Securities and Exchange Commission
Washington, D.C. 20549
SCHEDULE 13D/A
Under the Securities Exchange Act of 1934
(Amendment No. 3)
Energy Conversion Devices, Inc.
(Name of Issuer)
Common Stock, $0.01 par value
(Title of Class of Securities)
292659109
(CUSIP Number)
ChevronTexaco Corporation
(Name of Person Filing Statement)

Lydia I. Beebe
Corporate Secretary
ChevronTexaco Corporation
6001 Bollinger Canyon Road
San Ramon, California 94583
Telephone: (925) 842-1000

Terry M. Kee
Pillsbury Winthrop LLP
50 Fremont Street
San Francisco, California 94105
Telephone: (415) 983-1000

(Name, Address and Telephone Number of Persons Authorized
to Receive Notices and Communications)

December 2, 2004
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Section 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

[ ] Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of section 18 of the Securities Exchange Act of 1934 (the "Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 292659109

(1) Names of Reporting Persons..... I.R.S. Identification Nos. of above persons (entities only)	ChevronTexaco Corporation ChevronTexaco Overseas Petroleum Inc. Chevron Asiatic Limited Texaco Inc. TRMI Holdings Inc.
(2) Check the appropriate box if a member of a group (see instructions).....	(a) [ ] (b) [x]
(3) SEC use only.....	
(4) Source of funds (see instructions).....	OO
(5) Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)	[ ]
(6) Citizenship or place of organization.....	ChevronTexaco Corporation: Delaware ChevronTexaco Overseas Petroleum Inc.: Delaware Chevron Asiatic Limited: Delaware Texaco Inc.: Delaware TRMI Holdings Inc.: Delaware
Number of shares beneficially owned by each reporting person with:	
(7) Sole voting power.....	4,376,633
(8) Shared voting power.....	0
(9) Sole dispositive power.....	4,376,633
(10) Shared dispositive power.....	0
(11) Aggregate amount beneficially owned by each reporting person.....	4,376,633
(12) Check if the aggregate amount in Row (11) excludes certain shares (see instructions)	[ ]

(13) Percent of class represented by amount in Row (11)....	17.4 (based on the Schedule 14A filed by the Issuer with the Securities and Exchange Commission on October 20, 2004)
(14) Type of reporting person (see instructions).....	ChevronTexaco Corporation: CO ChevronTexaco Overseas Petroleum Inc. : CO Chevron Asiatic Limited: CO Texaco Inc. : CO TRMI Holdings Inc. : CO

TRMI Holdings Inc. ("TRMI-H"), its parent corporations Texaco Inc. ("Texaco"), Chevron Asiatic Limited ("CAL"), ChevronTexaco Overseas Petroleum Inc. ("CTOPI") and its ultimate parent company ChevronTexaco Corporation ("ChevronTexaco") (collectively, the "Corporations") hereby further amend and supplement the Report on Schedule 13D originally filed by Texaco on June 12, 2000, and amended by Amendment No. 1 on November 7, 2000 and Amendment No. 2 on September 20, 2001 (the "Schedule 13D") with respect to the common stock, par value $0.01 per share (the "Common Stock"), of Energy Conversion Devices, Inc. (the "Issuer"). In October 2001, Texaco became a wholly owned subsidiary of ChevronTexaco pursuant to a merger transaction. Texaco, CAL, CTOPI and ChevronTexaco are collectively referred to herein as the "Parent Corporations."

With respect to each contract, agreement or other document referred to herein and filed with the Securities and Exchange Commission (the "Commission") as an exhibit to this report, reference is made to the exhibit for a more complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference.

ITEM 2. IDENTITY AND BACKGROUND.

The response to Item 2 of the Schedule 13D is hereby amended and supplemented as follows:

Name	State of Organization	Principal Business	Address
ChevronTexaco Corporation	Delaware	The description of ChevronTexaco's business included in its Annual Report on 10-K filed with the Securities and Exchange Commission on March 9, 2004 is hereby incorporated by reference herein.	6001 Bollinger Canyon Road San Ramon, California 94583
ChevronTexaco Overseas Petroleum Inc.	Delaware	Holding company	6001 Bollinger Canyon Road San Ramon, California 94583
Chevron Asiatic Limited	Delaware	Holding company	6001 Bollinger Canyon Road San Ramon, California 94583
Texaco Inc.	Delaware	Holding company	6001 Bollinger Canyon Road San Ramon, California 94583
TRMI Holdings Inc.	Delaware	Holding company	6001 Bollinger Canyon Road San Ramon, California 94583

Schedules I, II, III, IV and V which are attached hereto and incorporated herein in their entirety by reference, set forth the name, residence or business address, citizenship and certain employment information of each of the executive officers and directors of each of the Corporations.

During the last five years, none of the Corporations and none of the natural persons identified above (a) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (b) has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

The response to Item 3 of the Schedule 13D is hereby amended and supplemented as follows:

The response to Item 4 below is hereby incorporated herein by reference.

ITEM 4. PURPOSE OF TRANSACTION.

The response to Item 4 of the Schedule 13D is hereby amended and supplemented as follows:

On December 2, 2004 (the "Transaction Date"), TRMI-H and certain of its affiliates entered into a series of agreements with the Issuer and certain of its affiliates providing for the transactions described below.

Pursuant to an Option Agreement dated as of the Transaction Date among the Issuer, Ovonic Battery Company, Inc. ("OBC") and TRMI-H, (the "Option Agreement"), TRMI-H has granted to OBC an option (the "Option") to purchase all or any portion of its shares of Common Stock at a price of $4.55 per share; provided that the Option may not be exercised to purchase fewer than 250,000 shares of Common Stock. The Option may be exercised at any time prior to November 1, 2005 (the "Termination Date") and is transferable by OBC in accordance with the Option Agreement. TRMI-H has agreed that until the Termination Date, it will not transfer any shares of Common Stock except pursuant to the Option. In the event by the Termination Date (i) the Option is not exercised, (ii) a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), to permit TRMI-H to make a public offering of all shares of Common Stock it holds has not been declared effective by the Commission and (iii) TRMI-H is otherwise unable to effect an immediate public sale of such shares of Common Stock in full without violation of any applicable law, the Stock Purchase Agreement dated as of May 1, 2000 between TRMI-H and the Issuer (the "Stock Purchase Agreement") shall be of no further force or effect. In the Option Agreement, TRMI-H has requested a Stock Registration (as such term is defined in the Stock Purchase Agreement) to facilitate exercise of the Option or sale of the Common Stock held by TRMI-H following the Termination Date and TRMI-H has agreed that the Issuer may delay the filing of a registration statement pursuant to such request until May 31, 2005. The Issuer has waived its rights under Section 4.3(f) of the Stock Purchase Agreement with respect to any public sale of such shares. The Option Agreement further provides that if OBC exercises the Option in full on or before May 31, 2005 TRMI-H agrees not to acquire the Issuer's Common Stock prior to January 1, 2008 without the prior invitation of the Issuer. A copy of the Option Agreement is filed as Exhibit 4 to this Schedule 13D and is incorporated herein by reference.

Pursuant to a Transfer, Release and Indemnity Agreement (the "TRI Agreement") dated as of the Transaction Date among the Issuer, ChevronTexaco Technology Ventures LLC, a wholly owned affiliate of ChevronTexaco ("CTTV"), and Texaco Ovonic Hydrogen Systems LLC ("TOHS"), CTTV agreed to transfer its ownership interest in TOHS to the Issuer. CTTV paid the Issuer a restructuring payment in the amount of approximately $4.7 million concurrent with such transaction. Pursuant to the TRI Agreement, CTTV and the Issuer have terminated that certain Limited Liability Company Agreement of Texaco Ovonic Hydrogen Systems LLC dated as of October 31, 2000 between CTTV and the Issuer and certain related agreements among CTTV, the Issuer and TOHS. Pursuant to the TRI Agreement, the Issuer and TOHS, on the one hand, and CTTV, on the other, have agreed to mutually release one another and certain related persons from specified losses arising out of such parties' ownership, relationship, participation or involvement in TOHS. The Issuer and TOHS have also agreed to jointly and severally indemnify CTTV and certain related persons against specified losses arising out of CTTV's ownership, relationship, participation or involvement in TOHS and any misrepresentation, omission, nonfulfillment or breach by the Issuer or TOHS of the TRI Agreement or specified related agreements. A copy of the TRI Agreement is filed as Exhibit 5 to this Schedule 13D and is incorporated herein by reference.

The Issuer, OBC and CTTV have agreed to a number of amendments to the terms of the COBASYS LLC ("COBASYS") joint venture pursuant to an Amended and Restated Operating Agreement of COBASYS LLC dated as of the Transaction Date among OBC, the Issuer and CTTV (the "COBASYS Agreement"). Among other things, the amendments to the COBASYS Agreement (i) clarify the obligations of the Issuer, OBC and CTTV to provide future funding to COBASYS and the terms under which any such future funding will be provided, (ii) provide that CTTV will have increased voting rights on the management committee of COBASYS with respect to certain matters at any time it has provided certain funding on behalf of the Issuer and OBC, (iii) grant CTTV a security interest in OBC's membership interest to secure performance of OBC's obligations under the COBASYS Agreement and (iv) provide that the capital accounts of CTTV and OBC will be equal as of the Transaction Date. In addition, OBC has granted COBASYS a royalty-free, worldwide, exclusive license to certain technology owned by the Issuer and OBC related to nickel metal hydride batteries ("ECD/OBC Technology"), which grant extends COBASYS's preexisting license rights in ECD/OBC Technology to a number of new fields and limits the Issuer's and OBC's rights in ECD/OBC Technology to other specifically identified fields, such exclusive license being subject to all preexisting agreements the Issuer and OBC have with other entities regarding ECD/OBC Technology. COBASYS has also granted to CTTV a security interest in all of its general intangibles and substantially all of its intellectual

property assets to secure OBC's performance of its obligations thereunder. A copy of the COBASYS Agreement is filed as Exhibit 6 to this Schedule 13D and incorporated herein by reference.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

The response to Item 5 is hereby amended and supplemented as follows:

(a) The aggregate number of shares of Common Stock of the Issuer beneficially owned by TRMI-H is 4,376,633 shares. The shares of Common Stock of the Issuer beneficially owned by TRMI-H represent approximately 17.4% of the outstanding shares of the Issuer (based on the Schedule 14A filed by the Issuer with the Securities and Exchange Commission on October 20, 2004).

None of the Parent Corporations owns any shares of the Issuer directly, but each may be deemed to share beneficial ownership of all the shares of Common Stock owned by TRMI-H by virtue of its direct or indirect ownership interest in TRMI-H.

(b) Subject to its obligations under the Stock Purchase Agreement, TRMI-H has the sole power to vote and dispose of the 4,376,633 shares of Common Stock it directly owns.

Although TRMI-H has sole voting and dispositive rights, each of the Parent Corporations may be deemed to share voting and dispositive power with regard to such shares by virtue of its direct or indirect ownership interest in TRMI-H.

(c) Recent Transactions: Not applicable.

(d) Rights with Respect to Dividends or Sales Proceeds: Not applicable.

(e) Date of Cessation of Five Percent Beneficial Ownership: Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

The response to Item 6 of the Schedule 13D is hereby amended and supplemented as follows:

The description of the Option Agreement appearing above in Item 4 is hereby incorporated by reference.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

The response to Item 7 of the Schedule 13D is hereby amended and supplemented by adding the following exhibits:

Exhibit 4. Option Agreement dated as of December 2, 2004 among OBC, the Issuer, and TRMI-H.

Exhibit 5. Transfer, Release and Indemnity Agreement dated as of December 2, 2004 among the Issuer, CTTV and COBASYS.

Exhibit 6. Amended and Restated Operating Agreement of COBASYS LLC dated as of December 2, 2004 between OBC and CTTV.

Signature

After reasonable inquiry and to the best of their knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Date: December 7, 2004

CHEVRONTEXACO CORPORATION

By: /s/ WALKER C. TAYLOR

Name: Walker C. Taylor
Title: Assistant Secretary

CHEVRONTEXACO OVERSEAS PETROLEUM INC.

By: /s/ WALKER C. TAYLOR

Name: Walker C. Taylor
Title: Assistant Secretary

CHEVRON ASIATIC LIMITED

By: /s/ WALKER C. TAYLOR

Name: Walker C. Taylor
Title: Vice President and Secretary

TEXACO INC.

By: /s/ WALKER C. TAYLOR

Name: Walker C. Taylor
Title: Assistant Secretary

TRMI HOLDINGS INC.

By: /s/ WALKER C. TAYLOR

Name: Walker C. Taylor
Title: Vice President

Schedule I

The following table sets forth the name, residence or business address, citizenship, present principal occupation or employment, and the name, principal business and address of any corporation in which such employment is conducted, of each executive officer and director of ChevronTexaco Corporation ("ChevronTexaco").

		Employment Information		
Name	Citizenship	Occupation	Business Address	Business of Employer
S.H. Armacost	U.S.	Chairman, SRI International	6001 Bollinger Canyon Road, San Ramon, California 94583	Consulting
J.E. Bethancourt	U.S.	Executive Vice President, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
R.E. Denham	U.S.	Partner, Munger, Tolles & Olson, LLP	6001 Bollinger Canyon Road, San Ramon, California 94583	Law
R.J. Eaton	U.S.	Former Chairman of the Board of Management of DaimlerChrysler AG	6001 Bollinger Canyon Road, San Ramon, California 94583	Not applicable
S. Ginn	U.S.	Private Investor, Former Chairman of Vodafone	6001 Bollinger Canyon Road, San Ramon, California 94583	Not applicable
C.A. Hills	U.S.	Chairman and C.E.O. of Hills & Company International Consultants	6001 Bollinger Canyon Road, San Ramon, California 94583	Consulting
C.A. James	U.S.	Vice President and General Counsel, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
F.G. Jenifer	U.S.	President, University of Texas at Dallas	6001 Bollinger Canyon Road, San Ramon, California 94583	Education
J.B. Johnston	U.S.	Chief Executive Officer, Johnston & Associates	6001 Bollinger Canyon Road, San Ramon, California 94583	Consulting
G.L. Kirkland	U.S.	Vice President, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
W.S.H. Laidlaw	U.K.	Executive Vice President, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
S. Nunn	U.S.	Co-Chairman and Chief Executive Officer of the Nuclear Threat Initiative	6001 Bollinger Canyon Road, San Ramon, California 94583	Charitable organization
D.J. O'Reilly	U.S.	Chairman of the Board and Chief Executive Officer of ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
P.J. Robertson	U.K.	Vice-Chairman of the Board of ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
C.R. Shoemate	U.S.	Retired Chairman, President and Chief Executive Officer of Bestfoods	6001 Bollinger Canyon Road, San Ramon, California 94583	Food products
C. Ware	U.S.	Senior Advisor to the CEO of The Coca-Cola Company	6001 Bollinger Canyon Road, San Ramon, California 94583	Beverages
J.S. Watson	U.S.	Vice President and Chief Financial Officer, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
R.I. Wilcox	U.S.	Vice President of ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
P.A. Woertz	U.S.	Executive Vice President, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2

Schedule II

The following table sets forth the name, residence or business address, citizenship, present principal occupation or employment, and the name, principal business and address of any corporation in which such employment is conducted, of each executive officer and director of ChevronTexaco Overseas Petroleum Inc. ("CTOPI").

		Employment Information		
Name	Citizenship	Occupation	Business Address	Business of Employer
L.I. Beebe	U.S.	Corporate Secretary, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
G.L. Kirkland	U.S.	Vice President, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
D.M. Krattebol	U.S.	Vice President and Treasurer, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
J.S. Watson	U.S.	Vice President and Chief Financial Officer, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2

Schedule III

The following table sets forth the name, residence or business address, citizenship, present principal occupation or employment, and the name, principal business and address of any corporation in which such employment is conducted, of each executive officer and director of Chevron Asiatic Limited ("CAL").

