under certain circumstances be applicable to the Merger. However, Rule 13e-3 will be inapplicable if (a) the Shares are deregistered under the Exchange Act prior to the Merger or another business combination or (b) the Merger or other business combination is consummated within one year after the purchase of the Shares pursuant to the Offer and the amount paid per Share in the Merger or other business combination is at least equal to the amount paid per Share in the Offer. Neither Parent nor Purchaser believes that Rule 13e-3 will be applicable to the Merger.

15. Fees and Expenses

Purchaser has retained LaSalle Bank National Association as Depositary and Georgeson Shareholder Communications, Inc. as Information Agent in connection with the Offer. LaSalle Bank National Association and Georgeson Shareholder Communications, Inc. will receive customary compensation and reimbursement for reasonable out-of-pocket expenses, as well as indemnification against certain liabilities in connection with the Offer, including liabilities under applicable securities laws.

Except as set forth above, Purchaser will not pay any fees or commissions to any broker or dealer or other person for soliciting tenders of Shares pursuant to the Offer. Brokers, dealers, commercial banks and trust companies will upon request be reimbursed by Purchaser for customary mailing and handling expenses incurred by them in forwarding the offering material to their customers.

16. Miscellaneous

The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. However, Purchaser may, in its sole discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and extend the Offer to holders of Shares in such jurisdiction.

Neither Purchaser nor Parent is aware of any jurisdiction in which the making of the Offer or the acceptance of Shares in connection therewith would not be in compliance with the laws of such jurisdiction.

Purchaser and Parent have filed with the Commission the Schedule TO (including exhibits) pursuant to Rule 14d-3 under the Exchange Act, furnishing certain additional information with respect to the Offer and may file amendments thereto. The Schedule TO and any amendments thereto, including exhibits, may be examined and copies may be obtained from the principal office of the Commission in Washington, D.C. in the manner set forth in Section 8 with respect to information concerning the Company.

During the last five years, neither Purchaser nor Parent nor, to the best of their knowledge, any of the persons listed in Schedule A, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or has been a party to any civil, judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting or requiring activities subject to, the securities laws of any jurisdiction, or a finding of any violation of the securities laws of any jurisdiction.

No person has been authorized to give any information or make any representation on behalf of Parent or Purchaser not contained in this Offer to Purchase or in the Letter of Transmittal and, if given or made, such information or representation must not be relied upon as having been authorized.

SOLAR ACQUISITION CORP.

SCHEDULE A

DIRECTORS AND EXECUTIVE OFFICERS OF
PARENT AND PURCHASER

Parent. Set forth below are the name, business address and present principal occupation or employment, and material occupations, positions, offices or employment for the past five years of each director and executive officer of Parent. The business address of each such person is One Financial Plaza, Hartford, CT 06101. Unless otherwise indicated, each such person is a citizen of the United States and has held his or her present position as set forth below for the past five years. Directors of Parent are indicated by an asterisk.

Name, Citizenship and Current Business Address	Age	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
Jonathan W. Ayers................	44	President, Carrier Corporation; previously President Asian Pacific Operations, Carrier Corporation and Vice President, Strategic Planning for Parent
Dean C. Borgman..................	59	President, Sikorsky Aircraft Corp.; previously Senior Vice President, The Boeing Company (helicopter unit); former President, McDonnell Douglas' helicopter business
Ari Bousbib .... Citizenship: French/Portuguese	39	Vice President, Corporate Strategy and Development of Parent since 1997; previously Managing Director, the Strategic Partners Group; Partner, Booz, Allen & Hamilton
William L. Bucknall, Jr..........	58	Senior Vice President, Human Resources & Organization, of Parent since 1992
John F. Cassidy, Jr..............	56	Senior Vice President, Science and Technology, of Parent since 1998; previously Vice President, United Technologies Research Center
Antonia Handler Chayes*..........	71	Senior Advisor and Vice Chair of the Board of Conflict Management Group, a non-profit conflict resolution consulting firm; Adjunct Lecturer at the J. F. Kennedy School of Government at Harvard University; Undersecretary of the United States Air Force, 1979 to 1981; Co-Director of the Project on International Law and Conflict Management at the Program on Negotiation at Harvard Law School; member of the American Law Institute, the Council on Foreign Relations and the Aspen Strategy Core Group; director of Parent since 1981
Louise Chenevert.................	43	President, Pratt & Whitney since 1999; Executive Vice President, Pratt & Whitney for operations, worldwide purchasing, and aftermarket business from June 1998-1999; Executive Vice President for operations of Pratt & Whitney from January 1997-1998; joined Pratt & Whitney Canada in 1993
George David*....................	58	Director of Parent since 1992; Chairman of Parent since 1997; Chief Executive Officer of Parent since 1994; President of Parent from 1992 to 1999; Board Member of the Institute for International Economics; Chairman or President of the Boards of the Graduate School of Business Administration at

the University of Virginia, the
National Minority Supplier Development
Council, and the Wadsworth Atheneum
Museum of Art in Hartford, Connecticut;
Co-Chair the Transatlantic Business
Dialogue for the year 2000

Name, Citizenship and Current Business Address	Age	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
John E. Evard, Jr.	54	Vice President, Taxes of Parent since 2000; previously Senior Vice President Corporate Development and General Tax Counsel, CNH Global N.V.; Director, Tax, Case Corporation
David J. Fitzpatrick............	46	Senior Vice President, Chief Financial Officer and Treasurer of Parent since 2000; Senior Vice President and Chief Financial Officer, Parent, 1998-2000; previously Vice President and Controller, Eastman Kodak Co.; Finance Director, Cadillac Luxury Car Division, Chief Accounting Officer, General Motors Corp.
Jean-Pierre Garnier, Ph.D.*......	52	Director of Parent since 1997; Chief Executive Officer and Executive Member of the Board of Directors of SmithKline Beecham plc, Philadelphia, PA (pharmaceuticals); Chief Executive Officer of GlaxoSmithKline plc; previously Chief Operating Officer and Executive Member of the Board of Directors of SmithKline Beecham plc; Chairman, SmithKline Beecham plc, Pharmaceuticals from 1994-1995; Director of the Eisenhower Exchange Fellowships
Jamie S. Gorelick*..............	50	Director of Parent since February, 2000; Vice Chair, Fannie Mae, since 1997; Deputy Attorney General of the United States, 1994 to 1997; Harvard Board of Overseers and the Boards of America's Promise, the Carnegie Endowment for International Peace, and the Washington Legal Clinic for the Homeless and other civic organizations; member of the Council of the American Law Institute and the Council on Foreign Relations; serves on the Central Intelligence Agency's National Security Advisory Panel
Ruth R. Harkin..................	56	Senior Vice President, International Affairs and Government Relations of Parent since 1997; previously President and Chief Executive Officer, Overseas Private Investment Corporation
Karl J. Krapek*.................	51	Director of Parent since 1997; President and Chief Operating Officer of Parent since 1999. Previously Executive Vice President of Parent, 1997 to 1999; President, Pratt & Whitney, 1992 to 1999; Chairman of the Board of Directors of the Connecticut Capitol Region Growth Council; Chairman of the MetroHartford Millennium Management Group; Vice Chairman of the Board of Trustees of the Connecticut State University System and Chairman of Finance Committee; member of the Director's Advisory Board of the Yale Cancer Center; Director of Saint Francis Care, Inc.; 1999 General Campaign Chairman for the United Way and Combined Health Appeal Community Campaign in Hartford area
Robert F. Leduc.................	44	Executive Vice President and Chief Operating Officer, Pratt & Whitney;

previously Executive Vice President,
Pratt & Whitney

Name, Citizenship and Current Business Address	Age	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
Charles R. Lee*.................	60	Director of Parent since 1994; Chairman and Co-Chief Executive Officer, Verizon Communications; Chairman and Chief Executive Officer of GTE Corporation, 1992 to 2000; Director of The Procter & Gamble Company; Director of the USX Corporation; member of The Business Roundtable and The Business Council; Trustee of the Board of Trustees of Cornell University; Director of the New American Schools Emeritus Corporation; member of The Conference Board; Director of the Stamford Hospital Foundation
Richard D. McCormick*...........	60	Director of Parent since February, 1999; Chairman Emeritus U S WEST, Inc., Denver, Colorado (telecommunications). Previously Chairman, U S WEST, Inc., 1998 to 1999; Chairman, President and Chief Executive Officer U S WEST, Inc., 1992 to 1998; Director of United Airlines; Director of Wells Fargo and Company; Director of Concept Five Technologies; Chairman of the United States Council for International Business; Vice President of the International Chamber of Commerce; Director of Creighton University; will serve as President of the International Chamber of Commerce, beginning 2001 member of the Business Council; Trustee of the Denver Art Museum; Board Member of the American Indian College Fund
Ronald F. McKenna...............	60	President, Hamilton Sundstrand since June 21, 1999; Executive Vice President and Chief Operating Officer of Hamilton Sundstrand, Aerospace, May 6, 1996 to June 21, 1996; Vice President of Business Development, Sunstrand Aerospace, January, 1995 to May, 1996; Vice President and General Manager of Sunstrand Aerospace Electric Power, December, 1989 to January, 1995
Angelo J. Messina...............	47	Vice President, Financial Planning and Analysis of Parent since 1998; previously Director, Financial Planning and Analysis, of Parent; Vice President, Strategic Planning, Pratt & Whitney; Director, Investor Relations, of Parent
David G. Nord...................	43	Vice President, Controller of Parent since 2000; previously Acting Controller; Assistant Controller, Financial Reporting and Accounting of Parent; Corporate Controller, Pittston Co.
Stephen F. Page.................	60	Executive Vice President of Parent and President and Chief Executive Officer, Otis Elevator since 1997; previously Executive Vice President and Chief Financial Officer of Parent
Frank P. Popoff*................	64	Director of Parent since 1996; Chairman, The Dow Chemical Company, Midland, Michigan, will retire, effective November 1, 2000; previously, Chief Executive Officer of The Dow Chemical Company; Director of American

Express Company; Quest Communications
International, Inc.; Chemical Financial
Corporation; and Michigan Molecular
Institute; previously Chairman of
Chemical Manufacturers Association;
member of the Business Council for
Sustainable Development; The

Name, Citizenship and Current Business Address	Age	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
		Business Council; the Council for Competitiveness; the American Chemical Society; and director emeritus of the Indiana University Foundation
William H. Trachsel.............	57	Senior Vice President, General Counsel and Secretary of Parent since 1998; previously Vice President, Secretary and Deputy General Counsel of Parent
Andre Villeneuve*...............	55	Director of Parent since 1997; Chairman of Instinet Corporation, Reuter's electronic brokerage subsidiary; previously Executive Director of Reuters Holdings PLC, London, England (worldwide news information and services business), 1998 to February 2000; Director of CGU plc
Harold Wagner*..................	64	Director of Parent since 1994; Chairman and Chief Executive Officer, Air Products and Chemicals, Inc., Allentown, Pennsylvania (industrial gases and chemicals); previously Chairman, President and Chief Executive Officer, Air Products and Chemicals, Inc., 1992 to 1998; Director of CIGNA Corporation; PACCAR Inc.; Daido-Hoxan; Member of The Business Council; the Policy Committee of The Business Roundtable; Member of the Pennsylvania Business Roundtable; serves on the Board of Trustees of Lehigh University
Sanford I. Weill*...............	67	Director of Parent since 1999; Chairman and Chief Executive Officer of Citigroup, Inc.; previously Chairman and Co-Chief Executive Officer of Citigroup, Inc., 1998 to 2000; Chairman and Chief Executive Officer of Travelers Group Inc., 1993 to 1998; Director of AT&T Corporation; E.I. duPont de Nemours & Company; Chairman of the Board of Trustees of Carnegie Hall; Member of the Business Roundtable; the Business Council; the Board of Directors of the Baltimore Symphony; the Board of Governors of New York Presbyterian Hospital; the Board of Overseers of the Weill Medical College; Graduate School of Medical Sciences of Cornell University and other civic organizations.

Purchaser. Set forth below are the name, business address and present principal occupation or employment, and material occupations, positions, offices or employment for the past five years of the directors and executive officers of Purchaser. Except as otherwise noted, the business address of such person is One Financial Plaza, Hartford, CT 06101. Unless otherwise indicated, such person is a citizen of the United States.

Name, Citizenship and Current Business Address	Age	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
Ari Bousbib .... Citizenship: French/Portuguese	39	Director of Purchaser since October, 2000; President of Purchaser since October 2000; Vice President, Corporate Strategy and Development of Parent since 1997;

		previously Managing Director, the Strategic Partners Group; Partner, Booz, Allen & Hamilton
Lawrence V. Mowell............	52	Vice-President, Treasurer and Secretary of Purchaser since October, 2000; Associate General Counsel of Parent since 1998; Vice President and General Counsel, UT Finance 1992-1998

Facsimile copies of the Letter of Transmittal will be accepted. The Letter of Transmittal, certificates for the Shares and any other required documents should be sent by each stockholder of the Company or such stockholder's broker-dealer, commercial bank, trust company or other nominee to the Depositary as follows:

The Depositary For The Offer Is:

LaSalle Bank National Association

By Mail/Overnight Courier:

LaSalle Bank National Association
Attention: Corporate Trust Operations
135 South LaSalle Street
Suite 1811
Chicago, Illinois 60603

By Facsimile Transmission:
(For Eligible Institutions Only)

(312) 904-2236

Confirm Facsimile Transmission:
By Telephone Only:

(312) 904-2450

Any questions or requests for assistance or additional copies of the Offer to Purchase and the Letter of Transmittal may be directed to the Information Agent at its telephone number and location listed below. You may also contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

[Logo of Georgeson Shareholder Communications Inc.]

17 State Street, 10th Floor
New York, New York 10004
Banks and brokers call collect: (212) 440-9800
All others call toll free: (888) 223-2064

Letter of Transmittal

To Tender Shares of Common Stock

of

Specialty Equipment Companies, Inc.

at

$30.50 Net Per Share

by

Solar Acquisition Corp.

a wholly owned subsidiary of

United Technologies Corporation

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON MONDAY, NOVEMBER 20, 2000, UNLESS THE OFFER IS EXTENDED.

The Depositary for the Offer is:

LaSalle Bank National Association

By Mail/Overnight Courier:

LaSalle Bank National Association
Attention: Corporate Trust Operations
135 South LaSalle Street
Suite 1811
Chicago, Illinois 60603

By Facsimile Transmission:
(For Eligible Institutions Only)
(312) 904-2236

Confirm Facsimile Transmission:
By Telephone Only:
(312) 904-2450

DESCRIPTION OF SHARES TENDERED

Name(s) and Address(es) of Registered Owner(s) (Please fill in, if blank, Exactly as Name(s) Appear(s) on Certificate(s))	Shares Tendered (Attach Additional List if Necessary)		
	Certificate Number(s)(*)	Total Number of Shares Represented By Certificate(s)(*)	Number of Shares Tendered(**)
	Total Shares		

(*) Need not be completed by Book-Entry Stockholders.
(**) Unless otherwise indicated, it will be assumed that all Shares described above are being tendered. See Instruction 4.

Delivery Of This Letter Of Transmittal To An Address Other Than As Set Forth Above Or Transmission Of Instructions Via A Facsimile Transmission To A Number Other Than As Set Forth Above Will Not Constitute A Valid Delivery.

The Instructions Accompanying This Letter Of Transmittal Should Be Read Carefully Before Completing This Letter Of Transmittal.

This Letter of Transmittal is to be used either if certificates for Shares (as defined below) are to be forwarded herewith or, unless an Agent's Message (as defined in Section 3 of the Offer to Purchase (as defined below)) is utilized, if delivery of Shares is to be made by book-entry transfer to an account maintained by the Depositary (as defined in the Introduction to the Offer to Purchase) at the Book-Entry Transfer Facility (as defined in Section 2 of the Offer to Purchase) pursuant to the procedures set forth in Section 3 of the Offer to Purchase. Stockholders who deliver Shares by book-entry transfer are referred to herein as "Book-Entry Stockholders" and other stockholders are referred to herein as "Certificate Stockholders." Stockholders whose certificates for Shares are not immediately available or who cannot comply with the procedure for book-entry transfer on a timely basis, or who cannot deliver all required documents to the Depositary prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase), may tender their Shares in accordance with the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. See Instruction 2. Delivery of documents to the Book-Entry Transfer Facility in accordance with the Book-Entry Transfer Facility's procedures does not constitute delivery to the Depositary.

[_]CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO AN ACCOUNT MAINTAINED BY THE DEPOSITARY WITH THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING (ONLY FINANCIAL INSTITUTIONS THAT ARE PARTICIPANTS IN THE BOOK-ENTRY TRANSFER FACILITY MAY DELIVER SHARES BY BOOK-ENTRY TRANSFER):

Name of Tendering Institution: ____

Account Number: ____

Transaction Code Number: ____

[_]CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Registered Owner(s) ____

Date of Execution of Notice of Guaranteed Delivery _________________________

Name of Institution which Guaranteed Delivery ______________________________

Account Number ____

Transaction Code Number ____

NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

The undersigned hereby tenders to Solar Acquisition Corp., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of United Technologies Corporation, a Delaware corporation ("Parent"), the above-described shares of common stock, par value $.01 per share (the "Shares"), of Specialty Equipment Companies, Inc., a Delaware corporation (the "Company"), pursuant to the Offer to Purchase, dated October 23, 2000 (the "Offer To Purchase"), at a price of $30.50 per Share, net to the seller in cash, on the terms and subject to the conditions set forth in the Offer to Purchase, receipt of which is hereby acknowledged, and this Letter of Transmittal (which, together with the Offer to Purchase, constitute the "Offer"). The undersigned understands that Purchaser reserves the right to transfer or assign, from time to time, in whole or in part, to one or more of its affiliates, the right to purchase the Shares tendered herewith.

On the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of such extension or amendment), subject to, and effective upon, acceptance for payment of, and payment for, the Shares tendered herewith in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to, or upon the order of, Purchaser, all right, title and interest in and to all of the Shares being tendered hereby and any and all cash dividends, distributions, rights, other Shares or other securities issued or issuable in respect of such Shares on or after October 18, 2000 (collectively, "Distributions"), and appoints LaSalle Bank National Association (the "Depositary") the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares (and any Distributions) with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to the fullest extent of such stockholder's rights with respect to such Shares (and any Distributions) (a) to deliver such Share Certificates (as defined in the Instructions below) (and any Distributions) or transfer ownership of such Shares (and any Distributions) on the account books maintained by the Book-Entry Transfer Facility, together, in either such case, with all accompanying evidence of transfer and authenticity, to or upon the order of Purchaser, (b) to present such Shares (and any Distributions) for transfer on the books of the Company and (c) to receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares (and any Distributions), all in accordance with the terms and the conditions of the Offer.

The undersigned hereby irrevocably appoints the designees of Purchaser, and each of them, the attorneys-in-fact and proxies of the undersigned, each with full power of substitution, to the full extent of such stockholder's rights with respect to the Shares tendered hereby which have been accepted for payment and with respect to any Distributions. The designees of Purchaser will, with respect to the Shares (and any associated Distributions) for which the appointment is effective, be empowered to exercise all voting and any other rights of such stockholder, as they, in their sole discretion, may deem proper at any annual, special or adjourned meeting of the Company's stockholders, by written consent in lieu of any such meeting or otherwise. This proxy and power of attorney shall be irrevocable and coupled with an interest in the tendered Shares. Such appointment is effective when, and only to the extent that, Purchaser deposits the payment for such Shares with the Depositary. Upon the effectiveness of such appointment, without further action, all prior powers of attorney, proxies and consents given by the undersigned with respect to such Shares will be revoked and no subsequent powers of attorney, proxies, consents or revocations may be given (and, if given, will not be deemed effective). Purchaser reserves the right to require that, in order for Shares to be deemed validly tendered, immediately upon Purchaser's acceptance for payment of such Shares, Purchaser must be able to exercise full voting rights, to the extent permitted under applicable law, with respect to such Shares, including voting at any meeting of stockholders or acting by consent in lieu of any such meeting.

Without limiting the foregoing, the undersigned, by the execution and delivery hereof, hereby consents, pursuant to Section 228 of the Delaware General Corporation Law, with respect to the above-described Shares, to the election of the following directors, designated by Purchaser, to fill the vacancies on the Board of Directors of the Company that are expected to result, after completion of the Offer, from the resignation of certain directors of the Company pursuant to the Agreement and Plan of Merger, dated as of October 13, 2000, among Parent, Purchaser and the Company. Such consent is effective when, and only to the extent that, Purchaser deposits the payment for the Shares tendered hereby with the Depositary. Such election of directors of the Company will occur without prior notice and without a meeting of stockholders, as more fully described in the Company's enclosed Proxy Statement, receipt of which is hereby acknowledged.

(a) If, after completion of the Offer, Parent beneficially owns greater than 50% but not greater than 55 5/9% of the issued and outstanding Shares, the following persons shall be elected as directors of the Company:

Mr. Azuwuike H. Ndukwu
Mr. Brian Lindroth
Mr. Robert E. Galli
Mr. George Minnich
Mr. Nicholas T. Pinchuk

(b) If, after completion of the Offer, Parent beneficially owns greater than 55 5/9% but not greater than 66 2/3% of the issued and outstanding Shares, the following persons shall be elected as directors of the Company:

Mr. Azuwuike H. Ndukwu
Mr. Brian Lindroth
Mr. Robert E. Galli
Mr. George Minnich
Mr. Nicholas T. Pinchuk
Mr. Christopher J. Brogan

(c) If, after completion of the Offer, Parent beneficially owns greater than 66 2/3% of the issued and outstanding Shares, the following persons shall be elected as directors of the Company:

Mr. Azuwuike H. Ndukwu
Mr. Brian Lindroth
Mr. Robert E. Galli
Mr. George Minnich
Mr. Nicholas T. Pinchuk
Mr. Christopher J. Brogan
Mr. Kevin T. Williams

The undersigned acknowledges and agrees that the consent provided hereby shall remain in full force and effect unless and until this Letter of Transmittal is, to the extent permitted by the Offer to Purchase, withdrawn in accordance with the procedures set forth in this Offer to Purchase.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares (and any Distributions) tendered hereby and, when the same are accepted for payment by Purchaser, Purchaser will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and the same will not be subject to any adverse claim. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depositary or Purchaser to be necessary or desirable to complete the sale, assignment and transfer of the Shares (and any Distributions) tendered hereby. In addition, the undersigned shall promptly remit and transfer to the Depositary for the account of Purchaser any and all Distributions in respect of the Shares tendered hereby, accompanied by appropriate documentation of transfer and, pending such remittance or appropriate assurance thereof, Purchaser shall be entitled to all rights and privileges as owner of any such Distributions and may withhold the entire purchase price or deduct from the purchase price the amount or value thereof, as determined by Purchaser in its sole discretion.

All authority conferred or agreed to be conferred pursuant to this Letter of Transmittal shall not be affected by, and shall survive, the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

The undersigned understands that the valid tender of Shares pursuant to one of the procedures described in Section 3 of the Offer to Purchase will constitute a binding agreement between the undersigned and Purchaser upon the terms and subject to the conditions of the Offer.

Unless otherwise indicated herein under "Special Payment Instructions", please issue the check for the purchase price and/or return any certificates for Shares not tendered or accepted for payment in the name(s) of the registered owner(s)

appearing under "Description of Shares Tendered." Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price and/or return any certificates for Shares not tendered or accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered owner(s) appearing under "Description of Shares Tendered". In the event that both the Special Delivery Instructions and the Special Payment Instructions are completed, please issue the check for the purchase price and/or issue any certificates for Shares not tendered or accepted for payment (and any accompanying documents, as appropriate) in the name of, and deliver such check and/or return such certificates (and any accompanying documents, as appropriate) to, the person or persons so indicated. The undersigned recognizes that Purchaser has no obligation pursuant to the Special Payment Instructions to transfer any Shares from the name of the registered owner thereof if Purchaser does not accept for payment any of the Shares so tendered.

SPECIAL PAYMENT INSTRUCTIONS (See Instructions 1, 5, 6 and 7)

To be completed ONLY if certificate(s) for Shares not tendered or not accepted for payment and/or the check for the purchase price of Shares accepted for payment are to be issued in the name of someone other than the undersigned.

Issue: [_] Check
and/or [_] Certificates to:

Name: ____________________________
(Please Print)

Address: ________________________

____
(Include Zip Code)

____
(Tax Identification or Social Security Number)

SPECIAL DELIVERY INSTRUCTIONS (See Instructions 1, 5 and 7)

To be completed ONLY if certificate(s) for Shares not tendered or not accepted for payment and/or the check for the purchase price of Shares accepted for payment are to be sent to someone other than the undersigned or to the undersigned at an address other than that shown above.

Deliver: [_] Check
and/or [_] Certificates to:

Name: ____________________________
(Please Print)

Address: ________________________

____
(Include Zip Code)

____
(Tax Identification or Social Security Number)

IMPORTANT--SIGN HERE
(Please Complete Substitute Form W-9 Below)

(Signature(s) of Holder(s))

Dated: , 2000

(Must be signed by registered owner(s) exactly as name(s) appear(s) on stock certificate(s) or on a security position listing or by person(s) authorized to become registered owner(s) by certificates and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5.)

Name(s): ____

(Please Print)

Capacity (Full Title): ________________________________

Address: ____

(Include Zip Code)

Area Code and Telephone Number: _______________________

Tax Identification or
Social Security No.: __________________________________

GUARANTEE OF SIGNATURE(S)
(See Instructions 1 and 5)

Authorized Signature: _________________________________

Name: ____
(Please Type or Print)

Address: ____

(Include Zip Code)

Name of Firm: ____

Dated: , 2000

INSTRUCTIONS

Forming Part of the Terms and Conditions of the Offer

1. Guarantee of Signatures. Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a participant in the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Guarantee Program or the Stock Exchange Medallion Program (each, an "Eligible Institution"). Signatures on this Letter of Transmittal need not be guaranteed (a) if this Letter of Transmittal is signed by the registered owner(s) (which term, for purposes of this document, includes any participant in any of the Book-Entry Transfer Facility's systems whose name appears on a security position listing as the owner of the Shares) of Shares tendered herewith and such registered owner has not completed the box titled "Special Payment Instructions" or the box titled "Special Delivery Instructions" on this Letter of Transmittal or (b) if such Shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. Delivery of Letter of Transmittal and Certificates or Book-Entry Confirmations. This Letter of Transmittal is to be used either if certificates are to be forwarded herewith or, unless an Agent's Message is utilized, if tenders are to be made pursuant to the procedures for tender by book-entry transfer set forth in Section 3 of the Offer to Purchase. Certificates for all physically tendered Shares ("Share Certificates"), or confirmation of any book-entry transfer into the Depositary's account at the Book-Entry Transfer Facility of Shares tendered by book-entry transfer ("Book Entry Confirmation"), as well as this Letter of Transmittal properly completed and duly executed with any required signature guarantees, unless an Agent's Message in the case of a book-entry transfer is utilized, and any other documents required by this Letter of Transmittal, must be received by the Depositary at its address set forth herein on or prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase).

