

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-KSB

(Mark One)

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the fiscal year ended December 31, 1996

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-1665

EXTECH CORPORATION

(Name of small business issuer in its charter)

Delaware 36-2476480
(State or other jurisdiction of (I.R.S Employer
incorporation or organization) Identification No.)

90 Merrick Avenue, East Meadow, New York 11554
(Address of principal executive offices) (Zip Code)

Issuer's telephone number (516) 794-6300

Securities registered under Section 12(b) of the Exchange Act:

Title of each class	Name of each exchange on which registered
none	

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, \$.01 par value
(Title of class)

Check whether the issuer (1) filed all reports required to be filed by
Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such
shorter period that the registrant was required to file such reports), and (2)
has been subject to such filing requirements for the past 90 days. Yes X No .

Check if disclosure of delinquent filers in response to Item 405 of
Regulation S-B is not contained in this form, and no disclosure will be
contained, to the best of registrant's knowledge, in definitive proxy or
information statements incorporated by reference in Part III of this Form 10-KSB
or any amendment to this Form 10-KSB.()

State issuer's revenues for its most recent fiscal year: \$1,082,038

State the aggregate market value of the voting stock held by
non-affiliates computed by reference to the price at which the stock was sold,
or the average bid and asked prices of such stock, as of a specified date within
the past 60 days: \$1,064,668 as of March 21, 1997

(ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PAST FIVE YEARS)

Check whether the issuer has filed all documents and reports to be
filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of
securities under a plan confirmed by a court. Yes ___ No ___.

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

State the number of shares outstanding of each of the issuer's classes
of common equity, as of the latest practicable date: 5,591,367 shares
outstanding as of March 21, 1997

DOCUMENTS INCORPORATED BY REFERENCE

None

PART I

ITEM 1. DESCRIPTION OF BUSINESS

(a) Business Development

(i) International Airport Hotel

EXTECH Corporation (the "Company" or "EXTECH"), through a wholly-owned subsidiary, IAH, Inc. ("IAH"), operates the International Airport Hotel in San Juan, Puerto Rico (the "Hotel"). The Hotel is located on the site of the San Juan International Airport (the "Airport") and occupies the third and fifth floors of the main terminal building. In addition to its 57 guest rooms, the Hotel has a lobby area. The Hotel caters generally to commercial and tourist travelers in transit. IAH also operates a video game room on the terminal level of the Airport. Reference is also made to Item 6 hereof for additional information regarding the Hotel.

The Hotel is marketed through brochures, local advertising and in-airport advertising. Its operations are highly seasonal, with the disproportionate share of its revenues being generated during the first several months of the calendar year. Approximately 27% of the total room sales for the Hotel for 1996 were attributable to one customer.

The Hotel is the only hotel actually located on the site of the Airport. As such, it has little direct competition for the tourist trade or commercial travelers seeking only sleeping accommodations at the Airport. The Puerto Rico Ports Authority (the "Ports Authority"), the owner of the Hotel, had authorized the construction of an additional hotel in the parking lot of the Airport; however, the Ports Authority has advised IAH that it has abandoned its plan to construct such hotel and instead has determined to upgrade and expand the Hotel. No assurance can be given, however, that an additional hotel or hotels will not be developed at the site of, or near, the Airport, in which case IAH could encounter significant competition with respect to the operations of the Hotel.

On July 22, 1988, IAH entered into a Lease Agreement with the Ports Authority pursuant to which the Ports Authority granted IAH a lease to operate the Hotel for five years until June 30, 1993, plus, at the option of IAH, an additional five year term to end June 30, 1998 (subject to agreement as to the rental amount payable, which the parties agreed to negotiate in good faith).

In 1992, in accordance with the Lease Agreement, IAH exercised its right for a five year extension of its lease. At the time, the Ports Authority was uncertain as to whether it wished to build a new hotel in the parking lot of the Airport or upgrade the existing Hotel (located in the Airport terminal) and, therefore, requested that IAH accept an 18 month extension of the then existing term. IAH agreed to an 18 month extension and signed a supplemental lease agreement with the Ports Authority in May 1992 extending the lease term to December 31, 1995. IAH is of the belief that, pursuant to the supplemental lease agreement, it retained the option to continue the lease for a period of five years to December 31, 2000.

In July 1993, the Assistant Director of Operations of the Ports Authority forwarded to IAH a letter containing the terms of a proposed ten year lease extension which IAH approved, signed and returned to the Ports Authority. Although the letter setting forth the terms of the extension agreement with IAH does not make the Ports Authority's approval conditional upon the approval of its Board of Directors, the Ports Authority has taken such position and, since Board of Directors approval was not obtained, the Ports Authority takes the position that the extension is not in effect. IAH is of the belief that a ten year agreement has been entered into between IAH and the Ports Authority pursuant to the foregoing or that, alternatively, it exercised its right to extend the term of the lease to December 31, 2000.

Based upon IAH's refusal to acknowledge that, effective January 1, 1996, it occupied the Hotel on a month-to-month basis, in February 1996, the Ports Authority requested that IAH vacate, surrender and deliver the premises by February 29, 1996. Following the receipt of such request, IAH brought an action in the Superior Court of San Juan, Puerto Rico for declaratory judgment and possessory injunction against the Ports Authority with respect to the Hotel. The action seeks a declaratory judgment that, among other alternatives, IAH exercised an option with respect to its lease for the Hotel for an extension of the term of five years commencing on January 1, 1996 or that the Ports Authority executed a new lease agreement for a ten year period commencing on such date.

(ii) Pipe Harness Clamp

The Company holds a patent for a specialized clamping device (the "Pipe Harness Clamp") designed to connect principally underground pipe lines of similar and dissimilar materials. In July 1991, the Company and an unrelated third party (the "Licensee") entered into a License and Royalty Agreement (the "License Agreement") pursuant to which the Licensee was granted the exclusive right to manufacture, use, market and sell (either directly or on the Licensee's behalf) the Pipe Harness Clamp.

The License Agreement provides that, among other matters, the Licensee will pay royalty payments for the license of the Pipe Harness Clamp in an amount equal to 5% of Net Sales (as defined in the License Agreement) of the Pipe Harness Clamp until such time as the aggregate amount of the royalty payments total \$1,000,000 and thereafter an amount equal to 2.5% of Net Sales of the Pipe Harness Clamp (the "Net Sales Royalty"). The License Agreement also provides that the Licensee will pay a percentage of royalty payments that are payable to the Licensee pursuant to a certain License and Technical Assistance Agreement (the "Technical Assistance Agreement"). The Company is to receive, for each twelve month period that the Technical Assistance Agreement is in effect, 23.68% of all amounts in excess of \$100,000 received by the Licensee in accordance with the terms of the Technical Assistance Agreement (the "Technical Assistance Royalty"), the aggregate of which payments to the Company shall not exceed \$1,480,000. Since inception of the License Agreement, the Company had received an aggregate of approximately \$179,891 in Technical Assistance Royalty payments pursuant to the License Agreement (of which approximately \$109,891 was accrued during 1996), but had received no Net Sales Royalty payments. No assurances can be given regarding the commercial marketability of the Pipe Harness Clamp.

(iii) Robeson Industries Corp.

In February 1993, EXTECH entered into a Subscription and Stock Purchase Agreement (the "Subscription Agreement") with Robeson Industries Corp. ("Robeson") pursuant to which the Company agreed to purchase from Robeson, subject to the conditions set forth therein, (i) approximately 15% of the issued and outstanding shares of capital stock of Robeson and (ii) all of the outstanding shares of capital stock of Robeson's wholly-owned Hong Kong subsidiary, Robeson Industries Hong Kong Ltd. ("Hong Kong") (the "Hong Kong Shares").