		Employment Information		
Name	Citizenship	Occupation	Business Address	Business of Employer
L.I. Beebe	U.S.	Corporate Secretary	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
G.L. Kirkland	U.S.	Vice President, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
B.J. Koc	U.S.	Vice President, ChevronTexaco Overseas Petroleum Inc.	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
E.B. Scott	U.S.	Vice President and General Counsel, ChevronTexaco Overseas Petroleum Inc.	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
J.S. Watson	U.S.	Vice President and Chief Financial Officer, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2

Schedule IV

The following table sets forth the name, residence or business address, citizenship, present principal occupation or employment, and the name, principal business and address of any corporation in which such employment is conducted, of each executive officer and director of Texaco Inc. ("Texaco").

		Employment Information		
Name	Citizenship	Occupation	Business Address	Business of Employer
K.C. Schafer	U.S.	Manager, Subsidiary Governance, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
F.G. Soler	U.S.	Subsidiary Governance Liaison, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
W.C. Taylor	U.S.	Assistant Secretary, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
J.E. Bethancourt	U.S.	Executive Vice President, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
D.M. Krattebol	U.S.	Vice President and Treasurer, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2

Schedule V

The following table sets forth the name, residence or business address, citizenship, present principal occupation or employment, and the name, principal business and address of any corporation in which such employment is conducted, of each executive officer and director of TRMI Holdings Inc. ("TRMI-H").

		Employment Information		
Name	Citizenship	Occupation	Business Address	Business of Employer
K.C. Schafer	U.S.	Manager, Subsidiary Governance, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
F.G. Soler	U.S.	Subsidiary Governance Liaison, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
W.C. Taylor	U.S.	Assistant Secretary, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2
H.B. Sheppard	U.S.	Assistant Treasurer, ChevronTexaco	6001 Bollinger Canyon Road, San Ramon, California 94583	See Item 2

THE OPTION IDENTIFIED HEREIN AND ANY SHARES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SUCH ACT, OR UNLESS TRMI HOLDINGS INC. ("TRMI-H") HAS RECEIVED AN OPINION OF COUNSEL OR OTHER EVIDENCE SATISFACTORY TO TRMI-H AND ITS COUNSEL TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED.

OPTION AGREEMENT

This Option Agreement ("Agreement") is entered into by and among Ovonic Battery Company, Inc. ("OBC"), Energy Conversion Devices, Inc. ("ECD") and TRMI Holdings Inc. ("TRMI-H") as of December 2, 2004.

W I T N E S S E T H:

WHEREAS, TRMI-H is the owner of 4,376,633 shares (the "Shares") of the outstanding common stock, par value $0.01 per share (the "Common Stock"), of ECD under that certain Stock Purchase Agreement, dated May 1, 2000 (the "SPA") between ECD and TRMI-H; and

WHEREAS, ECD, TRMI-H, ChevronTexaco Technology Ventures LLC, f/k/a Texaco Energy Systems LLC, f/k/a Texaco Energy Systems Inc. ("CTTV"), OBC, COBASYS LLC ("COBASYS") and Texaco Ovonic Hydrogen Systems LLC ("TOHS") are parties to that certain Master Agreement dated as of December 2, 2004 (the "Master Agreement"); and

WHEREAS, the execution and delivery of this Agreement by OBC, ECD and TRMI-H is a condition precedent to the closing of the transactions contemplated by the Master Agreement;

NOW THEREFORE, in consideration of the premises, OBC, ECD and TRMI-H hereby agree as follows:

1. Grant of Option. In consideration of the contribution of intellectual property and related market rights and amendments to the operating agreement of COBASYS, TRMI-H hereby grants to OBC and its permitted assigns as set forth in this Agreement, as optionee ("Optionee"), an irrevocable option (the "Option") to purchase all, or any portion, of the Shares, at a purchase price of per share (the "Exercise Price") equal to $4.55, and otherwise on the terms and subject to the conditions set forth in this Agreement. The number of shares of Common Stock subject to the Option and the Exercise Price shall be subject to adjustment as provided in Section 10 below.

2. Term. The Option shall be exercisable from the date of this Agreement until November 1, 2005 (the "Termination Date").

3. Exercise of Option. (a) In order to exercise all or any portion of the Option, Optionee shall deliver to TRMI-H a Notice of Option Exercise and Stock Purchase Agreement substantially in the form attached hereto as Exhibit A (the "Notice of Option Exercise") which shall in no case be for an amount less than 250,000 shares of Common Stock. The Notice of Option Exercise shall be delivered to TRMI-H in accordance with Section 10(b) of this Agreement no fewer than three (3) and no more than ten (10) business days prior to the Closing Date (as such term is defined in the Notice of Option Exercise). Any sale of Common Stock pursuant to the Option shall be subject to the terms and conditions of this Agreement and the Notice of Option Exercise. The parties hereby agree that in the event the Optionee that delivers the Notice of Option Exercise to TRMI-H is not OBC or an affiliate of OBC, at the Closing (as such term is defined in the Notice of Option Exercise) (i) TRMI-H will deliver to ECD the stock certificate(s) representing the shares of Common Stock subject to the Option and (ii) ECD will deliver to Optionee one or more newly issued stock certificates representing the Common Stock sold pursuant to the Notice of Option Exercise. Unless the shares of Common Stock sold pursuant to the Notice of Option Exercise are included in a registration statement that has been declared effective by the Securities and Exchange Commission (the "Commission"), each such stock certificate shall bear a legend in substantially the following form:

> THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SUCH ACT, OR UNLESS THE ISSUER AND TRMI HOLDINGS INC. ("TRMI-H") HAVE EACH RECEIVED AN OPINION OF COUNSEL OR OTHER EVIDENCE SATISFACTORY TO EACH OF THE ISSUER AND TRMI-H AND THEIR RESPECTIVE COUNSEL TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED.

(b) ECD agrees that in connection with any exercise of the Option by any person other than OBC or an affiliate of OBC, it will grant such Optionee an opportunity to ask questions and receive answers from ECD regarding the business, properties, prospects and financial condition of ECD.

(c) To facilitate the exercise of the Option and/or the sale of any of the Shares following the Termination Date, TRMI-H hereby requests a Stock Registration (as such term is defined in the SPA) to permit the public sale of the Shares from time to time following the effectiveness of the registration statement, all as contemplated by Rule 415 of Regulation C promulgated by the Commission. ECD hereby waives its rights under Section 4.3(f) of the SPA with respect to any public sale of the Shares (including any sale pursuant to Rule 144 of the Commission). TRMI-H agrees that ECD may delay the filing of a registration statement pursuant to the foregoing request until May 31, 2005. TRMI-H further agrees that, to the extent permitted by the rules and regulations of the Commission, the registration statement filed by

ECD pursuant to the foregoing request may include the Option as an additional security registered thereunder and may register, or be amended to register, the resale of the Shares by permitted assigns of the Option.

4. Agreement Not to Sell Common Stock. From the date of this Agreement until the Termination Date, TRMI-H agrees that it shall not pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Stock, whether any such transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise, except pursuant to the Option.

5. Conditions to Option Exercise. Optionee's right to exercise the Option shall be subject to the condition precedent that Optionee shall deliver or cause to be delivered to TRMI-H:

(a) in the event Optionee is OBC or an affiliate of OBC, an opinion dated the Closing Date to the effect that such exercise by Optionee is lawful and results in a valid and binding obligation of Optionee, enforceable in accordance with its terms, such opinion to be (i) in substantially the form set forth in Exhibit B and (ii) issued by Baker & McKenzie LLP or other counsel reasonably satisfactory to TRMI-H and Optionee; and

(b) in the event Optionee is not OBC or an affiliate of OBC, a duly executed Representation Certificate substantially in the form attached hereto as Exhibit C dated the Closing Date.

6. Failure to Exercise Option in Full Prior to Termination Date. In the event that, by the Termination Date:

(a) the Option shall not have been exercised in full for all the Shares;

(b) a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), to permit TRMI-H to make a public offering of all of the shares of Common Stock held by it has not been declared effective by the Commission and/or is not then in effect; and

(c) TRMI-H is otherwise unable to effect an immediate public sale of the Shares in full without violation of any applicable law; then, in such event, the provisions of Part 4 of the SPA shall be of no further force or effect.

7. Representations of ECD. ECD represents to TRMI-H:

(a) Organization. ECD is a corporation duly organized and validly existing under the laws of the State of Delaware. ECD has the full power and authority to execute, deliver and perform its obligations under this Agreement.

(b) Authority. The execution and delivery of this Agreement by ECD, and the consummation of the transactions contemplated hereby, have been duly authorized by all requisite action on the part of ECD.

(c) Enforceability. This Agreement constitutes the legal, valid and binding obligation of ECD, enforceable against ECD in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and to the principles of equity (whether enforcement is sought in a proceeding in equity or at law).

(d) No Conflicts. Neither the execution nor delivery of this Agreement, nor the consummation of the transactions contemplated hereby by ECD will violate, require a consent, or cause a default under any agreement to which ECD is a party. No consent, approval or filing with any Governmental Body is required to authorize the execution and delivery of this Agreement by ECD or ECD's performance of the terms of this Agreement.

(e) Litigation. There is no action, suit, proceeding, claim or investigation by any person, entity, administrative agency or Governmental Body pending or, to the knowledge of ECD, threatened, against ECD that impedes or is likely to impede ECD's ability to consummate the transactions contemplated by this Agreement.

8. Representations of OBC. OBC represents to TRMI-H:

(a) Organization. OBC is a corporation duly organized and validly existing under the laws of the State of Delaware. OBC has the full power and authority to execute, deliver and perform its obligations under this Agreement.

(b) Authority. The execution and delivery of this Agreement by OBC, and the consummation of the transactions contemplated hereby, have been duly authorized by all requisite action on the part of OBC.

(c) Enforceability. This Agreement constitutes the legal, valid and binding obligation of OBC, enforceable against OBC in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and to the principles of equity (whether enforcement is sought in a proceeding in equity or at law).

(d) No Conflicts. Neither the execution nor delivery of this Agreement, nor the consummation of the transactions contemplated hereby by OBC will violate, require a consent, or cause a default under any agreement to which OBC is a party. No consent, approval or filing with any Governmental Body is required to authorize the execution and delivery of this Agreement by OBC or OBC's performance of the terms of this Agreement.

(e) Litigation. There is no action, suit, proceeding, claim or investigation by any person, entity, administrative agency or Governmental Body pending or, to the knowledge of OBC, threatened, against OBC that impedes or is likely to impede OBC's ability to consummate the transactions contemplated by this Agreement.

9. Representations of TRMI-H. TRMI-H represents to ECD and OBC as follows:

(a) Organization. TRMI-H is a corporation duly organized and validly existing under the laws of the State of Delaware. TRMI-H has the full power and authority to execute, deliver and perform its obligations under this Agreement.

(b) Authority. The execution and delivery of this Agreement by TRMI-H and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action on the part of TRMI-H.

(c) Enforceability. This Agreement constitutes the legal, valid and binding obligation of TRMI-H, enforceable against TRMI-H in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and to the principles of equity (whether enforcement is sought in a proceeding in equity or at law).

(d) No Conflicts. Neither the execution nor delivery of this Agreement nor the consummation of the transactions contemplated hereby by TRMI-H will violate, require a consent, or cause a default under any agreement to which TRMI-H is a party. No consent, approval or filing with any Governmental Body is required to authorize the execution and delivery of this Agreement by TRMI-H or TRMI-H's performance of the terms of this Agreement.

(e) Litigation. There is no action, suit, proceeding, claim or investigation by any person, entity, administrative agency or Governmental Body pending or, to the knowledge of TRMI-H, threatened, against TRMI-H that impedes or is likely to impede TRMI-H's ability to consummate the transactions contemplated by this Agreement.

(f) Title to Shares. TRMI-H is the record owner and sole beneficial owner of the Shares. TRMI-H holds the Shares free and clear of any lien, pledge, security interest, option, right of first refusal or other adverse claim (other than the Option, certain

restrictions on transfer and other obligations arising under the SPA and restrictions on transfer of the Shares arising under the federal and state securities laws).

10. Adjustment upon Changes in Capitalization, Merger or Recapitalization.

(a) In the event of any change in the outstanding shares of Common Stock by reason of a stock dividend, stock split, split-up, merger, consolidation, recapitalization, combination, conversion, exchange of shares, extraordinary or liquidating dividend or similar transaction which would have the effect of diluting Optionee's rights hereunder, the type and number of shares or securities purchasable upon the exercise of the Option and the Exercise Price shall be adjusted appropriately, and proper provision will be made in the agreements governing such transaction, as shall fully preserve the economic benefits provided hereunder to Optionee.

(b) Without limiting the foregoing, whenever the number of shares of Common Stock purchasable upon exercise of the Option is adjusted as provided in this Section 10, the Exercise Price shall be adjusted by multiplying the Exercise Price by a fraction, the numerator of which is equal to the number of shares of Common Stock purchasable prior to the adjustment and the denominator of which is equal to the number of shares of Common Stock purchasable after the adjustment.

(c) In the event that ECD enters into an agreement (i) to consolidate with or merge into any person and ECD will not be the continuing or surviving corporation in such consolidation or merger, (ii) to permit any person to consolidate with or merge into ECD and ECD will not be the continuing or surviving corporation in such consolidation or merger, or (iii) to sell or otherwise transfer all or substantially all of its assets to any person, then, and in each such case, the agreement governing such transaction will make proper provision so that the Option will, upon the consummation of such transaction and upon the terms and conditions set forth herein, be converted into, or exchanged for, an option with identical terms appropriately adjusted to acquire the number and class of shares or other securities or property that Optionee would have received in respect of the shares of Common Stock subject to the Option had the Option been exercised immediately prior to such consolidation, merger, sale or transfer or the record date therefor, as applicable, and will make any other necessary adjustments. ECD shall take such steps in connection with such consolidation, merger, liquidation or other such transaction as may be reasonably necessary to assure that the provisions hereof shall thereafter apply as nearly as possible to any securities or property thereafter deliverable upon exercise of the Option.

11. Miscellaneous.

(a) Further Assurances. Each party hereto at the reasonable request of the other, shall execute and deliver, or shall cause to be executed and delivered from time to time, such further certificates, agreements or instruments of conveyance and transfer,

assumption, release and acquittance and shall take such other action as the other party hereto may reasonably request to consummate or implement the transactions contemplated by this Agreement. Without limiting the generality of the foregoing, if requested by the Optionee in connection with its exercise of the Option, TRMI-H shall deliver a certificate to the Optionee, executed by a duly authorized officer, confirming that the representations and warranties of TRMI-H set forth in Section 9 of this Agreement are true and correct on and as of the Closing Date (as such term is defined in the Notice of Option Exercise) as though then made. Except as expressly provided in the preceding sentence, TRMI-H shall not be obligated pursuant to this Agreement to make any additional representations or warranties regarding the Shares, the business of ECD or any other matter.

(b) Notices. Any notice, communication, request, instruction or other document required or permitted hereunder shall be given in writing and shall be deemed given as follows: (i) by personal delivery when delivered personally, (ii) by overnight courier upon written verification of receipt, (iii) by telecopy or facsimile transmission when confirmed by telecopier or facsimile transmission, or (iv) by certified or registered mail, return receipt requested, five (5) days after deposit in the mail. All notices shall be delivered to the address of the applicable party as set forth below:

ECD or OBC: Energy Conversion Devices Inc.
2956 Waterview Drive
Rochester Hills, Michigan 48309
Attention: Robert C. Stempel
Tel: (248) 293-0440
Fax: (248) 844-1214

TRMI-H: TRMI Holdings Inc.
6001 Bollinger Canyon Road, Building T
San Ramon, California 94583
Attention: Chief Corporate Counsel
Attention: Allen H. Uzell
Tel: (925) 842-1679
Fax: (925) 842-2056

Any party may, by written notice so delivered, change its address for notice purposes hereunder.

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

(d) Entire Agreement; Amendment. This Agreement, the Master Agreement and the other Master Transaction Agreements (as defined in the Master Agreement)

constitute the entire understanding among the parties with respect to the subject matter hereof and thereof, superseding all negotiations, prior discussions, representations and prior agreements and understandings relating to such subject matter. No amendment of this Agreement shall be binding unless agreed to in writing by all parties to this Agreement and, in the event the Optionee is not OBC or an affiliate of OBC and such amendment would have an adverse effect on the Optionee's rights under the Option, Optionee.