Stockholders whose certificates for Shares are not immediately available or who cannot deliver all other required documents to the Depositary on or prior to the Expiration Date or who cannot comply with the procedures for book-entry transfer on a timely basis, may nevertheless tender their Shares by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution; (b) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by Purchaser must be received by the Depositary prior to the Expiration Date; and (c) Share Certificates for all tendered Shares, in proper form for transfer (or a Book Entry Confirmation with respect to such Shares), as well as a Letter of Transmittal (or facsimile thereof), properly completed and duly executed with any required signature guarantees (unless, in the case of a book-entry transfer, an Agent's Message is utilized), and all other documents required by this Letter of Transmittal, must be received by the Depositary within three New York Stock Exchange Inc. trading days after the date of execution of such Notice of Guaranteed Delivery.

A properly completed and duly executed Letter of Transmittal (or facsimile thereof) must accompany each such delivery of Share Certificates to the Depositary.

THE METHOD OF DELIVERY OF SHARE CERTIFICATES AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH THE BOOK-ENTRY TRANSFER FACILITY, IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER. DELIVERY OF ALL SUCH DOCUMENTS WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION). IF SUCH DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT ALL SUCH DOCUMENTS BE SENT BY PROPERLY INSURED REGISTERED MAIL WITH RETURN RECEIPT REQUESTED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

No alternative, conditional or contingent tenders will be accepted and no fractional Shares will be purchased. All tendering stockholders, by execution of this Letter of Transmittal (or facsimile thereof), waive any right to receive any notice of the acceptance of their Shares for payment.

3. Inadequate Space. If the space provided herein is inadequate, the certificate numbers and/or the number of Shares should be listed on a separate schedule attached hereto and separately signed on each page thereof in the same manner as this Letter of Transmittal is signed.

4. Partial Tenders (Applicable to Certificate Stockholders Only). If fewer than all the Shares evidenced by any certificate submitted are to be tendered, fill in the number of Shares which are to be tendered in the box titled "Number of Shares Tendered." In such cases, new certificate(s) for the remainder of the Shares that were evidenced by the old certificate(s) but not tendered will be sent to the registered owner, unless otherwise provided in the appropriate box on this Letter of Transmittal, as soon as practicable after the Expiration Date. All Shares represented by certificates delivered to the Depositary will be deemed to have been tendered unless otherwise indicated.

5. Signatures on Letter of Transmittal; Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered owner(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the certificate(s) without alteration, enlargement or any other change whatsoever.

If any of the Shares tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any of the tendered Shares are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal (or facsimiles thereof) as there are different registrations of certificates.

If this Letter of Transmittal or any certificates or stock powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and proper evidence satisfactory to Purchaser of their authority so to act must be submitted.

If this Letter of Transmittal is signed by the registered owner(s) of the Shares listed and transmitted hereby, no endorsements of certificates or separate stock powers are required unless payment is to be made to, or certificates for Shares not tendered or accepted for payment are to be issued in the name of, a person other than the registered owner(s). Signatures on such certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the certificate(s) listed, the certificate(s) must be endorsed or accompanied by the appropriate stock powers, in either case, signed exactly as the name or names of the registered owner(s) or holder(s) appear(s) on the certificate(s). Signatures on such certificates or stock powers must be guaranteed by an Eligible Institution.

6. Stock Transfer Taxes. Purchaser will pay any stock transfer taxes with respect to the transfer and sale of Shares to it or to its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or (in the circumstances permitted hereby) if certificates for Shares not tendered or accepted for payment are to be registered in the name of, any person other than the registered owner(s), or if tendered certificates are registered in the name of any person other than the person signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered owner(s) or such person) payable on account of the transfer to such person will be deducted from the purchase price if satisfactory evidence of the payment of such taxes, or exemption therefrom, is not submitted.

Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the Share Certificates listed in this Letter of Transmittal.

7. Special Payment and Delivery Instructions. If a check is to be issued in the name of, and/or certificates for Shares not tendered or accepted for payment are to be issued or returned to, a person other than the signer(s) of this Letter of Transmittal or if a check and/or such certificates are to be mailed to a person other than the signer(s) of this Letter of Transmittal or to an address other than that shown above, the appropriate boxes on this Letter of Transmittal should be completed.

8. Requests for Assistance or Additional Copies. Questions or requests for assistance may be directed to the Information Agent at its address set forth below or from your broker, dealer, commercial bank or trust company. Additional copies of the Offer to Purchase, this Letter of Transmittal, the Notice of Guaranteed Delivery and other tender offer materials may be obtained from the Information Agent as set forth below, and will be furnished at Purchaser's expense.

9. Substitute Form W-9. Each tendering stockholder is required to provide the Depositary with a correct Taxpayer Identification Number ("TIN"), generally the stockholder's social security or federal employer identification number, on Substitute Form W-9 below, or otherwise establish such stockholder's exemption to the satisfaction of the Depositary. Failure to provide the information on the form may subject the tendering stockholder to 31 percent federal income tax backup withholding on the payment of the purchase price. The tendering stockholder may write "Applied For" in Part I of the Form if the tendering stockholder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the stockholder has written "Applied for" in Part I of the Form, the stockholder must also complete the Certificate of Awaiting Taxpayer Identification Number. Notwithstanding that "Applied For" is written in Part I of the Substitute Form W-9 and that the stockholder has completed the Certificate of Awaiting Taxpayer Identification Number, the Depositary will withhold 31 percent of all payments of the purchase price thereafter until a TIN is provided to the Depositary, unless the stockholder has filed a Form W-8BEN or otherwise established an exemption. See Important Tax Information below.

10. Lost, Destroyed, Mutilated or Stolen Certificates. If any certificate(s) representing Shares has been lost, destroyed, mutilated or stolen, the stockholder should promptly notify the Company's stock transfer agent, LaSalle Bank National Association at 135 South LaSalle Street, Suite 1811, Chicago, Illinois, 60603, Att: Corporate Trust Office, Telephone (312) 904-2450, Fax (312) 904-2236. The stockholder will then be instructed as to the steps that must be taken in order to replace the certificate(s). This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, mutilated or destroyed certificates have been followed.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A FACSIMILE COPY THEREOF) OR AN AGENT'S MESSAGE, TOGETHER WITH SHARE CERTIFICATES OR BOOK-ENTRY CONFIRMATION OR A PROPERLY COMPLETED AND DULY EXECUTED NOTICE OF GUARANTEED DELIVERY AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE DEPOSITARY ON OR PRIOR TO THE EXPIRATION DATE.

IMPORTANT TAX INFORMATION

Under the federal income tax law, a stockholder whose tendered Shares are accepted for purchase is required by law to provide the Depositary with such stockholder's correct TIN on Substitute Form W-9 below and to certify that such TIN is correct (or that such stockholder is awaiting a TIN) or otherwise establish a basis for exemption from backup withholding. If such stockholder is an individual, the TIN is his or her social security number. If a stockholder fails to provide a correct TIN to the Depositary, such stockholder may be subject to a $50.00 penalty imposed by the Internal Revenue Service. In addition, payments that are made to such stockholder with respect to Shares purchased pursuant to the Offer may be subject to backup withholding of 31 percent.

Certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, that stockholder must generally submit a Form W-8BEN, signed under penalties of perjury, attesting to that individual's exempt status. A Form W-8BEN can be obtained from the Depositary.

If backup withholding applies, the Depositary is required to withhold 31 percent of any payments made to the stockholder or payee. Backup withholding is not an additional tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

If backup withholding applies and "Applied for" is written in Part I of the Substitute Form W-9 and the stockholder has completed the Certificate of Awaiting Taxpayer Identification Number, the Depositary will retain 31 percent of any payment of the purchase price for tendered Shares during the 60-day period following the date of the Substitute Form W-9. If a stockholder's TIN is provided to the Depositary within 60 days of the date of the Substitute Form W-9, payment of such retained amounts will be made to such stockholder. If a stockholder's TIN is not provided to the Depositary within such 60-day period, the Depositary will remit such retained amounts to the Internal Revenue Service as backup withholding and shall withhold 31 percent of any payment of the purchase price for the tendered Shares made to such stockholder thereafter unless such stockholder furnishes a TIN to the Depositary prior to such payment.

Purpose of Substitute Form W-9

To prevent backup withholding on payments made to a stockholder whose tendered Shares are accepted for purchase for stockholders other than foreign persons who provide an appropriate Form W-8BEN, the stockholder should complete and sign the Substitute Form W-9 included in this Letter of Transmittal and provide the stockholder's correct TIN and certify, under penalties of perjury, that the TIN provided on such Form is correct (or that such stockholder is awaiting a TIN) and that (i) such stockholder is exempt from backup withholding; (ii) such stockholder has not been notified by the Internal Revenue Service that such stockholder is subject to backup withholding as a result of failure to report all interest or dividends; or (iii) such Stockholder has been notified by the Internal Revenue Service that the stockholder is no longer subject to backup withholding. The stockholder must sign and date the Substitute Form W-9 where indicated, certifying that the information on such Form is correct.

What Number to Give the Depositary

The stockholder is required to give the Depositary the social security number or employer identification number of the record owner of the Shares. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which number to report.

TO BE COMPLETED BY ALL TENDERING STOCKHOLDERS
(See Instruction 9)

PAYER: LaSalle Bank National Association

SUBSTITUTE Form W-9

Department of the Treasury Internal Revenue Service

Request for Taxpayer Identification Number (TIN) and Certification

Name: ____

Address: ____

Check appropriate box: Corporation [_] Individual [_] Partnership [_] Other (specify) [_]

Part I. Please provide your taxpayer identification number in the space at right. If awaiting TIN, write "Applied For" in space at right and complete the Certificate of Awaiting Taxpayer Identification Number below.

SSN: ___________

EIN: ___________

Part II. For Payees exempt from backup withholding, see the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" and complete as instructed therein.

Part III. CERTIFICATION

Under penalties of perjury, I certify that:

(1) The number shown on this form is my correct Taxpayer Identification Number (or, as indicated, I am waiting for a number to be issued to me); and

(2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the IRS that I am subject to backup withholding as a result of a failure to report all interests or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Certification Instructions--You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting of interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item (2).

Signature ___________________________ Date ____ , 2000

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU WROTE "APPLIED FOR" IN PART I OF THIS SUBSTITUTE FORM W-9

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that, notwithstanding the information I provided in Part III of the Substitute Form W-9 (and the fact that I have completed this Certificate of Awaiting Taxpayer Identification Number), all reportable payments made to me hereafter will be subject to a 31 percent backup withholding tax until I provide a properly certified taxpayer identification number.

Signature ____ Date _________________

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31 PERCENT OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

The Depositary for the Offer is:

LaSalle Bank National Association

By Mail/Overnight Courier:
LaSalle Bank National Association
Attention: Corporate Trust Operations
135 South LaSalle Street
Suite 1811
Chicago, Illinois 60603

By Facsimile Transmission:
(For Eligible Institutions Only)
(312) 904-2236

Confirm Facsimile Transmission:
By Telephone Only:
(312) 904-2450

The Information Agent for the Offer is:

[LOGO OF GEORGESON SHAREHOLDER COMMUNICATIONS INC.]

17 State Street, 10th Floor
New York, NY 10004
Banks and Brokers Call Collect: (212) 440-9800
All Others Call Toll-Free: (800) 223-2064

October 23, 2000

Notice of Guaranteed Delivery

for

Offer to Purchase for Cash

All Outstanding Shares of Common Stock

of

Specialty Equipment Companies, Inc.

at

$30.50 Net Per Share

by

Solar Acquisition Corp.

a wholly owned subsidiary of

United Technologies Corporation

As set forth in Section 3 of the Offer to Purchase (as defined below), this form, or a form substantially equivalent to this form, must be used to accept the Offer (as defined below) if the certificates representing shares of common stock, par value $.01 per share, of Specialty Equipment Companies, Inc., a Delaware corporation (the "Company", and such stock, the "Shares"), are not immediately available or time will not permit all required documents to reach LaSalle Bank National Association (the "Depositary") prior to the Expiration Date (as defined in the Offer to Purchase) or the procedures for book-entry transfer cannot be completed on a timely basis. Such form may be delivered by hand or transmitted by facsimile or mailed to the Depositary and must include a guarantee by an Eligible Institution (as defined below). See Section 3 of the Offer to Purchase.

The Depositary for the Offer is:

LaSalle Bank National Association

By Mail/Overnight Courier:
LaSalle Bank National Association
Attention: Corporate Trust Operations
135 South LaSalle Street
Suite 1811
Chicago, Illinois 60603

By Facsimile Transmission:
(For Eligible Institutions Only)
(312) 904-2236

To Confirm Facsimile Transmission:
By Telephone Only:
(312) 904-2450

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN AS LISTED ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

This Notice of Guaranteed Delivery is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an Eligible Institution under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

Ladies and Gentlemen:

The undersigned hereby tenders to Solar Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of United Technologies Corporation, a Delaware corporation, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated October 23, 2000 (the "Offer to Purchase"), and the related Letter of Transmittal (which, as amended or supplemented from time to time, together constitute the "Offer"), receipt of which is hereby acknowledged, the number of Shares indicated below pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase.

Number of Shares: ______________

Share Certificate Numbers (if available):
____

____

If Shares will be delivered by book-entry transfer:

Account Number: ________________________

Date: , 2000

Name(s) of Record Holder(s):
____
____
Please Type or Print

Address(es): ___________________

Zip Code _______________________
____

Telephone Number:
____
Area Code

Signature(s):
____
____

GUARANTEE OF DELIVERY
(Not to be used for signature guarantee)

The undersigned, a participant in the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Guarantee Program or the Stock Exchange Medallion Program (each, an "Eligible Institution"), hereby guarantees that either the certificates representing the Shares tendered hereby in proper form for transfer or timely confirmation of a book-entry transfer of such Shares into the Depositary's account at the Book-Entry Transfer Facility (as defined in and pursuant to procedures set forth in Section 3 of the Offer to Purchase), together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof) with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message (as defined in Section 3 of the Offer to Purchase)) and any other documents required by the Letter of Transmittal, will be received by the Depositary at one of its addresses set forth above within three (3) New York Stock Exchange Inc. trading days after the date of execution hereof.

The Eligible Institution that completes this form must communicate the guarantee to the Depositary and must deliver the Letter of Transmittal, certificates for Shares and/or any other required documents to the Depositary within the time period shown above. Failure to do so could result in a financial loss to such Eligible Institution.

Name of Firm: ____

Address: ____
Zip Code

Area Code and
Telephone Number: ____

Authorized Signature

Name: ____
Please Type or Print

Title: ____

Dated: ____ , 2000

NOTE: DO NOT SEND CERTIFICATES FOR SHARES WITH THIS NOTICE OF GUARANTEED DELIVERY. CERTIFICATES FOR SHARES ARE TO BE DELIVERED WITH THE LETTER OF TRANSMITTAL.

Offer to Purchase for Cash

All Outstanding Shares of Common Stock

of

Specialty Equipment Companies, Inc.

at

$30.50 Net Per Share

by

Solar Acquisition Corp.

a wholly owned subsidiary of

United Technologies Corporation

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON MONDAY, NOVEMBER 20, 2000, UNLESS THE OFFER IS EXTENDED.

October 23, 2000

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

We have been engaged by Solar Acquisition Corp., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of United Technologies Corporation, a Delaware corporation ("Parent"), to act as Information Agent in connection with its offer to purchase all of the outstanding shares of common stock, par value $.01 per share, of Specialty Equipment Companies, Inc., a Delaware corporation (the "Company", and such stock, the "Shares"), at $30.50 per Share, net to the seller in cash (the "Offer Price"), without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated October 23, 2000 (the "Offer to Purchase"), of Purchaser and in the related Letter of Transmittal (which, as amended or supplemented from time to time, together constitute the "Offer"). Please furnish copies of the enclosed materials to those of your clients for whom you hold Shares registered in your name or in the name of your nominee.

The Offer is conditioned upon, among other things, (a) there having been validly tendered and not properly withdrawn prior to the expiration of the Offer that number of Shares which, when aggregated with any Shares then beneficially owned by Parent (excluding Shares held by an employee benefit plan), represents at least a majority of all of the issued and outstanding Shares on a fully diluted basis, assuming the exercise of all outstanding Company stock options, and (b) the expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the expiration or termination of any waiting period and the receipt of any required approvals under any foreign antitrust and competition laws or regulations applicable to the purchase of Shares pursuant to the Offer or the Merger. Certain other conditions to the Offer are described in Section 13 of the Offer to Purchase.

Enclosed herewith are the following documents:

1. Offer to Purchase, dated October 23, 2000;

2. Letter of Transmittal to be used by stockholders of the Company in accepting the Offer;

3. Notice of Guaranteed Delivery;

4. Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9;

5. Letter to stockholders of the Company from the President and Chief Executive Officer of the Company, accompanied by the Company's Solicitation/Recommendation Statement on Schedule 14D-9;

6. Notice to stockholders of the Company from the Executive Vice President and Secretary of the Company, accompanied by a Proxy Statement on Schedule 14A;

7. A printed form of a letter that may be sent to your clients for whose account you hold Shares in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer; and

8. Return envelope addressed to LaSalle Bank National Association, the Depositary.

The Offer is being made pursuant to an Agreement and Plan of Merger (the "Merger Agreement"), dated as of October 13, 2000, among the Company, Parent and Purchaser, pursuant to which, after completion of the Offer and the satisfaction or waiver of certain conditions, Purchaser will be merged with and into the Company and the Company will be the surviving corporation (the "Merger") and each issued and outstanding Share (other than Shares owned by Parent, Purchaser or any subsidiary of Parent, Purchaser or the Company or held in the treasury of the Company, or held by stockholders who properly exercise appraisal rights under the Delaware General Corporation Law, if any) will, by virtue of the Merger and without any action on the part of Purchaser, the Company or the holder thereof, be canceled and converted into the right to receive an amount in cash, without interest, equal to the Offer Price, upon surrender of the certificate representing such Share. The Merger Agreement is more fully described in the Offer to Purchase.

The Board of Directors of the Company has unanimously approved the Merger Agreement, the Offer and the Merger, determined that the Offer and the Merger are advisable and fair to and in the best interest of the holders of Shares and unanimously recommends that stockholders accept the Offer, tender their Shares pursuant to the Offer and approve the Merger.

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), Purchaser will be deemed to have accepted for payment, and will pay for, all Shares validly tendered and not properly withdrawn as soon as practicable after the Expiration Date (as defined in the Offer to Purchase), if and when Purchaser gives oral or written notice to the Depositary of Purchaser's acceptance of the tenders of such Shares for payment pursuant to the Offer. Purchaser expressly reserves the right, subject to applicable rules of the Securities and Exchange Commission, to delay acceptance for payment of, or payment for, Shares in order to comply, in whole or in part, with any applicable law. Payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary, which will act as agent for the tendering stockholders for the purpose of receiving payments from Purchaser and transmitted such payments to the tendering stockholders. Under no circumstances will interest be paid on the purchase price for Shares, regardless of any extension of the Offer or any delay in making payment pursuant to the Offer.

In all cases, payment for shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (a) certificates for such Shares (or a Book-Entry Confirmation (as defined in the Offer to Purchase) with respect to such Shares), (b) a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees (or, in the case of a book-entry transfer effected pursuant to the procedure set forth in Section 3 of the Offer to Purchase, an Agent's Message (as defined in the Offer to Purchase) in lieu of the Letter of Transmittal) and (c) any other documents required by the Letter of Transmittal. Accordingly, tendering stockholders may be paid at different times depending upon when certificates for Shares or Book-Entry Confirmations with respect to Shares are actually received by the Depositary.

The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers that are licensed under the laws of such jurisdiction. An envelope in which to return your instructions to us is enclosed. If you authorize tender of your Shares, all such Shares will be tendered unless otherwise indicated in such instruction form. Please forward your instructions to us as soon as possible to allow us ample time to tender Shares on your behalf prior to the expiration of the Offer.

In order to tender Shares pursuant to the Offer, a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees, or an Agent's Message (in the case of any book-entry transfer), and any other documents required by the Letter of Transmittal, should be sent to the Depositary, and either certificates representing the tendered Shares should be delivered or such Shares must be delivered to the Depositary pursuant to the procedures for book-entry transfers, all in accordance with the instructions set forth in the Letter of Transmittal and

the Offer to Purchase.

Neither Parent nor Purchaser will pay any fees or commissions to any broker or dealer or other person (other than the Information Agent and the Depositary as described in the Offer to Purchase) in connection with the solicitation of tenders of Shares pursuant to the Offer. You will be reimbursed upon request for customary mailing and handling expenses incurred by you in forwarding the enclosed offering materials to your clients.

Your prompt action is requested. We urge you to contact your clients as promptly as possible. The Offer and withdrawal rights will expire at 12:00 midnight, New York City time, on Monday, November 20, 2000, unless the Offer is extended.

Any inquiries you may have with respect to the Offer may be addressed to the undersigned at the address and telephone numbers set forth on the back cover page of the Offer to Purchase. Additional copies of enclosed materials may be obtained from the Information Agent and will be furnished at Purchaser's expense.

Very truly yours,

Georgeson Communications, Inc.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL RENDER YOU OR ANY PERSON THE AGENT OF PURCHASER, PARENT, THE COMPANY, ANY AFFILIATE OF THE COMPANY, THE INFORMATION AGENT OR THE DEPOSITARY, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY REPRESENTATION ON BEHALF OF ANY OF THEM WITH RESPECT TO THE OFFER NOT CONTAINED IN THE OFFER TO PURCHASE OR THE LETTER OF TRANSMITTAL.

Offer to Purchase for Cash

All Outstanding Shares of Common Stock

of

Specialty Equipment Companies, Inc.

at

$30.50 Net Per Share

by

Solar Acquisition Corp.

a wholly owned subsidiary of

United Technologies Corporation

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON MONDAY, NOVEMBER 20, 2000, UNLESS THE OFFER IS EXTENDED.

October 23, 2000

To Holders of Common Stock of Specialty Equipment Companies, Inc.:

Enclosed for your information is an Offer to Purchase, dated October 23, 2000 ("Offer to Purchase"), and the related Letter of Transmittal (which, as amended or supplemented from time to time, together constitute the "Offer"), relating to the Offer by Solar Acquisition Corp., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of United Technologies Corporation, a Delaware corporation ("Parent"), to purchase all of the outstanding shares of common stock, par value $.01 per share, of Specialty Equipment Companies, Inc., a Delaware corporation (the "Company", and such stock, the "Shares"), at $30.50 per Share, net to the seller in cash (the "Offer Price"), without interest upon the terms and subject to the conditions set forth in the Offer to Purchase. Also enclosed are letters to stockholders of the Company from the President and Chief Executive Officer of the Company, accompanied by the Company's Solicitation/Recommendation Statement on Schedule 14D-9 and Proxy Statement on Schedule 14A.

We are the holder of record of Shares held by us for your account. A tender of such Shares can be made only by us as the holder of record and pursuant to your instructions. The Letter of Transmittal accompanying this letter is furnished to you for your information only and cannot be used by you to tender Shares held by us for your account.

We request instructions as to whether you wish to tender any or all of the Shares held by us for your account, pursuant to the terms and conditions set forth in the Offer.

Your attention is directed to the following:

1. The offer price is $30.50 per Share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions of the Offer.

2. The Offer is being made for all of the outstanding Shares.

3. The Offer is being made pursuant to an Agreement and Plan of Merger (the "Merger Agreement"), dated as of October 13, 2000, among the Company, Parent and Purchaser, pursuant to which, after completion of the Offer and the satisfaction or waiver of certain conditions, Purchaser will be merged with and into the Company and the Company will be the surviving corporation (the "Merger"), and each issued and outstanding Share (other than Shares owned by Parent, Purchaser or any subsidiary or affiliate of Parent, Purchaser or the Company or held in the treasury of the Company or held by stockholders who properly exercise appraisal rights under the Delaware General Corporate Law, if any) will, by virtue of the Merger, and without any action on the part of Purchaser, the Company or the holder thereof, be cancelled and converted into the right to receive an amount in cash, without interest, equal to the Offer Price paid by Purchaser pursuant to the Offer, upon surrender of the certificate representing such Share.

4. The Board of Directors of the Company has unanimously approved the Merger Agreement, the Offer and the Merger, determined that the Offer and the Merger are advisable and fair to and in the best interests of the holders of Shares and unanimously recommends that stockholders accept the Offer, tender their Shares pursuant to the Offer and approve the Merger.

5. The Offer is conditioned upon, among other things, (a) there having been validly tendered and not properly withdrawn prior to the expiration of the Offer, that number of Shares which, when aggregated with Shares then beneficially owned by Parent (excluding Shares held by an employee benefit plan), represents at least a majority of the issued and outstanding Shares on a fully diluted basis, assuming the exercise of all outstanding Company stock options, and (b) the expiration or termination of any waiting period under the Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended, and the expiration or termination of any waiting period and the receipt of any required approvals under any foreign antitrust and competition laws or regulations applicable to the purchase of Shares pursuant to the Offer or the Merger. The Offer is also subject to other terms and conditions, which are described in the Offer to Purchase.

6. The Offer and withdrawal rights will expire at 12:00 midnight, New York City time, on Monday, November 20, 2000, unless the Offer is extended.

7. Any stock transfer taxes applicable to the sale of Shares to Purchaser pursuant to the Offer will be paid by Purchaser, except as otherwise provided in Instruction 6 of the Letter of Transmittal.

If you wish to have us tender any or all of the Shares held by us for your account, please so instruct us by completing, executing and returning to us the instruction form set forth below. Please forward your instructions to us in ample time to permit us to submit a tender on your behalf prior to the expiration of the Offer. If you authorize the tender of your Shares, all such Shares will be tendered unless otherwise specified on the instruction form set forth below.

Payment for Shares accepted for payment pursuant to the Offer will be in all cases made only after receipt by LaSalle Bank National Association (the "Depositary"), of (a) certificates for (or a Book-Entry Confirmation (as defined in the Offer to Purchase) with respect to) such Shares, (b) a properly completed and duly executed Letter of Transmittal, with any required signature guarantees, or, in the case of a book-entry transfer effected pursuant to the procedure set forth in Section 3 of the Offer to Purchase, an Agent's Message (as defined in the Offer to Purchase), in lieu of the Letter of Transmittal, and (c) any other documents required by the Letter of Transmittal. Accordingly, tendering stockholders may be paid at different times depending upon when certificates for Shares or Book-Entry Confirmations with respect to Shares are actually received by the Depositary. Under no circumstances will interest be paid on the purchase price for Shares, regardless of any extension of the Offer or any delay in making payment pursuant to the Offer.

