

zoning regulations, (iii) mortgages of the kinds described in Notes 5 and 12 to the Merger Balance Sheet, (iv) liens described in either the Real Property List or the Contract List, (v) contracts as defined in § 3.01(j) for the sale of or lease of individual dwellings, apartments or business premises and (vi) miscellaneous liens arising in the ordinary course of business and restrictions, covenants, easements, rights, licenses, and minor imperfections of title, which do not materially impair the ability of the ERVIN Companies and the ERVIN Joint Ventures to utilize such properties in their respective businesses. The activities carried on by the ERVIN Companies and the ERVIN Joint Ventures in the structures located on such real property, and the structures themselves, do not violate or conflict with any applicable zoning regulations or ordinances.

(j) The Contract List sets forth a list and summary description of all contracts to which any of the ERVIN Companies or any of the ERVIN Joint Ventures is a party or by which any of them is bound except (1) purchase orders and construction contracts for goods and services utilized in the ordinary course of business, on ERVIN standard forms, no one of which extends to more than a single project, or for more than two years, or obligates any ERVIN Company or ERVIN Joint Venture for more than \$200,000 subsequent to the date of this Agreement or contains provisions not usual in such contracts; (2) contracts for sale or lease of individual dwellings, apartments or business premises; (3) express or implied contracts for the rendition of professional services to any ERVIN Company or ERVIN Joint Venture in the ordinary course of their business, all of which are terminable by such ERVIN Company or ERVIN Joint Venture upon not more than 90 days' prior notice; (4) surety bonds required of any ERVIN Company or ERVIN Joint Venture by governmental authorities; (5) real estate brokerage contracts made in the ordinary course of business; and (6) agreements with governmental authorities to furnish water and treat sewage. As used in this Agreement the word "contract" means and includes every agreement or understanding of any kind, written or oral, which is legally enforceable against the company in question or, whether or not legally enforceable, the violation or repudiation of which would have an adverse effect upon the relations of the company with another party, such as an employee, customer, supplier, lender, stockholder, etc. Without limiting the generality of the word, "contract" includes purchase orders and purchase contracts; agreements to manufacture products for others or to have products manufactured by others; employment agreements (employment agreements on a standard form, a sample copy of has been furnished, which are terminable within one year need not be individually listed); agreements relating to debt, such as indentures, loan agreements, debentures, promissory notes, mortgages, etc.; sales agreements (except as specifically excluded); distributor agreements, stock options; construction contracts (except as specifically excluded); union contracts; incentive plans; pension plans and related pension trust agreements; insurance policies; license agreements relating to patents, trademarks or technical information or agreements restricting the right to use or disclose any of the foregoing; agreements with consultants; advertising contracts; leases (except as specifically excluded); public utility contracts; transportation agreements; brokerage contracts; and warehousing agreements. The ERVIN Companies and the ERVIN Joint Ventures are not in default under any material contract. Copies of all contracts required to be listed have been made available to CYANAMID. No contract (i) will prevent or restrict the consummation of the Merger as provided herein, (ii) will affect the other business or properties of CYANAMID or its affiliates other than the Surviving Corporation and its subsidiaries or result in a breach or default under contracts to which they are parties or by which they are bound, or (iii) contains provisions unusually burdensome, restrictive or unfavorable.

(k) Except as stated in the Claims List, (i) there are no actions, suits or proceedings pending, and, to the knowledge of the officers of ERVIN, there are no claims or governmental investigations (including, without limitation, audits by any taxing authorities) pending, and no actions, suits, proceedings, claims or governmental investigations threatened, against or affecting any of the ERVIN Companies or the ERVIN Joint Ventures or any of their properties or assets, (ii) none of the ERVIN Companies or the ERVIN Joint Ventures is subject to any outstanding Federal Trade Commission order or any other judgment, order, writ, injunction, decree or similar com-