(e) Successors and Assigns; Assignments; Third Party Beneficiaries. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and, except as otherwise prohibited, their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any party without the prior written consent of the other parties; provided that OBC may transfer its rights, interests and obligations as Optionee hereunder (for the avoidance of doubt, excluding any other rights, interests and obligations of OBC hereunder) without the prior written consent of TRMI-H, subject to the restrictions identified in the legend appearing on the first page of this Agreement. Nothing in this Agreement shall or is intended to confer upon any other person or entity any benefits, rights or remedies.

(f) Severability. If any provision herein is contrary to any lawful statute, rule, regulation, proclamation or other lawful mandate whatsoever, whether or not listed, this Agreement shall be construed as modified to the extent necessary to conform with such legal strictures. The provisions of this Agreement are severable to the extent the partial invalidity of one or more provisions will not affect the validity of the Agreement as a whole so long as the economic or legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to any party hereto.

(g) Waiver. Any party may (i) extend the time for the performance of any of the obligations or other acts of any other party hereto or (ii) waive compliance with any of the agreements of any other party or with any conditions to its own obligations. Any agreement on the part of a party hereto to any such extension or waiver shall be valid if set forth in an instrument in writing signed on behalf of such party. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any party, and no course of dealing between the parties, shall constitute a waiver of any such right, power or remedy. No waiver by a party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(h) Expenses. Except as otherwise provided herein, all costs and expenses, including without limitation, fees and disbursements of counsel, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

(i) Counterparts. This Agreement may be executed in several counterparts, and by different parties in separate counterparts, which when taken together shall be deemed to constitute one and the same instrument.

(j) Facsimile Signatures. This Agreement shall become effective upon execution and delivery hereof by the parties hereto; delivery of this Agreement may be made by facsimile to the parties with original copies promptly to follow by overnight courier.

(k) Headings. The headings of the Sections, Schedules and Exhibits of this Agreement are for guidance and convenience of reference only and have no significance in the interpretation of this Agreement or any Schedule or Exhibit hereto.

(l) Dispute Resolution. Any dispute, controversy or claim relating to this Agreement shall be resolved exclusively in accordance with the dispute resolution procedures set forth in Section 11(d) of the Master Agreement.

(m) Status of Stock Purchase Agreement. The parties agree that the provisions of the SPA shall continue in full force and effect from and after the date of this Agreement; provided that (i) Section 4.3(f) of the SPA has been partially waived by ECD as provided in Section 3(c) of this Agreement and (ii) Part 4 of the SPA is subject to termination as of the Termination Date under the circumstances described in Section 6(c) of this Agreement; provided further that, if the Option is exercised in full on or before May 31, 2005, TRMI-H agrees that it shall not, without the prior invitation of ECD, acquire ECD common stock prior to January 1, 2008.

[SIGNATURE PAGE FOLLOWS]

EXECUTED on behalf of ECD, OBC, and TRMI-H as of the date first above written.

ENERGY CONVERSION DEVICES, INC.

By: /s/ ROBERT C. STEMPEL

Robert C. Stempel
Chairman and Chief Executive Officer

OVONIC BATTERY COMPANY, INC.

By: /s/ ROBERT C. STEMPEL
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Robert C. Stempel
Chairman

TRMI HOLDINGS INC.

By: /s/ W.C. TAYLOR

W.C. Taylor
Vice President

[SIGNATURE PAGE TO OPTION AGREEMENT]

EXHIBIT A

FORM OF NOTICE OF OPTION EXERCISE AND STOCK PURCHASE AGREEMENT

[LETTERHEAD OF OPTIONEE]

[Date]

TRMI Holdings Inc.
6001 Bollinger Canyon Road, Building T
San Ramon, California 94583
Attention: Chief Corporate Counsel
Attention: Allen H. Uzell
Tel: (925) 842-1679
Fax: (925) 842-2056

Re: Notice of Option Exercise and Stock Purchase Agreement

This Notice of Option Exercise and Stock Purchase Agreement (this "Purchase Agreement") is delivered pursuant to Section 3 of that certain Option Agreement (the "Option Agreement") dated as of November __, 2004 among Ovonic Battery Company, Inc. ("OBC"), Energy Conversion Devices, Inc. ("ECD") and TRMI Holdings Inc. ("TRMI-H"). Capitalized terms used but not defined herein shall have the respective meanings given them in the Option Agreement.

The undersigned Optionee hereby gives notice to TRMI-H that it elects to exercise the Option and shall purchase [INSERT NUMBER OF SHARES] shares of Common Stock subject to the Option (the "Securities") on [INSERT CLOSING DATE] (the "Closing Date") on the terms and subject to the conditions set forth in the Option Agreement and this Purchase Agreement.

The closing of the purchase and sale of the Securities (the "Closing") shall take place at the offices of TRMI-H located at _____ at 9:00 a.m. on the Closing Date.

In addition to any other deliveries required under the Option Agreement, at the Closing, (a) Optionee shall deliver to TRMI-H the Exercise Price by wire transfer of immediately available funds to TRMI-H's account number [number] at [bank] (or such other account or accounts as TRMI-H shall have notified Optionee in writing) and (b) TRMI-H shall deliver to Optionee the certificate or certificates representing the Securities; provided that in the event Optionee is not OBC or an affiliate of OBC, TRMI-H shall deliver such certificate or certificates to ECD and ECD shall issue and deliver to Optionee a new stock certificate in accordance with Section 3 of the Option Agreement.

Optionee acknowledges and agrees that the purchase and sale of the Securities pursuant to the Option Agreement and this Purchase Agreement have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act") and that the Securities may not be sold, transferred, or otherwise disposed of without registration under the Securities Act or an exemption from registration thereunder, and that in the absence of an effective registration statement covering the Securities, or an available exemption from registration under the Securities Act, the Securities must be held indefinitely. Optionee further acknowledges that each certificate representing the Securities shall be endorsed with a legend substantially in the form identified in Section 3 of the Option Agreement and agrees that it will comply with the transfer restrictions set forth in such legend.(1)

IN WITNESS WHEREOF, OPTIONEE has executed this Notice of Option Exercise and Stock Purchase Agreement as of the date first set forth above.

[NAME OF OPTIONEE]

By: _____

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(1) Paragraph to be included if the offer and sale of the Shares are not covered by a registration statement that has been declared effective by the Commission.

EXHIBIT B

FORM OF OPINION OF COUNSEL TO OPTIONEE

[Baker & McKenzie LLP Letterhead]

_____, 200_

Board of Directors
Energy Conversion Devices, Inc.
2956 Waterview Drive
Rochester Hills, Michigan 48309

Re: Exercise of Option Granted by TRMI Holdings Inc.

Ladies and Gentlemen:

Energy Conversion Devices, Inc. (the "Company"), Ovonic Battery Company, Inc., a subsidiary of the Company ("OBC"), and TRMI Holdings Inc. ("TRMI-H") are parties to an Option Agreement dated as of December 2, 2004 (the "Option Agreement") pursuant to which TRMI-H has granted OBC an option (the "Option") to purchase 4,376,633 shares of the Company's Common Stock, par value $.01 per share ("Common Stock").

We understand that OBC intends to exercise the Option as of the date of this letter with respect to _____ shares of Common Stock. We further understand that the aggregate exercise price payable in connection with OBC's exercise of the Option is $_____ in cash (the "Exercise Price").

In connection with the foregoing exercise of the Option, you have requested our opinion that the payment of the Exercise Price upon the exercise of the Option by OBC, if viewed as a stock purchase or redemption of Common Stock by the Company, would not constitute an unlawful stock purchase or redemption for which the directors of the Company would have personal liability under the Delaware General Corporation Law (the "DGCL").

SUMMARY OF APPLICABLE PROVISIONS OF THE DGCL

Under Section 170 of the DGCL, the directors of a Delaware corporation are permitted to declare and pay dividends only out of the corporation's "surplus" or, if there is no surplus, then out of the net profits of the corporation for the current and preceding fiscal year. Section 154 of the DGCL defines "surplus" to mean the excess of the "net assets" of a corporation over its "capital." "Net assets" is defined for this purpose to mean the amount by which a corporation's total assets exceed its total liabilities. Capital and surplus are disregarded in the calculation of net assets. For a corporation that has authorized shares with a stated par value, the "capital" of the corporation is in most cases equal to the aggregate par value of the corporation's issued and outstanding shares.

The DGCL permits a corporation to purchase or redeem its own shares as long as the purchase or redemption does not occur when the corporation's capital is impaired and the transaction would not result in any impairment of capital. A purchase or redemption is deemed to impair a corporation's capital if the value of the consideration paid in the transaction exceeds the amount of the corporation's surplus.

Under Section 174 of the DGCL, the directors of a Delaware corporation may in certain cases incur personal liability with respect to violation of the provisions of the DGCL prohibiting unlawful dividends, stock purchases and redemptions.

OPTION EXERCISE TRANSACTION

Although the Option is exercisable for shares of the Company's Common Stock, the Option was granted to and is being exercised by OBC. Accordingly, it may be argued that the provisions of the DGCL relating to stock purchases and redemptions are not applicable to the exercise of the Option. Because OBC is a 91.7 percent-owned subsidiary of the Company, however, you have requested that our opinion that the transaction, if viewed as a purchase or redemption of Common Stock by the Company, would be lawful under the provisions of the DGCL discussed above.

ASSUMPTIONS

We have been provided with a schedule prepared by Grant Thornton LLP, the Company's independent auditors, indicating that the Company's surplus as of [end of preceding fiscal quarter] was $_____ million, calculated in accordance with the DGCL based on the Company's [un]audited consolidated financial statements as of that date prepared in accordance with generally accepted accounting principles. A copy of the schedule is attached to this letter. We have assumed that the information set forth in the attached schedule is accurate and complete in all respects.

We have also received a certificate, executed on behalf the Company by its Chief Financial Officer, stating, among other matters, that based on the amount of the Company's

current total assets and total liabilities and the number of shares of the Company's Common Stock currently outstanding, the Company's surplus on the date of this letter is not less than $_____. A copy of the certificate is attached to this letter. We have assumed that the information set forth in the attached certificate is accurate and complete in all respects.

OPINION

Based on the foregoing, we are of the opinion that the exercise of the Option and payment of the Exercise Price, if viewed as a purchase or redemption of Common Stock by the Company, would not constitute an unlawful stock purchase or redemption for which the directors of the Company would have personal liability pursuant to the DGCL.

QUALIFICATIONS AND LIMITATIONS

In reaching our opinion set forth in this letter, we have relied only upon our examination of the foregoing schedules and certificates and we have made no independent verification of the financial calculations, valuations or other factual matters set forth in such documents.

Our opinion set forth in this letter is limited to the DGCL referred to in this letter and we express no opinion with respect to the effect or application of any other laws, including the possible effect or application of laws relating to bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer or other similar laws or judicial doctrines.

Our opinion set forth in this letter is limited to the application of the specific provisions of the DGCL referred to in this letter to the Company and we have not been requested to, and do not, express any opinion with respect to any matters relating to OBC or with respect to the compliance by the Company's directors with their fiduciary duties in connection with the authorization of the Option Agreement, any related agreement or any of the transactions contemplated thereby. Further, we have not been requested to, and do not, express any opinion with respect to any agreement or transaction between the Company, ChevronTexaco Corporation and their respective affiliates other than our opinion with respect to the Option Agreement as set forth in this letter.

This letter is limited to the matters stated herein, and no opinion is implied or may be inferred beyond the matters expressly stated. The Company is authorized to provide a copy of this letter to TRMI-H in connection with the exercise of the Option, but TRMI-H and its affiliates are not authorized to rely on this letter for any purpose. Without our prior written approval, this letter may not be relied upon by any person or entity other than you, quoted in whole or in part or otherwise referred to in any report or document, furnished to any other person or entity (other than as expressly permitted pursuant to the preceding sentence) or relied upon for any purpose other than in connection with consummating the transactions described herein.

Very truly yours,

BAKER & McKENZIE LLP

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EXHIBIT C

FORM OF REPRESENTATION CERTIFICATE

REPRESENTATION CERTIFICATE

This Representation Certificate is delivered in connection with the exercise of the Option pursuant to that certain Option Agreement among Ovonic Battery Company, Inc. ("OBC"), Energy Conversion Devices, Inc., a Delaware corporation ("ECD"), and TRMI Holdings Inc., a Delaware corporation ("TRMI-H"), dated as of November __, 2004 (the "Option Agreement") and that certain Notice of Option Exercise and Stock Purchase Agreement dated as of _____ delivered to TRMI-H by Optionee (the "Purchase Agreement"). Capitalized terms used but not defined in this Representation Certificate shall have the respective meanings given them in the Option Agreement.

The undersigned hereby represents and warrants to TRMI-H as follows:

1. Authorization; Binding Obligation. Optionee has full power and authority to exercise the Option and to enter into the Purchase Agreement and the Purchase Agreement when executed and delivered , will constitute a valid and legally binding obligation of Optionee.

2. Purchase Entirely for Own Account. The Common Stock to be received by Optionee upon exercise of the Option (the "Securities") will be acquired for investment for Optionee's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof in violation of the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and Optionee has no present intention of selling, granting any participation in, or otherwise distributing the same in violation of the Securities Act. By executing this Representation Certificate, Optionee further represents that it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to any of the Securities to the extent the same would violate the Securities Act.(2)

3. Receipt of Information. Optionee believes it has received all the information it considers necessary or appropriate for deciding whether to purchase the Securities. Optionee further represents that it has had an opportunity to ask questions and receive answers from ECD regarding the business, properties, prospects and financial condition of ECD.

4. Investment Experience. Optionee acknowledges that it is able to fend for itself, can bear the economic risk of its investment in the Securities, and has such knowledge and

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(2) To be included if the sale of the Shares has not been registered under the Securities Act.

experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Securities. If other than an individual, Optionee also represents it has not been organized for the purpose of acquiring the Securities.

5. Accredited Investor. Optionee is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act, as presently in effect.

6. Restricted Securities. Optionee understands that the Securities it is purchasing are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from TRMI-H in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold only in certain limited circumstances without registration under the Securities Act. Optionee represents that it is familiar with Rule 144 under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.(3)

7. Non-U.S. Optionees. If Optionee is not a United States person, Optionee hereby represents that he or she has satisfied himself or herself as to the full observance of the laws of his or her jurisdiction in connection with any invitation to purchase the Option or the Securities or any use of the Option Agreement, including (i) the legal requirements within his or her jurisdiction for the purchase of the Securities, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, sale, or transfer of the Securities and further represents that Optionee's subscription and payment for, and his or her continued beneficial ownership of the Securities, will not violate any applicable securities or other laws of his or her jurisdiction.

[NAME OF OPTIONEE]

By: _____
Name:
Title:

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(3) To be included if the sale of the Shares has not been registered under the Securities Act.

EXHIBIT 5

TRANSFER, RELEASE AND INDEMNITY AGREEMENT

This Transfer, Release and Indemnity Agreement ("Agreement") is entered into by and among Energy Conversion Devices, Inc. (the "Transferee" or "ECD"), ChevronTexaco Technology Ventures LLC, f/k/a Texaco Energy Systems LLC, f/k/a Texaco Energy Systems Inc. (the "Transferor" or "CTTV"), and Texaco Ovonic Hydrogen Systems LLC (the "Company"), as of December 2, 2004.