In May 1993, the Company advised Robeson that it was terminating the Subscription Agreement due to the nonfulfillment of certain of the conditions to the obligation of EXTECH to consummate the transactions contemplated thereby. The Company also made demand upon Robeson for repayment of the principal amount of \$320,000 loaned by the Company during 1992 and 1993, together with interest thereon, as well as reimbursement of expenses incurred by the Company in connection with the Subscription Agreement.

Subsequently, in May 1993, Robeson filed a petition for bankruptcy under Chapter 11 of the Bankruptcy Act with the United States Bankruptcy Court for the District of New Jersey (the "Court"). In September 1993, the Company filed a proof of claim in such proceeding as a secured creditor to recover the approximate amount of \$534,000.

Pursuant to a Plan of Reorganization of Robeson (the "Plan") approved by the Court, in September 1994, in consideration of the \$320,000 in loans made by the Company to Robeson and other recoverable expenses, the reorganized Robeson issued to the Company a promissory note (the "Note") in the principal amount of \$385,000. The Note provided for the payment of interest at the rate of 8% per annum and the repayment of principal in 48 consecutive monthly installments of varying amounts. Pursuant to the Plan, payment of the Note was secured by a pledge of the Hong Kong Shares. In addition, pursuant to the Plan, the Company received a nominal minority equity interest in Robeson.

The first three payments under the Note were received by the Company in October, November and December 1994. Effective January 1995, Robeson ceased making payments under the Note. In March 1995, the Company demanded full payment of the Note, foreclosed its security interest with respect to the Hong Kong Shares and purchased such shares at an auction sale.

In September 1995, the Company agreed to cancel the Note in consideration for the issuance by Robeson of a new promissory note in the principal amount of \$125,000 (the "New Note"). The New Note provides for interest at the rate of 8% per annum and is payable in 27 consecutive monthly installments of \$5,000. The Company has received monthly installments sporadically under the New Note, but not on a current basis.

(iv) Phone America International, Inc.

In February 1996, the Company announced that it had entered into a non-binding letter of intent to acquire Phone America International, Inc. ("Phone America"), an interexchange telecommunications carrier engaged in the design, development and marketing of prepaid telephone calling cards and other telephone products.

Concurrently with the execution of the letter of intent, the Company loaned \$50,000 to Transcends Telecom Corporation ("Transcends"), a wholly-owned subsidiary of Phone America, for working capital purposes. The note evidencing the loan was payable on or after August 26, 1996 upon 30 days notice. Payment of the principal amount of the note, together with interest at the rate of 10% per annum, was secured by a pledge of certain shares of Phone America Common Stock as well as by a lien on accounts receivable of Transcends.

Subsequent to February 1996, the Company decided not to consummate the foregoing transaction due to Phone America's excessive funding requirements. Thereafter, in November 1996, following the discontinuance of operations by Transcends and Phone America, Transcends defaulted on its note and the Company foreclosed on its security interest in Transcend's accounts receivable. The Company obtained a peaceful surrender of the accounts receivable and has commenced collection proceedings against the account debtors. However, no assurances can be given regarding the satisfaction of the full amount due to the Company under the note.

(v) Other Business Opportunities

During 1996 and 1997, the Company explored a number of business opportunities in connection with the acquisition and/or operation of sports franchises and negotiated acquisition agreements in connection therewith. Although no transactions have been consummated to date, the Company is continuing to investigate opportunities in this industry.

(vi) General

The Company was incorporated in the State of Delaware on August 25, 1961. The Company's principal executive offices are located at 90 Merrick Avenue, East Meadow, New York 11554, and its telephone number at such office is (516) 794-6300.

(b) Business of Issuer

(i) International Airport Hotel

Reference is made to Items 1(a)(i) and 2 hereof.

(ii) Pipe Harness Clamp

Reference is made to Item 1(a)(ii) hereof.

(iii) Other Business Opportunities

Reference is made to Item 1(a)(v) hereof.

(iv) Number of Employees

As of December 31, 1996, the Company and its subsidiaries employed 17 persons.

ITEM 2. DESCRIPTION OF PROPERTY

The executive offices of the Company are located at 90 Merrick Avenue, East Meadow, New York where approximately 200 square feet of space are occupied on a month-to-month basis at a monthly rental of \$500.

The Hotel is leased by IAH from the Ports Authority. The annual rental obligation for the Hotel equals the greater of \$169,400 or 20% of annual gross revenues, as defined. Total rent expense under the lease amounted to \$189,610 for 1996 as compared to \$191,335 for 1995.

Reference is made to Item 1(a)(i) hereof for a discussion of certain pending litigation with regard to IAH's lease rights in the Hotel.

ITEM 3. LEGAL PROCEEDINGS

Reference is made to Item 1(a)(i) hereof for a discussion of certain pending litigation with regard to the Hotel.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) Market Information

The Company's Common Stock is traded in the over-the-counter market on the National Association of Securities Dealers' Bulletin Board under the symbol "EXTH". The following table sets forth, for the periods indicated, the high and low bid prices for the Company's Common Stock as reported by the National Quotation Bureau, Inc.:

1996 Calendar Year	High	Low
First Quarter	\$1/4	\$1/16
Second Quarter	7/16	1/4
Third Quarter	7/16	3/8
Fourth Quarter	3/8	3/8
1995 Calendar Year	High	Low
First Quarter	\$1/8	\$1/16
Second Quarter	1/8	1/8
Third Quarter	1/8	1/16
Fourth Quarter	1/16	1/16

The above quotations reflect interdealer prices, without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

(b) Holders

As of March 21, 1997, there were 3,060 record holders of the Company's Common Stock.

(c) Dividends

The Company has neither declared nor paid any cash dividends on its Common Stock during its two most recent fiscal years and the Board of Directors does not contemplate the payment of dividends in the foreseeable future. Any decisions as to the future payment of dividends will depend on the earnings and financial position of the Company and such other factors as the Board of Directors deems relevant.

(d) Recent Sales of Unregistered Securities

Reference is made to Item 12 hereof for discussion of a private placement of Common Stock of the Company made pursuant to Section 4(2) of the Securities Act of 1933, as amended.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Results of Operations:

In 1996, the Company had total revenues of \$1,118,647 and a net loss of \$5,099 as compared to revenues of \$1,024,057 and a net profit of \$51,229 for 1995.

Room rental and other departmental revenue for the Hotel decreased by \$13,016 (1.32%) during 1996. The net profit for the Hotel, on a "stand-alone" basis, was \$109,322 in 1996 as compared to \$144,351 in 1995.

Interest income increased by \$16,929 from 1995 to 1996 due to the receipt of \$800,000 in funds from the private placement of Common Stock discussed under "Liquidity and Capital Resources".

Royalty income earned during 1996 with respect to the Pipe Harness Clamp was \$109,891 as compared to \$19,214 in 1995 (see Item 1(a)(ii)).

In 1996, the Company incurred costs and expenses of \$1,119,090 as compared to \$967,152 in 1995, representing an increase of \$151,938. The increase was attributable primarily to an increase of \$162,079 in corporate and sundry costs and expenses arising from the professional fees incurred in connection with, among other things, the Company's investigation and negotiation of other business opportunities (see Item 1(a)(v)) and an increase in the salary of an executive officer of the Company, which increase was granted in view of the greater amount of effort required to be expended by him in connection with the aforementioned investigation and negotiation of business opportunities.