The Offer is not being made to (nor will tenders be accepted from, or on behalf of) holders of Shares in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. In any jurisdiction where the securities or blue sky laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed made on behalf of Purchaser by the registered brokers or dealers that are licensed under the laws of such jurisdiction. An envelope in which to return your instructions to us is enclosed.

Instructions with Respect to the
Offer to Purchase for Cash

All Outstanding Shares of Common Stock

of

Specialty Equipment Companies, Inc.

at

$30.50 Net Per Share

by

Solar Acquisition Corp.

a wholly owned subsidiary of

United Technologies Corporation

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated October 23, 2000, and the related Letter of Transmittal, in connection with the offer by Solar Acquisition Corp., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of United Technologies Corporation, a Delaware corporation ("Parent"), to purchase for cash all of the outstanding shares of common stock, par value $.01 per share, of Specialty Equipment Companies, Inc., a Delaware corporation (the "Company", and such stock, the "Shares") at $30.50 per Share, net to the seller in cash, upon the terms and conditions set forth in the Offer.

This will instruct you to tender the number of Shares indicated below (or if no number is indicated below, all Shares) that are held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer and the related Letter of Transmittal.

Dated: , 2000

NUMBER OF SHARES TO BE TENDERED:

SHARES*

Signature(s)

Please Print Name(s)

Please Print Address(es)

Area Code and Telephone Number(s)

Tax Identification or Social Security Number(s)

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*Unless otherwise indicated, it will be assumed that all your Shares are to be tendered.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

Guidelines for Determining the Proper Name and Identification Number to Give the Payer.-- Social Security numbers have nine digits separated by two hyphens: i.e., 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e., 00-0000000. The table below will help determine the name and number to give the payer.

For this type of account:	Give the name and SOCIAL SECURITY number of--
1. An individual account	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, any one of the individuals(1)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
4. a. The usual revocable savings trust account (grantor is also trustee)	The grantor--trustee(1)
b. So-called trust account that is not a legal or valid trust under State law	The actual owner(1)
5. Sole proprietorship account	The owner(3)

For this type of account:	Give the name and EMPLOYER IDENTIFICATION number of--
6. A valid trust, estate, or pension trust	The legal entity(4)
7. Corporate account	The corporation
8. Association, club, religious, charitable, educational or other tax-exempt organization account exempt organization account	The organization
9. Partnership	The partnership
10. A broker or registered nominee	The broker or nominee

11.	Account with the Department of Agriculture in the name of a public entity (such as a State or local government, school district, or prison) that receives agricultural program payments.	The public entity

- --

(1) List first and circle the name of the person whose number you furnish.
(2) Circle the minor's name and furnish the minor's social security number.
(3) You must show your individual name, but you may also enter your business or "doing business as" name. You may use either your Social Security Number or Employer Identification Number.
(4) List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Obtaining a Number

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card (for individuals), Form W-7, Application for an ITIN (for individuals who are not eligible to obtain an SSN but who must furnish a TIN), or Form SS-4, Application for Employer Identification Number (for businesses and all other entities), at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

Payees Exempt from Backup Withholding

The following is a list of payees specifically exempted from backup withholding depending upon the type of payment (see below):

(1) A corporation.
(2) An organization exempt from tax under section 501(a), or an IRA, or a custodial account under section 403(b)(7), if the account satisfies the requirements of section 401(f)(2).
(3) The United States or any agency or instrumentality thereof.
(4) A State, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.
(5) A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
(6) An international organization or any agency or instrumentality thereof.
(7) A foreign central bank of issue.
(8) A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
(9) A futures commission merchant registered with the Commodity Futures Trading Commission.
(10) A real estate investment trust.
(11) An entity registered at all times during the tax year under the Investment Company Act of 1940.
(12) A common trust fund operated by a bank under section 584(a).
(13) A financial institution.
(14) A middleman known in the investment community as a nominee or listed in the most recent publication of the American Society of Corporate Secretaries, Inc., Nominee List.
(15) A trust exempt from tax under section 664 or described in section 4947.

For interest and dividends, all listed payees are exempt except item (9). For broker transactions, payees listed in items (1) through (13) and a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker are exempt.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" IN PART II OF THE FORM, AND RETURN IT TO THE PAYER. If you are a nonresident alien or a foreign entity not subject to backup withholding, give the payer a completed Form W-8BEN Certificate of Foreign Status of Beneficial owner for United States Tax Withholding.

Privacy Act Notice.--Section 6109 requires most recipients of dividend, interest, or other payments to give taxpayer identification numbers of payers who must report the payments to the IRS. The IRS uses the numbers for identification purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold 31 percent of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

Penalties

(1) Failure to Furnish Taxpayer Identification Number.--If you fail to furnish your correct taxpayer identification number to a payer, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) Civil Penalty for False Information with Respect to Withholding.--If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of $500.

(3) Criminal Penalty for Falsifying Information.-- Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

Exhibit (A)(1)(H)

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer (as defined below) is made solely by the Offer to Purchase, dated October 23, 2000, and the related Letter of Transmittal and any amendments or supplements thereto, and is being made to all holders of Shares except for Parent and Purchaser (as defined below). The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

Notice of Offer to Purchase for Cash
All Outstanding Shares of Common Stock
of
Specialty Equipment Companies, Inc.
at
$30.50 Net Per Share
by
Solar Acquisition Corp.
A Wholly Owned Subsidiary of
United Technologies Corporation

Solar Acquisition Corp., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of United Technologies Corporation, a Delaware corporation ("Parent"), is offering to purchase all outstanding shares of common stock, par value $.01 per share (the "Shares"), of Specialty Equipment Companies, Inc., a Delaware corporation (the "Company"), at $30.50 per Share, net to the seller in cash (the "Offer Price"), without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated October 23, 2000, and in the related Letter of Transmittal (which, together with any amendments or supplements thereto, together constitute the "Offer"). Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 6 of the Letter of Transmittal, transfer taxes on the purchase of Shares by Purchaser pursuant to the Offer. The purpose of the Offer is to acquire for cash as many outstanding Shares as possible as a first step in acquiring the entire equity interest in the Company. Following the consummation of the Offer, Purchaser intends to effect the Merger (as defined below).

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON MONDAY, NOVEMBER 20, 2000, UNLESS THE OFFER IS EXTENDED.

The Offer is conditioned upon, among other things, (a) there having been validly tendered and not properly withdrawn prior to the expiration of the Offer that number of Shares which, when aggregated with Shares then beneficially owned by Parent (excluding Shares held by an employee benefit plan), represents at least a majority of all of the issued and outstanding Shares on a fully diluted basis, assuming the exercise of all outstanding Company stock options, and (b) the expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (the "HSR Act") and the expiration or termination of any waiting period and the receipt of any required approvals under any foreign antitrust and competition laws or regulations ("Foreign Antitrust Laws") applicable to the purchase of Shares pursuant to the Offer or the Merger. Certain other conditions to the Offer are described in Section 13 of the Offer to Purchase.

The Offer is being made pursuant to an Agreement and Plan of Merger (the "Merger Agreement"), dated as of October 13, 2000, among the Company, Parent and Purchaser, pursuant to which, after completion of the Offer and the satisfaction or waiver of certain conditions, Purchaser will be merged with and into the Company and the Company will be the surviving corporation (the "Merger") and each issued and outstanding Share (other than Shares owned by Parent, Purchaser or any subsidiary of Parent, Purchaser or the Company or held in the treasury of the Company, or held by stockholders who properly exercise appraisal rights under the Delaware General Corporation Law, if any) will, by virtue of the Merger and without any action on the part of Purchaser, the Company or the holder thereof, be canceled and converted into the right to receive an amount in cash, without interest, equal to the Offer Price, upon surrender of the certificate representing such Share. The Merger Agreement is more fully described in the Offer to Purchase.

The Board of Directors of the Company has unanimously approved the Merger Agreement, the Offer and the Merger, determined that the Offer and the Merger are advisable and fair to and in the best interest of the holders of Shares and unanimously recommends that stockholders accept the Offer, tender their Shares pursuant to the Offer and approve the Merger.

Purchaser and Parent have entered into a Stockholder Agreement, dated as of October 13, 2000 (the "Stockholder Agreement"), with certain stockholders of the Company who own an aggregate of approximately 38% of the outstanding Shares on a fully diluted basis, assuming the exercise of all issued and outstanding Company stock options. Under the Stockholder Agreement, such stockholders have agreed to validly tender (and not withdraw) all such Shares pursuant to the Offer and have granted to Purchaser an option to purchase all such Shares at the Offer Price (or such other price as may be payable in the Offer) upon the occurrence of certain events.

Upon the terms and subject to the conditions of the Offer, (including, if the Offer is extended, or amended, the terms and conditions of any such extension or amendment), Purchaser will be deemed to have accepted for payment, and will pay for, all Shares validly tendered and not properly withdrawn as soon as practicable after the expiration of the Offer if and when Purchaser gives oral or written notice to LaSalle Bank National Association (the "Depositary") of its acceptance of the tenders of such Shares for payment pursuant to the Offer. Purchaser expressly reserves the right, subject to the applicable rules of the Commission, to delay acceptance for payment of, or payment for, Shares in order to comply, in whole or in part, with any applicable law. Payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary, which will act as agent for the tendering stockholders for the purpose of receiving payments from Purchaser and transmitting such payments to the tendering stockholders. Under no circumstances will interest be paid on the purchase price for Shares, regardless of any extension of the Offer or any delay in making such payment.

In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (a) certificates for such Shares or confirmation of the book-entry transfer of such Shares into the Depositary's account at The Depository Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in Section 3 of the Offer to Purchase, (b) a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message (as defined in Section 3 of the Offer to Purchase) in lieu of the Letter of Transmittal) and (c) any other documents required by the Letter of Transmittal.

Except as otherwise provided below, tenders of Shares made pursuant to the Offer are irrevocable. Shares tendered pursuant to the Offer may be withdrawn at any time prior to the Expiration Date and, unless theretofore accepted for payment by Purchaser pursuant to the Offer, may also be withdrawn at any time after December 22, 2000. The term "Expiration Date" means 12:00 midnight, New York City time, on Monday, November 20, 2000, unless Purchaser (subject to the terms of the Merger Agreement) shall have extended the period of time during which the Offer is open, in which event the term "Expiration Date" shall mean the latest time and date on which the Offer, as so extended by Purchaser, shall expire. Pursuant to the Merger Agreement, Purchaser will not extend the Expiration Date of the Offer beyond November 20, 2000 without the prior consent of the Company, except (a) as required by applicable law including applicable rules and regulations of the Commission or any interpretation or position of the Commission staff, (b) that if, immediately prior to the expiration date of the Offer (as it may be extended), the Shares tendered and not withdrawn pursuant to the Offer constitute less than 90% of the outstanding Shares, Purchaser may, in its sole discretion, extend the Offer for one or more periods not to exceed an aggregate of ten business days, notwithstanding that all conditions to the Offer are satisfied as of such expiration date of the Offer, provided that after November 20, 2000, the Offer will not be subject to any conditions that are at the time of such extension satisfied other than the Minimum Tender Condition and certain other conditions to the Offer, and (c) that if any condition to the Offer has not been satisfied or waived, Purchaser shall extend the expiration date of the Offer for one or more periods, but in no event later than December 18, 2000; provided, however, that either Purchaser or the Company may, in their respective sole discretion, extend such December 18, 2000 date for an additional period not to exceed 60 business days if the sole reason that Purchaser has not accepted for payment and paid for Shares pursuant to the Offer is the failure of the applicable waiting period under the HSR Act or any Foreign Antitrust Laws to expire or failure to obtain any required governmental or regulatory approval. In addition, the Offer Price may be increased and the Offer may be extended to the extent required by law in connection with such increase without the consent of the Company. Any such extension will be followed as promptly as practicable by public announcement thereof, such announcement to be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. During any such extension, all Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the right of a tendering stockholder to withdraw such stockholder's Shares.

For a withdrawal of Shares to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depositary at the address set forth on the back cover of the Offer to Purchase. Any such notice of withdrawal must specify the name of the person having tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the recordholder of the Shares to be withdrawn, if different from that of the person who tendered such Shares. The signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in Section 3 of the Offer to Purchase), unless such Shares have been tendered for the account of any Eligible Institution. If Shares have been tendered pursuant to the procedures for book-entry transfer as set forth in Section 3 of the Offer to Purchase, any notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares. If certificates for Shares to be withdrawn have been delivered or otherwise identified to the Depositary, the name of the registered holder and the serial numbers shown on such certificates must also be furnished to the Depositary as aforesaid prior to the physical release of such certificates. All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by Purchaser, in its sole discretion, which determination shall be final and binding. No withdrawal of Shares shall be deemed to have been properly made until all defects and irregularities have been cured or waived. None of Parent, Purchaser, the Depositary, the Information Agent (listed below), or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification. Withdrawals of tenders of Shares may not be rescinded, and any Shares properly withdrawn will be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by following one of the procedures described in Section 3 of the Offer to Purchase at any time prior to the Expiration Date.

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

The Company has provided Purchaser with the Company's list of stockholders and security position listings for the purpose of disseminating the Offer to holders of Shares. The Offer to Purchase and the Letter of Transmittal will be mailed by Purchaser to record

holders of Shares whose names appear on the Company's stockholders list and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

The Offer to Purchase and the related Letter of Transmittal contain important information which should be read carefully before any decision is made with respect to the Offer.

Questions and requests for assistance may be directed to the Information Agent at the address and telephone number set forth below. Requests for additional copies of the Offer to Purchase and the related Letter of Transmittal may be directed to the Information Agent or to brokers, dealers, commercial banks or trust companies. Such additional copies will be furnished at Purchaser's expense. Purchaser will not pay any fees or commissions to any broker or dealer or any other person (other than the Information Agent) for soliciting tenders of Shares pursuant to the Offer.

The Information Agent for the Offer is:

GEORGESON
SHAREHOLDER
COMMUNICATIONS INC.
17 State Street, 10th Floor
New York, New York 10004
Banks and Brokers call collect: (212) 440-9800
All others call toll-free: (800) 223-2064

October 23, 2000

Exhibit (d)(1)

AGREEMENT AND PLAN OF MERGER

among

UNITED TECHNOLOGIES CORPORATION,

SOLAR ACQUISITION CORP.

and

SPECIALTY EQUIPMENT COMPANIES, INC.

dated as of

October 13, 2000

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Annex I - Conditions to the Offer

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of October 13, 2000 ("Agreement"), among Specialty Equipment Companies, Inc., a Delaware corporation (the "Company"), United Technologies Corporation, a Delaware corporation ("Parent"), and Solar Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of Parent ("Purchaser").

W I T N E S S E T H:

WHEREAS, the respective Boards of Directors of Parent, Purchaser and the Company have approved the acquisition of the Company by Purchaser upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, in furtherance of such acquisition, it is proposed that Purchaser shall make a cash tender offer (as it may be amended from time to time as permitted under this Agreement, the "Offer") to acquire all of the issued and outstanding shares (the "Shares") of the common stock, $.01 par value, of the Company (the "Common Stock") at a purchase price of $30.50 per share (such price or such other price per share as may be payable in the Offer, the "Offer Price"), net to the seller in cash, upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the respective Boards of Directors of Purchaser and Parent as the sole stockholder of Purchaser have each approved this Agreement and the merger of Purchaser with and into the Company (the "Merger"), upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, as a condition to and inducement to Parent's and Purchaser's willingness to enter into this Agreement, simultaneously with the execution of this Agreement, certain holders and beneficial owners of Shares are entering into a Stockholder Agreement (the "Stockholder Agreement") with Purchaser;

WHEREAS, the Board of Directors of the Company (the "Board of Directors") has unanimously, (i) approved the Offer, the Merger, this Agreement and the Stockholder Agreement (and the transactions contemplated hereby and thereby) and (ii) resolved, subject to the provisions of Article VII hereof, to recommend that the holders of such Shares accept the Offer and approve this Agreement and the transactions contemplated hereby;

WHEREAS, Parent, Purchaser and the Company desire to make certain representations, warranties, covenants and agreements in connection with the Offer and the Merger and also to prescribe various conditions to the Offer and the Merger; and

WHEREAS, capitalized terms not defined in the context in the Section in which they first appear shall have the meanings set forth in Section 8.15.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements of the other parties herein contained, and intending to be legally bound hereby, each of Parent, Purchaser and the Company hereby agree as follows:

ARTICLE I
THE OFFER

Section 1.01. The Offer.

(a) Provided that this Agreement shall not have been terminated in accordance with Article VII and none of the events specified in clause (iii) of Annex I shall have occurred and then be continuing, as promptly as practical after the date hereof, but in no event later than the sixth business day after the date hereof, Parent shall cause Purchaser to commence (within the meaning of Rule 14d-2 under the Exchange Act) the Offer at the Offer Price. The obligation of Purchaser to consummate the Offer, to accept for payment and to pay for any Shares tendered pursuant to the Offer shall be subject to the satisfaction of the conditions set forth in Annex I. The initial expiration date of the Offer shall be the twentieth business day following commencement (within the meaning of Rule 14d-2 under the Exchange Act) of the Offer. Parent shall cause Purchaser to, and Purchaser shall, subject to the conditions provided in Annex I, accept for payment and pay for all Shares validly tendered and not withdrawn pursuant to the Offer as soon as practicable after such expiration date and in any event in compliance with the obligations respecting prompt payment pursuant to Rule 14e-1(c) under the Exchange Act. On or prior to the dates that the Purchaser becomes obligated to accept for payment and pay for Shares pursuant to the Offer, Parent shall provide or cause to be provided to the Purchaser the funds necessary to pay for all Shares that Purchaser becomes so obligated to accept for payment and pay for pursuant to the Offer. The Offer Price shall be net to the seller in cash, without interest, subject to any applicable withholding taxes.

(b) Purchaser reserves the right to (i) waive any of the conditions set forth in Annex I (other than the Minimum Condition and the condition relating to the expiration of the waiting period under the HSR Act), (ii) increase the price per Share payable in the Offer, and (iii) make any other changes in the terms of the Offer; provided, however, unless previously approved by the Company in writing no change may be made which (a) reduces the maximum number of Shares to be purchased pursuant to the Offer, (b) decreases the price per Share payable pursuant to the Offer, (c) changes the form of consideration to be paid for the Shares pursuant to the Offer, (d) imposes conditions to the Offer in addition to the conditions set forth in Annex I, (e) waives the Minimum Condition or waives the condition relating to the expiration of the waiting period under the HSR Act or (f) makes other changes in the terms and conditions of the Offer that are in any manner adverse to the holders of Shares. Without the prior written consent of the Company, Purchaser shall not extend the expiration date of the Offer beyond the initial expiration date of the Offer, except (x) as required by applicable law including applicable rules and regulations of the SEC or any interpretation or position of the SEC staff, (y) that if, immediately prior to the expiration date of the Offer (as it may be extended), the Shares tendered and not withdrawn pursuant to the Offer constitute less than 90% of the outstanding Shares, Purchaser may, in its sole discretion, extend the Offer for one or more periods not to exceed an aggregate of ten business days, notwithstanding that all conditions to the Offer are satisfied as of such expiration date of the Offer; provided that after the initial expiration date, the Offer shall not be subject to any conditions that are at the time of such extension satisfied other than the Minimum Condition and the conditions set forth in paragraph (a) of Annex I, or (z) that if any condition to the Offer has not been satisfied or waived, Purchaser shall extend the expiration date of the Offer for one or more periods, but in no event later than the Outside Date. In addition, the Offer Price may be increased and the Offer may be extended to the extent required by law in connection with such increase without the consent of the Company.

(c) The Offer shall be made by means of an offer to purchase (the "Offer to Purchase") subject only to the conditions set forth in Annex I. As soon as reasonably practicable on the date the Offer is commenced, Parent and Purchaser shall file with the SEC a Tender Offer Statement on Schedule TO (together with all amendments and supplements thereto, the "Schedule TO") with respect to the Offer that (i) will comply in all material respects with the provisions of all applicable federal securities laws and (ii) will contain (including as an exhibit) or incorporate by reference the Offer to Purchase, a form of the related letter of transmittal and a summary advertisement (which documents, together with any supplements or amendments thereto, are referred to collectively herein as the "Offer Documents"). Each of the Company, on the one hand, and Parent and Purchaser, on the other hand, agrees promptly to correct any information provided by it in writing for use in the Schedule TO or the Offer Documents if and to the extent that the Schedule TO or the Offer Documents shall be, or have become, false or misleading in any material respect, and Parent and Purchaser further agree to take all steps necessary to cause the Schedule TO, as so corrected, to be filed with the SEC and the Offer Documents, as so corrected, to be disseminated to holders of Shares and any other holder of securities issued by the Company (if any), in each case to the extent required by applicable federal securities laws. Parent and Purchaser shall provide the Company and its counsel with a reasonable opportunity to review and comment on the Schedule TO and any Offer Documents before they are filed with the SEC. Parent and Purchaser shall promptly provide the Company and its counsel in writing with, and consult with the Company and its counsel regarding, any comments Parent, Purchaser or their counsel may receive from time to time from the SEC or its staff with respect to the Schedule TO or the Offer Documents.

Section 1.02. Company Action.

(a) The Company hereby consents to the Offer and represents and warrants that the Board of Directors, at a meeting duly called and held on October 13, 2000, acting by a unanimous vote of the directors: (i) approved and adopted this Agreement and the transactions contemplated hereby, including the Offer and the Merger and the transactions contemplated by the Stockholder Agreement (including, without limitation, for purposes of Section 9 of the Confidentiality Agreement dated August 14, 2000 between Parent and the Company (the "Confidentiality Agreement")); (ii) resolved to recommend that the stockholders of the Company accept the Offer, tender their Shares pursuant to the Offer and approve this Agreement and the transactions contemplated hereby, including the Merger; (iii) determined that this Agreement and the transactions contemplated hereby, including the Offer and the Merger, are advisable and in the best interests of the stockholders of the Company and that the consideration to be paid for each Share in the Offer and the Merger is fair to the holders of Shares; and (iv) irrevocably has taken all action necessary to render Section 203 of the DGCL and other state takeover statutes inapplicable to the Offer, the Merger, this Agreement and the Stockholder Agreement and the transactions contemplated hereby and thereby. The Board has received the opinion of Credit Suisse First Boston Corporation (the "Company's Financial Advisor") to the effect that, based upon and subject to the matters set forth therein and as of the date thereof, the Offer Price to be received by holders of Shares (other than Parent and its Affiliates) pursuant to the Offer and the Merger is fair to such holders of Shares from a financial point of view. The Company hereby consents to the inclusion in the Offer Documents of the recommendations of the Board described in this Section 1.02, provided that this Agreement has not been terminated.

(b) The Company shall file with the SEC, as promptly as practicable after the filing by Purchaser of the Schedule TO with respect to the Offer but in any event on the date such Schedule TO is filed with the SEC, a Tender Offer Solicitation/Recommendation Statement on Schedule 14D-9 (together with any amendments or supplements thereto, the "Schedule 14D-9") that

(i) will comply in all material respects with the provisions of all applicable federal securities laws and (ii) will include the recommendations of the Board of Directors referred to in clause (ii) of Section 1.02(a) and the opinion of the Company's Financial Advisor referred to in Section 4.16, provided that this Agreement has not been terminated. Each of the Company, on the one hand, and Parent and Purchaser, on the other hand, agrees promptly to correct any information provided by it for use in the Schedule 14D-9 if and to the extent that the Schedule 14D-9 shall be, or have become, false or misleading in any material respect, and the Company shall take all steps necessary to cause the Schedule 14D-9, as so corrected, to be filed with the SEC and disseminated to the Company's stockholders, in each case to the extent required by applicable law. The Company shall provide Parent, Purchaser and their counsel with a reasonable opportunity to review and comment on the Schedule 14D-9 before it is filed with the SEC. The Company shall promptly provide the Parent and Purchaser and their counsel in writing with, and consult with Parent and Purchaser and its counsel regarding, any comments the Company or its counsel may receive from the time to time from the SEC or its staff with respect to the Schedule 14D-9.

(c) In connection with the Offer, the Company shall promptly upon execution of this Agreement furnish Parent and Purchaser with mailing labels, security position listings, any available non-objecting beneficial owner lists and any available listing or computer list containing the names and addresses of the record holders of the Shares and holders of other securities issued by the Company (if any) as of the most recent practicable date and shall furnish the Purchaser with such additional available information (including, but not limited to, updated lists of holders of Common Stock and their addresses, mailing labels and lists of security positions and non-objecting beneficial owner lists) and such other information and assistance as Parent, Purchaser or their agents may reasonably request for the purpose of communicating the Offer to the record and beneficial holders of Shares. Subject to the requirements of law, and except for such steps as are necessary to such dissemination of, and communication with respect to, the Offer Documents and any other documents necessary to consummate the Offer and the Merger, Purchaser shall hold in confidence the information contained in any such labels and lists and the additional information referred to in the penultimate sentence of this Section 1.02(c), will use such information only in connection with the Offer and the Merger, and, if this Agreement is terminated, will, upon request, deliver to the Company all such written information then in its possession.