W I T N E S S E T H:

WHEREAS, ECD and CTTV each own 50% of the equity of the Company, and are parties to the Limited Liability Company Agreement of Texaco Ovonic Hydrogen Systems LLC, dated as of October 31, 2000 (the "LLC Agreement"; terms used herein but not defined have the meaning set forth in the LLC Agreement); and

WHEREAS, since the formation of the Company, CTTV and its predecessors in interest have satisfied in full all accrued obligations to ECD or the Company to provide funding to the Company, with CTTV and its predecessors having contributed to date property and cash valued at $62,398,000 to the capital of the Company, including $36 million paid to ECD for certain ECD technology which was then contributed to the Company pursuant to an Assignment Agreement dated October 31, 2000, and also including a payment of $4,675,000 made concurrently with the execution of this Agreement to facilitate the transactions contemplated hereby by providing a means to help defray expected costs associated with the restructuring of the Company (the "Restructuring Payment"); and

WHEREAS, ECD and CTTV have determined that it is in their mutual interest to restructure the ownership of the Company, so that it will continue as a limited liability company but under the sole ownership of ECD, and to terminate the existing Limited Liability Agreement of the Company dated October 31, 2000; and

WHEREAS, CTTV desires to transfer its interest in the Company to ECD, and be relieved of and indemnified against any continuing obligations to ECD, its affiliates, or the Company with respect to the Company's funding, business or operations, and to be relieved of any restrictions on the scope of future investments, business or operations of CTTV or its affiliates (except as expressly provided herein or in the Transaction Agreements referenced in Section 2 below); and

WHEREAS, ECD and the Company desire that ECD shall accept the transfer of CTTV's interest in the Company, pursuant to the terms hereof, and relieve CTTV of any continuing obligations to ECD, its affiliates, or the Company with respect to the Company's funding, business or operations, including any restrictions of the scope of future investments, business or operations of CTTV or its affiliates (except as expressly provided herein or in the Transaction Agreements referenced in Section 2 below); and

WHEREAS, as a result of the transfer and other transactions to be accomplished hereby and by the termination of the LLC Agreement, ECD will continue as the sole member of the Company and CTTV shall be released and indemnified from any obligation or liability associated with the Company or its business.

NOW THEREFORE, in consideration of the premises and of the respective representations, warranties, covenants, agreements and conditions contained herein, ECD, the Company and CTTV hereby agree as follows:

1. Transfer of Interest; Payment of Restructuring Payment.

(a) CTTV hereby grants, sells, conveys, assigns and delivers to ECD, and ECD accepts, all of CTTV's Interest in the Company. As a result thereof, and of the other transactions to be accomplished hereby and by the termination of the LLC Agreement, ECD shall be the sole member of the Company and CTTV shall be relieved of all obligations and liabilities with respect to such Interest, the Company and its business.

(b) Upon execution of this Agreement, CTTV shall deliver to ECD the Restructuring Payment, in the form of a cashier's check or wire transfer in immediately available funds.

2. Transaction Agreements. In connection with this Agreement and the transactions contemplated herein, the following agreements are being executed concurrently (collectively, the "Transaction Agreements"):

(a) A Termination Agreement of the Confidentiality Agreement dated October 31, 2000, between the ECD, CTTV and the Company;

(b) A Termination Agreement of the Limited Liability Company Agreement dated October 31, 2000, between ECD and CTTV;

(c) An Amendment and Restatement of the Technology License Agreement dated October 31, 2000, by and among ECD, CTTV and the Company;

(d) A Termination Agreement of the TESI Service Agreement dated October 31, 2000, between CTTV and the Company;

(e) A Termination Agreement of the Trade Name License Agreement dated October 31, 2000, between Texaco Inc. and the Company;

(f) Resignations of CTTV's representatives to the Management Committee;

(g) A Vehicle Termination Agreement pursuant to which CTTV and ECD agree to destroy a vehicle developed pursuant to Section 4.4 of an agreement dated January 20, 2002 between ECD and CTTV; and

(h) A Vehicle Indemnification and Release Agreement pursuant to which TOHS assumes all liabilities and obligations associated with or arising from a different vehicle owned and modified by it and TOHS and ECD grant a general release and indemnification in favor of CTTV with respect thereto.

3. Representations of CTTV. CTTV represents to ECD and the Company as follows:

(a) Organization. CTTV is a limited liability company duly organized and validly existing under the laws of the State of Delaware. CTTV has the full power and authority to execute, deliver and perform its obligations under this Agreement and the Transactions Agreements to which it is a party.

(b) Authority. The execution and delivery of this Agreement by CTTV and the Transaction Agreements to which it is a party, and the consummation of the transactions contemplated hereby and thereby, have been duly authorized by all requisite action on the part of CTTV.

(c) Enforceability. This Agreement and the Transaction Agreements to which CTTV is a party, constitute the legal, valid and binding obligation of CTTV, enforceable against CTTV in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and to the principles of equity (whether enforcement is sought in a proceeding in equity or at law).

(d) No Conflicts. Neither the execution nor delivery of this Agreement or the Transaction Agreements, nor the consummation of the transactions contemplated hereby or thereby by CTTV will violate, require a consent (other than the consent of ECD or the Company, which ECD and the Company hereby grant), or cause a default under any agreement to which CTTV is a party. Assuming the veracity of the representations and warranties of ECD contained in this Agreement and the Transaction Agreements, no consent, approval or filing with any Governmental Body is required to authorize the execution and delivery of this Agreement by CTTV or the Transaction Agreements to which it is a party, or CTTV's performance of the terms of this Agreement or such Transaction Agreements.

(e) Litigation. There is no action, suit, proceeding, claim or investigation by any person, entity, administrative agency or Governmental Body pending or, to the knowledge of CTTV, threatened, against CTTV that impedes or is likely to impede CTTV's ability to consummate the transactions contemplated by this Agreement or the Transaction Agreements to which it is a party.

(f) Title. CTTV represents and warrants that, except as set forth in the LLC Agreement, its Interest in the Company is free and clear of all Liens.

4. Representations of ECD. ECD represents and warrants to CTTV and the Company as follows:

(a) Organization. ECD is a corporation duly organized and validly existing under the laws of the State of Delaware. ECD has the full power and authority to execute, deliver and perform its obligations under this Agreement and the Transaction Agreements to which it is a party.

(b) Authority. The execution and delivery of this Agreement by ECD and the Transaction Agreements to which it is a party, and the consummation of the transactions contemplated hereby and thereby, have been duly authorized by all requisite action on the part of ECD.

(c) Enforceability. This Agreement and the Transaction Agreements to which ECD is a party, constitute the legal, valid and binding obligation of ECD, enforceable against ECD in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and to the principles of equity (whether enforcement is sought in a proceeding in equity or at law).

(d) No Conflicts. Neither the execution nor delivery of this Agreement or the Transaction Agreements, nor the consummation of the transactions contemplated hereby or thereby by ECD will violate, require a consent, or cause a default under any agreement to which ECD is a party. Assuming the veracity of the representations and warranties of CTTV contained in this Agreement and the Transaction Agreements, no consent, approval or filing with any Governmental Body is required to authorize the execution and delivery of this Agreement by ECD or Transaction Agreements to which it is a party, or ECD's performance of the terms of this Agreement or such Transaction Agreements.

(e) Litigation. There is no action, suit, proceeding, claim or investigation by any person, entity, administrative agency or Governmental Body pending or, to the knowledge of ECD, threatened, against ECD that impedes or is likely to impede ECD's ability to consummate the transactions contemplated by this Agreement or the Transaction Agreements to which it is a party.

(f) Investment Intent. ECD is a member of the Company and desires to increase its investment interest in the Company. ECD is acquiring CTTV's Interest for investment purposes only, and not with a view to the resale or distribution thereof.

(g) Accredited Investor. ECD is an "Accredited Investor" within the meaning of the Securities Act of 1933, and is a sophisticated investor with full access to information about the Company, capable of fending for itself, and has received no information about the Company from CTTV and is in no way looking to or relying on CTTV for any such information.

5. Representations of the Company. The Company represents to CTTV and ECD that it is duly organized and in good standing as a Delaware limited liability company, has all necessary authority to enter into this Agreement and the Transaction Agreements to which it is a party, and such agreements constitute legal, valid and binding obligations of the Company enforceable in accordance with their terms subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and to the principles of equity (whether enforcement is sought in a proceeding in equity or at law).

6. Mutual Releases.

(a) ECD and Company Release. ECD and Company hereby unconditionally and irrevocably compromise, settle and fully release and forever discharge CTTV, its Affiliates (including without limitation ChevronTexaco Corporation and any entity in which ChevronTexaco Corporation owns directly or indirectly ten percent (10%) or more of the shares entitled to vote at a general election of directors), and their respective shareholders, members, partners, directors, managers, officers, employees, consultants and agents (collectively the "CTTV Parties"), from any and all damages, losses, deficiencies, liabilities, taxes, obligations, penalties, judgments, settlements, claims (including, without limitation, patent infringement claims), demands, payments, fines, interests, costs and expenses (including, without limitation, the costs and expenses of any and all Proceedings and demands, assessments, judgments, settlements and compromises relating thereto and the costs and expenses of attorneys', accountants', consultants' and other professionals' fees and expenses incurred in the investigation or defense thereof or the enforcement of rights hereunder), including consequential damages and punitive damages (collectively, "Losses"), which any of them now has, in the past had or in the future may have against the CTTV Parties or any of them, whether known or unknown, asserted or unasserted, that directly or indirectly in any way relate to, are based upon, or arise out of CTTV's interest, relationship, participation or involvement with the Company or its business, including without limitation, any further rights, liabilities, obligations or claims under the LLC Agreement or the Associated Agreements (including those intended to survive termination thereof and any contribution obligations under the LLC Agreement); provided the foregoing shall not release CTTV from any agreements or obligations, or any liability to ECD for failure to perform the same, of CTTV expressly set forth in this Agreement or the Transaction Agreements.

(b) CTTV Release. CTTV hereby unconditionally and irrevocably compromises, settles and fully releases and forever discharges ECD, its Affiliates, and their respective shareholders, members, partners, directors, managers, officers, employees, consultants and agents (collectively the "ECD Parties"), from any and all Losses, which it now has, in the past had or in the future may have against the ECD Parties or any of them, whether known or unknown, asserted or unasserted, that directly or indirectly in any way relate to, are based upon, or arise out of ECD's interest, relationship, participation or involvement with the Company or its business, including without limitation any further rights, liabilities, obligations or claims under the LLC Agreement or the Associated Agreements (including those intended to survive termination thereof and any contribution obligations under the LLC Agreement); provided the

foregoing shall not release ECD or the Company from any agreements or obligations, or any liability to CTTV for failure to perform the same, of ECD or the Company expressly set forth in this Agreement or the Transaction Agreements (including without limitation Section 7 of this Agreement).

(c) The foregoing releases are expressly intended to apply notwithstanding any act or omission by CTTV Parties or the ECD Parties, including any negligent acts or omissions by the same.

7. Transferee and Company Indemnification. As an essential consideration for CTTV's agreement to consummate the transactions contemplated hereby and in the Transaction Agreements, and notwithstanding anything contained in Section 6(b) to the contrary, ECD and the Company hereby agree to jointly and severally defend, protect, indemnify and hold harmless each CTTV Party, from and against any and all Losses arising from any and all Proceedings in which a CTTV Party may be involved, or threatened to be involved, as a party or otherwise, arising out of, resulting from, or relating or incidental to (a) the Company or its business, or such CTTV Party's interest, relationship, participation or involvement therein, including without limitation any acts or omissions of such CTTV Party as a member or manager of the Company and any obligations or liabilities under the LLC Agreement and the Associated Agreements and (b) any misrepresentation, omission, nonfulfillment or breach by ECD or the Company of any covenant, representation or warranty set forth in this Agreement or any Transaction Agreement. The indemnification granted above (i) shall not be deemed exclusive of, and shall not limit, any other rights or remedies to which any CTTV Party may be entitled or which may otherwise be available to any CTTV Party at law or in equity, (ii) shall inure to the benefit of the heirs, successors, assigns and administrators of the CTTV Parties and (iii) shall remain and be in full force and effect even if any such Loss directly or indirectly results from, arises out of, or relates to or is asserted to have resulted from, arisen out of, or related to, in whole or in part, one or more negligent acts or omissions (or other concepts of liability or fault) of the CTTV Parties. Any indemnified party shall provide reasonable cooperation in connection with the defense by ECD and the Company of any indemnified Loss.

8. Miscellaneous.

(a) Further Assurances. Each party hereto at the reasonable request of the other, shall execute and deliver, or shall cause to be executed and delivered from time to time, such further certificates, agreements or instruments of conveyance and transfer, assumption, release and acquittance and shall take such other action as the other party hereto may reasonably request to consummate or implement the transactions contemplated by this Agreement.

(b) Notices. Any notice, communication, request, instruction or other document required or permitted hereunder shall be given in writing and shall be deemed given as follows: (i) by personal delivery when delivered personally, (ii) by overnight courier upon written verification of receipt, (iii) by telecopy or facsimile transmission when confirmed by telecopier or facsimile transmission, or (iv) by certified or registered mail, return receipt requested, five (5) days after deposit in the mail. All notices shall be delivered to the address of Transferee, Transferor or the Company as set forth below:

SELLER: ChevronTexaco Technology Ventures LLC
3901 Briar Park, Room 612
Houston, Texas 77042
Attention: Gregory M. Vesey
Tel: (713) 954-6197
Fax: (713) 954-6016

BUYER: Energy Conversion Devices Inc.
2956 Waterview Drive
Rochester Hills, Michigan 48309
Attention: Stanford R. Ovshinsky
Tel: (248) 293-0440
Fax: (248) 844-1214

COMPANY: Texaco Ovonic Hydrogen Systems LLC
c/o Energy Conversion Devices Inc.
2956 Waterview Drive
Rochester Hills, Michigan 48309
Attention: Stanford R. Ovshinsky
Tel: (248) 293-0440
Fax: (248) 844-1214

Any party may, by written notice so delivered, change its address for notice purposes hereunder.

(c) Choice of Law. This Agreement shall be construed in accordance with, and governed by, the laws of the State of Texas, without giving effect to principles of conflicts of law.

(d) Dispute Resolution.

(i) The parties shall attempt within thirty (30) days after the date (the "Issue Date") an issue is presented to it in good faith to resolve any dispute, controversy or claim related to this Agreement, including any dispute over the breach, interpretation, or validity, but not the termination, of this Agreement.

(ii) If the parties cannot so resolve any such dispute referred in clause (i) above within such thirty (30) day period, the parties agree to attempt in good faith to settle any such dispute over the breach, interpretation or validity of this Agreement, as well as a dispute over the termination of this Agreement (all of which such possible disputes are hereinafter collectively referred to as the "Dispute"), by submitting the Dispute to mediation in Houston, Texas, under the Commercial Mediation Rules of the American Arbitration Association ("AAA"), within sixty (60) days after the Issue Date and may use any mediator in Houston, Texas upon which they mutually agree. If the parties have been unable to mutually agree upon a mediator within seventy five (75) days after the Issue Date, the case shall be referred to arbitration in accordance with the following paragraph. The cost of the mediator will be split equally between ECD and the Company, on the one hand, and CTTV, on the other hand, unless they agree otherwise.

(iii) IF THE PARTIES ARE UNSUCCESSFUL IN THEIR GOOD FAITH ATTEMPT TO MEDIATE THE DISPUTE OR SELECT A MUTUALLY AGREED UPON MEDIATOR, THE DISPUTE SHALL BE SUBMITTED TO, AND SETTLED BY, BINDING ARBITRATION IN HOUSTON, TEXAS. THE PARTIES SHALL, WITHIN TWENTY (20) DAYS AFTER THE FORMAL CONCLUSION OF THE MEDIATION (OR 75 DAYS AFTER FAILURE TO SELECT A MUTUALLY AGREED UPON MEDIATOR) BUT NOT LATER THAN ONE HUNDRED TWENTY (120) DAYS AFTER THE ISSUE DATE, SELECT A MUTUALLY AGREED UPON SINGLE ARBITRATOR AND MAY UTILIZE ANY FORMAT AND RULES FOR THE BINDING ARBITRATION UPON WHICH THEY MAY MUTUALLY AGREE. IF THE PARTIES ARE UNABLE TO SO AGREE, THE DISPUTE SHALL BE SUBMITTED TO A SINGLE ARBITRATOR IN HOUSTON, TEXAS, UNDER THE COMMERCIAL ARBITRATION RULES OF THE AAA, WHICH PROCEEDINGS SHALL BE CONDUCTED IN ENGLISH. SHOULD THE PARTIES BE UNABLE TO AGREE ON A CHOICE OF ARBITRATOR WITHIN THIRTY (30) DAYS FROM THE DATE OF THE AFORESAID SUBMISSION TO ARBITRATION, THE AAA SHALL FURNISH TO EACH PARTY A LIST OF THREE NAMES AND THE SELLER AND THE BUYER SHALL EACH STRIKE ONE NAME, THEREBY NOMINATING THE REMAINING PERSON AS THE ARBITRATOR. IF MORE THAN ONE NAME REMAINS, THE AAA WILL CHOOSE AN ARBITRATOR FROM THE LIST OF REMAINING NAMES. IN NO EVENT IS THE ARBITRATOR AUTHORIZED OR EMPOWERED TO AWARD PUNITIVE OR CONSEQUENTIAL DAMAGES OR DAMAGES IN EXCESS OF ACTUAL DIRECT DAMAGES. THE ARBITRATION AWARD SHALL BE IN ENGLISH AND IN WRITING AND SHALL SPECIFY THE FACTUAL AND LEGAL BASIS FOR THE AWARD. JUDGMENT UPON ANY AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT WITH JURISDICTION. THE PREVAILING PARTY SHALL BE ENTITLED TO REASONABLE ATTORNEYS' FEES IN ANY COURT PROCEEDING

RELATING TO THE ENFORCEMENT OR COLLECTION OF ANY AWARD OR JUDGMENT RENDERED BY THE ARBITRATOR UNDER THIS AGREEMENT.