Reference is made to Item 1(a)(i) hereof for a discussion of a certain litigation with the Ports Authority with regard to the Hotel.

Liquidity and Capital Resources:

As of December 31, 1996, the Company had \$1,318,121 in cash and cash equivalents as compared to \$644,956 in 1995, representing an increase of \$673,165. Such increase was primarily the result of an \$800,000 equity investment made during 1996 by the President and Chairman of the Board of the Company and another investor (see Items 5 and 12 hereof).

As of December 31, 1996, the Company had a working capital surplus of \$1,299,647 and had no material commitments for capital expenditures.

Reference is made to Items 1(a)(iii) and (iv) hereof for a discussion of the status of a certain note in the principal amount of \$125,000 issued by Robeson to the Company in September 1995 and a certain note in the principal amount of \$50,000 issued by Transcends to the Company in February 1996.

Reference is also made to Item 1(a)(i) hereof for a discussion of certain litigation with the Ports Authority with regard to the Hotel.

ITEM 7. FINANCIAL STATEMENTS

The financial statements required by this Item 7 are included in this Annual Report on Form 10-KSB following Item 13 hereof.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no changes in accountants due to disagreements on accounting and financial disclosure during the twenty-four month period ended December 31, 1996.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS;
COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

Directors and Executive Officers

The following table sets forth the positions and offices presently held with the Company by each Director and executive officer, his age and the year from which such person's service on the Company's Board of Directors dates:

Name	Age	Positions and Offices held with the Company	Director Since
----	---	-----	-----
Jay M. Haft	61	Chairman of the Board	1989
Morton L. Certilman	65	President and Director	1989
Leon Lapidus	52	Director	1989
Brian K. Ziegler	42	Secretary and Treasurer	--

Jay M. Haft has served as the Company's Chairman of the Board since October 1989. Mr. Haft has been engaged in the practice of law for more than the past five years and serves as counsel to Parker Duryee Rosoff & Haft. He was previously a senior corporate partner of such firm (1989-1994). Mr. Haft is a strategic and financial consultant for growth stage companies. He is active in international corporate finance, mergers and acquisitions, as well as in the representation of emerging growth companies. He has actively participated in strategic planning and fund raising for many high-tech companies, leading edge medical technology companies and technical product, service and marketing companies. Mr. Haft is a Managing General Partner of Venture Capital Associates, Ltd. and Gen Am "1" Venture Fund, a domestic and an international venture capital fund, respectively. Mr. Haft is also a Director of numerous public and private corporations, including Robotic Vision Systems, Inc., Noise Cancellation Technologies, Inc., Encore Medial Corporation, Viragen, Inc., PC Service Source, Inc., DUSA Pharmaceuticals, Inc., Oryx Technology Corp. and Jenna Lane, Inc., all of whose securities are traded in the over-the-counter market, and serves as Chairman of the Board of Noise Cancellation Technologies, Inc., and Jenna Lane, Inc. Mr. Haft is a member of the Florida Commission for Government Accountability to the People, Co-President of the Dade Venue of the Miami Ballet and a Director of the Concert Association of Florida. Mr. Haft received B.A. and L.L.B. degrees from Yale University.

Morton L. Certilman has served as the Company's President since October 1989. Mr. Certilman has been engaged in the practice of law for more than the past five years and is a member of the law firm of Certilman Balin Adler & Hyman, LLP. Mr. Certilman is Chairman of the Long Island Regional Planning Board, the Northrop/Grumman Master Planning Council and a Director of the Long Island Association, the New Long Island Partnership and the Long Island Sports Commission. Mr. Certilman has lectured extensively before bar associations, builders' institutes, title companies, real estate institutes, banking and law school seminars, The Practicing Law Institute, The Institute of Real Estate Management and at annual conventions of such organizations as the National Association of Home Builders, the Community Associations Institute and the National Association of Corporate Real Estate Executives. He is a member of the faculty of the American Law Institute/American Bar Association, as well as the Institute on Condominium and Cluster Developments of the University of Miami Law Center. Mr. Certilman has written various articles in the condominium field, is the author of the New York State Bar Association Condominium Cassette and the Condominium portion of the State Bar Association book on "Real Property Titles", and is the editor of the New York Land Report. Mr. Certilman is a member of the Advisory Board of First American Title Insurance Company of New York and the American College of Real Estate Lawyers. Mr. Certilman received an L.L.B. degree, cum laude, from Brooklyn Law School.

Leon Lapidus has been the President of the Mibro Group, a privately held importer, packager and distributor of hardware, for more than the past five years. Mr. Lapidus received a B.A. degree from Hunter College and an M.B.A. degree from the Bernard M. Baruch College of the City of New York. Mr. Lapidus is the brother-in-law of Mr. Haft.

Brian K. Ziegler has been engaged in the practice of law for more than the past five years and is a member of the law firm of Certilman Balin Adler & Hyman, LLP. Mr. Ziegler received a B.S. degree, cum laude, from the Wharton School of the University of Pennsylvania, and a J.D. degree and an L.L.M. degree in Taxation from the University of Miami. Mr. Ziegler is the son-in-law of Mr. Certilman.

Each Director will hold office until the next Annual Meeting of Stockholders and until his successor is elected and qualified, or until his earlier resignation or removal. Each executive officer will hold office until the next regular meeting of the Board of Directors following the next Annual Meeting of Stockholders and until his successor is elected or appointed and qualified, or until his earlier resignation or removal.

Section 16(a) Beneficial Ownership Reporting Compliance

To the Company's knowledge, based solely on a review of the copies of Forms 3 and 4 furnished to the Company and written representations that no other reports were required, during the fiscal year ended December 31, 1996, all Section 16(a) filing requirements applicable to the Company's officers, Directors and 10% stockholders were complied with, except that Brian K. Ziegler, Treasurer and Secretary of the Company, inadvertently failed on a timely basis to file a Form 5 for a certain gift transaction. This was Mr. Ziegler's first late filing in connection with Section 16(a) filing requirements.

ITEM 10. EXECUTIVE COMPENSATION

(a) Summary Compensation Table

The following table sets forth certain information concerning the compensation of Morton L. Certilman, President of the Company, for the fiscal years ended December 31, 1994, 1995 and 1996. No other person who served as an executive officer of the Company as of December 31, 1996 had a total salary and bonus for the year then ended in excess of \$100,000.

Name and Principal Position	Year	Annual Compensation Salary	All Other Compensation
Morton L. Certilman, President	1996	\$101,250	-0-*
	1995	\$50,000	-0-*
	1994	\$40,000	-0-*

* Excludes fees payable during 1994, 1995 and 1996 by the Company to Certilman Balin Adler & Hyman, LLP, a law firm of which Mr. Certilman is a member.

(b) Option Grants

No grants of stock options were made to Mr. Certilman during the fiscal year ended December 31, 1996.

(c) Aggregated Option Exercises and Fiscal Year-End Option Value

Mr. Certilman did not exercise any options during the year ended December 31, 1996 and held no options as of such date.

(d) Long-Term Incentive Plan Awards

No awards were made to Mr. Certilman during the fiscal year ended December 31, 1996 under any long-term incentive plan.

(e) Compensation of Directors

Each Director is entitled to receive a \$500 fee for each Directors' meeting he attends. In addition, Directors are reimbursed for travel expenses incurred in connection with attendance at such meetings.