Section 1.03. Directors. Promptly upon the payment of the Offer Price by Purchaser for the Shares tendered pursuant to the Offer, Purchaser shall be entitled to designate up to such number of directors (the "Purchaser Designees"), rounded up to the nearest whole number, to the Board of Directors as will give Purchaser, subject to compliance with the Exchange Act, representation on the Board of Directors equal to the product of the total number of directors on the Board of Directors (giving effect to the directors appointed or elected pursuant to this sentence) multiplied by the percentage that the aggregate number of Shares as are accepted for payment pursuant to the Offer bears to the number of Shares then outstanding. In furtherance thereof, upon Purchaser's request, the Company shall use its best efforts, to the fullest extent permitted by law, after consummation of the Offer, to secure the resignations of such number of directors as is necessary to enable Purchaser's designees to be elected to the Board of Directors in accordance with the terms of this Section 1.03. At such time, the Company shall also cause, if requested by Purchaser, (i) each committee of the Board of Directors, (ii) the board of directors of each of the Subsidiaries and (iii) each committee of such board to include persons designated by Purchaser constituting up to the same percentage (rounded up to the nearest whole number) of each such committee or board as Purchaser Designees constitute on the Board of Directors. The foregoing notwithstanding, until the Effective Time, the Company, Purchaser and Parent shall use all reasonable best efforts to retain as members of the

Company's Board of Directors at least two directors who are directors of the Company on the date hereof and who are not representatives of Parent (the "Independent Directors"). As used in this Agreement, the term "Independent Directors" shall initially mean each of Messrs. Richard A. Kent and Barry L. MacLean; provided that in the event that any such Independent Director resigns or otherwise ceases to be a director for any reason, then the Company, Purchaser and Parent shall use their best efforts to cause a Person nominated by the remaining Independent Directors to be elected as a replacement for such director as expeditiously as legally practicable. If for any reason at any time prior to the Effective Time no Independent Directors then remain, then (i) the other directors shall use best efforts to designate two persons to be the Independent Directors, none of whom shall be directors, officers, employees or Affiliates of Parent or Purchaser, and (ii) the Company, Purchaser and Parent shall use their best efforts to cause such persons to be elected as a replacement for such director as expeditiously as legally practicable. The Company shall promptly take all action necessary to effect such contemplated election, including (i) establishing as a record date for the written consent by the Company's Stockholders to such election a date that is within six business days prior to the commencement of the Offer and (ii) filing with the SEC a Schedule 14A (together with any supplements or amendments thereto the "Schedule 14A") regarding the solicitation of written consents to the election of the Purchaser Designees which shall contain the information as may be required by Schedule 14A under the Exchange Act as is necessary to enable the Purchaser Designees to be elected to the Board of Directors, including distributing the information required by the Exchange Act and such Schedule with the Schedule 14D-9. Purchaser will supply to the Company in writing and be solely responsible for any information with respect to itself and its nominees, officers, directors and affiliates required by Schedule 14A. Parent and Purchaser will disseminate the Schedule 14A to the holders of the Shares together with the Offer Documents. Notwithstanding anything in this Agreement to the contrary, following the time directors designated by Purchaser constitute a majority of the Board of Directors and prior to the Effective Time, the affirmative vote of a majority of the Independent Directors shall be required to (i) amend or terminate this Agreement on behalf of the Company, (ii) exercise or waive any of the Company's rights or remedies hereunder, (iii) extend the time for performance of Parent's obligations hereunder, or (iv) approve any other action by the Company that could adversely affect the interests of the stockholders of the Company (other than Parent, Purchaser and their Affiliates) with respect to the transactions contemplated hereby and such affirmative majority vote shall be sufficient to take any such action.

ARTICLE II
THE MERGER

Section 2.01. The Merger. Upon the terms and subject to the conditions of this Agreement, at the Effective Time in accordance with the DGCL, Purchaser shall be merged with and into the Company. Following the Merger, the separate corporate existence of Purchaser shall cease and the Company shall continue as the surviving corporation (the "Surviving Corporation").

Section 2.02. Closing; Effective Time.

(a) The closing of the Merger (the "Closing") will take place at 10:00 a.m. Chicago time on a date to be specified by the parties, which shall be no later than the second business day after satisfaction or waiver of the conditions set forth in Article VI, at the offices of Sonnenschein Nath & Rosenthal, 8000 Sears Tower, Chicago, Illinois 60606, unless another date, time or place is agreed to in writing between Parent and the Company. The date on which the Closing occurs is referred to in this Agreement as the "Closing Date."

(b) The Merger shall be consummated by Parent duly filing, or causing the Company and/or Purchaser to duly file, the appropriate Certificate of Merger in such form as is required by, and prepared, executed and acknowledged in accordance with, the relevant provisions of the DGCL. The Merger shall become effective at such time as the Certificate of Merger is duly filed with the Secretary of State of the State of Delaware in accordance with the DGCL or at such later time as is specified in the Certificate of Merger (the "Effective Time").

Section 2.03. Effect of the Merger. At the Effective Time, the effect of the Merger shall be as provided in the applicable provisions of the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time all the property, rights, privileges, powers and franchises of the Company and Purchaser shall vest in the Surviving Corporation, and all debts, liabilities and duties of the Company and Purchaser shall become the debts, liabilities and duties of the Surviving Corporation.

Section 2.04. Certificate of Incorporation; By-Laws; Directors and Officers.

(a) At the Effective Time, the Certificate of Incorporation of Company, as in effect immediately before the Effective Time, shall be the Certificate of Incorporation of the Surviving Corporation, until thereafter amended as provided by law and such Certificate of Incorporation.

(b) At the Effective Time, the By-Laws of Company, as in effect immediately prior to the Effective Time, shall be the By-Laws of the Surviving Corporation until thereafter amended as provided by law, the Certificate of Incorporation of the Surviving Corporation and such By-Laws.

(c) The directors of Purchaser immediately prior to the Effective Time shall be the initial directors of the Surviving Corporation, and the officers of the Company immediately prior to the Effective Time shall be the initial officers of the Surviving Corporation, in each case until their successors are duly elected or appointed and qualified or until their earlier death, permanent disability, resignation or removal.

Section 2.05. Conversion of Shares. At the Effective Time, by virtue of the Merger and without any action on the part of Purchaser, the Company or the holder of any of the following securities:

(a) Each Share issued and outstanding immediately prior to the Effective Time (other than any Shares to be canceled pursuant to Section 2.05(b) and any Dissenting Shares) shall be canceled and be converted into the right to receive the Offer Price in cash payable to the holder thereof, without interest (the "Merger Consideration"), upon surrender of the certificate representing such Share, less any applicable withholding taxes.

(b) Each Share held in the treasury of the Company or owned by any Subsidiary and each Share owned by Parent, Purchaser or any direct or indirect wholly owned subsidiary of Parent or Purchaser immediately prior to the Effective Time shall be canceled and no payment or other consideration shall be made with respect thereto.

(c) Each share of common stock, $0.0001 par value, of Purchaser issued and outstanding immediately prior to the Effective Time shall be converted into and thereafter represent one validly issued, fully paid and nonassessable share of common stock, $.01 par value, of the Surviving Corporation.

Section 2.06. Dissenting Shares.

(a) Notwithstanding any provision of this Agreement to the contrary, but only to the extent required by the DGCL, Shares issued and outstanding immediately prior to the Effective Time and owned of record by any stockholder who has not voted such Shares in favor of or consented to the Merger and who properly demands appraisal of such Shares pursuant to the DGCL and complies with all the provisions of the DGCL concerning the right of holders of Shares to demand appraisal of their Shares in connection with the Merger (collectively, the "Dissenting Shares") shall not be converted into the right to receive the Merger Consideration, but shall become the right to receive such cash consideration as may be determined to be due to such stockholder as provided in the DGCL. If, however, such stockholder withdraws such holder's demand for appraisal or fails to perfect or otherwise loses such holder's right of appraisal, in any case pursuant to the DGCL, each such Share of such holder shall be deemed to be converted as of the Effective Time into the right to receive the Merger Consideration pursuant to Section 2.05(a), without any interest thereon, upon surrender of the certificate or certificates representing such Shares.

(b) The Company shall give Parent (i) prompt notice of any demands for appraisal of Shares received by the Company and (ii) the opportunity to participate in and direct all negotiations and proceedings with respect to any such demands. Except as required by law, the Company shall not, without the prior written consent of Parent, make any payment with respect to, settle, or offer to settle any such demands.

(c) Each Dissenting Share, if any, shall be canceled after payment in respect thereof has been made to the holder thereof pursuant to the DGCL.

(d) At the Effective Time, any holder of Dissenting Shares shall cease to have any rights with respect thereto except the rights provided by Section 262 of the DGCL or otherwise provided in this Section 2.06.

Section 2.07. Surrender of Shares; Stock Transfer Books.

(a) Prior to the Effective Time, Parent shall designate a bank or trust company which shall be reasonably satisfactory to the Company to act as paying agent in the Merger (the "Paying Agent") to receive the funds necessary to make the payments contemplated by Section 2.05(a). From time to time after the Effective Time, Parent shall cause Purchaser to and Purchaser shall deposit with such Paying Agent an amount of cash sufficient to permit the Paying Agent to make the payments necessary for payment of the Merger Consideration under Section 2.07(b) to which holders of Shares shall be entitled at the Effective Time pursuant to Section 2.05(a). Such funds shall be invested by the Paying Agent as directed by Parent. Any net profits resulting from, or interest or income produced by, such investments shall be payable as directed by Parent.

(b) As soon as reasonably practicable after the Effective Time, the Surviving Corporation shall cause the Paying Agent to mail to each holder of record of a certificate or certificates that immediately prior to the Effective Time represented Shares (the "Certificates") (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Paying Agent and shall be in a form and have such other provisions as Parent may reasonably specify) and (ii) instructions for use in effecting the surrender of the Certificates in exchange for the Merger Consideration as provided in Section 2.05(a). Upon surrender of a Certificate for cancellation to the Paying Agent or to such other

agent or agents as may be appointed by Parent, together with such letter of transmittal, duly executed, and such other documents as may reasonably be required by the Paying Agent, as consented to by Company, the holder of such Certificate shall be entitled to receive in exchange therefor the amount of cash, without interest, into which the Shares theretofore represented by such Certificate shall have been converted pursuant to Section 2.05(a), and the Certificate so surrendered shall forthwith be canceled.

(c) If payment of cash in respect of canceled Shares is to be made to a Person other than the Person in whose name a surrendered Certificate is registered, it shall be a condition to such payment that the Certificate so surrendered shall be properly endorsed or shall be otherwise in proper form for transfer and that the Person requesting such payment shall have paid any transfer and other taxes required by reason of such payment in a name other than that of the registered holder of the Certificate surrendered or shall have established to the satisfaction of Parent or the Paying Agent that such tax either has been paid or is not payable. If a mutilated Certificate is surrendered to the Paying Agent or if the holder of a Certificate submits an affidavit to the Paying Agent stating that the Certificate has been lost, destroyed or wrongfully taken, such holder shall, if required by Parent, furnish an indemnity bond sufficient in the reasonable judgment of Parent to protect Parent, the Surviving Corporation and the Paying Agent from any loss that any of them may suffer.

(d) Promptly following the date six months after the Effective Time, the Paying Agent shall deliver to Parent all cash, certificates and other documents in its possession relating to the transactions contemplated hereby, and the Paying Agent's duties shall terminate. Thereafter, each holder of a Certificate (other than Certificates representing Dissenting Shares and Certificates representing Shares to be canceled pursuant to Section 2.05(b)) shall look only to the Surviving Corporation (subject to abandoned property, escheat or other similar laws) and only as general creditors thereof, with respect to any Merger Consideration that may be payable upon due surrender of the Certificates held by such holder. Notwithstanding the foregoing, none of Parent, Purchaser, the Surviving Corporation or the Paying Agent shall be liable to any Person in respect of any cash delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. If any Certificate shall not have been surrendered prior to the date which is immediately prior to the date that such unclaimed funds would otherwise become subject to any abandoned property, escheat or similar law, then such unclaimed funds payable with respect to such certificates shall, to the extent permitted by applicable law, become the property of the Surviving Corporation, free and clear of all claims or interest of any Person previously entitled thereto.

(e) Parent (or any affiliate thereof) or the Paying Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of Shares such amounts as Parent or the Paying Agent is required to deduct and withhold with respect to the making of such payment under the Code, or under any provision of state, local or foreign tax law. To the extent that amounts are so withheld by Parent or the Paying Agent, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the Shares in respect of which such deduction and withholding was made by the Parent or the Paying Agent.

(f) All cash paid upon the surrender of Certificates in accordance with the terms of this Article II shall be deemed to have been paid in full satisfaction of all rights pertaining to the Shares theretofore represented by such Certificates. At the Effective Time, the stock transfer books of the Company shall be closed and thereafter there shall not be any further registration of transfers of Shares that were outstanding immediately prior to the Effective Time on the records of the Surviving Corporation. If, after the Effective Time, Certificates are presented to the Surviving Corporation for

transfer, they shall be canceled and exchanged for the Merger Consideration as provided in Section 2.05(a) and this Section 2.07.

Section 2.08. Stock Plans.

(a) As of the Effective Time, each outstanding option to purchase Shares (each, a "Company Stock Option") issued pursuant to the Company's Executive Long- Term Incentive Plan and Non-Employee Directors Long-Term Incentive Plan (the "Stock Option Plans") shall be cancelled and each holder of Company Stock Options, whether such Company Stock Option is vested or not, will receive, in consideration of such holder's Company Stock Options a cash payment from Parent immediately upon the Effective Time equal to the product of (A) the amount by which the Merger Consideration amount exceeds the exercise price of such Company Stock Option and (B) the number of Shares issuable upon exercise of such Company Stock Option.

(b) The provisions of this Section are intended to be for the benefit of, and shall be enforceable by, each holder of Company Stock Options (it being expressly agreed that such persons shall be the third party beneficiaries of this Section).

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF PARENT AND PURCHASER

Parent and Purchaser, jointly and severally, represent and warrant to the Company as follows:

Section 3.01. Corporate Organization. Each of Parent and Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has the requisite corporate power and authority to carry on its business as it is now being conducted. Each of Parent and Purchaser is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary except for any such failure that would not have a material adverse effect on or prevent or materially delay the consummation of the Offer or the Merger.

Section 3.02. Authority Relative to this Agreement. Each of Parent and Purchaser has the necessary corporate power and authority to execute, deliver and enter into this Agreement, to carry out their obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of and entering into this Agreement by Parent and Purchaser, the performances of the Parent's and Purchaser's obligations hereunder and the consummation by Parent and Purchaser of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Parent and Purchaser and no other corporate proceeding or stockholder action is necessary for the execution and delivery of and entering into this Agreement by Parent or Purchaser, the performance by Parent or Purchaser of their respective obligations hereunder and the consummation by Parent or Purchaser of the transactions contemplated hereby. This Agreement has been duly executed, delivered and entered into by Parent and Purchaser and, assuming due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of each such corporation, enforceable against each of them in accordance with its terms except to the extent that its enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally or by general equitable principles.

Section 3.03. No Conflict; Required Filings and Consents.

(a) The execution and delivery of this Agreement by Parent and Purchaser do not, and the performance of their respective obligations under this Agreement by Parent and Purchaser and the consummation of the transactions contemplated by this Agreement will not, (i) assuming all notices, reports, other filings, or required approvals described in clauses (i) through (iii) of Section 3.03(b) have been given, made, or received, conflict with or violate any law, regulation, court order, judgment or decree applicable to Parent or Purchaser or by which any of their property is bound or affected, (ii) violate or conflict with either the Certificate or Articles of Incorporation or By-Laws of either Parent or Purchaser or (iii) result in any violation or breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment or cancellation of, or result in the creation of a lien or encumbrance on any of the property or assets of Parent or Purchaser pursuant to, any note, bond, mortgage, indenture, agreement, contract, instrument, permit, license, franchise or other obligation to which Parent or Purchaser is a party or by which Parent or Purchaser or any of them or their property is bound or affected, except for, in the case of clauses (i) and (iii), conflicts, violations, breaches or defaults which would not prevent or materially delay the consummation of the Offer and the Merger.

(b) Except for (i) applicable requirements, if any, of the Exchange Act, (ii) the pre-merger notification requirements of the HSR Act, and (iii) filings by Parent or Purchaser required by, and approvals under, applicable foreign antitrust and competition laws or regulations ("Foreign Antitrust Laws"), neither Parent nor Purchaser is required to submit any notice, report or other filing with any federal, state or local government or any court, administrative or regulatory agency or commission or other governmental authority or agency, domestic or foreign (a "Governmental Entity"), in connection with the execution, delivery or performance of their respective obligations of this Agreement or the consummation of the transactions contemplated hereby. No waiver, consent, approval or authorization of any Governmental Entity is required to be obtained or made by either Parent or Purchaser in connection with its execution, delivery or performance of their respective obligations of this Agreement or the consummation of the transactions contemplated hereby, except as set forth above and except where the failure to obtain such waivers, consents, approvals or authorizations would not prevent or materially delay the performance by Parent or Purchaser of their respective obligations under this Agreement.

Section 3.04. Financing Arrangements. Parent has or will obtain, and will cause Purchaser to have or obtain, the funds sufficient to consummate the Offer and the Merger in accordance with the terms of this Agreement, and to pay all related fees and expenses in connection therewith, and shall make such funds available to Purchaser for such purposes.

Section 3.05. Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by and on behalf of Parent or Purchaser.

Section 3.06. Offer Documents; Proxy Statement. None of the information supplied in writing by Parent or Purchaser (the "Parent Information") specifically for inclusion in the Schedule 14D-9, the Schedule 14A or the Proxy Statement (if any) will, on the date filed with the SEC or mailed to the Company stockholders, and, in the case of the Proxy Statement, at the time of the Company Stockholders' Meeting (if any), contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements

therein, in light of the circumstances under which they were made, not misleading or necessary to correct any statement in any earlier filing by Parent or Purchaser with the SEC or communication with the holders of Shares with respect to the Offer, the Merger or the Company Stockholders' Meeting (if any) that has become false or misleading. Neither the Schedule TO nor the Offer Documents will, at the respective times the Offer Documents are filed with the SEC or first published, sent or given to the Company's stockholders, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or necessary to correct any statement in any earlier filing by Parent or Purchaser with the SEC or communication to holders of the Shares with respect to the Offer, this Agreement, the Merger or the Company's Stockholders' Meeting (if any) that has become false or misleading. Notwithstanding the foregoing, Parent and Purchaser do not make any representation or warranty with respect to statements made or incorporated by reference in any of the foregoing documents based upon information that has been supplied in writing by the Company or its accountants, counsel or other authorized representatives for use in any of the foregoing documents. Each of the Schedule TO and the Offer Documents will comply as to form in all material respects with the applicable provisions of the Exchange Act.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Purchaser that as of the date hereof, except as disclosed or reflected (including, in the case of financial statements, provided for) in the Company's disclosure letter delivered herewith to Parent and Purchaser (the "Company's Disclosure Letter"), or in the Company's Form 10-K for the fiscal year ended January 31, 2000 ("Form 10-K") as filed with the SEC, any subsequently filed Forms 10-Q and Forms 8-K filed prior to the date hereof, the annual report to stockholders for the fiscal year ended January 31, 2000 delivered to Parent and Purchaser (the "Annual Report"), and the proxy statement for the Company's 2000 Annual Stockholders Meeting (such Forms, the Annual Report and such proxy statement, including any financial statements and related notes or schedules included in such documents and all exhibits and schedules included or incorporated by reference therein, are herein collectively referred to as the "Recent SEC Reports"):

Section 4.01. Organization and Qualification; Subsidiaries. Each of the Company and its Subsidiaries is a corporation duly organized, validly existing and in good standing (with respect to jurisdictions that recognize the concept of good standing) under the laws of the jurisdiction of its incorporation and has the requisite corporate power and authority and any necessary governmental authority and approvals to own, operate or lease the properties that it purports to own, operate or lease and to carry on its business as it is now being conducted, and is duly qualified or licensed as a foreign corporation to do business, and is in good standing (with respect to jurisdictions that recognize the concept of good standing), in each jurisdiction where the character of its properties owned, operated or leased or the nature of its activities makes such qualification or licensing necessary, except for any such failures that, individually and in the aggregate, have not had and are not reasonably likely to have, a Material Adverse Effect or prevent or materially delay the consummation of the Offer or the Merger. For purposes of this Agreement, "Material Adverse Effect" means a materially adverse effect to the business, financial condition or operations of the Company and its Subsidiaries taken as a whole, other than adverse effects from (i) conditions, circumstances or changes in the general economy or capital markets or (ii) any disclosure of this Agreement. The Company has heretofore furnished to Parent a complete and correct copy of the

Certificate of Incorporation and the By-Laws of the Company as currently in effect. Neither the Company nor any of its Subsidiaries, directly or indirectly, owns any interest in any Person other than the Company's Subsidiaries.

Section 4.02. Capitalization.

(a) The authorized capital stock of the Company consists of 25,000,000 shares of Common Stock. As of October 12, 2000, (i) 19,515,887 shares of Common Stock were issued and outstanding, all of which shares of Common Stock were validly issued and are fully paid, nonassessable and free of preemptive rights, (ii) 33,646 shares of Common Stock were held in the treasury of the Company and (iii) 924,100 shares of Common Stock were reserved for issuance upon exercise of Company Stock Options issued and outstanding on such date. Since October 12, 2000, (i) no shares of Common Stock have been issued, except in connection with the exercise of Company Stock Options issued and outstanding on the date hereof and (ii) no options, warrants, securities convertible into, or commitments with respect to the issuance of, shares of capital stock of the Company have been issued, granted or made. Section 4.02 of the Company's Disclosure Letter contains a true, accurate and complete list, as of the date hereof, of the name of each holder of Company Stock Options, the number of Company Stock Options held by such holder, the grant date of each such Company Stock Option, the number of Shares such holder is entitled to receive upon the exercise of each such Option and the corresponding exercise price. There are no shares of capital stock or other voting securities of the Company, options, calls, warrants or rights, agreements, arrangements or commitments of any character obligating the Company or any of its Subsidiaries to issue, deliver or sell or cause to be issued, delivered or sold any shares of capital stock or other voting securities or securities convertible into or exchangeable for capital stock or voting securities of or other equity interests in the Company or any of the Subsidiaries or equity equivalents, interests in the ownership or earnings of the Company (including, but not limited to, stock appreciation rights, phantom stock or stock-based performance units) or other similar rights issued and outstanding (collectively, "Company Securities") or obligations by the Company or any of its Subsidiaries to make any payments based on the price or value of the Shares. There are no voting trusts or other agreements or understandings to which the Company or any of its Subsidiaries is a party with respect to the voting of capital stock of the Company or any of its Subsidiaries. There are no bonds, debentures, notes or other indebtedness of the Company having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders of the Company may vote ("Company Voting Debt") issued and outstanding. There are no stockholders agreements, voting trusts or other agreements or understandings to which the Company or any of its Subsidiaries is a party or by which it is bound relating to the issued or unissued capital stock of the Company (including any such agreements or understandings that may limit in any way the solicitation of proxies by or on behalf of the Company from, or the casting of votes by, the stockholders of the Company with respect to the Merger) or granting to any person or group of persons the right to elect, or to designate or nominate for election, a director to the Board of Directors. There are no programs in place or outstanding obligations of the Company or any of its Subsidiaries (i) to repurchase, redeem or otherwise acquire any Company Securities or (ii) to vote or to dispose of any shares of the capital stock of any of the Subsidiaries.

(b) All the shares of outstanding capital stock of each of the Company's Subsidiaries are duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive (or similar) rights and are owned by the Company or a wholly owned Subsidiary free and clear of any liens, security interests, pledges, agreements, claims, charges or encumbrances of any nature whatsoever. There are no existing options, calls, warrants or other rights, agreements, arrangements

or commitments of any character relating to the issued or unissued capital stock or other equity interests or securities of any Subsidiary. There are no outstanding obligations of the Company or any of its Subsidiaries to make any payments based on the price or value of any shares of any Subsidiary. Neither the Company nor any of its Subsidiaries is under any current or prospective obligation to provide funds to, make a capital contribution or investment in or loan to, or to assume any liability or obligation of, any corporation, partnership, joint venture or business association or entity.

Section 4.03. Authority Relative to this Agreement. The Company has the necessary corporate power and authority to execute, deliver and enter into this Agreement and, subject to obtaining any necessary stockholder approval of the Merger, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of and entering into this Agreement by the Company, the performance of the Company's obligations hereunder and the consummation by the Company of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company, subject to the approval of the Merger by the Company's stockholders to the extent required by the DGCL. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms except to the extent that its enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally or by general equitable principles.

Section 4.04. No Conflict; Required Filings and Consents.

(a) Neither the execution and delivery of this Agreement by the Company, subject to obtaining the approval of the Company's stockholders of the Merger if required by Section 251 of the DGCL, the consummation by the Company of the transactions contemplated hereby, nor compliance by the Company with any of the provisions hereof, will (i) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or result in a right of termination or acceleration under, or result in the creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of the Company or any of its Subsidiaries under, any of the terms, conditions or provisions of (x) the charter or by-laws of the Company or any of its Subsidiaries, or (y) any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which the Company or any of its subsidiaries is a party or to which any of them or any of their respective properties or assets may be subject, or (ii) subject to compliance with the statutes and regulations referred to in the next subsection, violate any judgment, ruling, order, writ, injunction, decree, statute, rule or regulation applicable to the Company and its Subsidiaries or any of their respective properties or assets; except, in the case of each of clauses (i)(y) and (ii) above, for such violations, conflicts, breaches, defaults, terminations, accelerations or creations of liens, security interests, charges or encumbrances which, individually or in the aggregate, are not reasonably likely to have a Material Adverse Effect or prevent or materially delay the consummation of the Offer or the Merger.

(b) Except for (i) applicable requirements, if any, of the Exchange Act, (ii) the pre-merger notification requirements of the HSR Act, (iii) filings by the Company required by, and approvals under, Foreign Antitrust Laws, (iv) the filing and recordation of appropriate merger or other documents as required by the DGCL, and (v) any required notifications or filings with the New York Stock Exchange, Inc., the Company and each of its Subsidiaries are not required to submit any notice, report or other filing with or obtain any authorization, consent or approval from any Governmental Entity, in connection with the execution, delivery or performance of this Agreement or

the consummation of the transactions contemplated hereby, except where the failure to give such notices, make such filings or obtain such authorizations, consents or approvals would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect or prevent or materially delay consummation of the Offer or the Merger.

Section 4.05. SEC Filings; Financial Statements.

(a) The Company has timely filed all forms, reports, schedules, proxy statements, registration statements and other documents (including all exhibits thereto) required to be filed with the SEC since January 31, 1998 (the "SEC Reports"). The SEC Reports (including but not limited to any financial statements or schedules included or incorporated by reference therein) (i) at the time they became effective, in the case of registration statements, or when filed, in the case of any other SEC Report, complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and (ii) do not (except to the extent revised or superseded by a subsequent filing with the SEC), and did not at the time they were filed, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) The consolidated financial statements contained in the SEC Reports were prepared in accordance with United States generally accepted accounting principles applied on a consistent basis throughout the periods involved and present fairly the financial position of the Company and results of operations and cash flows of the Company for the periods indicated, except that the unaudited interim financial statements were or are subject to normal and recurring year-end adjustments (which in the aggregate are not material in amount) and do not contain all the footnote disclosures required by United States generally accepted accounting principles for audited financial statements.

(c) Neither the Company nor any of its Subsidiaries has any liabilities of any nature, whether accrued, absolute, fixed, contingent or otherwise, whether due or to become due and whether or not required to be recorded or reflected on a balance sheet under United States generally accepted accounting principles, except liabilities reflected or reserved against or disclosed in the financial statements of the Company included in the Company's Form 10-Q for the quarter ended July 31, 2000, and except liabilities incurred since July 31, 2000 that (i) have been incurred in the ordinary course of business, consistent with past practice, and (ii) have not had and are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

(d) The Company has heretofore furnished to Parent a complete and correct copy of (i) any material agreements, documents or other instruments that will be required to be filed by the Company with the SEC pursuant to the Securities Act or the Exchange Act, which have not yet been filed with the SEC, and (ii) any material amendments or modifications which have not yet been filed with the SEC to agreements, documents or other instruments which previously had been filed by the Company with the SEC pursuant to the Securities Act or the Exchange Act.