(iv) Notwithstanding any of the foregoing, any party may request injunctive relief and/or equitable relief from the arbitrators or the court in order to protect the rights or property of such party pending the resolution of the dispute as provided hereunder.

(e) Entire Agreement; Amendment. This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions, representations and prior agreements and understandings relating to such subject matter. No amendment of this Agreement shall be binding unless mutually agreed to in writing.

(f) Successors and Assigns; Assignments; No Third Party Beneficiaries. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and, except as otherwise prohibited, their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any party without the prior written consent of the other parties. Nothing in this Agreement shall or is intended to confer upon any other person or entity any benefits, rights or remedies except for the benefits, rights and remedies of the CTTV Parties and the ECD Parties in Sections 6 and 7. Nothing in this Agreement shall constitute recognition by any party of any claims of any third party.

(g) Severability. If any provision herein is contrary to any lawful statute, rule, regulation, proclamation or other lawful mandate whatsoever, whether or not listed, this Agreement shall be construed as modified to the extent necessary to conform with such legal strictures. The provisions of this Agreement are severable to the extent the partial invalidity of one or more provisions will not affect the validity of the Agreement as a whole so long as the economic or legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to any party hereto.

(h) Waiver. Any party may (i) extend the time for the performance of any of the obligations or other acts of any other party hereto or (ii) waive compliance with any of the agreements of any other party or with any conditions to its own obligations. Any agreement on the part of a party hereto to any such extension or waiver shall be valid if set forth in an instrument in writing signed on behalf of such party. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any party, and no course of dealing between the parties, shall constitute a waiver of any such right, power or remedy. No waiver by a party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(i) Expenses. All costs and expenses, including without limitation, fees and disbursements of counsel, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

(j) Counterparts. This Agreement may be executed in several counterparts, and by different parties in separate counterparts, which when taken together shall be deemed to constitute one and the same instrument.

(k) Facsimile Signatures. This Agreement shall become effective upon execution and delivery hereof by the parties hereto; delivery of this Agreement may be made by facsimile to the parties with original copies promptly to follow by overnight courier.

(l) Headings. The headings of the Sections, Schedules and Exhibits of this Agreement are for guidance and convenience of reference only and have no significance in the interpretation of this Agreement or any Schedule or Exhibit hereto.

(m) Books and Records. For a period of five years after the Effective Date or such longer period as may be prescribed by law, ECD and the Company will preserve and retain the books and records of the Company and make such books and records available at the then current administrative headquarters of the Company to CTTV and its officers, employees, agents and representatives, upon reasonable notice and at reasonable times, it being understood that CTTV shall be entitled to make copies of any such books and records as shall be reasonably necessary.

[SIGNATURE PAGE FOLLOWS]

EXECUTED on behalf of Transferor, Transferee and the Company as of the date first above written.

TRANSFEROR:

CHEVRONTEXACO TECHNOLOGY VENTURES LLC

By: /s/ GREGORY M. VESEY

Gregory M. Vesey
President

TRANSFEREE:

ENERGY CONVERSION DEVICES, INC.

By: /s/ GREGORY C. STEMPEL

Robert C. Stempel
Chairman

COMPANY:

TEXACO OVONIC HYDROGEN SYSTEMS LLC

By: ENERGY CONVERSION DEVICES, INC.,
a member and the sole member after the transactions contemplated hereby

By: /s/ ROBERT C. STEMPEL

Robert C. Stempel
Chairman

By: CHEVRONTEXACO TECHNOLOGY VENTURES LLC,
a member

By: /s/ GREGORY M. VESEY

Gregory M. Vesey
President

AMENDED AND RESTATED OPERATING AGREEMENT

OF

COBASYS LLC

Dated as of December 2, 2004

By and Between

ChevronTexaco Technology Ventures, LLC

And

Ovonic Battery Company, Inc.

AMENDED AND RESTATED OPERATING AGREEMENT
COBASYS LLC

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EXHIBITS

AMENDED AND RESTATED OPERATING AGREEMENT

AMENDED AND RESTATED OPERATING AGREEMENT ("Agreement"), dated and effective December 2 2004, by and between ChevronTexaco Technology Ventures LLC, successor to Texaco Energy Systems Inc. ("CTTV"), a Delaware limited liability company, having an office at 1111 Bagby, Houston, Texas 77002, and Ovonic Battery Company, Inc. ("OBC"), a Delaware corporation, having an office at 1707 Northwood, Troy, Michigan 48084.

WHEREAS, CTTV and OBC are parties to that certain Amended and Restated Operating Agreement of Texaco Ovonic Battery Systems LLC dated as of July 17, 2001 (the "Prior Operating Agreement");

WHEREAS, CTTV and OBC desire to amend and restate the Prior Operating Agreement as set forth herein;

WHEREAS, concurrent with the execution of this Agreement, OBC has granted the Company (as hereinafter defined) a royalty-free, worldwide, exclusive license to certain technology owned by ECD (as hereinafter defined) and OBC related to nickel metal hydride batteries ("ECD/OBC Technology"), which grant extends the Company's preexisting license rights in ECD/OBC Technology to a number of new fields and limits ECD's and OBC's rights in ECD/OBC Technology to other specifically identified fields, such exclusive license being subject to all preexisting agreements ECD and OBC have with other entities regarding ECD/OBC Technology; and

WHEREAS, concurrent with the execution of this Agreement, the Company has granted to CTTV a security interest in all of its general intangibles and substantially all of its intellectual property assets to secure OBC's performance of its obligations hereunder;

NOW, THEREFORE, in consideration of the covenants and agreements set forth in this Agreement, the parties agree as follows:

ARTICLE 1

SUBJECT MATTER, DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Subject Matter. This Agreement sets forth the terms and conditions upon which the parties shall operate the Company.

Section 1.2 Definitions. For purposes of this Agreement, including the Exhibits hereto, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in this Section 1.2 shall have the meanings herein assigned to them and the capitalized terms defined elsewhere in this Agreement, by inclusion in quotation marks and parentheses, shall have the meanings so ascribed to them.

"Acceptable Transferee" means a Person proposed by the Selling Member in accordance with Section 7.1(c) and either accepted or not objected to by the Offeree

Member within the time period set forth in such Section.

"Adjusted Capital Account" means, with respect to any Member, such Member's Capital Account as of the end of any relevant date after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Member is deemed to be obligated to restore pursuant to Treasury Regulations Sections 1.704-1(b)(2)(ii)(c), 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in that Member's Adjusted Capital Account.

"Administrator" means the director of the Michigan Department of Consumer and Industry Services, or such other person or agency as shall be provided for in the Michigan Act for the filing of articles of organization and other documents relating to the organization and continuation of limited liability companies in Michigan.

"Affiliate" means with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" means the ownership, directly or indirectly, of more than 50% of the Voting Securities, of such Person; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Annual Budget" means the budget for operating expenses and capital expenditures of the Company for any Fiscal Year prepared in accordance with the Budget Protocol.

"Annual Operating Plan" means the detailed written description of the Company's Objectives for a Fiscal Year and the actions the Company intends to take in furtherance of such Objectives.

"Approved Annual Budget" means an Annual Budget approved by the Management Committee or the Members in accordance with this Agreement.

"Articles" means the Articles of Organization of the Company, as amended or amended and restated from time to time, filed in the office of the Administrator in accordance with the Michigan Act.

"Associated Agreements" means the Technology Agreement, the Confidentiality Agreement and the Articles.

"Available Funds" means Company cash on hand, as of the date of computation, including (without limitation) cash derived from any one or more of the following sources: (i) the Capital Contributions of the Members made pursuant to the terms of this Agreement, (ii) the proceeds of any Disposition of all or any portion of the assets of the Company,

including any insurance proceeds, (iii) any distributions (including liquidating distributions) received from any Person in which the Company holds an interest, and (iv) all Company operating income.

"Bankruptcy" means (i) the filing of any petition or the commencement of any suit or proceeding by an individual or entity pursuant to Bankruptcy Law seeking an order for relief, liquidation, reorganization or protection from creditors, (ii) the entry of an order for relief against an individual or entity pursuant to Bankruptcy Law or (iii) the appointment of a receiver, trustee or custodian for a substantial portion of the individual's or entity's assets or property, provided such order for relief, liquidation, reorganization or protection from creditors is not dismissed within sixty (60) days after such appointment of a receiver, trustee or custodian.

"Bankruptcy Law" means Title 11, U.S. Code or any similar Federal or state law for the relief of debtors.

"Battery Business" means the research, development, manufacturing, marketing and servicing of COBASYS Licensed Products and Ovonic Materials for use in COBASYS Licensed Products (as such terms are defined in the Technology Agreement).

"Beneficial Ownership" shall have the meaning set forth in Regulation 13D under the Exchange Act, and derivative terms such as "Beneficially Own" shall be given corresponding meanings.

"Book Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except (i) the initial Book Value of any asset contributed by a Member to the Company shall be the fair market value of such asset, as determined by the Management Committee; (ii) the Book Value of all Company assets shall be adjusted in the event of a revaluation as provided in Section 3.8(d) as determined by the Management Committee; (iii) the Book Value of any Company asset distributed to any Member shall be the fair market value of such asset on the date of distribution as determined by the Management Committee; and (iv) such Book Value shall be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

"Business Day" means any day other than a Saturday, Sunday or other day on which banks in the State of New York are permitted or required to close.

"Buyout Closing" means the consummation of any purchase and sale of a Member's Interest pursuant to Section 2.7.

"Capital Contribution" means, with respect to any Member, the amount of capital contributed by such Member to the Company in accordance with Article 3 of this Agreement.

"Change of Control" means the occurrence of any of the following at any time after the date hereof:

(i) in the case of the OBC Member, (A) any Person or "Group" (within the meaning of Regulation 13D under the Exchange Act) of Persons shall have become the Beneficial Owner, directly or indirectly, of more than Fifty Percent (50%) of the then outstanding Voting Securities of ECD or OBC, or (B) the Board of Directors of ECD shall approve the sale of all or substantially all the assets of ECD to any third party or third parties in a transaction or a series of related transactions; and

(ii) in the case of a ChevronTexaco Member, (A) any Person or "Group" (within the meaning of Regulation 13D under the Exchange Act) of Persons shall have become the Beneficial Owner of more than Fifty Percent (50%) of the then outstanding Voting Securities of ChevronTexaco Corporation, or (B) the Board of Directors of ChevronTexaco Corporation shall approve the sale of all or substantially all the assets of ChevronTexaco Corporation to any third party or third parties in a transaction or a series of related transactions.

"ChevronTexaco Group Entity" means, at any time, ChevronTexaco Corporation and each Subsidiary of ChevronTexaco Corporation of which ChevronTexaco Corporation, directly or indirectly through Subsidiaries, Beneficially Owns 100% of the outstanding Voting Securities (other than nominee shares) at such time.

"ChevronTexaco Member" means any Member that is a ChevronTexaco Group Entity.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means (i) any and all Interest in the Company owned by OBC, whether now or hereafter acquired, as such Interest is defined in this Agreement (the "Pledged Interest"), (ii) all certificates and instruments, if any, representing or evidencing the Pledged Interest, (iii) any and all rights, powers, remedies and privileges of OBC under this Agreement, (iv) any and all rights, powers, remedies and privileges of OBC as a member of the Company, including all voting, management and other rights under this Agreement and applicable law, (v) all of OBC's rights to receive its share of profits, income, capital distributions and surplus from the Company, whether in the form of cash, properties or other assets, and whether upon a sale or refinancing of any of the Company's assets, in the ordinary course of business, upon dissolution and liquidation or otherwise, (vi) any and all proceeds and products of any of the foregoing, whether now held and existing or hereafter acquired or arising, including any and all cash, securities, instruments and other property from time to time paid, payable or otherwise distributed in respect of or in exchange for any or all of the foregoing (collectively, the "Proceeds") and (vii) all of OBC's right, title and interest in general intangibles, whether now owned or hereafter acquired (including, without limitation all patents, patent applications and any unpatented developments and inventions and all rights corresponding thereto throughout the world, including without limitation all patents and patent applications; all trademarks, service marks, logos, trade names, trade dress, and all United States, state and/or foreign applications for registration and registrations thereof, and all property of OBC necessary to produce any products sold under any of the above; all copyrights and copyrighted works and all derivative works,

modifications and improvements thereof, and all United States and/or foreign applications for registration and registrations thereof; all computer software programs and all modifications, improvements and derivative works thereof, all personal property, including but not limited to source codes, object codes or similar information, which is necessary to the practical utilization of such programs and all tangible property of OBC embodying or incorporating any such programs; all trade secrets, proprietary information, customer lists, instructional materials, working drawings, manufacturing techniques, process. technology documentation, and product formulations; and all renewals, modifications, amendments, re-issues, divisions, continuations in whole or part, and extensions of any such Collateral), which general intangibles are owned by OBC or which OBC has a right to use or OBC is permitted to use and which the Company has a right to use or is permitted to use. "Proceeds" shall include (x) any options, warrants, membership interests, other securities or other property issued or delivered by the issuer of or obligor on any Collateral as a dividend or distribution in connection with any reclassification, increase or reduction of capital issued or delivered in connection with any merger or other reorganization and (y) any property received upon the liquidation or dissolution of any issuer of or obligor on any Collateral or upon or in respect of any distribution of capital.

"Company" means COBASYS LLC, a limited liability company formed under the Michigan Act.

"Company Technology Assets" means all technology owned by the Company including, Foreground Technology, OBC Licensed Technology, Texaco Technology and/or Texaco Improvement Technology whether acquired by the Company through assignment, transfer, license and /or sublicense as of the time of any calculation of Default Purchase Price, Fair Market Value or Distributions upon Liquidation.

"Confidentiality Agreement" means the Confidentiality Agreement dated as of July 17, 2001 among CTTV, OBC and the Company.

"Default Purchase Price" means:

(i) 80% of the Fair Market Value of the Company,

(ii) minus the Fair Market Value of the Company Technology Assets, if any, to be transferred to Defaulting Member pursuant to Section 4.2 of the Technology Agreement,

(iii) multiplied by the Defaulting Member's Percentage Interest, multiplied by the percentage of the Defaulting Member's Interest that the Default Purchaser wishes to purchase;

(iv) plus, if the Defaulting Member has a Preferred Interest, the Preferred Interest Amount with respect to the Preferred Interest held by such Member;

provided that the Default Purchase Price shall in no case be less than zero.

"Depreciation" means, for each Fiscal Year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Book Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period (as a result of property contributions or adjustments to such values), Depreciation shall be adjusted as necessary so as to be an amount which bears the same ratio to such beginning Book Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year or other period is zero, Depreciation for such year or other period shall be determined with reference to such beginning Book Value using any reasonable method selected by the Management Committee.

"Disbursement and Commitment Schedule" means a schedule of required disbursements and commitments for expenditures for a calendar quarter approved by the Management Committee.

"Disposition", "Disposing", "Dispose" or "Disposed" means, with respect to any asset (including Members' Interests or any portion thereof), a sale, assignment, transfer, conveyance, gift, exchange or other disposition of such asset.