(f) Employment Contracts, Termination of Employment and Change-in-Control Arrangements

Not applicable.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information as of March 27, 1997 regarding the beneficial ownership of the Company's shares of Common Stock by (i) each person who is known by the Company to beneficially own or exercise voting or dispositive control over more than 5% of the Company's Common Stock, (ii) each present Director and (iii) all of the Company's present executive officers and Directors as a group:

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Approximate Percentage of Class
Morton L. Certilman..... The Financial Center at Mitchel Field 90 Merrick Avenue East Meadow, New York	2,611,893(1)(2)(3)	46.7%
Adam R. Lieberman..... 125 Baylis Road Melville, New York	1,800,000(2)(4)	32.2%
Jay M. Haft..... 201 S. Biscayne Blvd. Suite 3000 Miami, Florida	910,393(1)(5)	16.3%
Leon Lapidus..... 111 Sinnott Road Scarborough Ontario M1L 4S6 Canada	20,000	*
All executive officers and Directors as a group (4 persons).....	3,587,286(3)(5)(6)	64.2%

* Less than 1%.

- (1) Messrs. Certilman and Haft have previously filed a Schedule 13D and amendments thereto under the Securities Exchange Act of 1934, as amended, with respect to their respective equity interests in the Company. In view of their intention to consult with each other with respect to the acquisition, voting and disposition of their respective shares, Messrs. Certilman and Haft may be deemed a group. Accordingly, the group of Messrs. Certilman and Haft beneficially owns 3,522,286 shares of Common Stock. Such amount represents approximately 63.0% of the outstanding shares of Common Stock of the Company. However, each of Messrs. Certilman and Haft independently makes his own decisions with respect to the acquisition, voting and disposition of the shares of Common Stock directly owned by him. Further, neither Mr. Certilman nor Mr. Haft has any economic interest in the shares of Common Stock directly owned by the other.
- (2) Pursuant to a certain Amended and Restated Voting Trust Agreement, dated as of December 30, 1996, between Sterling Foster Holding Corp. ("SFHC") and Mr. Certilman, as voting trustee (the "Voting Trust Agreement"), SFHC transferred voting control over all 1,800,000 shares of Common Stock of the Company it presently owns to Mr. Certilman during the three year term of the Voting Trust Agreement.
- (3) Includes 1,800,000 shares held by Mr. Certilman pursuant to the Voting Trust Agreement and 360,000 shares held in a retirement trust for his benefit.
- (4) The shares are registered in the name of SFHC; Mr. Lieberman is the beneficial owner of these shares by reason of his position as President and sole stockholder of SFHC.
- (5) Includes 12,500 shares held in a retirement trust for the benefit of Mr. Haft.
- (6) Includes 5,000 shares held in a retirement trust for the benefit of an executive officer and 20,000 shares held by such executive officer's wife. Such executive officer disclaims beneficial ownership of the shares owned by his wife.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Pursuant to a certain Subscription Agreement, dated June 3, 1996, by and between the Company, Mr. Certilman, Mr. Haft, and SFHC, the Company issued 3,200,000 shares of Common Stock at a price of \$0.25 per share (the "Offering") for a total subscription price of \$800,000. Of such amount, \$450,000 was paid by SFHC for the purchase of 1,800,000 shares and \$175,000 was paid by each of Mr. Haft and Mr. Certilman for the purchase of 700,000 shares each. The proceeds of the Offering were intended to be used in connection with the business opportunities described in Item 1(a)(v) hereof.

Certilman Balin Adler & Hyman, LLP, a law firm of which Mr. Certilman is a member, serves as counsel to the Company. It is presently anticipated that such firm will continue to represent the Company and/or its affiliates and will receive fees for its services at rates and in amounts not greater than would be paid to unrelated law firms performing similar services.

ITEM 13. EXHIBITS, LIST AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit Number -----	Description of Exhibit -----
3(a)	Certificate of Incorporation, as amended(1)
3(b)	By-laws, as amended(2)
9	Amended and Restated Voting Trust Agreement, dated December 30, 1996, among Sterling Foster Holding Corp. and Morton L. Certilman, as voting trustee.
10(a)	Agreement, dated July 22, 1988, between the Ports Authority and IAH(1)
10(b)	Resolution of Board of Directors of Ports Authority, dated August 10, 1994, regarding rental obligation of the Hotel(3)
10(c)	Amended and Restated 1990 Stock Option Plan(1)
10(d)	License and Royalty Agreement, dated July 1991, among the Company, IFTI Capital Appreciation Management Corporation, and NPS Products, Inc.(4)
10(e)	Subscription Agreement, dated as of June 3, 1996, between Mr. Certilman, Mr. Haft, SFHC and the Company (5)
21	Subsidiaries of the Registrant(4)
27	Financial Data Schedule.

(1) Denotes document filed as an exhibit to the Company's Annual Report on Form 10-KSB for the year ended December 31, 1993 and incorporated herein by reference.

(2) Denotes document filed as an exhibit to the Company's Annual Report on Form 10-KSB for the year ended December 31, 1989 and incorporated herein by reference.

(3) Denotes document filed as an exhibit to the Company's Annual Report on Form 10-KSB for the year ended December 31, 1994 and incorporated herein by reference.

(4) Denotes document filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1991 and incorporated herein by reference.

(5) Denotes document filed as an exhibit to the Company's Current Report on Form 8-K for an event dated June 3, 1996 and incorporated herein by reference.

(b) Reports on Form 8-K

No report on Form 8-K was filed by the Company during the last quarter of the fiscal year ended December 31, 1996.

EXTECH CORPORATION AND SUBSIDIARIES

REPORT ON AUDITS OF
CONSOLIDATED FINANCIAL STATEMENTS

TWO YEARS ENDED DECEMBER 31, 1996

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CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Certified Public Accountants

Board of Directors and Stockholders
EXTECH CORPORATION
East Meadow, New York

We have audited the accompanying consolidated balance sheet of EXTECH CORPORATION and Subsidiaries as of December 31, 1996 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the two-year period ended December 31, 1996. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of EXTECH CORPORATION and Subsidiaries as of December 31, 1996 and the results of their operations and their cash flows for each of the years in the two-year period ended December 31, 1996 in conformity with generally accepted accounting principles.

HOLTZ RUBENSTEIN & CO., LLP

Melville, New York
February 25, 1997

EXTECH CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1996

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$1,318,121
Accounts receivable, net of allowance for doubtful accounts of approximately \$500	50,591
Notes receivable, net of allowance for doubtful accounts of approximately \$48,000 (Note 4)	81,856
Inventories	6,400
Prepaid expenses and other current assets	122,479

Total current assets 1,579,447

PROPERTY AND EQUIPMENT, net (Note 3) 153,595

OPERATING EQUIPMENT, net 9,529

\$1,742,571

=====

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Accounts payable	\$ 1,974
Accrued expenses (Notes 5 and 6)	123,626
Debentures payable (Note 7)	154,200

Total current liabilities 279,800

MINORITY INTEREST 560

COMMITMENT AND CONTINGENCY (Note 10)

STOCKHOLDERS' EQUITY: (Note 11)

Common stock, \$.01 par value; authorized 10,000,000 shares; issued and outstanding 5,591,367 shares	55,914
Capital in excess of par	5,264,950
Deficit	(3,858,653)