Section 4.06. Absence of Certain Changes or Events. Since July 31, 2000, (a) the business of the Company and its Subsidiaries has been conducted in the ordinary course consistent with past practice; (b) neither the Company nor any of its Subsidiaries have taken any of the actions set forth in Section 5.01; and (c) neither the Company nor any of its Subsidiaries has engaged in any material transaction or entered into any material agreement or commitment outside the ordinary course of business. Since January 31, 2000, neither the Company nor its Subsidiaries have suffered any

Material Adverse Effect and there has not occurred, and there is not currently existing, any circumstance or event that is reasonably likely to have individually or in the aggregate, a Material Adverse Effect.

Section 4.07. Litigation. There are no claims, actions, suits, proceedings or investigations pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries, or any properties or rights of the Company or any of its Subsidiaries, that (i) seek damages of more than $250,000, (ii) have had or are, individually or in the aggregate, reasonably likely to have, a Material Adverse Effect or (iii) are reasonably likely to prevent, enjoin, alter or materially delay the consummation of the transactions contemplated hereby. Neither the Company nor any of its Subsidiaries nor any of their property is subject to any order, judgment, injunction or decree, which has had or is, individually or in the aggregate, reasonably likely to have a Material Adverse Effect or prevent or materially delay the consummation of the Offer or the Merger.

Section 4.08. Employee Benefit Plans.

(a) The Company's Disclosure Letter sets forth a list of all material "employee benefit plans", as defined in Section 3(3) of ERISA whether or not such plan is subject to ERISA, and all other material employee employment agreements, consulting agreements, severance or change of control agreements, benefit or executive compensation arrangements, perquisite programs or payroll practices, including, without limitation, any such material arrangements or payroll practices providing severance pay, sick leave, vacation pay, salary continuation for disability, retirement benefits, deferred compensation, bonus pay, incentive pay, stock options (including those held by directors, employees, and consultants), hospitalization insurance, medical insurance, life insurance, scholarships or tuition reimbursements, that are maintained by the Company, any Subsidiary or any entity within the same "controlled group" as the Company or Subsidiary, within the meaning of Section 4001(a)(14) of ERISA (an "ERISA Affiliate") or to which the Company, any Subsidiary or ERISA Affiliate is obligated to contribute thereunder for current or former employees or directors of the Company, any Subsidiary or ERISA Affiliate (the "Employee Benefit Plans"). Neither the Company nor any of its Subsidiaries has made any plan or commitment, whether legally binding or not, to create any additional Employee Benefit Plan or modify or change any existing Employee Benefit Plan that would materially increase the benefits provided to any employee or former employee, consultant or director of the Company or any Subsidiary thereof. Since January 31, 2000 there has been no material change, amendment, modification to, or adoption of, any Employee Benefit Plan.

(b) The Company has delivered or made available to Parent true, correct and complete copies of the following documents, with respect to each of the Employee Benefit Plans: (i) all Employee Benefit Plan documents and related trust documents, if any, and amendments thereto; (ii) the most recent Forms 5500, if any; (iii) current summary plan descriptions, if any; (iv) the most recent determination letter from the IRS, if any and (v) the most recent actuarial valuation reports.

(c) None of the Employee Benefit Plans is a "multiemployer plan", as defined in Section 4001(a)(3) of ERISA or a plan that has two or more contributing sponsors at least two of whom are not under common control, within the meaning of Section 4063 of ERISA.

(d) None of the Employee Benefit Plans is a "single employer plan," as defined in Section 4001(a)(15) of ERISA, that is subject to Title IV of ERISA.

(e) Each Employee Benefit Plan that is intended to qualify under Section 401 of the Code and each trust maintained pursuant thereto has been determined to be exempt from federal income taxation under Section 501 of the Code by the IRS, and nothing material has occurred with respect to the operation of any such Employee Benefit Plan that is reasonably likely to cause the loss of such qualification or exemption or to require a filing under Rev. Proc. 2000-16 or any predecessor thereto to maintain such qualification.

(f) All material contributions required to be made to any Employee Benefit Plan by the Company or any Subsidiary by applicable law or regulation or by any plan document, and all premiums due from or payable by the Company or any Subsidiary with respect to insurance policies funding any Employee Benefit Plan, for any period through the date hereof have been timely made or paid in full or, to the extent not required to be made or paid on or before the date hereof, have been appropriately reflected in the financial statements of the Company included in the SEC Reports to the extent required under United States generally accepted accounting principles.

(g) Under each Employee Benefit Plan that is a single-employer plan as of the last day of the most recent plan year ended prior to the date hereof, the actuarially determined present value of all "benefit liabilities", within the meaning of Section 4001(a)(16) of ERISA or, with respect to any Employee Benefit Plan established pursuant to the laws of a country other than the United States ("Foreign Plan") as determined under any equivalent law or practice (in each case as determined on the basis of the actuarial assumptions contained in the Employee Benefit Plan's most recent actuarial valuation), did not exceed the then current value of the assets of such Employee Benefit Plan (or, with respect to a Foreign Plan that in accordance with local law, custom or practice is not funded, adequate reserves are appropriately reflected in the financial statements of the Company included in the SEC Reports to the extent required under United States generally accepted accounting principles), and there has been no material adverse change in the financial condition of such Employee Benefit Plan (with respect to either assets or benefits) since the last day of the most recent plan year.

(h) The Company has materially complied with the continuation coverage requirements of Sections 601 through 608 of ERISA, and the requirements of any similar state law regarding continued insurance coverage, and there is no material suit or action pending or threatened against the Company or its Subsidiaries with respect to such requirements.

(i) No amount of compensation paid or payable by the Company to any employee will result in any nondeductible compensation under Section 162(m) of the Code.

(j) To the Company's knowledge, none of the Company, the Subsidiaries, the officers or directors of the Company or any of its Subsidiaries, any trusts created thereunder or any trustee or administrator of any Employee Benefits Plans subject to ERISA, has engaged in a "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) that subjects the Company, any of its Subsidiaries to a tax or penalty on prohibited transactions imposed by such Section 4975 or liability under Section 502(i) or (l) of ERISA which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(k) There are no material pending actions, claims or lawsuits which have been asserted, instituted or, to the Company's knowledge, threatened, against the Company or any of its Subsidiaries or any Employee Benefit Plan with respect to the operation of the Employee Benefit Plan (other than routine benefit claims).

(l) All Employee Benefit Plans have been maintained and administered, in all material respects, in accordance with their terms, with all provisions of ERISA, the Code (including rules and regulations under ERISA or the Code), and other applicable federal and state laws and regulations, all to the extent applicable to each such Employee Benefit Plan.

(m) With respect to each Employee Benefit Plan that is a "welfare plan" (as defined in Section 3(1) of ERISA, neither the Company nor any Subsidiary has any obligations to provide health, life insurance, or death benefits with respect to current or former employees, consultants or directors of the Company or any of its Subsidiaries beyond their termination of employment or service, other than as required under Section 4980B of the Code, and each such Employee Benefit Plan may be amended or terminated at any time without incurring liability thereunder. Except as set forth in Section 4.08 of the Company's Disclosure Letter, there has been no communication to any employee, consultant or director of the Company or any Subsidiary that would reasonably be expected to create an enforceable promise or guarantee of such retiree health or life insurance or other retiree death benefits on a permanent basis.

(n) No Employee Benefit Plan, or the Company or any Subsidiary with respect to such Employee Benefit Plan, is under audit or is the subject of an audit or investigation by the IRS, the U.S. Department of Labor, the Pension Benefit Guaranty Corporation or any other federal or state governmental agency, nor is any such audit or investigation pending or threatened.

(o) All Foreign Plans have been established, operated, administered and maintained, in all material respects, in compliance with all laws, regulations and orders applicable thereto. All premiums, contributions and any other amounts required by applicable Foreign Plan documents or applicable laws to be paid or accrued by the Company and any of its Subsidiaries have been paid or accrued as required and have been appropriately reflected in the financial statements of the Company included in the SEC Reports to the extent required under United States generally accepted accounting principles.

(p) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby, either alone or in conjunction with any other event (whether contingent or otherwise), will except as contemplated by Section 2.08 of this Agreement (i) result in any nondeductible compensation under Section 162(m) of the Code or any payment (including, without limitation, severance, unemployment compensation, "excess parachute payment" (within the meaning of Section 280G of the Code), forgiveness of indebtedness or otherwise) becoming due to any director or any employee of the Company or any of its Subsidiaries under any Employee Benefit Plan or otherwise; (ii) materially increase any benefits otherwise payable under any Employee Benefit Plan; (iii) result in any acceleration of the time of payment or vesting of any such benefits; (iv) materially limit or prohibit the ability to amend or terminate any Employee Benefit Plan; (v) require the funding of any trust or other funding vehicle; or (vi) renew or extend the term of any agreement in respect of compensation for an employee of the Company or any Subsidiary that would create any liability to the Company, any Subsidiary, Parent or Purchaser or their respective affiliates after consummation of the Offer.

(q) Each employment retention agreement between the Company and the executives identified on Section 4.08(q) of the Company's Disclosure Letter have been amended in the applicable form set forth in Section 4.08(q) of the Company's Disclosure Letter.

Section 4.09. Labor and Employment. There is no (i) unfair labor practice charge pending or, to the Company's knowledge, threatened against the Company or any of its Subsidiaries; (ii) there is no labor strike, slowdown, stoppage or other similar labor activity actually pending or, to the Company's knowledge, threatened against or involving the Company or its Subsidiaries; and (iii) no material labor grievance is pending or, to the Company's knowledge, threatened which, individually or in the aggregate, has had or is reasonably likely to have a Material Adverse Effect. Neither the Company nor any Subsidiary (i) is presently a party to or otherwise bound by any collective bargaining agreement or union contract and (ii) has any material labor negotiations in progress with any labor union or other labor organization. To the Company's knowledge, there are no efforts in progress by labor unions to organize any employees who are not now represented by recognized collective bargaining agents.

Section 4.10. Environmental Matters. Except as set forth in the financial statements contained in the Company's Form 10-K and except for Environmental Liability (as defined below) which has not had and is not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect: (a) each of the Company and its Subsidiaries is and has been in compliance with all applicable Environmental Laws; (b) no current or former operations of the Company or of any present or former Subsidiary have given rise to any Release that may require cleanup or other study, investigation or remediation or give rise to any material liability under any Environmental Law (collectively, "Environmental Liability"); (c) the Company and each Subsidiary have all permits, licenses and other authorizations required under any Environmental Law ("Environmental Permits"); (d) the Company and each Subsidiary is in compliance with its Environmental Permits; and (e) there are no pending or, to the Company's knowledge, threatened claims against the Company or any Subsidiary relating to any Environmental Law, Release or Hazardous Substance.

Section 4.11. Licenses and Permits; Compliance with Laws. The Company and its Subsidiaries hold, and at all applicable times hereunder held, all permits, licenses, variances, exemptions, franchises, authorizations and approvals from all Governmental Entities that are required for the operation of the businesses of the Company and its Subsidiaries and the ownership, operation, lease and holding by the Company and its Subsidiaries of their respective properties and assets (the "Company Permits") to the extent the failure to do so, individually or in the aggregate, has had or is reasonably likely to have a Material Adverse Effect or would prevent or materially delay the Offer or the Merger. The Company and its Subsidiaries are in compliance in all material respects with the terms of the Company Permits to the extent the failure to do so, individually or in the aggregate, has had or is reasonably likely to have a Material Adverse Effect or would prevent or materially delay consummation of the Offer or the Merger. The Company and its Subsidiaries are in compliance with all applicable federal, state, local and foreign statutes, ordinances, laws, rules, regulations, orders, judgments and decrees of any Governmental Entity to the extent the failure to so comply, individually or in the aggregate, has had or is reasonably likely to have a Material Adverse Effect or would prevent or materially delay consummation of the Offer or the Merger.

Section 4.12. Taxes.

(a) The Company and each of its Subsidiaries has duly filed with the appropriate Governmental Entity all Tax Returns required to be filed by the Company or such Subsidiary. All such Tax Returns were correct and complete in all material respects. Except to the extent that failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) all Taxes due thereon have been paid, and the most recent financial statements contained in the SEC Reports provide an adequate accrual for the payment of Taxes for the periods

covered by such reports; and (ii) the Company and each Subsidiary has duly withheld and paid all Taxes which it is required to withhold and pay relating to amounts heretofore due or owing to any employee, independent contractor, creditor, shareholder or any other third party. Since July 31, 2000, neither the Company nor any Subsidiary has incurred any Tax other than Taxes incurred in the ordinary course of business consistent in type and amount with past practices of the Company and each Subsidiary, respectively.

(b) Neither the Company nor any Subsidiary has requested any extension of time within which to file any Tax Return in respect of any taxable year, which Tax Return has not since been filed.

(c) Set forth in the Company's Disclosure Letter is a complete list of all Tax Returns filed by the Company or any of its Subsidiaries that have been examined or audited by the IRS or any other Governmental Entity during the preceding three years, and except as set forth in the Company's Disclosure Letter, no such audit or examination is in progress. No (i) deficiency or adjustment for any Taxes has been proposed or assessed against the Company or any Subsidiary, except for deficiencies or adjustments which have been fully satisfied, settled or reserved for in the financial statements; (ii) waivers or comparable consents have been given by the Company or any Subsidiary that remain outstanding with respect to any Tax Return of the Company or any Subsidiary regarding the application of any statute of limitations with respect to any Taxes or Tax Returns of the Company or any such Subsidiary; and (iii) issue has been raised in any examination or audit of any Tax Return of the Company or any Subsidiary that, by application of similar principles, is reasonably likely to result in the assertion of a deficiency for any other year not so examined or audited. Neither the Company nor any Subsidiary has (x) been a member of an affiliated group filing a consolidated federal income Tax Return (other than a group the common parent of which is the Company) or (y) any liability for the Taxes of any person (other than the Company and its Subsidiaries) under Section 1.1502-6 of the Treasury Regulations (or any similar provision of state, local or foreign law), as a transferee or successor, by contract or otherwise.

(d) The Company has made available to the Parent for inspection copies of all material Tax Returns filed (or intended to be filed) by the Company or any of its Subsidiaries within the previous three years and all workpapers prepared in connection with the preparation of such Tax Returns.

Section 4.13. Offer Documents; Proxy Statement. The Schedule 14D-9, when filed with the SEC and first published, sent or given to stockholders of the Company, will comply in all material respects with the Exchange Act. Neither the Schedule 14D-9 nor any of the information provided by or on behalf of the Company specifically for inclusion in the Schedule TO or the Offer Documents will, at the respective times the Schedule 14D-9, the Schedule TO and the Offer Documents or any amendments or supplements thereto are filed with the SEC or first published, sent or given to stockholders of the Company, contain any untrue statement of a material fact or omit to state any material fact (i) required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading or (ii) necessary to correct any statements in any earlier filing by the Company with the SEC or communication from the Company to the holder of Shares with respect to the Offer, the Merger or the Company's Stockholders' Meeting (if any) that has become false or misleading. Any proxy statement to be sent to the stockholders of the Company in connection with a meeting of the Company's stockholders to consider the Merger (the "Company Stockholders' Meeting") or the information statement to be sent to such stockholders in connection with any action by consent in

writing in lieu of a meeting, as appropriate (such proxy statement or information statement, as amended or supplemented, is herein referred to as the "Proxy Statement"), as amended or supplemented from time to time, will comply in all material respects with the applicable requirements of the Exchange Act and the DGCL. The Proxy Statement will not, at the time the Proxy Statement (or any amendment or supplement thereto) is filed with the SEC or first sent to stockholders, at the time of the Company Stockholders' Meeting (if any) or at the Effective Time, contain any untrue statement of a material fact or omit to state any material fact (i) required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, or (ii) necessary to correct any statement in any earlier filing by the Company with the SEC or communication from the Company to the holders of Shares with respect to the Offer, the Merger or the Company Stockholders' Meeting (if any) that has become false or misleading. The Schedule 14A, when filed with the SEC and first published, sent or given to stockholders of the Company, will comply in all material respects with the Exchange Act. The Schedule 14A will not, at the respective times the Schedule 14A or any amendments or supplements thereto are filed with the SEC or first published, sent or given to stockholders of the Company, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. Notwithstanding the foregoing, the Company makes no representation or warranty with respect to any information that has been supplied by Parent or Purchaser or any of their accountants, counsel or other authorized representatives in writing specifically for use in any of the foregoing documents.

Section 4.14. Brokers. No broker, finder or investment banker (other than the Company's Financial Advisor) is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by and on behalf of the Company. A true and complete copy of the Company's engagement letter with the Company's Financial Advisor has previously been provided to Parent.

Section 4.15. Takeover Statutes. The Board of Directors has approved the Offer, the Merger, this Agreement and the transactions contemplated by the Stockholder Agreement, and such approval is sufficient to render inapplicable to the Offer, the Merger, this Agreement and the transactions contemplated by this Agreement and the Stockholder Agreement, Section 203 of the DGCL or any other restrictive provision of any applicable anti-takeover provision in the Company's Certificate of Incorporation, By-Laws or under applicable law.

Section 4.16. Opinion of Financial Advisor. The Company's Financial Advisor has delivered to the Board of Directors its written opinion, dated prior to or as of the date of this Agreement, to the effect that, based upon and subject to the matters set forth therein and as of the date thereof, the Offer Price to be received by holders of Shares (other than Parent and its Affiliates) pursuant to the Offer and the Merger is fair to such holders of Shares from a financial point of view. The Company has been authorized by the Company's Financial Advisor to permit inclusion of such opinion (or a reference thereto) in the Schedule 14D-9.

Section 4.17. Material Contracts. The Company has made available to Parent and Purchaser true, correct and complete copies of all contracts, agreements, commitments, arrangements, leases (including with respect to personal property) and other instruments to which the Company or any of its Subsidiaries is a party or by which the Company, any of its Subsidiaries or any of their respective assets is bound which (a) involves or could involve aggregate payments or receipts of more than $250,000 (excluding any commitments or obligations under purchase orders

arising in the ordinary course of business), (b) is with any of the Company's officers, directors or affiliates, (c) which would, pursuant to Item 601 of Regulation S-K promulgated by the SEC, be required to be attached as an exhibit to the Company's SEC filings under the Exchange Act, (d) is a confidentiality, standstill or similar agreement restricting actions by the Company or (e) contains covenants limiting the freedom to engage in any line of business or compete with any Person or operate at any location (each, a "Material Contract"). Neither the Company nor any of its Subsidiaries is, or has any knowledge that any other party is, in default in any respect under any of the contracts, agreements, commitments, arrangements, leases (including with respect to personal property) and other instruments to which the Company or any of its Subsidiaries is a party or by which the Company, any of its Subsidiaries or any of their respective assets is bound, except for such defaults, individually or in the aggregate, as have not had and are not reasonably likely to have a Material Adverse Effect, and there has not occurred any event that with the lapse of time or the giving of notice or both would constitute such a default.

Section 4.18. Real Property.

(a) Each of the Company and its Subsidiaries has good and marketable title to each parcel of real property owned in fee by it free and clear of all mortgages, pledges, liens, encumbrances and security interests, except (i) those reflected or reserved against in the balance sheet of the Company dated as of January 31, 2000 and included in the SEC Reports, (ii) Taxes and general and special assessments not in default and payable without penalty and interest and (iii) other liens, mortgages, pledges, encumbrances and security interests which do not materially interfere with the Company's or such Subsidiary's use and enjoyment of such real property or materially detract from the value thereof and that, individually or in the aggregate, have not had and are not reasonably likely to have a Material Adverse Effect.

(b) All leases, subleases and other agreements under which the Company or any of its Subsidiaries uses or occupies or has the right to use or occupy, now or in the future, any real property (the "Real Property Leases") are valid, binding and in full force and effect and neither the Company nor any of its Subsidiaries is currently in default of any of the provisions of any real property lease, except for such defaults, individually or in the aggregate, as have not had or are not reasonably likely to have a Material Adverse Effect. The interests of the Company and its Subsidiaries in the Real Property Leases are free and clear of all mortgages, pledges, liens, encumbrances and security interests, except (i) those reflected or reserved against in the balance sheet of the Company dated as of January 31, 2000, (ii) Taxes and general and special assessments not in default and payable without penalty and interest and (iii) other liens, mortgages, pledges, encumbrances and security interests which do not materially interfere with the Company's use and enjoyment of such real property or materially detract from the value thereof and that, individually or in the aggregate, have not had and are not reasonably likely to have a Material Adverse Effect.

Section 4.19. Intellectual Property.

(a) (i) With respect to each of the Company Intellectual Property Rights, the Company and its Subsidiaries either (A) are the owners of the Company Intellectual Property Rights free and clear of any royalty or other payment obligation, lien or charge or (B) have sufficient rights to use such Company Intellectual Property Rights under a valid and enforceable license agreement, (ii) there are no agreements which restrict or limit the use by the Company or its Subsidiaries of the owned Company Intellectual Property Rights, and (iii) to the extent that the Company Intellectual Property Rights owned or held by the Company or its Subsidiaries are registered with the applicable

authorities, record title to such Company Intellectual Property Rights is registered or (applied for) in the name of the Company or any of its Subsidiaries except, in each case, where the failure of such, individually or in the aggregate, has not had and is not reasonably likely to have a Material Adverse Effect.

(b) (i) (A) The Company Intellectual Property Rights are valid and enforceable, (B) the Company Intellectual Property Rights and the products and services of the Company and its Subsidiaries do not infringe on Intellectual Property Rights of any person or entity in any country, (C) except where reasonable business decisions to allow rights to lapse have been made, all maintenance taxes, annuities and renewal fees have been paid and all other necessary actions to maintain the Company Intellectual Property rights have been taken through the date hereof and will continue to be paid or taken by the Company or its Subsidiaries through the Effective Time and (D) there exists no impediment which would impair the Company's rights to conduct its business or the business of its Subsidiaries after the Effective Time pursuant to the Company Intellectual Property Rights except, in each case, where the failure of such has not had and would not reasonably be likely to have a Material Adverse Effect.

(ii) The Company and its Subsidiaries have taken all reasonable and appropriate steps to protect the Company Intellectual Property Rights and, where applicable, to preserve the confidentiality of the Company Intellectual Property rights except, where the failure of such, individually or in the aggregate, has not had and would not reasonably be likely to have a Material Adverse Effect.

(iii) During the two-year period immediately preceding the date of this Agreement, neither the Company nor any of its Subsidiaries has received any notice of claim that any of such Company Intellectual Property Rights has expired, is not valid or enforceable in any country or that it infringes upon or conflicts with Intellectual Property Rights of any third party, and no such claim of infringement or conflict, whenever filed or threatened, currently exists, except such as, individually or in the aggregate, has not had and would not reasonably be likely to have a Material Adverse Effect.

(iv) During the two-year period immediately preceding the date of this Agreement, neither the Company nor any of its Subsidiaries has given any notice of infringement to any third party with respect to any of the Company Intellectual Property Rights or has become aware of facts or circumstances evidencing the infringement by any third party of any of the Company Intellectual Property Rights, and no claim or controversy with respect to any such alleged infringement currently exists, except such as, individually or in the aggregate, has not had and would not reasonably be likely to have a Material Adverse Effect.

(v) Certificates of registration and renewal, letter patents and copyright registration certificates and all other instruments evidencing ownership of the Company Intellectual Property Rights Property are in the possession of the Company, its Subsidiaries, their agents or authorized representatives except such as, individually or in the aggregate, has not had and would not reasonably be likely to have a Material Adverse Effect.

Section 4.20. Related Party Transactions. No director of officer of the Company or any of its Subsidiaries, nor any affiliate of such director or officer, (a) has outstanding any indebtedness or other similar obligations to the Company or any of its Subsidiaries, (b) owns any direct or indirect interest of any kind (other than the ownership of less than 5% of the stock of a publicly traded

company) in, or is a director, officer, employee, partner, affiliate or associate of, or consultant or lender to, or borrower from, or has the right to participate in the management, operation or profits of, any Person or entity which is (i) a competitor, supplier, customer, distributor, lessor, tenant, creditor or debtor of the Company of any of its Subsidiaries or (ii) participated in any transaction to which the company or any of its Subsidiaries is a party or (c) is otherwise a party to any contract, arrangement or understanding with the Company or any of its Subsidiaries.

Section 4.21. Required Vote of Company Stockholders. Unless the Merger is consummated in accordance with Section 253 of the DGCL, the only vote of the stockholders of the Company required to adopt the plan of merger contained in this Agreement and approve the Merger is the affirmative vote of the holders of not less than a majority of the outstanding Shares. No other vote of the stockholders of the Company is required by law, the Certificate of Incorporation or Bylaws of the Company as currently in effect or otherwise to adopt the plan of merger contained in this Agreement and approve the Merger. Purchaser will have full voting power with respect to any Shares purchased pursuant to the Offer or the Stockholder Agreement.