"Distributable Cash Flow" means any Available Funds after (i) paying the ordinary and necessary expenses of the Company, (ii) paying any debts or liabilities of the Company to the extent required under any agreement with any lender or creditor (including any Member, but not including any amounts payable in respect of the Preferred Interest(s) outstanding, if any) and (iii) establishing reserves to meet current or reasonably expected obligations of the Company as the Management Committee determines in its sole discretion.

"ECD" means Energy Conversion Devices, Inc., a Delaware corporation.

"Exchange Act" means the Securities Exchange Act of 1934.

"Fair Market Value" means, as of any determination time, (i) with respect to the Company as a whole, the price at which a willing seller under no compulsion to sell would sell, and a willing buyer under no compulsion to purchase would purchase, 100% of the Interests in the Company, but before giving effect to any transfer of Company Technology Assets pursuant to Section 4.2 of the Technology Agreement (subject to all indebtedness, liabilities and other obligations of the Company outstanding at such time; provided that for such purposes the aggregate Preferred Interest Amount(s) shall be treated as indebtedness of the Company), and (ii) with respect to any individual asset, the price at which a willing seller under no compulsion to sell would sell, and a willing buyer under no compulsion to purchase would purchase, such asset (or the relevant portions of such rights). Any determination of Fair Market Value under this Agreement shall be made as set forth in Section 2.6.

"Fiscal Year" means (i) the period of time commencing as of July 1, 2004 and

ending on December 31, 2004, in the case of the current Fiscal Year of the Company, and (ii) any subsequent calendar year.

"GAAP" means generally accepted accounting principles in the United States, consistently applied.

"Governmental Body" means a government organization, subdivision, agency or authority thereof, whether foreign or domestic.

"Independent Director" means an independent director within the meaning of Nasdaq Marketplace Rule 4200, and any successor rule.

"Interest" means the rights of a Member in the Company (which shall be considered intangible personal property for all purposes) consisting of (i) such Member's interest in profits, losses, allocations and distributions as set forth in this Agreement, (ii) such Member's right to vote or grant or withhold consents with respect to Company matters as provided herein or in the Michigan Act, and (iii) such Member's other rights and privileges as provided herein or by the Michigan Act.

"Laws" means all applicable statutes, laws, rules, regulations, orders, ordinances, judgments and decrees of any Governmental Body, including the common or civil law of any Governmental Body.

"Lien" shall mean any lien, encumbrance, security interest, charge, mortgage, option, pledge or restriction on transfer of any nature whatsoever.

"Losses" shall mean any and all damages, losses, deficiencies, liabilities, taxes, obligations, penalties, judgments, settlements, claims, payments, fines, interest, costs and expenses (including, without limitation, the costs and expenses of any and all Proceedings and demands, assessments, judgments, settlements and compromises relating thereto and the costs and expenses of attorneys', accountants', consultants' and other professionals' fees and expenses incurred in the investigation or defense thereof or the enforcement of rights hereunder), but excluding consequential damages and punitive damages (other than such damages awarded to any third party against an Indemnitee).

"Management Committee" means the committee comprised of the individuals designated as representatives by the Members pursuant to Section 5.2 hereof and all other individuals who may from time to time be duly elected or appointed to serve as representatives on the Management Committee in accordance with the provisions hereof, in each case so long as such individual shall continue in office in accordance with the terms hereof.

"Material Adverse Effect" means an event or non-event which can reasonably be expected to result in a material adverse effect on the business, assets, properties, condition (financial or otherwise), results of operations, prospects or customer or supplier relationships of the Company within the agreed scope of the Company's business. For purposes of the foregoing sentence, an event or non-event shall be deemed to have such a

material adverse effect if (but only if) it has a reasonably estimable present value in excess of the greater of (i) ten percent (10%) of the Company's fair market value as a going concern, estimated in good faith (without any requirement of any determination pursuant to Section 2.6 of this Agreement) (provided that the aggregate Preferred Interest Amount(s) shall be treated as indebtedness of the Company in any such estimate of fair market value) or (ii) ten percent (10%) of the Company's gross revenues or assets as reported on the Company's most recent financial statements.

"Maturity Date" means the date that is the tenth (10th) anniversary from the date that CTTV makes its first Capital Contribution in respect of its Preferred Interest.

"Members" means CTTV, OBC and such other Persons who are admitted as Members pursuant to this Agreement.

"Member Nonrecourse Debt" means any nonrecourse debt of the Company for which any Member bears the economic risk of loss.

"Member Nonrecourse Debt Minimum Gain" means, for each Member, the amount of Minimum Gain for the Fiscal Year or other period attributable to such Member's "partner nonrecourse debt," determined in accordance with Treasury Regulations Section 1.704-2(i)(2).

"Michigan Act" means the Michigan Limited Liability Company Act, P.A. 1993, No. 23, as amended from time to time.

"Minimum Gain" means, with respect to all nonrecourse liabilities of the Company, the minimum amount of gain that would be realized by the Company if the Company Disposed of the Company property subject to such liability in full satisfaction thereof computed in accordance with Treasury Regulations Section 1.704-2(d).

"Minimum Gain Share" means, for each Member, such Member's share of Minimum Gain for the Fiscal Year (after taking into account any decrease in Minimum Gain for such year), such share to be determined under Treasury Regulations Section 1.704-2(g).

"Nonrecourse Deductions" means, for each Fiscal Year or other period, an amount of Company deductions that are characterized as "nonrecourse deductions" under Treasury Regulations Section 1.704-2(c).

"Objectives" means business objectives (each of which shall include a scheduled completion date) by which the Company's performance will be measured, as shall be included in Annual Operating Plans or as otherwise approved by the Management Committee from time to time.

"OBC Group Entity" means, at any time, Energy Conversion Devices, Inc. ("ECD") and each Subsidiary of ECD (including OBC) of which ECD, directly or indirectly through Subsidiaries, Beneficially Owns 100% (or, with respect to OBC, at least 91%) of the

outstanding Voting Securities (other than nominee shares) at such time.

"OBC Member" means any Member that is an OBC Group Entity.

"Percentage Interest" means, for each Member as of the date hereof, the percentage set forth opposite such Member's name in Section 3.1(b), as such may be adjusted from time to time pursuant to the provisions of this Agreement.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, trust, estate, unincorporated organization or Governmental Body.

"Preferred Adjusted Capital" means, with respect to the Preferred Interest(s) outstanding, if any, the Capital Contribution made in exchange for or on account of such interest, reduced by the amount of all Distributions made in respect of such Preferred Interest (or portion thereof) under Section 4.1(b)(ii).

"Preferred Capital Contribution" means, with respect to the Preferred Interest, the Capital Contribution made in consideration of such Interest pursuant to the terms hereof.

"Preferred Interest" means an Interest in the Company issued pursuant to Section 3.2 and having the terms set forth herein.

"Preferred Interest Amount" means the amount of any outstanding Preferred Interest, together with all accrued and unpaid distributions thereon (determined as if the Company had sufficient Profits for all periods to enable distributions under Section 4.1(b) to be made in full with respect to the Preferred Return and Preferred Adjusted Capital).

"Preferred Member" means any Member that is the Holder of a Preferred Interest.

"Preferred Return" means as of a given date, with respect to the Preferred Interest(s) outstanding, if any, the amount accruing daily for each fiscal year from and after the date of the first issuance of such Preferred Interest, at the rate per annum equal to the Prime Rate plus 2.0% (subject to adjustment pursuant to Section 3.6(b)(ii)), compounded monthly, on (a) the Preferred Adjusted Capital of such interest (or portion thereof) and (b) Unpaid Preferred Return on such interest (or portion thereof) as of such date.

"Prime Rate" means the corporate base rate per annum in effect as published by Citibank, N.A. from time to time for domestic unsecured commercial loans.

"Prior Operating Agreement" means that certain Amended and Restated Operating Agreement of Texaco Ovonic Battery Systems LLC (f/k/a GM Ovonic L.L.C.) dated as of July 17, 2001 by and between CTTV and OBC, as originally executed.

"Proceeding" means any action, claim, suit, arbitration, subpoena, discovery request, proceeding or investigation by or before any court or grand jury, any Governmental Body or arbitration tribunal.

"Profits" and "Losses" means, for purposes of Article 4, an amount equal to the Company's taxable income or loss for each Fiscal Year or other period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition, shall be subtracted from such taxable income or loss;

(iii) Gain or loss resulting from any Disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Book Value of the property Disposed of, notwithstanding that the adjusted tax basis of such property differs from such Book Value;

(iv) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period, computed in accordance with the definition of "Depreciation" herein; and

(v) Notwithstanding any other provision of this definition, any items which are specifically allocated pursuant to Section 4.2(c) shall not be taken into account in computing Profits or Losses.

"Subsidiary" means, with respect to any Person, any other Person of which a majority of the Voting Securities are at the time directly or indirectly owned by such Person.

"Technology Agreement" means the Amended and Restated Intellectual Property License Agreement dated as of the date hereof among OBC, CTTV and the Company.

"Transfer" means any sale, transfer, exchange, assignment or other disposition, by operation of law or otherwise.

"Treasury Regulations" means the Treasury Regulations promulgated under the Code, as from time to time in effect.

"Unallocated Preferred Return" means with respect to the Preferred Interest(s), if any, outstanding as of the determination date, an amount equal to the excess, if any, of (i) the Preferred Return accruing on such interest(s) (or portion thereof) for all periods over

(ii) the cumulative allocations made under Section 4.2(a)(ii) on such interest(s) (or portion thereof) for all periods.

"Unanimous Approval" means a unanimous vote approving an action by the Members then entitled to vote with respect to such action.

"Uniform Commercial Code" means the Uniform Commercial Code as in effect in the State of Michigan from time to time.

"Unpaid Preferred Return" means with respect to the Preferred Interest(s), if any, outstanding as of the determination date, an amount equal to the excess, if any, of (i) the cumulative allocations made in respect of such interest (or portion thereof) under Section 4.2(a)(ii) for all periods, over (ii) the aggregate amount of prior distributions made in respect of such interest (or portion thereof) by the Company under Section 4.1(b)(i) for all periods.

"Voting Securities" means any Person's securities or other ownership interests which have ordinary voting power under ordinary circumstances for the election of directors (or the equivalent) of such Person.

Section 1.3 Other Definitions. The following terms have the meanings ascribed to them in the Sections noted:

"Accepting Member"	2.7
"Agreement"	Opening Paragraph
"Appraisers"	2.6
"Authorized Person"	6.1
"Capital Account"	3.7
"Change Price"	7.2
"Changed Member"	7.2
"Common Adjusted Capital Account	4.2(b)(i)
"Deadlock"	2.7
"Deadlock Event"	2.7
"Deadlock Notice"	2.7
"Deadlock Price"	2.7
"Default"	8.1
"Default Purchase"	8.2
"Default Purchaser"	8.2
"Defaulting Member"	8.1
"Designated Valuation"	2.7
"Dissolution Event"	9.1
"Effective Time"	Article 12
"Electing Member"	2.7
"Event of Default"	8.1(c)
"First Appraiser"	2.6
"IB Firm"	2.6
"Indemnitee"	6.2

"Liquidation Event"	3.6(b)(iv)
"Loan Account"	3.6
"Nondefaulting Member"	8.1
"Offeree Member"	7.1(c)
"Offeree Member's Acceptance Notice"	7.1(c)
"Offeree Member Response Date"	7.1(c)
"Original Funding Amount"	3.1(a)
"Preferred Entitlement Commitment"	4.2(c)(xi)
"Pro Rata Allocation"	4.2(c)(xi)
"Regulatory Allocations"	4.2(a)
"Remaining Funding Commitment"	3.1(a)
"Sale Materials"	7.1(c)
"Second Appraiser"	2.6
"Secretary"	5.5(b)
"Selling Member"	7.1(c)
"Selling Member's Offer Notice"	7.1(c)
"September Number"	3.1(a)
"Tax Matters Member"	4.5(a)
"Tax Return"	4.5(b)
"Third Appraiser"	2.6
"Traditional Method"	4.2(d)(ii)
"Unchanged Member"	7.2

Section 1.4 Rules of Construction. For purposes of this Agreement, including the Exhibits hereto:

(a) General. Unless the context otherwise requires, (i) "or" is not exclusive; (ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP; (iii) words in the singular include the plural and words in the plural include the singular; (iv) words in the masculine include the feminine and words in the feminine include the masculine; (v) any date specified for any action that is not a Business Day shall be deemed to be the first Business Day after such date; (vi) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; (vii) the words "hereof," "herein" and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement; and (vii) a reference to a Party includes its successors and assigns.

(b) Articles, Parts and Sections. References in this Agreement to Articles; Parts, Sections or other subdivisions are unless otherwise specified, to corresponding Articles, Parts, Sections or other subdivisions of this Agreement. Neither the captions to Articles, Parts, Sections or other subdivisions of this Agreement or the section headings of this Section 1.4, nor any Table of Contents shall be deemed to be a part of this Agreement or this Section 1.4.

(c) Exhibits and Schedules. The Exhibits and Schedules to this Agreement form part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement. References to this Agreement include the attachments thereto and

all Exhibits and Schedules incorporated therein. All references in this Agreement to Exhibits and Schedules refer to Exhibits and Schedules to this Agreement, unless expressly provided otherwise.

(d) Other Agreements. References herein to any agreement or other instrument shall, unless the context otherwise requires (or the definition thereof otherwise specifies), be deemed references to such agreement or other instrument as it may from time to time be changed, amended or extended.

(e) Certain Terms. The words "best efforts" shall mean the use of reasonable best efforts conducted in good faith in a commercially reasonable manner. Whenever any Person is permitted or required to make a decision or act in its "sole discretion" or "discretion" or under a grant of similar authority or latitude, such Person shall be entitled to consider only such interest and factors as it desires, including its own interest, and shall not be subject to any other or different standard imposed by the relevant agreement or by relevant provisions of law or in equity or otherwise. Whenever any Person is permitted or required to make a decision or act in its "good faith," such Person shall act under such standard and shall not be subject to any other or different standard imposed by the relevant agreement or by relevant provisions of law or in equity or otherwise.

ARTICLE 2

CONTINUATION AND OPERATIONS

Section 2.1 Company. Subject to the terms and conditions of this Agreement, the Members shall continue and jointly operate the Company, a limited liability company organized pursuant to the Michigan Act, which shall engage in the business described herein.

Section 2.2 Place of Business. The principal place of business of the Company shall be in Troy, Michigan or such other place as the Management Committee may from time to time determine. The registered office of the Company in the State of Michigan shall be 601 Abbott Road, East Lansing, Michigan 48823 and the registered agent for service of process on the Company shall be CSC-Lawyers Incorporating Service (Company), whose business address is the same as the Company's registered office (or such other registered office and registered agent as the Management Committee may from time to time select).

Section 2.3 Purpose. The business and purposes of the Company shall be (i) to carry on the Battery Business and (ii) to engage in such other business activities that may be undertaken by a limited liability company under the Michigan Act as the Members may from time to time determine by Unanimous Approval.

Section 2.4 Operations. The Company shall operate in accordance with an Annual Operating Plan and Annual Budget as described in and adopted pursuant to the provisions of Exhibit A and Section 5.4(a) and Disbursement and Commitment Schedules approved in accordance with Section 2.4(a) and Section 5.4(a).

(a) Quarterly Reviews. Insofar as practicable, meetings of the Management Committee shall be held on dates that correspond to the completion dates for Objectives and in any event no less often than once every calendar quarter. At such meetings, the Management Committee will review progress to date and determine whether any Objectives that were scheduled to be completed since its last meeting have been satisfied, and determine whether to approve a Disbursement and Commitment Schedule for the next succeeding calendar quarter.

(b) Review of Objectives. For each Objective, the President shall promptly notify the Management Committee as to whether such Objective has been satisfied prior to its scheduled completion date as soon as the President has such information and in any event no later than 30 days following the scheduled completion date for such Objective. If, within 10 Business Days following receipt of such notification (or, if no such notification is given, within 10 Business Days following the applicable scheduled completion date), the Management Committee shall not have determined that the Company has met such Objective, the President shall, by no later than 45 days following the scheduled completion date for such Objective, submit to the Management Committee for approval a written recovery plan, including any proposed revisions to such Objective. The Management Committee shall review such plan and the President shall consult with the Management Committee as requested.