1,462,211

\$1,742,571

=====

See notes to consolidated financial statements

EXTECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,	
	1996	1995
	----	----
REVENUES: (Note 13)		
Rooms	\$ 936,976	\$ 924,381
Other operating departments	32,958	58,569
Interest, net	38,822	21,893
Royalty income	109,891	19,214
	-----	-----
Total revenues	1,118,647	1,024,057
	-----	-----
COSTS AND EXPENSES:		
Administrative and general	124,697	111,234
Bad debt (recovery)	(21,174)	5,195
Corporate and sundry (Note 8)	352,225	190,146
Departmental	380,711	381,192
Depreciation and amortization	51,544	51,901
Energy costs	14,285	16,701
Lease rentals (Note 10)	189,610	191,335
Property operation and maintenance	26,605	18,761
Real estate and personal property taxes	587	687
	-----	-----
Total costs and expenses	1,119,090	967,152
	-----	-----
(LOSS) INCOME BEFORE INCOME TAXES	(443)	56,905
INCOME TAXES (Note 9)	4,656	5,676
	-----	-----
NET (LOSS) INCOME	\$ (5,099)	\$ 51,229
	=====	=====
(LOSS) INCOME PER COMMON SHARE (Note 12)	\$ (.001)	\$.02
	=====	=====
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING (Note 12)	4,236,176	2,391,367
	=====	=====

See notes to consolidated financial statements

EXTECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock		Capital in Excess of Par	Deficit	Total
	Shares -----	Amount -----	-----	-----	-----
Balance, January 1, 1995	2,391,367	\$ 23,914	\$4,496,950	\$(3,904,783)	\$ 616,081
Net income for the year	-	-	-	51,229	51,229
	-----	-----	-----	-----	-----
Balance, December 31, 1995	2,391,367	23,914	4,496,950	(3,853,554)	667,310
Issuance of stock	3,200,000	32,000	768,000	-	800,000
Net loss for the year	-	-	-	(5,099)	(5,099)
	-----	-----	-----	-----	-----
Balance, December 31, 1996	5,591,367	\$ 55,914	\$5,264,950	\$(3,858,653)	\$1,462,211
	=====	=====	=====	=====	=====

See notes to consolidated financial statements

EXTECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	\$ (5,099)	\$ 51,229
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Depreciation and amortization	51,544	51,901
Bad debts	(20,948)	5,195
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	1,830	(1,048)
Inventories	790	4,514
Prepaid expenses and other assets	(115,592)	36,544
Increase (decrease) in liabilities:		
Accounts payable	(1,582)	(632)
Accrued expenses	(15,875)	2,484
	-----	-----
Net cash (used in) provided by operating activities	(104,932)	150,187
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(175)	(4,425)
Notes receivable - net	(21,728)	16,835
	-----	-----
Net cash (used in) provided by investing activities	(21,903)	12,410
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common stock	800,000	-
	-----	-----
Net cash provided by financing activities	800,000	-
	-----	-----
Net increase in cash and cash equivalents	673,165	162,597
Cash and cash equivalents, beginning of year	644,956	482,359
	-----	-----
Cash and cash equivalents, end of year	\$1,318,121	\$644,956
	=====	=====

See notes to consolidated financial statements

EXTECH CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1996 AND 1995

1. Summary of Significant Accounting Policies:

a. Description of business

The Company's operations are within one industry as lodging sales and related revenues accounted for substantially all revenues during the two-year period ended December 31, 1996.

b. Principles of consolidation

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries and a 90% owned inactive subsidiary. All intercompany transactions and balances have been eliminated.

c. Inventories

Inventories, consisting of merchandise and supplies, are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis.

d. Property and equipment

Property and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are being amortized using the straight-line method over the remaining term of the lease.

e. Concentration of credit risk

The Company invests its excess cash in deposits and money market accounts with major financial institutions. The Company has not experienced losses related to these investments.

f. Statement of cash flows

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with a maturity of three months or less, as well as bank money market accounts, to be cash equivalents.

g. Estimates

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

2. Supplementary Information - Statement of Cash Flows:

Cash paid for income taxes was \$7,141 and \$5,452 during the years ended December 31, 1996 and 1995, respectively.

3. Property and Equipment:

At December 31, 1996, property and equipment consists of the following:

Furniture, fixtures and equipment	\$360,360
Leasehold improvements	134,384

	494,744
Less accumulated depreciation and amortization	341,149

	\$153,595
	=====

4. Notes Receivable:

a. During the period December 1992 to March 1993, the Company entered into various loans with Robeson Industries Corp. ("Robeson") (an unrelated third party) in the aggregate amount of \$320,000. The notes were secured by a pledge of all of the issued and outstanding shares of Robeson Industries Hong Kong Ltd. ("Robeson Hong Kong"). In May 1993, Robeson filed a petition for bankruptcy under Chapter 11 of the Bankruptcy Act. In September 1993, the Company filed a proof of claim in such proceeding as a secured creditor to recover such advances, related accrued interest and other costs.

In September 1994, pursuant to a Plan of Reorganization (the "Plan"), Robeson issued to the Company a promissory note (the "Note") in the principal amount of \$385,000. The Note provided for the payment of interest at the rate of 8% per annum and the repayment of principal in 48 consecutive monthly installments. Such installments were to cover an aggregate of 5% of the principal amount of the Note during the initial six months, an additional 7.5% thereof during the following six months, an additional 37.5% thereof during the following 12 months, an additional 25% thereof during the following 12 months and the final 25% thereof during the last 12 months of the Note. The Note was secured by all the outstanding shares of capital stock of Robeson's wholly-owned Hong Kong subsidiary. In addition, pursuant to the Plan, the Company received a nominal minority equity interest in Robeson.

The first three payments under the Note were received by the Company in October, November and December 1994. Effective January 1995, Robeson ceased making payments under the Note. In March 1995, the Company demanded full payment of the Note, foreclosed its security interest with respect to the Hong Kong stock and purchased such shares at an auction sale. In September 1995, the Company agreed to cancel the Note in consideration for the issuance by Robeson of a new promissory note in the principal amount of \$125,000 (the "New Note"). The New Note provides for interest at the rate of 8% per annum and is payable in 27 consecutive monthly installments of \$5,000.

b. In February 1996, the Company signed a letter of intent to acquire Phone America International, Inc. ("Phone America"), an interexchange telecommunications carrier engaged in the design, development and marketing of prepaid telephone calling cards and other telephone products. Additionally, the Company advanced \$50,000 to Transcends Telecom Corporation ("Transcends"), a wholly-owned subsidiary of Phone America, and entered into a Loan and Security Agreement. Subsequent to February 1996, the Company decided not to pursue this acquisition. Thereafter, in November 1996, Transcends defaulted on its note and the Company foreclosed on its security interest in Transcend's accounts receivable. The Company obtained a peaceful surrender of the accounts receivable and has commenced collection proceedings against the account debtor.

5. Accrued Expenses:

At December 31, 1996, accrued expenses consists of the following:

Rent	\$ 63,965
Professional fees	14,200
Payroll and related costs	15,836
Deferred compensation (Note 6)	14,100
Room tax	7,082
Other	8,443

	\$123,626
	=====

6. Deferred Compensation:

The Company has an agreement to pay special compensation to certain employees who at the date of retirement have accumulated 20 years of uninterrupted service. Maximum amount payable per employee is \$3,000. At the effective date, there were seven employees covered by this plan, four of them with 15 years of accumulated service. The accrual is being done pro-ratably from the inception of the plan to the date each employee is eligible for benefits. At December 31, 1996, there was \$14,100 shown as accrued expenses payable.

7. Debentures Payable:

In 1971, the Company, pursuant to a plan of arrangement, issued a series of debentures which matured in 1977. As of December 31, 1996, \$154,200 of these debentures have not been presented for payment. Accordingly, this balance has been included as a current liability in the accompanying consolidated balance sheet. Interest has not been accrued on the remaining debentures payable. In addition, no interest or other charges have been accrued with regard to any escheat obligation of the Company.