ARTICLE V
COVENANTS

Section 5.01. Conduct of Business by the Company Pending the Closing. From the date of this Agreement to the Effective Time, except as (i) expressly required by this Agreement or otherwise with the prior written consent of Parent or (ii) specifically described in the Company's Disclosure Letter, the Company shall, and shall cause each of its Subsidiaries, to (a) carry on its respective businesses in the ordinary course consistent with past practice, (b) use reasonable efforts to preserve intact its current business organizations and keep available the services of its current officers and employees, (c) use all reasonable efforts to preserve its relationships with customers, suppliers and other Persons with which it has business dealings and (d) comply in all material respects with all laws and regulations applicable to it or any of its properties, assets or business. Without limiting the generality of the foregoing, the Company shall not, and it shall cause its Subsidiaries not to, between the date of this Agreement and the Effective Time, except as expressly required by this Agreement, directly or indirectly, do, or commit to do, any of the following without the prior written consent of Parent:

(i) Propose to amend, amend or otherwise change its Certificate of Incorporation or By-Laws or the equivalent organizational documents;

(ii) Sell, pledge or encumber any stock owned by the Company in any of its Subsidiaries;

(iii) Issue, reissue, sell, or authorize the issuance, reissuance or sale of any shares of capital stock of any class, any Company Voting Debt or any options, warrants, convertible securities or other rights of any kind to acquire, or in respect of, any shares of capital stock or any Company Voting Debt or any other ownership interest (including, but not limited to, stock appreciation rights, phantom stock or stock-based performance units) of the Company or any Subsidiary (except for the issuance of shares of Common Stock required to be issued pursuant to the terms of the Company Stock Options outstanding as of the date hereof) or make any other changes in its capital structure;

(iv) Declare, set aside, make or pay any dividend or other distribution, whether payable in cash, stock, property or otherwise, with respect to any of its capital stock (other than dividends or distributions by any wholly owned Subsidiary of the Company to its parent);

(v) Reclassify, combine, split, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any shares of capital stock of the Company or any Subsidiary or any securities convertible into or exercisable for any such shares of its capital stock or securities;

(vi) Acquire (by merger, consolidation, or acquisition of stock or assets) any corporation, partnership or other business organization or division thereof, or any assets in each case involving an amount in excess of $100,000, except for purchases of inventory, raw materials, supplies and parts made in the ordinary course of business and consistent with past practices;

(vii) Incur any indebtedness for borrowed money (including by issuance of debt securities) other than borrowings in the ordinary course of business under the Company's existing credit facility or issue any debt securities or warrants or other rights to acquire any debt securities of the Company or any Subsidiary, or assume, guarantee or endorse (other than for collection or deposit in the ordinary course of business), or otherwise as an accommodation become responsible for, the obligations of any person, or make any loans or advances or make any capital contributions to, or investments in, any other Person;

(viii) Enter into, or modify, amend or terminate, any Material Contract or agreement;

(ix) Authorize or make capital expenditures not in the ordinary course of business or in excess of $2,000,000 in the aggregate;

(x) (A) Increase the compensation, pension, welfare or fringe benefits of any of its directors, officers or employees, except as required by contractual obligations existing as of the date hereof and except for increases in salary or wages in connection with a promotion or change in position granted to employees (other than executive officers) of the Company or its Subsidiary in the ordinary course of business in accordance with past practice, (B) grant any increase in severance or termination pay not currently required to be paid under existing severance plans or contracts to any director, officer or other employee of the Company or any Subsidiary, including without limitation any increase as a result of promotion, (C) enter into or amend any new, or amend any existing employment, consulting or severance agreement or arrangement, including any arrangement to provide post-retirement medical or life insurance benefits, with any present or former director, officer or other employee of the Company or any Subsidiary or (D) except as is required by law, establish, adopt, enter into or amend or terminate, or take any action to accelerate any rights or benefits under, or make any material determination not in the ordinary course of business consistent with past practice under, any collective bargaining agreement, Employee Benefit Plan or employee benefit arrangement that would have been Employee Benefit Plans if they were in effect as of the date hereof or (E) forgive any loans to employees, officers or directors or any of their respective affiliates or associates.

(xi) Except as may be required as a result of a change in law or in United States generally accepted accounting principles, change any of the accounting methods, practices or principles used by it;

(xii) Except as may be required to comply with a change in law, make any material tax election, make or change any method of accounting with respect to Taxes, file any amended Tax Returns that may have a material adverse effect on the tax position of the Company or any Subsidiary or settle or compromise any material federal, state, local or foreign Tax liability or refund;

(xiii) Settle or agree to settle any material pending suit, action, audit proceeding, investigation or claim (A) against the Company or any Subsidiary by any Governmental Entity, (B) for an amount in excess of $50,000 in any instance or $500,000 in the aggregate, or (C) which relates to the transactions contemplated hereby;

(xiv) Adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of the Company or than the Merger);

(xv) (A) Pay, discharge or satisfy or agree to pay, discharge or satisfy any claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction (I) in the ordinary course of business and consistent with past practice or in accordance with their terms, of liabilities reflected or reserved against in the most recent consolidated financial statements of the Company included in the SEC Reports filed prior to the date of this Agreement or (II) of liabilities incurred in the ordinary course of business and consistent with past practice, (B) cancel any material indebtedness (individually or in the aggregate) or waive any claims or rights of substantial value or (C) waive the benefits of, or agree to modify in any manner, any confidentiality, standstill or similar agreement to which the Company or any Subsidiary is a party;

(xvi) Sell, lease (as lessor), license or otherwise dispose of or subject to any lien or encumbrance any properties or assets, except sales of excess or obsolete assets or real property other than in the ordinary course consistent with past practice.

(xvii) Other than in the ordinary course of business and consistent with past practice, make any loans, advances or capital contributions to, or investments in, any other Person (other than wholly-owned Subsidiaries of the Company);

(xviii) Except as permitted by Section 5.02, take, or agree to commit to take, or fail to take any action that would result or is reasonably likely to result in any of the conditions to the Offer set forth in Annex I or any of the conditions to the Merger set forth in Article VI not being satisfied, or would make any representation or warranty of the Company contained herein inaccurate in any material respect at, or as of any time prior to, the Effective Time, or that would materially impair the ability to consummate the Offer or the Merger in accordance with the terms hereof or materially delay such consummation;

(xix) Agree in writing or otherwise to take any of the foregoing actions; or

(xx) Except as may be required by applicable law or the Company's Certificate of Incorporation or By-Laws, call or hold any stockholders' meeting other than as required by Section 251 of the DGCL to approve the Merger.

Section 5.02. No Solicitation.

(a) Until this Agreement has been terminated in accordance with Section 7.01 (and the payments, if any, required to be made in connection with such termination pursuant to Section 7.02(b) have been made), the Company shall not and shall cause its Subsidiaries and its and their officers, directors, employees, consultants, representatives, affiliates and other agents, including, but not limited to, investment bankers, attorneys and accountants (collectively, the "Company Representatives"), not to, directly or indirectly, (i) encourage, solicit, initiate or facilitate the making of, or take any other action to facilitate any inquiries or the making of any proposal that constitutes or may reasonably be expected to lead to, any Acquisition Proposal (including, without limitation, by taking any action that would make Section 203 of the DGCL inapplicable to an Acquisition Proposal), (ii) participate in any way in discussions or negotiations with, or furnish or disclose any information or afford any access to the properties, books or records of the Company or any of its Subsidiaries to, any Person (other than Parent or Purchaser or any affiliate or associate of Parent or Purchaser) in connection with any Acquisition Proposal, (iii) withdraw or modify, or propose to withdraw or modify, in a manner adverse to Parent or Purchaser the approval and recommendation of the Offer, the Merger or this Agreement, (iv) approve or recommend, or propose publicly to approve or recommend, any Acquisition Proposal (unless contemporaneously with such approval or recommendation the Company terminates this Agreement in accordance with Section 7.01(e)), (v) release any third party from any confidentiality or standstill agreement to which the Company is a party or fail to enforce to the fullest extent possible, or grant any waiver, request or consent to any Acquisition Proposal under, any such agreement, or (vi) enter into any agreement, letter of intent or similar document contemplating or otherwise relating to any Acquisition Proposal; provided, however, that this Section 5.02 shall not prohibit the Company or the Company Representatives from:

(A) (i) issuing a press release or otherwise publicly disclosing the terms of this Agreement (including the provisions of this Section 5.02), the Offer, the Merger or any Acquisition Proposal, (ii) proceeding with the transactions contemplated by this Agreement, (iii) communicating to the holders of the Company's securities a position with respect to an Acquisition Proposal by a third party contemplated by Rule 14d-9 and Rule 14e-2 promulgated under the Exchange Act, or (iv) making any disclosure to the holders of the Company's securities which, in the judgment of the Board of Directors (after receiving the advice of legal counsel) is advisable to be made under applicable law (including laws relating to the fiduciary duties of directors); or

(B) participating in discussions or negotiations with, or furnishing or disclosing nonpublic information to or entering into any confidentiality or standstill or similar agreements with, any Person in response to an unsolicited, bona fide and written Acquisition Proposal that is submitted to the Company by such Person after the date of this Agreement and prior to the date an amount of Shares sufficient to satisfy the Minimum Condition have been accepted for payment pursuant to the Offer if (I) such Acquisition Proposal does not result from a violation of any of the provisions of this Section 5.02, (II) a majority of the members of the Board of Directors determines in good faith, after having received the advice of its financial advisor and outside legal counsel, that (x) such Person is reasonably capable, financially and otherwise, of consummating such Acquisition Proposal, (y) such Acquisition Proposal is reasonably likely to lead to a Superior Proposal and (z) failure to do so would result in a breach of the fiduciary duty of the Board of Directors of the Company to the stockholders of the Company under applicable law, and (III) prior to participating in

discussions or negotiations with, or furnishing or disclosing any nonpublic information to, such Person, the Company gives Parent written notice of the identity of such Person and of the Company's intention to participate in discussions or negotiations with, or furnish or disclose nonpublic information to, such Person, and the Company receives from such Person an executed confidentiality agreement containing terms no less restrictive than the terms of the Confidentiality Agreement.

Parent and Purchaser agree that neither the Company, the Company Representatives, nor any Person who makes an Acquisition Proposal shall be deemed, by reason of taking actions permitted under the provisos of paragraphs (A) and (B) of this Section 5.02, to have tortiously or otherwise wrongfully interfered with or caused a breach of this Agreement or any other agreements, instruments or documents executed in connection herewith, or tortiously or otherwise wrongfully interfered with the Offer, the Merger, the other transactions contemplated hereby or thereby or the rights of Parent, Purchaser or any of their Affiliates hereunder or thereunder.

(b) The Company shall, and shall cause its Subsidiaries and the Company Representatives to, immediately cease and cause to be terminated any discussions or negotiations, if any, with any other parties that may be ongoing as of the date hereof with respect to any Acquisition Proposal.

(c) "Acquisition Proposal" shall mean any proposal or offer, or any indication of interest in making an offer or proposal, made by any Person or group (in each case, whether or not in writing and whether or not delivered to the stockholders of the Company generally) relating to (i) any direct or indirect acquisition or purchase which is structured to permit such Person or group to acquire beneficial ownership of at least 10% of the assets of the Company or any of its Subsidiaries or of over 10% of any class of equity securities of the Company or any of its Subsidiaries, (ii) any tender offer or exchange offer that, if consummated, would result in any Person, other than Parent, Purchaser, their Affiliates or any group of which any of them is a member beneficially owning 10% or more of any class of equity securities of the Company or any of its Subsidiaries, or (iii) any merger, consolidation, business combination, sale of substantially all the assets, recapitalization, liquidation, dissolution or similar transaction involving the Company or any of its Subsidiaries. "Superior Proposal" shall mean an unsolicited bona fide written proposal made by a third party to acquire all of the issued and outstanding Shares pursuant to a tender offer or a merger or to acquire all of the properties and assets of the Company on terms and conditions that the Board of Directors determines in good faith, after receiving the written advice of its financial advisor and taking into account all the terms and conditions of such proposal (including, without limitation, any expense reimbursement provisions, termination fees and conditions), is more favorable to the Company's stockholders from a financial point of view than the transactions contemplated hereby and is reasonably likely to be consummated.

(d) Nothing contained in this Section 5.02 shall prohibit Purchaser from purchasing the Shares pursuant to the Offer or consummating the Merger. Without limiting any other rights of Parent or Purchaser under this Agreement in respect of any such action, neither any withdrawal or modification by the Company of the approval or recommendation of the Offer or the Merger nor the termination of this Agreement shall have any effect on the approvals of, and other actions referred to herein for the purpose of causing Section 203 of the DGCL and the other statutes referred to in Section 4.15 hereof and paragraph 9 of the Confidentiality Agreement to be inapplicable to, this Agreement and the Stockholder Agreement and the transactions contemplated hereby and thereby, which approvals and actions are irrevocable.

Section 5.03. Access to Information.

(a) Subject to applicable law, during the period commencing on the date hereof and ending on the earlier of (i) the Closing Date and (ii) the date on which this Agreement is terminated pursuant to Section 7.01, the Company shall, and shall cause each of its Subsidiaries to, upon reasonable notice, afford Parent and Purchaser, and their respective counsel, accountants, consultants and other authorized representatives, complete access during normal business hours to the employees, properties (including plants, offices, warehouses and other facilities), books and records of the Company and its Subsidiaries, and cause the Company's and its Subsidiaries' independent public accountants and tax advisors to provide access to their work information so that the Parent and Purchaser may have the opportunity to make such investigations as they shall desire of the affairs of the Company and its Subsidiaries. The Company shall furnish as promptly as practicable to Parent and Purchaser a copy of each form, report, schedule, statement, registration statement and other document filed by it or its Subsidiaries during such period pursuant to the requirements of federal or state securities laws or the DGCL. The Company agrees to cause its officers and employees, in a manner consistent with the fulfillment of their ongoing duties and obligations, to furnish such additional financial and operating data and other information and respond to such inquiries as Parent and Purchaser shall from time to time reasonably request.

(b) Parent hereby confirms to the Company that the Confidentiality Agreement is in full force and effect.

Section 5.04. Stockholders Approval of the Merger. Following the consummation of the Offer, the Company shall promptly take all action necessary in accordance with the DGCL and its Certificate of Incorporation and By-Laws to convene the Company Stockholders' Meeting, or, at the option of Parent, to seek approval of the Merger by written consent in lieu of the Company Stockholder's Meeting. The Company shall use its reasonable efforts to solicit from stockholders of the Company proxies to the extent a stockholder meeting is to be held in favor of the Merger (or written consent is to be obtained in lieu thereof) and shall take all other action necessary or, in the reasonable opinion of Parent, advisable to secure any vote (or written consent) of stockholders required by the DGCL to effect the Merger. Parent agrees that it will vote, or cause to be voted, at the Company Stockholders' Meeting all Shares then owned by it or Purchaser or any of Parent's other subsidiaries and Affiliates in favor of the Merger and the adoption of this Agreement (or deliver written consents conforming to the requirements of the DGCL in lieu thereof). Notwithstanding the foregoing, if Purchaser or any other subsidiary of Parent shall acquire at least 90% of the outstanding Shares, and provided that the conditions set forth in Article VI shall have been satisfied or waived, the Company shall use its best efforts to take all necessary and appropriate action to cause the Merger to become effective as soon as practicable after such acquisition, without the approval of the stockholders of the Company, in accordance with Section 253 of the DGCL.

Section 5.05. Proxy Statement. As promptly as practicable after the consummation of the Offer if required by the Exchange Act, the Company shall prepare and file the Proxy Statement with the SEC subject to the prior review and approval of Parent and Purchaser (which approval shall not be unreasonably withheld), and shall use all reasonable efforts to have it cleared by the SEC. The Company shall obtain and furnish the information required to be included in the Proxy Statement, shall provide Parent and Purchaser with, and consult with Parent and Purchaser regarding, any comments that may be received from the SEC or its staff with respect thereto, shall, subject to the prior review and approval of Parent and Purchaser (which approval shall not be unreasonably withheld), respond promptly to any such comments made by the SEC or its staff with respect to the

Proxy Statement and shall cause the Proxy Statement to be mailed to the Company's shareholders at the earliest practicable date. The Proxy Statement shall contain the recommendation of the Board of Directors that the Company's stockholders approve and adopt this Agreement and the Merger.

Section 5.06. Public Announcements. So long as this Agreement is in effect, Parent and the Company shall consult with each other before issuing, and provide each other a reasonable opportunity to review and comment upon, any press release or other public statements with respect to the Offer or the Merger and shall not issue, or permit their affiliates to issue, any such press release or make any such public statement without the written consent of the other party, except as may be required by law or in accordance with any listing agreement with any securities exchange on which such party's securities are listed.

Section 5.07. Reasonable Best Efforts; Cooperation.

(a) Upon the terms and subject to the conditions hereof, each of the parties hereto shall use its reasonable best efforts to obtain in a timely manner all necessary waivers, consents and approvals and to effect all necessary registrations and filings, and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement; provided, however, that nothing in this Agreement (except as expressly provided for in Section 1.01) shall obligate Parent or Purchaser to extend the Offer. Without limiting the foregoing, each of the parties hereto shall (i) cooperate in responding to inquiries from, and making presentations to, regulatory authorities and customers, (ii) defend against and respond to any action, suit, proceeding, or investigation, whether judicial or administrative, challenging or relating to this Agreement or the transactions contemplated hereby, including seeking to have any stay or temporary restraining order entered, by any court or other Governmental Entity vacated or reversed, (iii) cooperate in the preparation and filing of the Offer Documents, the Schedule TO, the Schedule 14D-9 and the Proxy Statement and (iv) promptly make all regulatory filings and applications, including without limitation any required filings and responses to requests for additional information under the HSR Act and Foreign Antitrust Laws, and any amendments thereto as are necessary for the consummation of the transactions contemplated by this Agreement.

(b) Nothing in this Agreement shall obligate Parent, Purchaser or any of their respective Subsidiaries or affiliates to agree (i) to limit in any manner or not to exercise any rights of ownership of any securities (including the Shares), or to divest, dispose of or hold separate any securities or all or any portion of their respective businesses, assets or properties or of the businesses, assets or properties of the Company or any of its Subsidiaries or (ii) to limit in any material manner the ability of such entities (A) to conduct their respective businesses or own such assets or properties or to conduct the businesses or own the properties or assets of the Company and its Subsidiaries or (B) to control their respective businesses or operations or the businesses or operations of the Company and its Subsidiaries.

Section 5.08. Indemnification.

(a) The Certificate of Incorporation and the By-Laws of the Surviving Corporation shall contain the provisions in favor of the directors, officers, employees or agents of the Company, or of any other corporation, partnership, joint venture, trust or other enterprise with which he or she is or was serving in such capacity at the request of the Company, with respect to indemnification and exculpation from liability set forth in the Company's Certificate of Incorporation and By-Laws on

the date of this Agreement, which provisions shall not be amended, repealed or otherwise modified for a period of six years from the Effective Time in any manner that would adversely affect the rights thereunder of individuals who on or prior to the Effective Time were directors, officers or employees of the Company, or any of its subsidiaries unless such modification is required by law. Parent shall guarantee the obligations of the Surviving Corporation with respect to the indemnification provisions contained in the Surviving Corporation's Certificate of Incorporation and By-Laws and in any currently existing agreements with respect to indemnification between the Company and any of its current and former officers, directors or employees of the Company, to the extent such agreements are listed in the Disclosure Letter and copies of the forms thereof are provided by the Company.

(b) For six years after the Effective Time, the Surviving Corporation shall maintain in effect, in respect of acts or omissions occurring prior to the Effective Time, policies of directors' and officers' liability insurance covering each person currently covered by such policies on terms with respect to coverage and amount no less favorable in any material respect than those of such policy in effect on the date hereof; provided, however, that in satisfying its obligation under this Section 5.08(b) the Surviving Corporation shall not be obligated to pay annual premiums in excess of 200% of the amount per annum the Company is currently paying for such coverage; provided further that if the annual premiums of such insurance coverage exceeds such amount, the Surviving Corporation shall be obligated to obtain policies with as much coverage as is available for a cost not exceeding such amount.

(c) The provisions of this Section 5.08 are intended for the benefit of, and shall be enforceable by, the respective indemnified parties. The obligations of Parent and Purchaser under this Section 5.08 shall not be terminated or modified in such a manner as to adversely affect any indemnified party to whom this Section 5.08 applies without the consent of such party.

Section 5.09. Takeover Statutes. If any state takeover statute or other similar statute or regulation becomes or is deemed to become applicable to the Offer, the Merger, this Agreement or any of the transactions contemplated hereby, the Company shall promptly take all action necessary to render such statute or regulation inapplicable to all of the foregoing.

Section 5.10. Employee Benefits. Each employee of the Company or any of its subsidiaries immediately prior to the Effective Time will become an employee of the Surviving Corporation as of the Effective Time ("Company Employees"). Purchaser will provide to Company Employees for a period of one year after the Effective Time, compensation, employee welfare benefits, tax-qualified retirement benefits and other employee and fringe benefits that are, in the aggregate, of at least equal value to those currently in effect for such Company Employees. Aggregate comparable value shall be determined separately for each principal line of business in which the Company and its Subsidiaries are engaged. Purchaser shall waive any pre-existing condition clause or waiting period requirement in welfare benefit plans or programs (except to the extent such condition or waiting period in comparable plans of the Company would apply to a participant or beneficiary after the Closing if such plans continued after the Closing) and give credit for deductible amounts and co-payments paid by Company Employees during the current deductible year. Purchaser shall grant each Company Employee credit under its tax-qualified retirement plans, for purposes of eligibility and vesting (but not for purposes of benefit accrual), for Company Employee's service with the Company and its Affiliates prior to the Effective Time. Notwithstanding anything in this Agreement to the contrary, Parent shall cause the Surviving Corporation to honor and assume the written employment agreements (amended in accordance with Section 4.08(q)), severance agreements, indemnification agreements with existing directors and officers of the Company, incentive

arrangements and other agreements listed on the Company's Disclosure Letter, all as in effect on the date of this Agreement. The provisions of this Section 5.10 are not intended to create any enforceable rights by, current or former employees, officers and directors of the Company and their respective heirs and legal representatives.

Section 5.11. Notification of Certain Matters. The Company shall give prompt notice to Parent and Purchaser, and Parent or Purchaser, as the case may be, shall give prompt notice to the Company, of the occurrence, or non-occurrence, of any event the occurrence, or non-occurrence, of which is likely (a) to cause any representation or warranty of such party contained in this Agreement to be untrue or inaccurate (in the case of any representation or warranty not limited by materiality or Material Adverse Effect, in any material respect) if made as of any time at or prior to the Effective Time or (b) to result in any material failure of such party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied hereunder.

Section 5.12. Subsequent Filings. Until the Effective Time, the Company will timely file with the SEC each form, report and document required to be filed by the Company under the Exchange Act and will promptly deliver to Parent and Purchaser copies of each such report filed with the SEC. As of their respective dates, none of such reports shall contain any untrue statement of a 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. The audited consolidated financial statements and unaudited interim financial statements of the Company included in such reports shall be prepared in accordance with United States generally accepted accounting principles applied on a consistent basis (except as may be indicated in the notes thereto) and shall fairly present the financial position of the Company and its consolidated Subsidiaries as at the dates thereof and the results of their operations and changes in financial position for the periods then ended, except that the unaudited interim financial statements were or are subject to normal and recurring year-end adjustments which should not be materially adverse to the Company and its Subsidiaries taken as a whole.

ARTICLE VI
CONDITIONS TO THE MERGER

Section 6.01. Conditions. The respective obligations of each party to effect the Merger shall be subject to the satisfaction or waiver, where permissible, on or prior to the Effective Time of the following conditions:

(a) Purchaser shall have made, or caused to be made, the Offer and shall have accepted for payment and paid for Shares in an amount sufficient to satisfy the Minimum Condition and otherwise pursuant to the Offer;

(b) The Merger and this Agreement shall have been approved and adopted by the requisite vote of the stockholders of the Company, if required by the DGCL; and

(c) No statute, rule, regulation, judgment, writ, decree, order or injunction shall have been promulgated, enacted, entered or enforced, and no other action shall have been taken, by any Governmental Entity that in any of the foregoing cases has the effect of making illegal or directly or indirectly restraining, prohibiting or restricting the consummation of the Merger (provided that each party hereto shall use its reasonable best efforts to have vacated or reversed, in accordance with Section 5.07, any applicable judgment, writ, decree, order or injunction).

ARTICLE VII
TERMINATION, AMENDMENT AND WAIVER

Section 7.01. Termination. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time, whether prior to or after approval of matters presented in connection with the Merger by the stockholders of the Company (with any termination by Parent also being an effective termination by Purchaser):

(a) By the mutual written consent of Parent and the Company;

(b) By either of Parent or the Company if any statute, law, rule or regulation shall have been promulgated that prohibits the consummation of the Offer or the Merger or if any Governmental Entity of competent jurisdiction shall have issued an order, decree or ruling or taken any other action (which order, decree or ruling or other action each party hereto shall use its reasonable best efforts to have vacated or reversed in accordance with Section 5.07(a)), in each case restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and non-appealable;

(c) By the Company if (i) Purchaser fails to commence the Offer in violation of Section 1.01, (ii) as a result of the failure of one or more conditions set forth in Annex I, Purchaser shall not have accepted for payment and paid for Shares pursuant to the Offer in accordance with the terms thereof on or before December 18, 2000; provided, however, that either Purchaser or Company shall have the option, in their respective sole discretion, to extend such date for an additional period not to exceed 60 business days if the sole reason that the Purchaser has not accepted for payment and paid for Shares pursuant to the Offer is the failure of the applicable waiting period under the HSR Act or any Foreign Antitrust Laws to expire or failure to obtain any required governmental or regulatory approval (the "Outside Date") or (iii) Purchaser fails to purchase validly tendered Shares in violation of the terms of this Agreement;

(d) By Parent if, due to an occurrence or circumstance which would result in a failure to satisfy any of the conditions to the Offer, Purchaser shall have (i) not commenced the Offer within the time required by Section 1.01, (ii) terminated the Offer without purchasing any Shares pursuant to the Offer or (iii) failed to accept for payment Shares pursuant to the Offer prior to the Outside Date;

(e) By the Company, prior to the purchase of Shares pursuant to the Offer, if (i) the Company has complied with its obligations under Section 5.02 and (ii) the Company has given Parent and Purchaser prior written notice, of not less than the greater of seventy-two hours and two full business days, of its intention to terminate this Agreement and accept or recommend a Superior Proposal and of the material terms and conditions of such Superior Proposal, provided that the termination described in this Section 7.01(e) shall not be effective unless and until the Company shall have paid to Parent the amounts specified in Section 7.02(b);

(f) By Parent, prior to the purchase of Shares pursuant to the Offer, if the Company breaches any of its covenants in Section 5.02 or the Board of Directors of the Company shall have resolved to effect any of the actions referred to in the first paragraph of Section 5.02(a);

(g) By Parent, prior to the purchase of Shares pursuant to the Offer, if the Company shall have breached any of its representations, warranties or covenants contained in this Agreement, which

breach would give rise to a failure of a condition set forth in Annex I and which breach has not been or is incapable of being cured by the Company prior to the Outside Date; or

(h) By the Company, prior to the purchase of Shares pursuant to the Offer, if the Parent or Purchaser shall have breached any of their representations, warranties or covenants contained in this Agreement, which breach would cause Parent or Purchaser to be unable to complete the Offer and the Merger and which breach has not been or is incapable of being cured prior to the Outside Date.

Section 7.02. Effect of Termination.

(a) In the event of termination of this Agreement by either the Company or Parent or Purchaser as provided in Section 7.01, (i) this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of Parent, Purchaser or the Company, except that (i) Article VIII and this Section 7.02 shall survive any termination of this Agreement and (ii) nothing in this Section 7.02 shall relieve any party to this Agreement for liability for breach of this Agreement.

(b) If this Agreement is terminated pursuant to (i) Section 7.01(e), (ii) Section 7.01(f) or (iii) Section 7.01(c)(ii) or Section 7.01(d) and, in the case of this clause (iii) only, at any time after the date of this Agreement and prior to such termination an Acquisition Proposal shall have been publicly announced or otherwise publicly communicated to the stockholders of the Company generally and as of the date of such termination such Acquisition Proposal shall not have been withdrawn or lapsed in accordance with its terms, then the Company shall pay to Parent in immediately available funds an amount equal to $20 million. If such amount becomes payable pursuant to clause (i), (ii) or (iii) of this Section 7.02(b), such amount shall be payable simultaneously with such termination (in the case of termination by the Company) or within two business days thereafter (in the case of termination by Parent).