Section 2.5 Reduced Funding. The Company shall use diligent efforts to minimize costs and expenditures, and all funding for the Company, including funding approved pursuant to the then-current Disbursement and Commitment Schedule, shall be subject to the Reduced Funding Guidelines set forth on Exhibit C effective immediately upon the earlier of (i) the date on which the Management Committee determines that the Company has not met such Objective, or (ii) the expiration of the applicable period for making such determination under Section 2.4(b) above. If (x) the Management Committee shall not have approved a recovery plan within 28 days after its submission or (y) the President shall not have submitted a recovery plan pursuant to Section 2.4(b) within 30 days following the scheduled completion date for such Objective, the Members shall follow the deadlock procedures set forth in Section 2.7 and reduced funding for the Company shall continue as provided in this Section until such time as the deadlock is resolved or a Buyout Closing occurs, which ever is earlier.

Section 2.6 Valuation Procedures. Any determination of Fair Market Value under this Agreement shall be made as follows:

(a) The Members will first seek to agree on such Fair Market Value.

(b) If the Members cannot agree on the Fair Market Value within 30 days of an event giving rise to the need to determine Fair Market Value, OBC will promptly select an independent investment banking firm (an "IB Firm") of recognized international standing (the "First Appraiser") and CTTV will select an IB Firm (the "Second Appraiser" and, together with the First Appraiser, the "Appraisers") to determine the Fair Market Value. The fees and expenses of each Appraiser will be borne by each of the Members that have retained such Appraiser.

(c) Within 45 days of the date of selection of the Appraisers, each of the First Appraiser and the Second Appraiser will determine the Fair Market Value and will notify the Members of such determination (specifying the Fair Market Value as determined by such Appraiser and setting forth, in reasonable detail, the basis for such determination). If the Fair Market Value as determined by one Appraiser is not more than 110% of the Fair Market Value as determined by the other Appraiser, the Fair Market Value will be the average of the two amounts. In all other cases, the Appraisers will jointly select a third IB Firm (the "Third Appraiser"). The fees and expenses of the Third Appraiser will be borne by the Members equally.

(d) The Third Appraiser will, within 45 days of its retention, determine its view of the Fair Market Value, and the Fair Market Value will thereupon be the average of (i) the Fair Market Value as determined by the Third Appraiser and (ii) whichever of the Fair Market Values as determined by the First Appraiser and the Second Appraiser is closer to the Fair Market Value as determined by the Third Appraiser; provided that if Fair Market Values as determined by the First Appraiser and the Second Appraiser differ by the same amount from the Third Appraiser's determination of Fair Market Value, the Fair Market Value will be as determined by the Third Appraiser. The determination of Fair Market Value in accordance with this Section 2.6 will be final, binding and conclusive upon the Members.

(e) Each Member will share with the other Member any written communication it has with the Third Appraiser and will not communicate other than in writing with the Third Appraiser without giving the other Member an opportunity to be present at any such communication.

(f) The aggregate Preferred Interest Amount(s) shall be treated as indebtedness of the Company in any determination of Fair Market Value under this Agreement.

Section 2.7 Deadlock.

(a) If at any time there is an inability of the Members to agree, despite good faith efforts to reach agreement, on a course of action in respect of any material matter and such inability persists for at least 30 days after such inability first arises and if any Member reasonably believes that such inability to agree has had or is reasonably expected to result in a Material Adverse Effect (a "Deadlock Event"), then either Member may request that such Deadlock Event be immediately submitted for resolution to the Chairman of ECD and the President of CTTV (or such other senior executive of CTTV or its Affiliates as CTTV may designate). Such request shall be in writing and shall be accompanied by the requesting Member's statement of the matter and its position with respect thereto. The other Member shall have the right to submit to such officers its own statement of the matter and its position with respect thereto.

(b) If such matter is not resolved within thirty (30) days of the submission of such matter to such officers, then:

(i) no action will be taken with respect to such matter and the status quo shall be maintained in respect thereof, and

(ii) either Member (the "Electing Member") who is not a Defaulting Member may declare a deadlock (a "Deadlock") by delivering a written notice (a "Deadlock Notice") to the other Member at any time for a period of sixty (60) days beginning at the end of such 30-day period stating that a Deadlock has occurred and specifying the valuation of the Company (as to which the aggregate Preferred Interest Amount(s) shall be treated as a liability of the Company) (the "Designated Valuation") based on which the Electing Member (or any Affiliate of the Electing Member designated by it) agrees that it will either purchase for cash all of the other Member's (the "Accepting Member") Interest or sell for cash all of the Electing Member's Interest to the Accepting Member (or any Affiliate of the Accepting Member designated by it); provided that if the Members are unable to agree whether such persistent inability to agree has had or will have a Material Adverse Effect, such question shall be determined in the affirmative pursuant to Section 11.11 before any purchase of a Member's Interest may occur pursuant to this Section 2.7. If the Accepting Member has reasonable grounds for insecurity regarding the ability of the Electing Member to pay the Deadlock Price (as hereinafter defined) pursuant to any Deadlock Notice delivered by the Electing Member, the Accepting Member may demand Adequate Assurance of Performance from the Electing Member. "Adequate Assurance of Performance" shall mean evidence demonstrating to the reasonable satisfaction of the Member making such demand that the other Member has sufficient funds available to it to allow it to pay in cash the Deadlock Price when due in accordance with the applicable Deadlock Notice. In the event the Electing Member shall fail to deliver Adequate Assurance of Performance within thirty (30) days of any such demand, such Deadlock Notice delivered by the Electing Member shall be deemed to be void and of no further force or effect. In the event more than one Deadlock Notice shall be delivered with respect to any Deadlock, the Deadlock Notice specifying the higher Deadlock Price shall control and any other Deadlock Notice shall be disregarded (unless the Deadlock Notice specifying the higher Deadlock Price shall be deemed void pursuant to the preceding sentence, in which case such other Deadlock Notice shall not be disregarded).

(c) The Accepting Member shall have forty-five (45) days from the receipt of the Deadlock Notice to notify the Electing Member in writing of the Accepting Member's decision to either purchase the Electing Member's Interest or sell the Accepting Member's Interest, in each case for the applicable Deadlock Price (the "Election Notice"). If the Accepting Member does not deliver an Election Notice within such forty-five (45) days, it shall be obligated to sell its Interest to the Electing Member at the applicable Deadlock Price. In the event the Accepting Member shall elect to purchase the Electing Member's Interest pursuant to the first sentence of this Section 2.7(c), and the Electing Member has reasonable grounds for insecurity regarding the ability of the Accepting Member to pay the Deadlock Price, the Electing Member may demand Adequate Assurance of Performance from the Accepting Member. In the event the Accepting Member shall fail to deliver

Adequate Assurance of Performance within thirty (30) days of any such demand, such election to purchase shall be deemed to be an election to sell and the Accepting Member shall be obligated to sell its Interest pursuant to such Deadlock Notice at the applicable Deadlock Price. If the selling Member is the holder of a Preferred Interest, the purchasing Member shall be obligated to pay the Deadlock Price plus the Preferred Interest Amount with respect to the Selling Member. In the event of any purchase and sale pursuant to this Section 2.7, the Deadlock Price shall be payable in cash.

(d) "Deadlock Price" means a price equal to (i) the Designated Valuation multiplied by (ii) the Percentage Interest of the selling Member; provided that in the event the Accepting Member delivers an Election Notice in which it agrees to sell its Interest pursuant to Section 2.7(c), at the Accepting Member's option, such Election Notice may include an irrevocable election that the Deadlock Price shall instead mean a price equal to (i) Fair Market Value of the Company (calculated in accordance with Section 2.6) multiplied by (ii) the Percentage Interest of the selling Member. If such an election is made, within thirty (30) days after such determination of the Deadlock Price, the Electing Member may by written notice to the Accepting Member elect to (x) purchase the Accepting Member's Interest at such Deadlock Price (any such notice, a "FMV Confirmation") or (y) irrevocably withdraw its Deadlock Notice with respect to the applicable Deadlock Event.

(e) Within thirty (30) days after identification of the purchasing Member pursuant to subsection (c) above (or, if applicable, the date the Electing Member delivers a FMV Confirmation), the selling Member shall deliver its Interest, free and clear of all Liens (other than any Lien created under any financing to which the Company is a party and any Lien granted to the other Member pursuant to this Agreement), together with duly executed written instruments of transfer with respect thereto, in form and substance reasonably satisfactory to the purchasing Member or its designee, against payment of the applicable Deadlock Price (plus the selling Member's Preferred Interest Amount, if applicable).

(f) Notwithstanding any other provision of this Agreement, no transfer of the selling Member's Interest shall occur pursuant to this Section 2.7 unless and until any and all necessary consents and approvals have been obtained from any Governmental Body with authority with respect thereto, including any required approvals under the HSR Act. The Members agree to cooperate and to cause their Affiliates to cooperate in the preparation and filing of any and all reports or other submissions required in connection with obtaining such consents and approvals.

(g) Notwithstanding any other provision of this Agreement, in no event shall a Deadlock Event be deemed to result from the refusal of either party or any of its Affiliates to agree or consent to any amendment, modification or waiver of or under this Agreement or any other agreement between the parties or their respective Affiliates.

ARTICLE 3

CAPITAL STRUCTURE

Section 3.1 Members' Capital Contributions and Percentage Interests.

(a) CTTV and OBC shall use reasonable efforts to assist the Company in securing funding for its operations from sources other than CTTV and OBC. If despite such efforts the Company is unable to obtain such funding on terms acceptable to the Members, subject to Section 3.2, CTTV and OBC shall be responsible for making Capital Contributions, as are required to fund the Company's operations in accordance with the applicable Approved Annual Budgets, but only to the extent such funding requirements exceed cash available from the Company's operations. The parties acknowledge that (a) in Section 3.1(a) of the Prior Operating Agreement, CTTV agreed to contribute a fixed amount of cash in order to fund the Company's operations during the Limited Production Phase (as such term is defined in the Prior Operating Agreement) (the "Original Funding Commitment") and (b) as of September 30, 2004, the aggregate amount of cash so contributed to the Company by CTTV was $143,585,000 (the "September Number"). The parties agree that CTTV will contribute an amount equal to the Remaining Funding Commitment (as hereinafter defined) on substantially the same terms as prior contributions by CTTV pursuant to the Original Funding Commitment. The term "Remaining Funding Commitment" shall mean an amount equal to (x) $160,000,000 minus (y) the September Number minus (z) the amount of any contributions made by CTTV pursuant to the Original Funding Commitment between September 30, 2004 and the date of this Agreement. At all times after such time as CTTV shall have satisfied the Remaining Funding Commitment, CTTV and OBC shall fund the costs and expenses necessary in proportion to their respective Percentage Interests. The Members' obligations to make Capital Contributions are subject to Section 3.2. The Members acknowledge that the initial Book Value of the intellectual property and know how contributed by OBC pursuant to the Technology Agreement as in effect on July 17, 2001, was, as set forth in such agreement, equal to $160,000,000 plus the difference between CTTV's Capital Account and OBC's Capital Account as of July 17, 2001 and that, taking into account all Capital Account adjustments made as of the date of this Agreement, such Book Value has been included in the balance of OBC's Capital Account.

(b) Percentage Interests. The Percentage Interests assigned to the Members in consideration of their Capital Contributions heretofore made and CTTV's agreement to contribute an additional amount equal to the Remaining Funding Commitment are as follows:

Member	Percentage Interest
CTTV	50%
OBC	50%

The Management Committee shall amend the foregoing table of Members and Percentage

Interests from time to time as necessary to reflect any admission of additional or substituted Members, in each case as permitted herein, and to reflect any adjustment of the Members' Percentage Interests upon conversion of Preferred Interests. Except as otherwise required by the foregoing sentence, no adjustment to the Capital Account of a Member in accordance with Section 3.8 shall affect the Percentage Interest of such Member.

Section 3.2 Funding Alternatives. In the event the Members shall agree that any Capital Contribution shall be made, by the approval of a Disbursement and Commitment Schedule, from the date CTTV shall have contributed an amount equal to the Remaining Funding Commitment until January 1, 2008 and ECD and OBC fail to fund their share of such Capital Contribution, CTTV may at its option purchase a Preferred Interest in the Company in an amount equal to the Capital Contribution that OBC and ECD failed to fund. Any purchase of Preferred Interest by CTTV may, at its option, also include CTTV's share of such Capital Contribution. In no event shall CTTV be obligated to purchase any Preferred Interests pursuant to this Section 3.2 after December 31, 2007. At all times on or after January 1, 2008, in the event the Members shall agree that any Capital Contribution shall be made, each Member shall use diligent efforts to meet its funding obligations in cash from its own corporate resources and ECD shall use diligent efforts to cause OBC to meet its funding requirements in cash from ECD's corporate resources. If (a) OBC and ECD reasonably determine that, despite such efforts, OBC will not be able to fund in cash its share of the funding required, and (b) CTTV shall so request in writing, OBC and ECD shall diligently explore other reasonable sources of OBC's share of such funding, including equity or debt financing of OBC or ECD from independent third parties. ECD shall be deemed to have made a reasonable determination for purposes of the foregoing sentence in the event ECD shall have delivered to CTTV a written description of such determination setting forth in reasonable detail the basis therefor and signed by each director of ECD that is an Independent Director. Neither OBC nor CTTV shall be responsible for making any Capital Contributions otherwise required pursuant to Section 3.1(a) that are funded with Preferred Interests purchased by CTTV pursuant to this Section 3.2. In no event shall OBC purchase or otherwise acquire any Preferred Interest (except as contemplated by Section 3.5). Prior to January 1, 2008, OBC shall not be deemed to be in default of its obligations under this Agreement based on its failure to make its share of Capital Contributions as contemplated by this Section 3.2. At all times on or after January 1, 2008, OBC shall not be deemed to be in default of its obligations under this Agreement provided ECD's Independent Directors have made a reasonable determination of OBC's inability to meet its funding obligations and shall have delivered to CTTV a written description of such determination as contemplated by this Section 3.2.

Section 3.3 Additional Capital Contributions. Subject to Section 3.2, in the event that the Members shall agree that Capital Contributions in addition to the Capital Contributions provided for in Section 3.1 shall be made, each Member shall contribute to the capital of the Company an amount calculated by multiplying such Member's Percentage Interest by the aggregate amount of additional Capital Contributions so determined by the Members.

Section 3.4 Payment of Capital Contributions. The Management Committee shall issue or cause to be issued a written request to each Member for payment of any Capital Contributions to be made in accordance with Section 3.3 at such times and in such amounts as the Members shall agree, provided that the due date for any such Contributions shall be not less than 10 Business

Days following the date of such request. All Capital Contributions received by the Company after the date specified in such written request shall be accompanied by interest on such overdue amounts, which interest shall be payable to the Company and shall accrue from and after such specified date until paid at an annual rate equal to 2% over the Prime Rate.

Section 3.5 Option to Purchase Preferred Interest.

(a) CTTV hereby grants to OBC the right to purchase from CTTV (the "Option"), at any time during the period from and including January 1, 2008 until the date that is thirty (30) days prior to the Maturity Date of the Preferred Interest, up to an aggregate of one-half (-1/2) of CTTV's outstanding Preferred Interest. The purchase price with respect to any portion of such outstanding Preferred Interest (a "Portion") shall be the sum of (i) an amount equal to CTTV's Preferred Capital Contribution with respect to the Portion, plus (ii) the "Option Premium" (as hereinafter defined), less (iii) an amount equal to the sum of any Preferred Return previously paid with respect to such Portion. The Option Premium shall be an amount determined by crediting the Preferred Capital Contribution with respect to such Portion with a return calculated in the same manner as simple interest at the rate of ten percent (10%) per annum calculated on the basis of a 365-day year. The purchase price shall be paid at closing in immediately available funds.