8. Related Party Transaction:

During the years ended December 31, 1996 and 1995, the Company leased its corporate office facility from a partnership of which a stockholder/officer is a member. Rent expense amounted to \$6,000 for each of the years ended December 31, 1996 and 1995.

9. Income Taxes:

The 1996 and 1995 income of IAH, Inc., a wholly-owned subsidiary has been calculated excluding the loss of EXTECH, as it is separately taxed under the laws of Puerto Rico. A provision of \$4,656 and \$5,676, respectively, has been made for this tax liability.

For federal income taxes, the Company has a net operating loss carryforward of approximately \$613,000 available to offset future taxable income and approximately \$1,500,000 of capital loss carryforwards available to offset future capital gains. In addition, the Company has general business tax credit carryforwards available to reduce future income taxes of approximately \$33,000. If not utilized, these credits are scheduled to expire in various amounts through 2010. The Company incurred operating losses during the past four years and losses are expected in the early subsequent periods. As a result, the Company has not recorded a deferred tax asset in 1996 due to the fact that a 100% valuation allowance would be needed.

10. Commitment and Contingency:

IAH, Inc. leases the International Airport Hotel property pursuant to an operating lease with the Puerto Rico Ports Authority ("Ports Authority"), which expired in December 1995. IAH is of the belief that pursuant to a supplemental lease agreement, it retained the option to continue the lease for a period of five years to December 31, 2000. The lease agreement provides for the annual rental payments to be equal to the greater of \$169,400 or 20% of the annual gross revenues, as defined, effective January 1, 1994. Total rent expense under this lease amounted to \$189,610 for 1996 and \$191,335 for 1995.

10. Commitment and Contingency: (Cont'd)

Based upon IAH's refusal to acknowledge that, effective January 1, 1996, it occupied the Hotel on a month-to-month basis, in February 1996, the Ports Authority requested that IAH vacate, surrender and deliver the premises by February 29, 1996. Following the receipt of such request, IAH brought an action in the Superior Court of San Juan, Puerto Rico for declaratory judgment and possessory injunction against the Ports Authority with respect to the Hotel. The action seeks a declaratory judgment that, among other alternatives, IAH exercised an option with respect to its lease for the Hotel for an extension of the term of five years commencing on January 1, 1996 or that the Ports Authority executed a new lease agreement for a ten year period commencing on such date.

11. Stockholders' Equity:

a. Stock options

The Company maintains a stock option plan which provides for the granting of options to individuals rendering service to the Company to purchase up to 300,000 shares of common stock of the Company. Such options may be either incentive stock options or non-statutory stock options. No options have been granted as of December 31, 1996.

b. Common shares reserved

Stock Option Plan	300,000
	=====

12. (Loss) Income Per Share:

Net (loss) income per common share was computed using the weighted average number of shares of common stock outstanding during each period presented.

13. Major Customer:

Sales to a major customer approximated 27% and 15% of total room sales for the years ended December 31, 1996 and 1995, respectively.

14. Fair Value of Financial Instruments:

The methods and assumptions used to estimate the fair value of the following classes of financial instruments were:

Current Assets and Current Liabilities: The carrying amount of cash and temporary cash investments, current receivables and payable and certain other short-term financial instruments approximate their fair value.

The carrying amount and fair value of the Company's financial instruments at December 31, 1996 are as follows:

	Carrying Amount -----	Fair Value -----
Cash and cash equivalents	\$1,318,121	\$1,318,121
Accounts receivables	50,591	50,591
Notes receivable	81,856	81,856
Debentures payable	154,200	154,200
Other current liabilities	125,600	125,600

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EXTECH CORPORATION

Dated: April 15, 1997

By: /s/ Morton L. Certilman

Morton L. Certilman,
President

In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signatures -----	Capacity -----	Date -----
/s/Jay M. Haft ----- Jay M. Haft	Chairman of the Board of Directors	April 15, 1997
/s/Morton L. Certilman ----- Morton L. Certilman	President and Director (Principal Executive, Financial and Accounting Officer)	April 15, 1997
/s/ Leon Lapidus ----- Leon Lapidus	Director	April 15, 1997

AMENDED AND RESTATED VOTING TRUST AGREEMENT (the "Agreement"), dated as of December 30, 1996, by and between STERLING FOSTER HOLDING CORP., a Delaware corporation ("SFHC"), and MORTON L. CERTILMAN, as voting trustee (the "Trustee").

SFHC is the holder of shares of Common Stock, par value \$.01 per share, of EXTECH CORPORATION, a Delaware corporation (the "Company"), and owns the number of shares set forth after its signature at the end of this Agreement.

In order to ensure the safe, competent and stable management of the Company, SFHC desires to create an irrevocable voting trust by depositing all of the shares of Common Stock it presently owns in the Company with the Trustee and authorizing the same to vote all of the shares. The Trustee has consented to act under this Agreement for the purposes herein provided.

In consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the parties hereto hereby agree as follows:

Agreement. Copies of this Agreement, and of all agreements supplemental hereto or amendatory hereof, shall be filed in the registered office of the Company in the State of Delaware located at 15 East North Street, Dover, Delaware 19901, and in its principal office located at 90 Merrick Avenue, East Meadow, New York 11554, and shall be open to the inspection of any stockholder of the Company daily during business hours. Copies shall also be filed in the office of the Trustee, at the address hereinbelow stated. All Voting Trust Certificates issued as hereinafter provided shall be issued, received, and held subject to all the terms of this Agreement. SFHC, being entitled to receive a Voting Trust Certificate representing its shares of

capital stock, and its respective transferees and assigns, upon accepting the Voting Trust Certificate issued hereunder, shall be bound by the provisions of this Agreement.

Transfer of Stock to Trustee.

SFHC shall deposit with the Trustee the certificates for all of the shares of Common Stock of the Company presently owned by it (the "Stock Certificates") which represent the number of shares set forth after its signature at the end of this Agreement. SFHC may at any time deposit with the Trustee additional certificates for shares of Common Stock of the Company that it may hereafter acquire (the "Additional Certificates"), but SFHC shall not be required to deposit Additional Certificates unless it so elects, except that Additional Certificates representing shares acquired due to the distribution of a stock dividend or split by the Company shall be held by the Trustee in accordance with Section 4 hereof. All Stock Certificates shall be endorsed, or accompanied by such instruments of transfer, as to enable the Trustee to cause such certificates to be transferred into the name of the Trustee, as hereinafter provided. Upon receipt by the Trustee of the Stock Certificates or Additional Certificates and the transfer of the same into the name of the Trustee, the Trustee shall hold the same subject to the terms of this Agreement, and shall thereupon issue and deliver to SFHC an Amended and Restated Voting Trust Certificate (the "Voting Trust Certificate") for the shares so deposited in substantially the same form as is attached hereto as Exhibit A.

All Stock Certificates and Additional Certificates transferred and delivered to the Trustee shall be surrendered by the Trustee to the Company and canceled, and new certificates therefor shall be issued to and held by the Trustee in the name of "Morton L.

Certilman as Voting Trustee U/A Dated December 30, 1996". The fact that each new certificate is issued pursuant to this Agreement shall be stated in the stock ledger of the Company.

The Trustee shall keep a list of all Stock Certificates or Additional Certificates transferred hereunder which shall include the name and address of SFHC and the number of shares that its transferred certificate represents. In addition, the Trustee shall keep a record of each Voting Trust Certificate issued hereunder which shall contain copies of such Voting Trust Certificate issued and the name and address of SFHC and the number of shares that each Voting Trust Certificate represents. Such list and record shall be open to the inspection of SFHC at reasonable times at the offices of the Trustee upon reasonable advance notification to the Trustee. The Trustee shall cause a copy of each Voting Trust Certificate to be filed in the books of the Company located in East Meadow, New York.