(c) The Company acknowledges that the agreements contained in Section 7.02(b) are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, Parent and Purchaser would not enter into this Agreement; accordingly, if the Company fails to pay the amount due pursuant to Section 7.02(b), and, in order to obtain such payment, Parent or Purchaser commences a suit which results in a judgment against the Company for the amounts set forth in Section 7.02(b), the Company shall pay to Parent or Purchaser, as the case may be, its costs and expenses (including attorneys' fees and expenses) in connection with such suit, together with interest on the amount of the fee at the prime rate of Citibank N.A. in effect on the date such payment was required to be made.

Section 7.03. Amendment. Subject to Section 1.03, this Agreement may be amended by the parties hereto by action taken by the respective Board of Directors of the Company, Parent and Purchaser or by the respective officers authorized by such Boards of Directors at any time prior to the Effective Time (notwithstanding any stockholder approval); provided, however, that, after approval of the Merger by the stockholders of the Company, no amendment may be made which by law requires further approval by such stockholders without such further approval. This Agreement may not be amended except by an instrument in writing signed by the parties hereto.

Section 7.04. Extension; Waiver. Subject to Section 1.03, at any time prior to the Effective Time, any party hereto may (a) extend the time for the performance of any of the obligations or other

acts of the other parties hereto, (b) waive any inaccuracies in the representations and warranties of the other parties hereto contained herein or in any document delivered pursuant hereto, and (c) waive compliance by the other parties hereto with any of their agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed by such party. The failure of any party hereto to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights.

ARTICLE VIII
GENERAL PROVISIONS

Section 8.01. Non-Survival of Representations and Warranties. The representations and warranties in this Agreement shall not survive beyond the consummation of the Offer. The covenants and agreements set forth herein shall survive the Effective Time indefinitely (except to the extent a shorter period of time is explicitly specified therein or as otherwise provided in Section 7.02).

Section 8.02. Expenses. Whether or not the Merger is consummated, except as expressly set forth herein, all fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fees, costs and expenses.

Section 8.03. Entire Agreement. This Agreement (including the documents and the instruments referred to herein) constitutes the entire agreement and supersedes any and all other prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

Section 8.04. Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties (except that Parent may assign its rights and Purchaser may assign its rights, interest and obligations to any Subsidiary of Parent without the consent of the Company; provided that no such assignment shall relieve Parent of any liability for any breach by such assignee). Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 8.05. Parties in Interest. Except as otherwise provided herein, this Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

Section 8.06. Validity. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are consummated to the maximum extent possible.

Section 8.07. Notices. All notices and other communications given or made pursuant hereto shall be in writing (and shall be deemed to have been duly given or made when received by the addressee) by delivery in person, by facsimile, cable, telecopy, telegram or telex or by registered or certified mail (postage prepaid, return receipt requested), in each case to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) If to Parent or Purchaser:

United Technologies Corporation
United Technologies Building
One Financial Plaza
Hartford, Connecticut 06101
Attention: General Counsel
Facsimile: 860-728-7862

With a copy to:

Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, NY 10006
Attention: Christopher E. Austin
Facsimile: (212) 225-3999

(b) If to the Company:

Specialty Equipment Companies, Inc.
1245 Corporate Blvd., Suite 401
Aurora, Illinois 60504
Attention: Jeffrey P. Rhodenbaugh
Facsimile: (630) 585-9450

With a copy to:

Sonnenschein Nath & Rosenthal
8000 Sears Tower
Chicago, Illinois 60606
Attention: Andrew L. Weil
Michael D. Rosenthal
Facsimile: (312) 876-7934

Section 8.08. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed in and to be performed entirely within that State, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof. In addition, each of the parties hereto (a) consents to submit itself to the personal jurisdiction of any federal court located in the State of Delaware or any Delaware state court in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (c) agrees

that it will not bring any action relating to this Agreement or any of the transaction contemplated by this Agreement in any court other than a federal or state court sitting in the State of Delaware.

Section 8.09. Waiver of Jury Trial. Each of the parties to this Agreement hereby irrevocably waives all right to a trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement or the transactions contemplated hereby.

Section 8.10. Specific Performance. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any federal or state court sitting in Delaware, this being in addition to any other remedy to which they are entitled at law or in equity.

Section 8.11. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 8.12. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which shall constitute one and the same agreement.

Section 8.13. Construction. This Agreement is a product of negotiation between the parties, and the language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against either party, and no presumptions or rules of interpretation based upon the identity of the party preparing or drafting the Agreement, or any part thereof, shall be applicable or invoked.

Section 8.14. Interpretation of Certain Terms. Any words herein used in the singular shall denote the plural as the context so requires and when used herein in the plural shall denote the singular as the context so requires. Pronouns used herein, whether masculine, feminine, or neuter, shall be interpreted as the context so requires. The word "including" shall mean "including, without limitation." Any reference to any federal, state, or local law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

Section 8.15. Definitions. For purposes of this Agreement, the term:

"Acquisition Proposal" shall have the meaning set forth in Section 5.02(c).

"Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under the Exchange Act.

"Agreement" shall have the meaning set forth in the preamble.

"Annual Report" shall have the meaning set forth in the introductory paragraph of Article IV.

"Board of Directors" shall have the meaning set forth in the recitals of this Agreement.

"business day" shall have the meaning set forth in Rule 14d-1(g)(3) under the Exchange Act.

"Certificates" shall have the meaning set forth in Section 2.07(b).

"Closing" shall have the meaning set forth in Section 2.02(a).

"Closing Date" shall have the meaning set forth in Section 2.02(a).

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

"Common Stock" shall have the meaning set forth in the recitals of this Agreement.

"Company" shall have the meaning set forth in the preamble of this Agreement.

"Company's Disclosure Letter" shall have the meaning set forth in the introductory paragraph of Article IV.

"Company Employees" shall have the meaning set forth in Section 5.10.

"Company's Financial Advisor" shall have the meaning set forth in Section 1.02(a).

"Company Intellectual Property Rights" shall mean all Intellectual Property Rights owned or held by the Company or any of its Subsidiaries or otherwise used in the business of the Company and its Subsidiaries.

"Company Permits" shall have the meaning set forth in Section 4.11.

"Company Representatives" shall have the meaning set forth in Section 5.02(a).

"Company Securities" shall have the meaning set forth in Section 4.02(a).

"Company Stockholders' Meeting" shall have the meaning set forth in Section 4.13.

"Company Stock Option" shall have the meaning set forth in Section 2.08(a).

"Company Voting Debt" shall have the meaning set forth in Section 4.02(a).

"Confidentiality Agreement" shall have the meaning set forth in Section 1.02(a).

"Control" (including the terms "controlled by" and "under common control with") shall have the meaning set forth in Rule 12b-2 promulgated under the Exchange Act.

"DGCL" shall mean the Delaware General Corporation Law.

"Dissenting Shares" shall have the meaning set forth in Section 2.06(a).

"Effective Time" shall have the meaning set forth in Section 2.02(b).

"Employee Benefit Plans" shall have the meaning set forth in Section 4.08(a).

"Environmental Disclosure Requirements" shall mean any Environmental Laws requiring notification, registration, or filing with any governmental agency, prior to the sale or transfer of control of an establishment, of the actual or threatened presence or Release into the environment, or the use, disposal, or handling of Hazardous Substance on, at, under, or near the establishment for which control is to be transferred.

"Environmental Law" shall mean any federal, state, municipal, foreign or other statutes, laws, ordinances, rules or regulations and common law principles relating to regulation of pollution or the protection of human health or the environment, including without limitation the following federal statutes and their state counterparts, as each may be amended from time to time, and any regulations promulgated thereunder: the Atomic Energy Act, the Clean Air Act, the Clean Water Act, the Comprehensive Environmental Response, Compensation, and Liability Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Hazardous Materials Transportation Act, the Occupational Safety and Health Act, the Resource Conservation and Recovery Act and the Safe Drinking Water Act.

"Environmental Liability" shall have the meaning set forth in Section 4.10.

"Environmental Permits" shall have the meaning set forth in Section 4.10.

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

"ERISA Affiliate" shall have the meaning set forth in Section 4.08(a).

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended (including the rules and regulations promulgated thereunder).

"Foreign Antitrust Laws" shall have the meaning set forth in Section 3.03(b).

"Foreign Plan" shall have the meanings set forth in Section 4.08(g).

"Form 10-K" shall have the meaning set forth in the introductory paragraph of Article IV.

"Governmental Entity" shall have the meaning set forth in Section 3.03(b).

"Hazardous Substances" shall mean any pollutant or contaminant or any hazardous or toxic substance, waste, chemical, or material, including without limitation as those terms are defined in any Environmental Law, and including without limitation (a) petroleum and petroleum products including crude oil and any fractions thereof; (b) natural gas, synthetic gas, and mixtures thereof; (c) radon; and (d) asbestos and asbestos-containing materials.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Independent Directors" shall have the meaning set forth in Section 1.03.

"Intellectual Property Rights" shall mean all proprietary and other

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rights, including rights granted under license, in and to the following: (i) trademarks, service marks, trademark

registrations, service mark registrations, trade names, applications for registration of trademarks and service marks, and the goodwill associated therewith; (ii) copyrights, copyright registrations and applications for registration of copyrights; (iii) patents, design patents and utility patents, all applications for grant of any such patents pending as of the date hereof or as of the Effective Time or filed within five years prior to the date hereof, and all reissues, divisions, continuations-in-part and extensions thereof; (iv) computer software, including source code, object code, algorithms, databases, and all related documentation; (v) technical documentation, trade secrets, designs, inventions, processes, formulae, know- how, operating manuals and guides, plans, new product development, technical and marketing surveys, material specifications, product specifications, invention records, research records, labor routings, inspection processes, equipment lists, engineering reports and drawing; architectural or engineering plans, know-how agreements and other know-how; marketing and licensing records, sales literature, customer lists, trade lists, sales forces and distributor networks lists, advertising and promotional materials, service and parts records, warranty records, maintenance records and similar records; and (vi) all rights and incidents of interest in and to all noncompetition or confidentiality agreements; in each case including any applications therefor or registrations, renewals, modifications and extensions thereof.

"IRS" shall mean the Internal Revenue Service.

"knowledge" of the Company shall mean the actual knowledge, after reasonable inquiry, of the executive officers of the Company and the Subsidiaries, including reasonable inquiry of the Company's counsel.

"Material Adverse Effect" shall have the meaning set forth in Section 4.01.

"Material Contract" shall have the meaning set forth in Section 4.17.

"Merger" shall have the meaning set forth in the recitals of this Agreement.

"Merger Consideration" shall have the meaning set forth in Section 2.05(a).

"Minimum Condition" shall have the meaning set forth in Annex I.

"Offer" shall have the meaning set forth in the recitals of this Agreement.

"Offer Documents" shall have the meaning set forth in Section 1.01(c).

"Offer Price" shall have the meaning set forth in the recitals of this Agreement.

"Offer to Purchase" shall have the meaning set forth in Section 1.01(c).

"Outside Date" shall have the meaning set forth in Section 7.01(c).

"Parent" shall have the meaning set forth in the preamble of this Agreement.

"Parent Information" shall have the meaning set forth in Section 3.06.

"Paying Agent" shall have the meaning set forth in Section 2.07(a).

"Person" shall mean an individual, corporation, partnership, association, trust, any unincorporated organization or group (within the meaning of Section 13(d)(3) of the Exchange Act).

"Proxy Statement" shall have the meaning set forth in Section 4.13.

"Purchaser" shall have the meaning set forth in the preamble of this Agreement.

"Real Property Leases" shall have the meaning set forth in Section 4.18(b).

"Recent SEC Reports" shall have the meaning set forth in the introductory paragraph of Article IV.

"Release" shall mean any spill, discharge, leak, emission, disposal, injection, escape, dumping, leaching, dispersal, emanation, migration or release of any kind whatsoever of any Hazardous Substance, at, in, on, into or onto the environment.

"Schedule 14A" shall have the meaning set forth in Section 1.03.

"Schedule 14D-9" shall have the meaning set forth in Section 1.02(b).

"Schedule TO" shall have the meaning set forth in Section 1.01(c).

"SEC" shall mean the Securities and Exchange Commission.

"SEC Reports" shall have the meaning set forth in Section 4.05(a).

"Securities Act" shall mean the Securities Act of 1933, as amended (including the rules and regulations promulgated thereunder).

"Shares" shall have the meaning set forth in the recitals of this Agreement.

"Stockholder Agreement" shall have the meaning set forth in the recitals of this Agreement.

"Stock Option Plans" shall have the meaning set forth in Section 2.08(a).

"Subsidiary" shall mean any corporation or other legal entity of which the Company (either alone or through or together with any other Subsidiary) (a) owns, directly or indirectly, more than 50% of the stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity, or (b) in the case of partnerships, serves as a general partner, or (c) in the case of a limited liability company, serves as managing member or (d) otherwise has the ability to elect a majority of the directors, trustees or managing members thereof.

"Superior Proposal" shall have the meaning set forth in Section 5.02(c).

"Surviving Corporation" shall have the meaning set forth in Section 2.01.

"Taxes" shall mean all taxes, charges, fees, levies or other
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assessments, including, without limitation, all net income, gross
income, gross receipts, corporation, advance corporation,

sales, use, ad valorem, registration, alternative or add on minimum, value added, premium, goods and services, capital, capital stock, transfer, franchise, single business, profits, license, withholding, payroll, employment, employer health, excise, severance, stamp, occupation, real and personal property, workers compensation, unemployment, disability, PBGC premiums, social security, FICA, estimated, recording, gift, value assessed, windfall profits, environmental, or other taxes, customs duties, fees, assessments or charges of any kind whatsoever, whether computed on a separate, consolidated, unitary, combined or other basis, together with any interest, fines, penalties, additions to tax or other additional amounts imposed by any taxing authority (domestic or foreign), however denominated, whether disputed or not.

"Tax Returns" shall mean any return, declaration, report, estimate, claim for refund, information or other document (including any documents, forms, statements or schedules attached thereto) required to be filed with or supplied to any federal, state, local or foreign tax authority with respect to Taxes and including any amendment thereof.

IN WITNESS WHEREOF, Parent, Purchaser and the Company have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

UNITED TECHNOLOGIES CORPORATION

By: /s/ Ari Bousbib

Name: Ari Bousbib

Title: Vice President

SOLAR ACQUISITION CORP.

By: /s/ Ari Bousbib

Name: Ari Bousbib

Title: President

SPECIALTY EQUIPMENT COMPANIES, INC.

By: /s/ Jeffrey P. Rhodenbaugh

Name: Jeffrey P. Rhodenbaugh

Title: President and Chief Executive Officer

ANNEX I

CONDITIONS TO THE OFFER

Notwithstanding any other provision of the Offer or Agreement, Purchaser shall not be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) promulgated under the Exchange Act (relating to Purchaser's obligation to pay for or return tendered Shares promptly after termination or withdrawal of the Offer), to pay for any tendered Shares if (i) there shall not have been validly tendered and not properly withdrawn prior to the expiration of the Offer such number of shares of Common Stock which, when aggregated with shares of Common Stock beneficially owned by Parent (excluding shares of Common Stock held by an employee benefit plan), represents at least a majority of all of the issued and outstanding shares of Common Stock on a fully diluted basis, assuming the exercise of all Company Stock Options and the conversion or exchange of all securities convertible or exchangeable into shares of Common Stock (the "Minimum Condition"), (ii) any applicable waiting period under the HSR Act and any Foreign Antitrust Law shall not have expired or been terminated or any required approval under any Foreign Antitrust Law shall not have been obtained or (iii) at any time after the date of this Agreement and prior to the acceptance of such Shares for payment or payment for any such Shares, any of the following events shall occur or conditions shall exist:

(a) there shall have been any statute, rule, regulation, legislation, judgment, order or injunction, promulgated, enacted, entered, enforced, issued, amended or deemed applicable by a Governmental Entity to Parent, Purchaser, the Company, any other affiliate of Parent or the Company, the Offer or the Merger, that would or is reasonably likely to (1) make the acceptance for payment of, or payment for or purchase of all or a substantial number of the Shares pursuant to the Offer illegal, or otherwise materially restrict or prohibit the consummation of the Offer or the Merger, (2) result in a material delay in the ability of Purchaser to accept for payment, pay for or purchase all or a substantial number of the Shares pursuant to the Offer or to effect the Merger, (3) render Purchaser unable to accept for payment or pay for or purchase all or a substantial number of the Shares pursuant to the Offer, (4) impose material limitations on the ability of Parent, Purchaser or any of their respective Subsidiaries or affiliates to acquire or hold, transfer or dispose of, or effectively to exercise all rights of ownership of, all or a substantial number of the Shares including the right to vote the Shares purchased by it pursuant to the Offer on an equal basis with all other Shares on all matters properly presented to the stockholders of the Company, (5) require the divestiture by Parent, Purchaser or any of their respective Subsidiaries or affiliates of any Shares, or require Purchaser, Parent, the Company, or any of their respective Subsidiaries or affiliates to dispose of all or any material portion of their respective businesses, assets or properties or impose any material limitations on the ability of any of such entities to conduct their respective businesses or own such assets, properties or Shares or on the ability of Parent or Purchaser to conduct the business of the Company and its Subsidiaries and own the assets and properties of the Company and its Subsidiaries, or (6) impose any material limitations on the ability of Parent, Purchaser or any of their respective Subsidiaries or affiliates effectively to control the business or operations of the Company, Parent, Purchaser or any of their respective Subsidiaries or affiliates;

(b) this Agreement shall have been terminated in accordance with its terms;

(c) the representations and warranties of the Company set forth in the Agreement shall not have been true and correct when made, or shall not continue to be true and correct except (i) those representations and warranties that address matters only as of a particular date (which shall be

true and correct as of such date), and (ii) where the failure of such representations and warranties has not had, and is not reasonably likely to have, a Material Adverse Effect;

(d) the Company shall have failed to perform in any material respect, or to comply in any material respect with, any obligation, agreement or covenant of the Company to be performed or complied with by it under the Agreement;

(e) there shall have been instituted or pending any action, proceeding or counterclaim by any Governmental Entity challenging the making of the Offer, the acquisition by Purchaser of the Shares pursuant to the Offer or the consummation of the Merger, or seeking to, directly or indirectly, result in any of the consequences referred to in clauses (1) through (6) of paragraph (a) above;

(f) there shall have occurred (1) any general suspension of, or limitation on, trading in securities on the New York Stock Exchange (other than any suspension or limitation on trading in any particular security as a result of a computerized trading limit or any intraday suspension due to "circuit breakers") or (2) the declaration of any banking moratorium or any suspension of payments in respect of banks or any limitation (whether or not mandatory) on the extension of credit by lending institutions in the United States; or

(g) there shall have occurred any change, condition, event or development that, individually or in the aggregate, has had or is reasonably likely to have a Material Adverse Effect.

The foregoing conditions are for the sole benefit of Parent and Purchaser and may be asserted regardless of the circumstances (including any action or inaction by Parent or Purchaser or any of their affiliates giving rise to any such condition) or waived by Parent or Purchaser in whole or in part at any time or from time to time, in its discretion subject to the terms and conditions of the Agreement. The failure of Parent or Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time.

Capitalized terms used but not defined in this Annex I shall have the meanings assigned to such terms in the Agreement to which it is annexed, except that the term "Agreement" shall be deemed to refer to the Agreement to which this Annex I is appended.

EXHIBIT (d)(2)

STOCKHOLDER AGREEMENT

This STOCKHOLDER AGREEMENT, dated as of October 13, 2000 (the "Agreement"), among United Technologies Corporation, a Delaware corporation ("Parent") Solar Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Parent ("Purchaser"), and the persons and entities listed on Schedule I hereto (each a "Stockholder" and, collectively, the "Stockholders").

R E C I T A L S:

WHEREAS, concurrently with the execution and delivery of this Agreement, Parent, Purchaser and Specialty Equipment Companies, Inc., a Delaware corporation (the "Company"), are entering into an Agreement and Plan of Merger (as such agreement may hereafter be amended, restated or renewed from time to time the "Merger Agreement"), which provides, among other things, for the acquisition of the Company by Parent by means of a cash tender offer (the "Offer") by Purchaser for all outstanding shares of Common Stock and for the subsequent merger of Purchaser with and into the Company (the "Merger"), all on the terms and subject to the conditions set forth in the Merger Agreement;

WHEREAS, as an inducement and a condition to entering into the Merger Agreement, Parent and Purchaser have required that the Stockholders agree, and each Stockholder has agreed, to enter into this Agreement; and

WHEREAS, the Board of Directors of the Company has approved this Agreement and the transactions contemplated hereby prior to the date hereof;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein and the promises, representations, warranties, covenants and agreements of Parent and Purchaser in the Merger Agreement, the parties hereto agree as follows:

1. Definitions. For purposes of this Agreement:

(a) "beneficially owned" or "beneficial ownership" with respect to any securities shall mean having "beneficial ownership" of such securities (as determined pursuant to Rule 13d-3 under the Exchange Act of 1934, as amended (the "Exchange Act")), including pursuant to any agreement, arrangement or understanding, whether or not in writing.

(b) Terms used and not defined herein, but defined in the Merger Agreement, shall have the respective meanings ascribed to them in the Merger Agreement.

2. Tender of Shares; Agreement to Sell.

(a) In order to induce Parent and Purchaser to enter into the Merger Agreement, each Stockholder hereby agrees to validly tender (or cause the record owner of such shares to validly tender), and not to withdraw, pursuant to and in accordance with the terms of the Offer, not later than the fifth business day after commencement of the Offer, the number of shares of Common Stock set forth opposite such Stockholder's name on Schedule I hereto, all of which are beneficially owned by such Stockholder (the "Existing Shares" and, together with any

shares of Common Stock acquired by such Stockholder in any capacity after the date hereof and prior to the termination of this Agreement by means of purchase, dividend, distribution, exercise of options, warrants or other rights to acquire Common Stock or in any other way, the "Shares"). If a Stockholder acquires beneficial ownership of Shares after the date hereof, such Stockholder shall tender such Shares on such fifth business day or, if later, on the second business day after such acquisition. Each Stockholder hereby acknowledges and agrees that Parent's and Purchaser's obligation to accept for payment, purchase and pay for the Shares in the Offer, including the Shares beneficially owned by the Stockholders, is subject to the terms and conditions of the Offer.

(b) As promptly as practicable following the expiration of the Offer (but in no event later than 10:00 a.m., New York City time, on the first trading day immediately after such expiration), each Stockholder hereby severally and not jointly agrees to sell to Purchaser, and Purchaser agrees to purchase, all Shares owned by such Stockholder not tendered pursuant to Section 1(a) at a price per Share equal to the Offer Price. The obligations of each Stockholder and Purchaser in this Section 1(b) is conditioned upon Purchaser purchasing shares of Common Stock pursuant to the Offer.

(c) Purchaser shall be entitled to deduct and withhold from the consideration otherwise payable hereunder to a holder of Shares any stock transfer taxes and such amounts as are required to be withheld under the Internal Revenue Code of 1986, as amended (the "Code"), or any applicable provision of state, local or foreign tax law, as specified in the Offer Documents. To the extent that amounts are so withheld by Purchaser, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the Shares in respect of which such deduction and withholding was made by Purchaser.

(d) Each Stockholder hereby permits Parent and Purchaser to publish and disclose in the Offer Documents and, if approval of the Company's stockholders is required under applicable law, the Proxy Statement (including all documents and schedules filed with the SEC), such Stockholder's identity and ownership of the Shares and the nature of such Stockholder's commitments, arrangements and understandings under this Agreement; provided that such Stockholder shall have a right to review and comment on such disclosure a reasonable time before it is publicly disclosed.

3. Option. (a) In order to induce Parent and Purchaser to enter into the Merger Agreement, each Stockholder hereby grants to Purchaser an irrevocable option (each, an "Option") to purchase all (but not less than all) of the Shares beneficially owned by such Stockholder (the "Option Shares") at a price per Share equal to the Offer Price. Each Option granted by a Stockholder may be exercised in whole at any time after (i) the occurrence of any event as a result of which Parent is entitled to receive the fee referred to in Section 7.02(b) of the Merger Agreement or (ii) such time as such Stockholder shall have breached any of its agreements in Section 2(a), 5(a), 5(b) or 5(d).

(b) Each Option that becomes exercisable under Section 3(a) shall remain exercisable until the later of (i) the date that is sixty (60) days after the date such Option becomes exercisable and (ii) the date that is ten (10) days after the later of the date that all waiting periods under the HSR Act required for the purchase of the Shares upon such exercise shall have expired or been terminated and the date on which all approvals required under Foreign Antitrust Laws have been

obtained; *provided* that if at the expiration of such period there shall be in effect any injunction or other order issued by any Governmental Entity prohibiting the exercise of such Option, the exercise period shall be extended until ten (10) days after the date that no such injunction or order is in effect. In the event that Purchaser wishes to exercise an Option, Purchaser shall send a written notice to the applicable Stockholder identifying the place and date (not less than two (2) nor more than ten (10) business days from the date of the notice) for the closing of such purchase (an "Option Closing"). At each Option Closing Parent and Purchaser shall deliver in immediately available funds the aggregate exercise price due for the Option Shares to be purchased at such Option Closing, against delivery of such Option Shares.

4. *Representations and Warranties of Parent and Purchaser.* Each of Parent and Purchaser hereby represents and warrants to the Stockholders as follows:

(a) *Power; Authorization; Binding Agreement; Standing.* Parent and Purchaser each has the corporate power and authority to enter into and perform all of its obligations under this Agreement; the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by the Board of Directors of each of Parent and Purchaser, and no other corporate proceedings on the part of Parent or Purchaser are necessary to authorize this Agreement or to consummate the transactions contemplated hereby; each of Parent and Purchaser are corporations duly organized, validly existing and in good standing under the laws of the jurisdiction of their incorporation; the execution, delivery and performance of this Agreement by each of Parent and Purchaser will not violate any other agreement to which either of them is a party; and this Agreement has been duly and validly executed and delivered by each of Parent and Purchaser and constitutes a valid and binding agreement of each of Parent and Purchaser, enforceable against each of Parent and Purchaser in accordance with its terms, except that such enforceability (i) may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally and (ii) is subject to general principles of equity.