Rights of Trustee. The Trustee shall have the right to exercise, in person or by his nominee or proxy, all stockholders' voting rights and powers in respect of all shares deposited hereunder, and to take part in or consent to any corporate or stockholders' action of any kind whatsoever. The right to vote shall include the right to vote for the election of directors, and in favor of or against any resolution or proposed action of any character whatsoever, which may be presented at any meeting or require the consent of stockholders of the Company. Without limiting such general right, it is understood that such action may include the following, upon terms satisfactory to the Trustee or to his nominees or proxies thereto appointed by him or them: the mortgage, creation of a security interest in, or pledge of all or any part of the property of the Company; the lease or sale of all or any part of the property of the Company, for cash, securities,

or other property; the dissolution of the Company; and the consolidation, merger, reorganization or recapitalization of the Company.

Dividends.

In the event that the Company issues dividends and other distributions, the Trustee shall accept and receive them. Upon receipt thereof, the same shall be distributed to SFHC. In the event that the dividends are in the form of share certificates having voting rights, the stock dividends shall be held in trust hereunder and the Voting Trust Certificate shall be so amended.

Subject to the provisions of paragraph 4(a), the Trustee, in lieu of receiving cash dividends upon the capital stock of the Company and paying the same to SFHC pursuant to the provisions of this Agreement, may instruct the Company in writing to pay such dividends directly to SFHC. Upon such instructions being given by the Trustee to the Company, and until revoked by the Trustee, all liability of the Trustee with respect to such dividends shall cease. The Trustee may at any time revoke such instructions and by written notice to the Company direct it to make dividend payments to the Trustee.

Subscription Rights. In case any stock or other securities of the Company are offered for subscription to SFHC, the Trustee, following receipt of notice of such offer, shall mail a copy thereof to SFHC. Upon receipt by the Trustee, at least five (5) days prior to the last day fixed by the Company for subscription and payment, of a request from SFHC to subscribe in its behalf, accompanied with the sum of money required to pay for such stock or securities (not in excess of the amount subject to subscription in respect of the shares represented by the Voting Trust Certificate held by SFHC), the Trustee shall make such subscription and payment and, upon

receiving from the Company the certificates for shares or securities so subscribed for, shall issue to SFHC a Voting Trust Certificate in respect thereof if the same be stock having general voting powers, but if the same be securities other than stock having general voting powers, the Trustee shall either mail or deliver such securities to SFHC or instruct the Company to make delivery directly to SFHC.

Dissolution of the Company. In the event of the dissolution or total or partial liquidation of the Company, whether voluntary or involuntary, the Trustee shall receive the funds, securities, rights, or property to which SFHC is entitled, and shall distribute the same to SFHC. Alternatively, the Trustee may, in his discretion, deposit such funds, securities, rights, or property with any bank or trust company with authority and instructions to distribute the same as above provided, and upon such deposit all further obligations or liabilities of the Trustee in respect of such funds, securities, rights, or property so deposited shall cease.

Reorganization of Company. In the event that the Company is merged into or consolidated with another corporation, or all or substantially all of the assets of the Company are transferred to another corporation, then, in connection with such transfer, the term "Company" for all purposes of this Agreement shall mean and include any such successor corporation. The Trustee shall receive and hold under this Agreement any stock of such successor corporation received on account of the ownership, as Trustee hereunder, of the stock held hereunder prior to such merger, consolidation, and transfer. Each Voting Trust Certificate issued and outstanding under this Agreement at the time of such merger, consolidation, or transfer may remain outstanding, or the Trustee may, in his sole discretion, substitute for each Voting Trust Certificate a new Voting Trust Certificate in appropriate form.

Trustee's Liability. The Trustee shall not be personally liable as stockholder, trustee or otherwise for any action taken by him or by his agents, except for his own individual actions or omissions which constitute willful misconduct. In no event shall the Trustee's failure to act or vote be deemed misconduct hereunder. In addition, the Trustee shall not be required to furnish a bond or security for the discharge of his duties hereunder.

Compensation and Reimbursement of Trustee. The Trustee shall serve without compensation hereunder. The Trustee shall have the right, at his expense, to incur and pay reasonable expenses and charges to employ and pay such agents, attorneys and counsel as he may deem necessary and proper for carrying this Agreement into effect. In the event dividends or other funds or property are received by the Trustee on the stock deposited hereunder, the Trustee may deduct such expenses and charges therefrom. Nothing herein contained shall disqualify the Trustee, or incapacitate him from serving the Company or any of its subsidiaries as an officer or director, or in any other capacity, and in any such capacity, from receiving compensation.

Transfer of Voting Trust Certificates.

(a) Any Voting Trust Certificate to be issued hereunder has not been registered under the Securities Act of 1933, as amended (the "Act"), and may not be sold, transferred, pledged, hypothecated or otherwise disposed of in the absence of either an effective registration statement for such certificates under the Act or an opinion of Company counsel that such registration is not required. Each Voting Trust Certificate shall bear a legend setting forth the foregoing restrictions. It shall be an express prerequisite to the transfer of any Voting Trust Certificate that the transferee shall first agree in writing to be bound by all of the terms and conditions of this Agreement. The Voting Trust Certificates shall be transferable on the books

of the Company at the executive offices of the Company located in East Meadow, New York, by the registered holder thereof, either in person or by attorney thereto duly authorized, and the Trustee may treat the registered holder as the owner thereof for all purposes whatsoever.

(b) The transfer of the Voting Trust Certificate is also restricted pursuant to the terms and conditions of a certain letter agreement of even date by and among SFHC, the Trustee and the Company.

Replacement of Voting Trust Certificates. In the event that a Voting Trust Certificate is lost, stolen, mutilated, or destroyed, the Trustee, in his discretion, may issue a duplicate of such certificate upon receipt of each of the following: (a) evidence of such fact satisfactory to him; (b) indemnity satisfactory to him; (c) the existing certificate, if mutilated; and (d) his reasonable fees and expenses in connection with the issuance of a new certificate. The Trustee shall not be required to recognize any transfer of a Voting Trust Certificate not made in accordance with the provisions hereof, unless the person claiming such ownership shall have produced indicia of title satisfactory to the Trustee, and shall in addition deposit with the Trustee an indemnity satisfactory to him.

Successor Trustee. In the event of the death of the Trustee, then his legal representative shall act as substitute Trustee (the "Successor Trustee") for the limited purpose of complying with the provisions of paragraph 13 below.

Termination.

This Agreement shall terminate, and the Trustee shall be relieved of all liability and responsibility hereunder, upon the earlier of the third anniversary of the date hereof or the death of the Trustee.

Upon the termination of this Agreement, the Voting Trust Certificates shall cease to have any effect, and SFHC shall have no further rights under this Agreement other than to receive certificates for stock of the Company and any theretofore undistributed dividends.

Within thirty (30) days after the termination of this Agreement, the Trustee or Successor Trustee shall deliver to SFHC, upon the surrender of the Voting Trust Certificates properly endorsed (such delivery to be made in each case at the offices of the Trustee), stock certificates for the number of shares of stock of the Company represented thereby.

As an alternative to the procedure set forth in paragraph 13(c) above, at any time within thirty (30) days after the termination of this Agreement, the Trustee or Successor Trustee may deposit with the Company stock certificates representing the number of shares of stock represented by the Voting Trust Certificates then outstanding, with authority in writing to the Company to deliver such stock certificates in exchange for the Voting Trust Certificates representing a like number of shares of stock of the Company, and upon such deposit all further liability of the Trustee or Successor Trustee for the delivery of such stock certificates and the delivery or payment of dividends upon surrender of the Voting Trust Certificate shall cease, and the Trustee or Successor Trustee shall not be required to take any further action hereunder.