(b) *No Conflicts.* Except for filings under the HSR Act and the Exchange Act (i) no filing with, and no permit, authorization, consent or approval of an Governmental Entity for the execution and delivery of this Agreement by each of Parent and Purchaser, the consummation by each of Parent and Purchaser of the transactions contemplated hereby and the compliance by each of Parent and Purchaser with the provisions hereof and (ii) none of the execution and delivery of this Agreement by each of Parent and Purchaser, the consummation by each of Parent and Purchaser of the transactions contemplated hereby or compliance by each of Parent and Purchaser with any of the provisions hereof shall (A) conflict with or result in any breach of any organizational documents applicable to each of Parent and Purchaser, (B) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, modification or acceleration) under any of the terms, conditions or provisions of any note, loan agreement, bond, mortgage, indenture, license, contract, commitment, arrangement, understanding, agreement or other instrument or obligation of any kind to which either Parent or Purchaser are a party or by which either Parent or Purchaser or any of their respective properties or assets may be bound, or (C) violate any order, writ, injunction, decree, judgment, order, statute, rule or regulation applicable to either Parent or Purchaser or any of their properties or assets.

(c) No Expansion of Liability. Neither the execution hereof nor the performance of any obligations hereunder shall in any manner cause the Stockholders to have any greater liability with respect to any representation or warranty made by the Company in the Merger Agreement than such Stockholders would otherwise have with respect thereto. The Stockholders shall not be deemed to have made any representation or warranty, whether express or implied, other than as expressly set forth in Section 6 hereof.

5. Additional Agreements.

(a) Except if the Merger Agreement has been terminated, each Stockholder shall, at any meeting of the stockholders of the Company, however called, or in connection with any written consent of the stockholders of the Company, vote (or cause to be voted) all Shares then held of record or beneficially owned by such Stockholder, (i) in favor of the Merger, the execution and delivery by the Company of the Merger Agreement and the approval of the terms thereof and each of the other actions contemplated by the Merger Agreement and this Agreement and any actions required in furtherance thereof and hereof and (ii) against any proposal relating to an Acquisition Proposal and against any action or agreement that would impede, frustrate, prevent or nullify this Agreement, or result in a breach in any respect of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement or which would result in any of the conditions set forth in Annex I to the Merger Agreement or set forth in Article VI of the Merger Agreement not being fulfilled.

(b) Each Stockholder hereby covenants and agrees that, except as contemplated by this Agreement and the Merger Agreement, it shall not (i) offer to transfer (which term shall include, without limitation, any sale, tender, gift, pledge, assignment or other disposition), transfer or consent to any transfer of, any or all of the Shares beneficially owned by such Stockholder or any interest therein, (ii) enter into any contract, option or other agreement or understanding with respect to any transfer of any or all of such Shares or any interest therein, (iii) grant any proxy, power-of-attorney or other authorization or consent in or with respect to such Shares, (iv) deposit such Shares into a voting trust or enter into a voting agreement or arrangement with respect to such Shares or (v) take any other action that would make any representation or warranty of such Stockholder contained herein untrue or incorrect or in any way restrict, limit or interfere with the performance of its obligations hereunder or the transactions contemplated hereby or by the Merger Agreement.

(c) Each Stockholder hereby irrevocably grants to, and appoints, Purchaser and any designee of Purchaser, and each of them individually, such Stockholder's proxy and attorney-in-fact (with full power of substitution), for and in the name, place and stead of such Stockholder, to vote the Shares beneficially owned by such Stockholder, or grant a consent or approval in respect of such Shares, in the manner specified in Section 5(a). Each Stockholder represents that any proxies heretofore given in respect of Shares beneficially owned by such Stockholder are not irrevocable and that any such proxies are hereby revoked. Each Stockholder hereby affirms that the irrevocable proxy set forth in this Section 5(c) is given in connection with the execution of the Merger Agreement and that such irrevocable proxy is given to secure the performance of the duties of such Stockholder under this Agreement. Each Stockholder hereby further affirms that the irrevocable proxy is coupled with an interest and may under no circumstances be revoked. Each Stockholder hereby ratifies and confirms all that such

irrevocable proxy may lawfully do or cause to be done by virtue hereof. Without limiting the generality of the foregoing, such irrevocable proxy is executed and intended to be irrevocable in accordance with the provisions of Section 212(e) of the DGCL.

(d) Each Stockholder hereby agrees that neither such Stockholder nor any of its affiliates, representatives or agents shall (and, if such Stockholder is a corporation, partnership, trust or other entity, such Stockholder shall cause its officers, directors, partners, and employees, representatives and agents, including its investment bankers, attorneys and accountants, not to), directly or indirectly, encourage, solicit, initiate or participate in any way in any discussions or negotiations with, or provide any information to, or afford any access to the properties, books or records of the Company or any of its Subsidiaries to, or otherwise take any other action to assist or facilitate, any Person or group (other than Parent or Purchaser or any affiliate or associate of Parent or Purchaser) concerning any Acquisition Proposal. Each Stockholder will immediately cease any existing activities, discussions or negotiations conducted heretofore with respect to any Acquisition Proposal. Each Stockholder will immediately communicate to Purchaser the terms of any Acquisition Proposal (or any discussion, negotiation or inquiry with respect thereto) and the identity of the Person making such Proposal or inquiry which it may receive.

(e) Subject to the terms and conditions of this Agreement, each of the parties hereto agrees to use all reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws to consummate and make effective the transactions contemplated by this Agreement. Each party shall promptly consult with the other and provide any necessary information and material with respect to all filings made by such party with any Governmental Entity in connection with this Agreement and the transactions contemplated hereby.

(f) Each Stockholder hereby waives any rights of appraisal or rights to dissent from the Merger that it may have.

6. Representations and Warranties of each Stockholder. Except as set forth on Exhibit A hereto each Stockholder hereby represents and warrants, severally and not jointly and only with respect to itself, to Purchaser as follows:

(a) Such Stockholder is the record and beneficial owner of the Existing Shares set forth opposite its name on Schedule I. Such Existing Shares constitute all of the Shares owned of record or beneficially owned by such Stockholder on the date hereof. Such Stockholder has sole voting power and sole power to issue instructions with respect to the matters set forth in Sections 2, 3 and 5 hereof, sole power of disposition, sole power to demand and waive appraisal rights and sole power to agree to all of the matters set forth in this Agreement, in each case with respect to all of such Existing Shares with no limitations, qualifications or restrictions on such rights, subject to applicable securities laws and the terms of this Agreement.

(b) Such Stockholder has the power and authority to enter into and perform all of such Stockholder's obligations under this Agreement. This Agreement has been duly and validly executed and delivered by such Stockholder and constitutes a legal, valid and binding agreement of such Stockholder, enforceable against such Stockholder in accordance with its terms, except that such enforceability may be limited by bankruptcy, insolvency and similar

laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). There is no beneficiary or holder of a voting trust certificate or other interest of any trust of which such Stockholder is a trustee, or any party to any other agreement or arrangement, whose consent is required for the execution and delivery of this Agreement or the consummation by such Stockholder of the transactions contemplated hereby.

(c) Except for filings under the HSR Act and the Exchange Act (i) no filing with, and no permit, authorization, consent or approval of, any Governmental Entity is necessary for the execution and delivery of this Agreement by such Stockholder, the consummation by such Stockholder of the transactions contemplated hereby and the compliance by such Stockholder with the provisions hereof and (ii) none of the execution and delivery of this Agreement by such Stockholder, the consummation by such Stockholder of the transactions contemplated hereby or compliance by such Stockholder with any of the provisions hereof, except in cases in which any conflict, breach, default or violation described below would not interfere with the ability of such Stockholder to perform such Stockholder's obligations hereunder, shall (A) conflict with or result in any breach of any organizational documents applicable to such Stockholder, (B) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, modification or acceleration) under, any of the terms, conditions or provisions of any note, loan agreement, bond, mortgage, indenture, license, contract, commitment, arrangement, understanding, agreement or other instrument or obligation of any kind, including, without limitation, any voting agreement, proxy arrangement, pledge agreement, stockholders agreement or voting trust, to which such Stockholder is a party or by which it or any of its properties or assets may be bound, or (C) violate any order, writ, injunction, decree, judgment, order, statute, rule or regulation applicable to such Stockholder or any of its properties or assets.

(d) Except as permitted by this Agreement, the Existing Shares beneficially owned by such Stockholder and the certificates representing such shares are now, and at all times during the term hereof will be, held by such Stockholder, or by a nominee or custodian for the benefit of such Stockholder, free and clear of all liens, proxies, voting trusts or agreements, understandings or arrangements or any other rights whatsoever, except for any such liens or proxies arising hereunder. The transfer by such Stockholder of the Shares to Purchaser in the Offer or hereunder shall pass to and unconditionally vest in Purchaser good and valid title to all Shares, free and clear of all liens, proxies, voting trusts or agreements, understandings or arrangements or any other rights whatsoever.

(e) No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of such Stockholder.

7. Stop Transfer. Each Stockholder shall request that the Company not register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of the Shares beneficially owned by such Stockholder, unless such transfer is made in compliance with this Agreement.

8. _Termination._ This Agreement shall terminate with respect to any Stockholder upon the earliest of (a) the Effective Time, (b) the first anniversary of the date hereof and (c) the termination of the Merger Agreement (unless, in the case of this clause (c), Parent is entitled to receive a fee pursuant to Section 7.02(b) of the Merger Agreement in connection with such termination or prior to such termination such Stockholder has breached Section 2(a), 5(a), 5(b) or 5(d)).

9. _No Limitation._ Nothing in this Agreement shall be construed to prohibit Stockholder, or any officer or affiliate of a Stockholder who is or has designated a member of the Board of Directors of the Company, from taking any action solely in his or her capacity as a member of the Board of Directors of the Company or from exercising his or her fiduciary duties as a member of such Board of Directors to the extent specifically permitted, or not prohibited by the Merger Agreement. Each Stockholder signs solely in his or her capacity as the record and beneficial owner of, or the trustee of a trust whose beneficiaries are the beneficial owners of, such Stockholder's Shares.

10. _Miscellaneous._

(a) This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersede all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

(b) This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of each Stockholder (in the case of any assignment by Purchaser) or Parent and Purchaser (in the case of an assignment by a Stockholder), _provided_ that Parent or Purchaser may assign its rights and obligations hereunder to Parent or any direct or indirect Subsidiary of Parent, but no such assignment shall relieve Parent and Purchaser of their obligations hereunder.

(c) Without limiting any other rights Parent and Purchaser may have hereunder in respect of any transfer of Shares, each Stockholder agrees that this Agreement and the obligations hereunder shall attach to the Shares beneficially owned by such Stockholder and shall be binding upon any Person to which legal or beneficial ownership of such Shares shall pass, whether by operation of law or otherwise, including, without limitation, such Stockholder's heirs, guardians, administrators or successors.

(d) This Agreement may not be amended, changed, supplemented or otherwise modified with respect to a Stockholder except by an instrument in writing signed on behalf of such Stockholder and Parent and Purchaser.

(e) All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly received if given) by hand delivery or by facsimile transmission with confirmation of receipt, as follows:

If to a Stockholder:

At the addresses and facsimile numbers set forth on _Schedule I_ hereto.

Copy to:

Woods Oviatt Gilman LP
Suite 700
Two State Street
Rochester, New York 14534
Attention: Gordon E. Forth, Esq.
Facsimile No.: (716) 454-3968

If to Parent or Purchaser:

United Technologies Corporation
United Technologies Building
One Financial Plaza
Hartford, Connecticut 06101
Attention: General Counsel
Facsimile: 860-728-7862

Copy to:

Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, New York 10006
Attention: Christopher E. Austin, Esq.
Facsimile No.: (212) 225-3999

or to such other address or facsimile number as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

(f) Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(g) All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

(h) The failure of any party hereto to exercise any rights, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

(i) This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Agreement, provided that, in the event of a Stockholder's death, the benefits to be received by the Stockholder hereunder shall inure to his successors and heirs.

(j) This Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

(k) The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any Delaware state court or any Federal court located in such State, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (i) consents to submit itself to the personal jurisdiction of any Delaware state court or any Federal court located in such State in the event any dispute arises out of this Agreement or any transaction contemplated by this Agreement, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (iii) agrees that it will not bring any action relating to this Agreement or any transaction contemplated by this Agreement in any court other than any such court and (iv) waives any right to trial by jury with respect to any action related to or arising out of this Agreement or any transaction contemplated by this Agreement. The parties irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in any such court, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. Notwithstanding the foregoing, Parent and Purchaser acknowledge and agree that such consent to jurisdiction is solely for the purpose referred to in this paragraph (k) and shall not be deemed to be a general submission to the jurisdiction of said courts in the State of Delaware other than for such purposes.

(l) The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

(m) This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement. This Agreement shall not be effective as to any party hereto until such time as this Agreement or a counterpart thereof has been executed and delivered by each party hereto.

(n) Except as otherwise provide herein, each party shall pay its, his or her own expenses incurred in connection with this Agreement.

* * * Remainder of Page Intentionally Left Blank, Signature Pages Follow * * *

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

SOLAR ACQUISITION CORP.

By: /s/ Ari Bousbib

Name: Ari Bousbib
Title: President

UNITED TECHNOLOGIES CORPORATION

By: /s/ Ari Bousbib

Name: Ari Bousbib
Title: Vice President

* * * Stockholders' Signatures On Next Page * * *

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

MALCOLM I. GLAZER FAMILY LIMITED PARTNERSHIP

By: Malcolm I. Glazer G.P., Inc., its general partner

By: /s/ Malcolm I. Glazer

Name: Malcolm I. Glazer
Title: President

KEVIN E. GLAZER

/s/ Kevin E. Glazer

AVRAM A. GLAZER

/s/ Avram A. Glazer

SCHEDULE I

Stockholder	Number of Shares of Common Stock Beneficially Owned	Address
Malcolm I. Glazer Family Limited Partnership	7,736,569	1482 South Ocean Boulevard Palm Beach, Florida 33480 Facsimile: (561) 835-1496
Kevin E. Glazer	16,606	c/o First Allied Corp. 270 Commerce Dr. Rochester, New York, 14623 Facsimile: (716) 359-4690
Avram A. Glazer	15,000	100 Meridian Centre, Suite 350 Rochester, New York 14618 Facsimile: (716) 242-8677

EXHIBIT A

The Shares owned by the Malcolm I. Glazer Family Limited Partnership are pledged to Manufacturers and Traders Trust Company and Bank of America, N.A., both of which have consented to this Agreement.

Exhibit (d)(3)

August 14, 2000

PRIVATE AND CONFIDENTIAL

United Technologies Corporation
United Technologies Building
Hartford, CT 06101
Attn: Ari Bousbib, Vice President
Corporate Strategy and Development

Ladies and Gentlemen:

1. In connection with your consideration of a possible transaction with Specialty Equipment Companies, Inc., a Delaware corporation (the "Company"), you have requested information concerning the company. As a condition of your being furnished such information, you agree to treat any information (whether written or oral) concerning the Company or its affiliates which is furnished to you or your Representatives (as defined below) by or on behalf of the Company for the purposes of assisting your evaluation of a Potential Transaction (as defined below) after the date of this letter agreement (herein collectively referred to as the "Evaluation Material") in accordance with the provisions of this letter agreement. "Evaluation Material" also shall be deemed to include all notes, analyses, compilations, studies, interpretations or other documents prepared by you or your Representatives which contain, reflect or are based upon, in whole or in part, the information furnished to you or your Representatives which is otherwise Evaluation Material pursuant hereto; provided, however, that the foregoing shall not require you to reveal or disclose to the Company in any manner any such notes, analyses, complications, studies, interpretations or other documents prepared by you or your Representatives. The term "Evaluation Material" does not include information which (a) was or becomes generally available to the public other than as a result of a disclosure by you or your Representatives, (b) was or becomes available to you on a non-confidential basis from a source other than the Company or its Representatives, provided that to your knowledge such source is not bound by a confidentiality agreement with the Company, (c) was within your possession prior to its being furnished to you by or on behalf of the Company, provided that to your knowledge the source of such information was not bound by a confidentiality agreement with the Company in respect thereof, or (d) is independently developed by you or your Representatives without reference to and/or reliance upon any Evaluation Material.

2. As used in this letter agreement, the term "Representatives" means, as to any person, such person's affiliates and its and their directors, officers, members, employees, agents or advisors (including, without limitation, attorneys, accountants, consultants and financial advisors) and its potential sources of financing (collectively, the "Representatives"). As used in this letter agreement, (i) the term "affiliate" has the meaning provided in Rule 12b-2 under the

Securities Exchange Art of 1934 (the "Exchange Act") and includes persons or entities who become affiliates after the date hereof, (ii) the terms "own" and "ownership" include, but are not limited to, beneficial ownership as defined in Rule 13d-3 under the Exchange Act and (iii) the term "person" means any entity, individual or group of individuals, including without limitation, any corporation, company, group, syndicate or partnership.

3. You hereby agree that the Evaluation Material will be used solely for the purpose of evaluating a possible transaction between the Company and you (a "Potential Transaction"), and that such information will be protected from disclosure to third paries using the same degree of care that you use to protect your own confidential and/or proprietary information of like nature; provided, however, that any such information may be disclosed to your Representatives who need to know such information for the purpose of evaluating any such possible transaction between the Company and you (it being agreed that such Representatives shall be informed by you of the confidential nature of such information and instructed to comply with the terms of this agreement). You shall be responsible for any actions by your Representative which if taken by or on behalf of the Company would constitute a breach of this letter agreement and you agree, at your sole expense, to take all commercially reasonable measures to restrain your Representatives from prohibited or unauthorized disclosure or use of the Evaluation Material.

4. Unless a party has obtained the prior written consent of other party hereto, you and that Company agree that neither party will and each will direct its Representatives not to, disclose to any person either the fact that discussions or negotiations are taking place concerning a possible transaction between the Company and you or any of the terms, conditions or other facts with respect to any such possible transaction, including the status thereof. Notwithstanding the foregoing such disclosure may be made to the minimum extent required by applicable law, regulation or stock exchange rules; provided, however, to the extent legally practicable, no such disclosure shall be made (i) other than in accordance with the procedures set forth in Section 6 hereof and (ii) unless and until notice of such required disclosure has been provided to the other party and such other party has had an opportunity to review and comment upon the text and/or content of such disclosure.

5. You hereby acknowledge that you are aware, and that you will advise your Representatives who are informed as to the matters which are the subject of this letter agreement, that under the United States securities laws any person who has received material, non-public information concerning a company is restricted with respect to the purchase or sale of securities of that company or communication of such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

6. In the event that you or any of your Representatives are requested (by oral questions, interrogatories, request for information or documents, subpoena, civil investigative demand or similar process) or otherwise required by applicable law or regulation to disclose any Evaluation Material, you agree to notify the Company promptly of such request(s) and the documents requested thereby so that the Company may seek an appropriate protective order and/or waive in writing your compliance with the provisions of this Agreement. It is further agreed that, if in the absence of a protective order or the receipt of a waiver hereunder your are nonetheless, in the opinion of your counsel, legally compelled to disclose such Evaluation Material, you may disclose such information without liability hereunder, provided, however, that you shall give the

Company written notice of the information to be so disclosed as far in advance of its disclosure as is practicable and shall use your commercially reasonable efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to such portion of the information required to be disclosed as the Company designates.

7. At any time upon our request, except as otherwise provided in the next sentence, you shall promptly redeliver to the Company all written material containing or reflecting any information contained in the Evaluation Material (whether prepared by the Company or otherwise, and whether in your possession or the possession of your Representatives) and will not retain any copies, extracts or other reproductions in whole or in part of such written material. All documents, memoranda, notes and other writings whatsoever (including all copies, extracts or other reproductions), prepared by you or your Representatives based on the information contained in the Evaluation Material shall be destroyed, and such destruction shall be certified in writing to the Company by an authorized officer supervising such destruction. The redelivery of such material shall not relieve your obligation of confidentiality or other obligations hereunder.

8. You understand that neither the Company nor any of its Representatives make any representation or warranty as to the accuracy or completeness of the Evaluation Material. You agree that neither the Company nor its Representatives shall have any liability to you or any of your Representatives resulting from the use of the Evaluation Material supplied by us or our Representatives or for any errors therein or omissions therefrom. You also agree that you are not entitled to rely on the accuracy or completeness of any Evaluation Material and that you shall be entitled to rely solely on such representations or warranties regarding Evaluation Material as may be made to you in any definitive agreement relating to the possible transaction, subject to the terms and conditions of such agreement.

9. You hereby acknowledge that the Evaluation Material is being furnished to you and your Representatives in consideration of your agreement that, without the prior written consent of the Board of Directors of the Company, you or your Representatives will not (and you and they will not assist or encourage others to) directly or indirectly, for a period of eighteen (18) months from the date hereof: (a) make any public announcement with respect to, or submit any proposal for, a transaction between the Company and you (and/or any of your affiliates or any person acting in concert with you) involving the Company, unless such proposal is directed and disclosed solely to the management of the Company or its designated Representatives, and the Company shall have requested in writing in advance the submission of such proposal (and shall have consented in writing, in advance, in the case of any such proposal from or involving parties in addition to, or other than, you, to the involvement of such additional or other parties); (b) by purchase or otherwise, acquire, offer to acquire, or agree to acquire, ownership of any assets (other than in the ordinary course of business of the Company) or businesses of the Company or its affiliates or of any securities issued by the Company or its affiliates or any direct or indirect rights (including convertible securities) or options to acquire such ownership, (or otherwise act in concert with or in any way assist any person which so acquires, offers to acquire, or agrees to acquire); (c) make, or in any way participate in, directly or indirectly, any "solicitation" of "proxies" (as such terms are defined or used in Regulation 14A under the Exchange Act) or become a "participant" in an "election contest" (as such terms are defined or used in Rule 14a-11 under the Exchange Act) with respect to the Company or seek to advise or influence any person with respect to the voting of any securities issued by the Company; (d) initiate, propose or

otherwise solicit stockholders for the approval of one or more stockholder proposals with respect to the Company as described in Rule 14a-8 under the Exchange Act or induce or attempt to induce any other person to initiate any stockholder proposal; (e) acquire or affect the control of the Company or directly or indirectly participate in or encourage the formation of any "group" (within the meaning of Section 13(d)(3) of the Exchange Act) which owns or seeks to acquire ownership of voting securities of the Company, or to acquire or affect control of the Company; (f) call or seek to have called any meeting of the stockholders of the Company or execute any written consent in lieu of a meeting of holders of any securities of the Company; (g) seek election or seek to place a representative on the Board of Directors of the Company or seek the removal of any member of the Board of Directors; (h) otherwise, directly or indirectly, alone or in concert with others, seek to influence or control the management, Board of Directors or policies of the Company or any of its affiliates; or (i) request any waiver, modification, termination or amendment of this paragraph 9 or the relinquishment by the Company of any rights with respect thereto. Notwithstanding the foregoing, nothing contained in this paragraph shall prohibit (i) any outside law firm, Big Five accounting firm, investment bank, environmental consulting firm or similar independent consultant not affiliated with you and retained by you or on your behalf in connection with your evaluation of a Proposed Transaction from representing or providing services to other clients so long as in connection with such representation such Representatives do not take any action which, if taken by the Company, would be a breach of any provision (other than this Section 9) of this Agreement or (ii) the taking of any action otherwise prohibited by this Section with respect to any company which may hereafter become an affiliate of the Company through the acquisition of (A) stock in the Company or (B) all or substantially all of the Company's assets or businesses.

10. It is further understood and agreed that the Company and its Representatives will arrange for appropriate contacts for due diligence purposes for you and your Representatives. It is also understood and agreed that all (i) communications regarding any possible transaction with or concerning the Company or its securities, (ii) requests for additional information, (iii) requests for facility tours or management meetings and (iv) discussions or questions regarding procedures, will be submitted or directed to such person at the Company or its Representatives as the Company shall designate, and that none of you or your Representatives who are aware of the Evaluation Material and/or the possibility of a transaction with or concerning the Company or its securities will initiate or cause to be initiated any communication with any employee, customer, supplier or other person or entity that has a relationship with the Company or its affiliates concerning the Evaluation Material or any possible transaction with or concerning the Company or its securities. You further acknowledge and agree that the Company reserves the right, in its sole and absolute discretion, to reject any or all proposals and to terminate discussions and negotiations with, or directly or indirectly involving, you at any time.

11. You understand and agree that, without the prior written consent of the Company, you and your Representatives will not, directly or indirectly, in any manner, request, induce or influence any management employee of the Company identified through the Evaluation Materials to leave his or her employment with the Company or its affiliates, or employ any such employee for a period commencing on the date hereof and terminating two (2) years after the date hereof, provided, however, that the foregoing provision will not prevent you from employing any such person (i) who initiates contact with you without any direct or indirect

solicitations by or encouragement from you or your Representatives or affiliates or (ii) who responds to a general (non-targeted) advertisement or solicitation.

12. You acknowledge and agree that the Company reserves the right in its sole and absolute discretion, to reject any or all proposals and to terminate discussions and negotiations with, or directly or indirectly involving, you at any time.

13. You represent and warrant to us that:

(a) you have the full legal right, power and authority to enter into and perform this letter agreement and the execution and delivery of this letter agreement by you has been duly authorized; and

(b) this letter agreement is a valid and binding obligation of yours, enforceable against you in accordance with its terms, except that such enforcement may be subject to (i) bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

(c) the execution and delivery of this letter agreement by you, and your compliance with the terms hereof, does not conflict with or constitute a violation under your certificate of incorporation or by-laws, any statute, law, regulation, order or decree applicable to you, or any contract, commitment, agreement, arrangement or restriction of any kind to which you are a party or by which you are bound.

14. It is understood and agreed that no failure or delay by the Company in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any right, power or privilege.

15. It is understood and agreed that money damages may not be a sufficient remedy for any actual or threatened breach of this letter agreement by you or your representatives and that the Company shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy for any such breach, and you further agree to waive any requirement for the securing or posting of any bond in connection with such remedy. Such remedy shall not be deemed to be the exclusive remedy for you or your Representatives' breach of this letter agreement, but shall be in addition to all other remedies available at law or equity to the Company.

16. This letter agreement shall be governed by and constructed in accordance with the internal laws of the State of Illinois, without giving effect to the principles of conflict of laws thereof.

17. This letter agreement may be executed in one or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon one instrument.

18. This letter agreement and the obligations hereunder shall have a term of two (2) years and shall thereafter have no force or effect.

* * *

If you agree with the foregoing, please so confirm by signing and returning one copy of this letter agreement, whereupon it will constitute our agreement with respect to the subject matter hereof.

Very truly yours,

SPECIALTY EQUIPMENT COMPANIES, INC.

By: /s/ Donald K. McKay

Its: Executive Vice President

Confirmed and Agreed to:

UNITED TECHNOLOGIES CORPORATION

By: /s/ Ari Bousbib

Its: Vice President

Date: August 14, 2000