Notices.

Any notice to be given to the Trustee hereunder shall be sufficiently given if sent by certified mail, postage prepaid, return receipt requested, to the Trustee at 90 Merrick Avenue, East Meadow, New York 11554, or at such other address as the Trustee may from time to time designate by written notice given to SFHC.

Any notice to be given to SFHC shall be sufficiently given if sent by certified mail, postage prepaid, return receipt requested, to the address of SFHC appearing on the records maintained by the Trustee. Every notice so given shall be effective whether or not actually received, and such notice shall for all purposes be deemed to have been given on the date of mailing thereof.

Any notice to be given to the Company hereunder shall be sufficiently given if mailed in the above manner to the Company at its principal executive offices.

Amendment or Modification Agreement. SFHC and the Trustee may modify or amend this Agreement only by written agreement between them. Copies of any modifications of amendments must be filed in the registered office of the Company in the State of Delaware, in the books of the Company and in the records of the Trustee to be effective.

Entire Agreement. This Agreement contains the entire agreement between the parties. Any oral or written representations, agreements, understandings and/or statements not contained herein shall be of no force and effect.

Gender. The use herein of (a) any gender includes all others and (b) the singular number includes the plural and vice-versa, whenever the context so requires.

Governing Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Delaware, without giving effect to principles of conflicts of law.

Binding Effect. Subject to any provision of this Agreement that may prohibit or curtail assignment of any rights hereunder, this Agreement shall bind and inure to the benefit of the respective heirs, assigns, personal representatives, and successors of the parties hereto.

Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Execution in Counterparts. This Agreement may be executed in counterparts and each shall be deemed to be an original.

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement to evidence their respective acceptance of the irrevocable voting trust created hereby, as of the day and year first above written.

	Number of Shares
STERLING FOSTER HOLDING CORP.	
By: /s/ Adam Lieberman, President	1,800,000

TRUSTEE

/s/
Morton L. Certilman

The transferability of this Amended and Restated Voting Trust Certificate is restricted by the terms of the Amended and Restated Voting Trust Agreement and Transfer Restriction Agreement (each as defined below).

THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH CERTIFICATE UNDER SAID ACT OR (B) AN OPINION OF COMPANY COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.

No.

Shares

AMENDED AND RESTATED
VOTING TRUST CERTIFICATE
EXTECH CORPORATION

Incorporated under the laws of the State of Delaware

This Amended and Restated Voting Trust Certificate (the "Voting Trust Certificate") certifies that Sterling Foster Holding Corp. ("SFHC"), or its registered assigns, is entitled to all of the benefits arising from the deposit with Morton L. Certilman, as Voting Trustee (the "Trustee"), under the Amended and Restated Voting Trust Agreement of certificates evidencing ___ shares of Common Stock, par value \$.01 per share, of EXTECH Corporation, a Delaware corporation (the "Company"), as provided in the Amended and Restated Voting Trust Agreement and subject to the terms thereof.

Subject to the terms of the Amended and Restated Voting Trust Agreement, the registered holder hereof is entitled to receive payment equal to the amount of cash dividends, if any, received by the Trustee upon the number of shares of capital stock of the Company in respect of which this certificate is issued. Dividends received by the Trustee in Common Stock or other stock of the Company having general voting powers shall be payable in Voting Trust Certificates, in form similar hereto. Until the Trustee shall have delivered the stock held under the Amended and Restated Voting Trust Agreement to the holder of the Voting Trust Certificate, or to the Company, as specified in the Amended and Restated Voting Trust Agreement, the Trustee shall possess and shall be entitled to exercise all rights and powers of an owner of such stock, as specified in the Amended and Restated Voting Trust Agreement, including the right to vote thereon for every purpose, it being expressly stipulated that no voting right passes to the holder hereof under this certificate or any agreement, expressed or implied.

This certificate is issued, received, and held under, and the rights of the holder hereof are subject to, the terms of each of that certain Amended and Restated Voting Trust Agreement, dated as of December 30, 1996, by and among SFHC and the Trustee (the "Voting Trust Agreement") and that certain letter agreement, dated as of December 30, 1996, by and among the Company, the Trustee and SFHC, restricting the transfer or disposition by SFHC of this certificate (the "Transfer Restriction Agreement"). Copies of each of the Voting Trust Agreement and Transfer Restriction Agreement, and of every agreement amending or supplementing each of the same, are on file in the principal office of the Company in East Meadow, New York and in the registered office of the Company in the State of Delaware, and shall be open to the inspection of any stockholder of the Company, daily during business hours. The holder of this certificate, by acceptance hereof, assents and is bound by all the provisions of each of the Voting Trust Agreement and Transfer Restriction Agreement as if such Voting Trust Agreement and Transfer Restriction Agreement had been originally signed by it.

In the event of the dissolution or total or partial liquidation of the Company, subject to the terms of the Voting Trust Agreement, the funds, securities, rights or property received by the Trustee in respect to the stock deposited under the Voting Trust Agreement shall be distributed to the registered holder hereof.

In the event that any dividend or distribution other than in cash or stock of the Company having general voting powers is received by the Trustee, subject to the terms of the Voting Trust Agreement, the Trustee shall distribute the same to the registered holder hereof as provided in the Voting Trust Agreement.

Stock certificates for the number of shares of capital stock then represented by this certificate, and any undistributed dividends shall be due and deliverable hereunder upon the termination of the Voting Trust Agreement upon and subject to the terms provided therein.

The Voting Trust Agreement shall continue in full force and effect unless and until terminated as provided therein.

This certificate is transferable on the books of the Company at its office in East Meadow, New York or elsewhere as designated by the Trustee, by the holder hereof, either in person or by attorney duly authorized, in accordance with the provisions set forth in the Voting Trust Agreement and Transfer Restriction Agreement and on surrender of this certificate properly endorsed. The holder hereof agrees that delivery of this certificate, duly endorsed by the holder hereof, shall vest title hereto and all rights hereunder in the transferee; provided, however, that the Trustee may treat the registered holder hereof as the absolute owner hereof and all rights and interests represented hereby for all purposes whatsoever, and the Trustee shall not be bound or affected by any notice to the contrary; provided, however, that no delivery of stock certificates hereunder, or the proceeds thereof, shall be made without surrender hereof properly endorsed; and provided further that the Trustee need not recognize or give effect to any transfer of this

certificate made in violation of the terms of the Voting Trust Agreement or the Transfer Restriction Agreement.

This certificate shall not be valid for any purpose until duly executed by the Trustee.

The term "Trustee" as used herein means the Trustee or any Successor Trustee acting under the Voting Trust Agreement.

IN WITNESS WHEREOF, the Trustee has duly executed this certificate as of this 30th day of December, 1996.

Morton L. Certilman, Trustee

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Year

	Dec-31-1996	
	Jan-01-1996	
	Dec-31-1996	
	1	
		1,318,121
	0	
	180,447	
	48,500	
	6,400	
	1,579,447	
		153,595
	51,544	
	1,742,571	
279,800		0
0		0
	0	
		55,914
		1,462,211
1,742,571		
		0
	1,118,647	
		0
		1,119,090
	0	
	0	
	0	
	(443)	
	4,656	
(5,099)		
	0	
	0	
		0
		(5,099)
		(.001)
		0