(b) If OBC purchases a Preferred Interest from CTTV, OBC shall succeed to a ratable portion of the Preferred Adjusted Capital, Preferred Return, Unpaid Preferred Return, and Unallocated Preferred Return in respect of such transferred portion of the Preferred Interest. In accordance with the terms of Section 4.1(a) hereof, any distributions on the Preferred Interests held by CTTV and OBC shall be made ratably in accordance with the respective Preferred Interest Amounts of OBC and CTTV, respectively. For the avoidance of doubt, as provided in Section 4.1(b), if the Company makes a distribution exceeding the amount of the Unpaid Preferred Return with respect to the Preferred Interest of OBC and CTTV, then the balance of any such distribution shall be ratably applied to the reduction of the Preferred Adjusted Capital of OBC and CTTV in accordance with their respective Preferred Interest Amounts, until the Preferred Adjusted Capital of each such Member has been reduced to zero and as a result all Preferred Interests have been redeemed.

(c) Notwithstanding any provision herein to the contrary, no acquisition by OBC of a Preferred Interest pursuant to the exercise of the Option by OBC shall (i) entitle OBC or any transferee to any additional votes under Section 5.2(c) by virtue of its ownership of a Preferred Interest, whether previously owned by CTTV or otherwise, or (ii) divest CTTV of such votes.

(d) No Member shall make any Capital Contributions to the Company except pursuant to this Article 3. No Member shall be entitled to payment by the Company of interest on its Capital Contributions.

Section 3.6 Member Loans; Preferred Interests.

(a) With the prior approval of the other Member, a Member may lend to the Company funds needed by the Company for working capital purposes (which shall not include amounts due under Sections 3.1, 3.2 and 3.3). An account shall be established and maintained for such lending Member separate from such Member's Capital Account, such account being herein referred to as such Member's "Loan Account." Any Loan made by a Member to the Company shall be credited to such Member's Loan Account. Interest on any Loan made by a Member to the Company shall accrue on the unpaid balance thereof at the Prime Rate and shall be repaid by the Company prior to any distributions to the Members pursuant to Section 4.1. A credit balance in the Loan Account of a Member shall constitute a liability of the Company and shall not constitute a part of such Member's Capital Account.

(b) Preferred Interests.

(i) Preferred Interest. The original amount of a Preferred Interest shall equal the amount of the Capital Contribution made in consideration of such Preferred Interest pursuant to Section 3.2 of the Agreement.

(ii) Mandatory Redemption. The Preferred Interest shall be redeemed by the Company on the Maturity Date at a redemption price equal to the Member's Preferred Interest Amount as of the Maturity Date. If the Company shall fail to redeem the Preferred Interest as required in this Section 3.6(b)(ii), then, not in limitation of any rights available to the Preferred Member in law or equity, the rate used to calculate the Preferred Return for all purposes of this Agreement shall thereafter be the Prime Rate plus 4%. For the avoidance of doubt, such increase in the rate used to calculate the Preferred Return shall be prospective and shall not be applied retroactively with respect to periods prior to the Maturity Date.

(iii) Preferred Interest Distributions. The Preferred Interest holder is entitled to receive distributions in respect of such interest as provided in Articles 4 and 9 of this Agreement.

(iv) Rank. Without the prior written consent of all holders of Preferred Interests, the Company shall not issue any class or series of Interest in the Company that is senior to the Preferred Interest with respect to distribution rights or rights upon liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, sale of substantially all of the Company's assets or sale of the Company (each, a "Liquidation Event").

(v) Liquidation Preference. As provided in Section 9.3(c), upon the occurrence of a Liquidation Event, each holder of a Preferred Interest shall be entitled to receive, before any assets are distributed to the Members, an amount equal to the Preferred Interest Amount with respect to such holder.

(vi) Conversion.

(A) Optional Conversion. Upon the Company's failure to redeem the Preferred Interest on the Maturity Date, the holder of a Preferred Interest shall have the right to convert its Preferred Interest Amount into additional Interest in the Company, based on the Fair Market Value on the date of such conversion. Upon the occurrence and during the continuance of any Default by OBC hereunder, CTTV shall have the right to convert its Preferred Interest Amount into additional Interest in the Company, based on the Fair Market Value on the date of such conversion.

(B) Adjustment to Percentage Interests. In the event of any conversion of Preferred Interests pursuant to this Section 3.6(b)(vi), the Percentage Interests of the Members shall be adjusted accordingly in accordance with Section 3.1(b).

(vii) Prohibition on Distributions. As provided in Section 4.1, at any time while any Preferred Interest shall be outstanding, the Company shall not make any distributions other than distributions on the Preferred Interest pursuant to Section 4.1(b).

Section 3.7 Capital Accounts. The Company shall maintain a separate capital account ("Capital Account") for each Member, which shall be maintained and adjusted as described in Section 3.8.

Section 3.8 Capital Account Adjustments.

(a) Notwithstanding any provision in this Agreement to the contrary, each Member's Capital Account shall be maintained and adjusted in accordance with the Code and the Treasury Regulations thereunder, including without limitation (i) the adjustments permitted or required by Code Section 704(b) and (ii) the adjustments required to maintain Capital Accounts in accordance with the "substantial economic effect test" set forth in the Treasury Regulations under Code Section 704(b).

(b) A Member's Capital Account shall be increased by (i) the amount of cash and the initial Book Value of any property contributed by such Member to the Company, (ii) such Member's allocable share of Profits, income and gain and (iii) the amount of any Company liabilities that are expressly assumed by such Member or that are secured by any Company property distributed to such Member.

(c) A Member's Capital Account shall be decreased by (1) the amount of cash and the Book Value of any Company property distributed to such Member pursuant to any provision of this Agreement, (2) such Member's allocable share of Losses, deductions and other losses and (3) the amount of any liabilities of such Member that are expressly assumed by the Company or that are secured by any property contributed by such Member to the Company.

(d) Upon the occurrence of certain events described in Treasury Regulations Section 1.704-1(b)(2)(iv)(f) (including, for the avoidance of doubt, in connection with the

liquidation of the Company), the Management Committee shall increase or decrease the Capital Accounts of the Members to reflect a revaluation of Company property on the Company's books and any unrealized gain or loss shall be allocated in accordance with Article 4; provided that no such adjustment shall be required if the Management Committee unanimously determines that such adjustment would be de minimis or would otherwise have no effect on the distributions (including liquidating distributions) to which each Member is entitled hereunder.

(e) The Capital Account of each Member shall be determined after giving effect to all transactions which have been effected prior to the time when such determination is made giving rise to the allocation of Profits and Losses and to all contributions and distributions theretofore made. Any Person who acquires an Interest directly from a Member, or whose Percentage Interest shall be increased by means of a Disposition to it of all or part of the Interest of another Member, shall have a Capital Account which includes all or part of the Capital Account balance of the Interest so acquired or Disposed of.

(f) Any fees, salary or similar compensation payable to a Member pursuant to this Agreement shall be deemed a guaranteed payment for federal income tax purposes and not a distribution to such Member for such purposes. Such payments to a Member shall not reduce the Capital Account of such Member, except to the extent of its distributive share of any Losses or other downward capital adjustment resulting from such payment.

(g) No Member with a deficit balance in its Capital Account shall have any obligation to the Company or any other Member to restore such deficit balance. In addition, no venturer or partner in any Member shall have any liability to the Company or any other Member for any deficit balance in such venturer's or partner's Capital Account in the Member in which it is a partner or venturer. Furthermore, a deficit Capital Account balance of a Member (or a deficit Capital Account of a venturer or partner in a Member) shall not be deemed to be a Company asset or Company property.

(h) In the event of the conversion of a Preferred Interest pursuant to Section 3.6, Capital Accounts shall be adjusted and maintained to reflect such conversion in accordance with Proposed Treasury Regulations under Sections 704, 721, and 761 of the Code addressing partnership noncompensatory options (the "NCO Regulations") or such other reasonable method established by the Management Committee consistent with the Members' economic agreement; provided, that the NCO Regulations shall be applied (pursuant to their terms) from and after their adoption in temporary or final form.

Section 3.9 Return of Capital. Except to the extent permitted in Article 9 upon a dissolution of the Company, no Member shall have the right to demand a return of such Member's Capital Contribution (or the balance of such Member's Capital Account). Further, except as provided in Article 4, no Member shall have the right (i) to demand and receive any distribution from the Company in any form other than cash or (ii) to bring an action of partition against the Company or its property. The Management Committee shall have no personal liability for the repayment of the capital contributed by Members.

ARTICLE 4

ALLOCATIONS AND DISTRIBUTIONS

Section 4.1 Distributions. Except as provided in Article 9 upon dissolution of the Company, Distributable Cash Flow shall be distributed at such time and in such amounts as the Management Committee may determine as follows (provided, that the Company shall be required to make distributions under Section 4.1(b) no less frequently than the last Business Day of each year, to the extent of Distributable Cash Flow computed as of such time):

(a) first, if the Company shall have outstanding any debt owing to its Members, then to such Members in repayment of such debt;

(b) second, if the Company shall have outstanding any Preferred Interest, then to the Preferred Member(s) in payment of (i) first, the Unpaid Preferred Return, and (ii) then, the Preferred Adjusted Capital; in each case, to the extent such amount(s) are outstanding at the time of the distribution and to each such Member pro rata in accordance with such amounts; and

(c) then, to the Members, pro rata, in accordance with their respective Percentage Interests, determined as of the date of such distribution.

Notwithstanding anything to the contrary in this Agreement, no distribution may be made to a Member that would create or increase an Adjusted Capital Account Deficit with respect to such Member.

Section 4.2 Profits, Losses and Distributive Shares of Tax Items.

(a) Profits. Except as provided in Section 4.2(c), Profits for any Fiscal Year or other period will be allocated to the Members as follows:

(i) first, to the Preferred Member(s), if any, in proportion to their Preferred Interest Amounts, until the cumulative allocations of Profits to such Member(s) under this Section 4.2(a)(i) for all periods equals the cumulative allocations of Losses made under Section 4.2(b)(ii) for all periods;

(ii) second, to the Preferred Member(s), if any, in proportion to the Unallocated Preferred Return(s) of such Member(s), until the cumulative allocations of Profits in respect of the Preferred Interest held by each such Member under this Section 4.2(a)(ii) for all periods equals the cumulative Preferred Returns in respect of such interest for all periods;

(iii) then, to the Members in accordance with their Percentage Interests.

(b) Losses. Except as provided in Section 4.2(c), Losses for any Fiscal Year or other period will be allocated to the Members as follows:

(i) First, to the Members in proportion to their respective Common Adjusted Capital Accounts, until such time that the Adjusted Capital Account of the Preferred Member(s), if any, has been reduced to an amount equal to such Member(s)' Preferred Adjusted Capital plus Unpaid Preferred Return (solely for the purposes of this Section 4.2(b)(i), each Member's "Common Adjusted Capital Account" shall equal such Member's Adjusted Capital Account less the Preferred Adjusted Capital and Unpaid Preferred Return, if any, attributable to such Member);

(ii) Second, to the Preferred Member(s) if any, in proportion to their positive Adjusted Capital Account balances, until the Adjusted Capital Account of each such Member has been reduced to zero;

(iii) And third, to the Members in accordance with their respective Percentage Interests.

(c) Special Allocations. Except as otherwise provided in this Agreement, the following special allocations will be made in the following order and priority:

(i) Company Minimum Gain Chargeback. Notwithstanding any other provision of this Section, if there is a net decrease in Minimum Gain during any taxable year or other period for which allocations are made, the Members will be specially allocated items of Company income and gain for that period (and, if necessary, subsequent periods). The amount allocated to each Member under this Section shall be an amount equal to the total net decrease in the Member's Minimum Gain Share at the end of the immediately preceding taxable year. The items to be allocated will be determined in accordance with Treasury Regulations Section 1.704-2(g)(2). This Section 4.2(c)(i) is intended to comply with the "partnership minimum gain chargeback" requirements of the Treasury Regulations and the exceptions thereto and will be interpreted consistently therewith.

(ii) Member Nonrecourse Debt Minimum Gain Chargeback. Notwithstanding any other provision of this Section (other than Section 4.2(c)(i) which shall be applied first), if there is a net decrease in Member Nonrecourse Debt Minimum Gain during any taxable year or other period for which allocations are made, any Member with a share of such Member Nonrecourse Debt Minimum Gain attributable to any Member Nonrecourse Debt (determined under Treasury Regulations Section 1.704-2(i)(5)) as of the beginning of the year shall be specially allocated items of Company income and gain for that period (and, if necessary, subsequent periods) in proportion to the portion of such Member's share of the net decrease in the Member Nonrecourse Debt Minimum Gain with respect to such Member Nonrecourse Debt that is allocable to the Disposition of Company property subject to such Member Nonrecourse Debt. The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2(g). This Section is intended to comply with the "partner minimum gain chargeback" requirements of the Treasury Regulations and the exceptions thereto and shall be interpreted-consistently therewith.

(iii) Qualified Income Offset. A Member who unexpectedly receives any adjustment, allocation or distribution described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) will be specially allocated items of Company income and gain in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of the Member as quickly as possible.

(iv) Nonrecourse Deductions. Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated among the Members in proportion to their respective Percentage Interests in the Company.

(v) Member Nonrecourse Deductions. Notwithstanding anything to the contrary in this Agreement, any Member Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which the Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i).

(vi) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset under Code Sections 734(b) is required to be taken into account in determining capital accounts under Treasury Regulations Section 1.704-1(b)(2)(iv)(m), the amount of the adjustment to the capital accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis), and the gain or loss will be specially allocated to the Members in a manner consistent with the manner in which their capital accounts are required to be adjusted under Treasury Regulations Section 1.704-1(b)(2)(iv)(m).

(vii) Depreciation Recapture. In the event there is any recapture of Depreciation, the allocation of gain or income attributable to such recapture shall be shared by the Members in the same proportion as the deduction for such Depreciation was shared.

(viii) Reallocation. To the extent Losses allocated to a Member would cause the Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year, the Losses will be allocated to the other Member. If any Member receives an allocation of Losses otherwise allocable to the other Member in accordance with this Section, such Member shall be allocated Profits in subsequent Fiscal Years necessary to reverse the effect of such allocation of Losses. Such allocation of Profits (if any) shall be made before any allocations under Section 4.2(a) but after any other allocations under Section 4.2(c).

(ix) Curative Allocations. The allocations set forth in Sections 4.2(c)(i) through (vii) (the "Regulatory Allocations") are intended to comply with certain requirements of Treasury Regulations Section 1.704-1(b) and 1.704-2. Accordingly, the Management Committee is authorized to further allocate Profits, Losses, and other items among the Members so as to prevent the Regulatory

Allocations from distorting the manner in which Company distributions would be divided among the Members under Sections 4.1 and 9.3 but for application of the Regulatory Allocations; taking into account whether Regulatory Allocations in subsequent periods may offset Regulatory Allocations made in the current and prior periods. In general, the reallocation will be accomplished by specially allocating other Profits, Losses and items of income, gain, loss and deduction, to the extent they exist, among the Members so that the net amount of the Regulatory Allocations and the special allocations to each Member is zero. The Management Committee will have discretion to accomplish this result in any reasonable manner that is consistent with Code Section 704 and the related Treasury Regulations.

(x) Guaranteed Payment. If any amount distributable to a Member under Articles 4 or 9 hereof is required to be treated as a "guaranteed payment" within the meaning of Section 707(c) of the Code, the deduction for such guaranteed payment shall be allocated among the Members so that the net Profits or Losses recognized by each Member from the Company, taking into account such guaranteed payment and the Member's allocable share of Company Profits and Losses, is equal to the net Profits and Losses that such Members would have recognized if such guaranteed payment were treated instead as a distribution of Company Profits and such Company Profits had been allocated in accordance with Article 4 hereof.

(xi) Extraordinary Gain/Loss Allocations. Profit or Loss from the sale of the Company's assets (other than in the ordinary course of business), the revaluation of the Company's assets as provided for in Section 3.8(d), and all Profits and Losses (and if necessary, items of income, gain, loss, and deduction) arising in the taxable year(s) in which the liquidation and winding up of the Company occurs, shall be allocated among the Members in amounts sufficient to place the Members' relative Capital Account balances, as nearly as possible, in the same proportion as their respective Percentage Interests (the "Pro Rata Allocation"); provided, that (i) to the extent possible, such allocations shall first be made among the Members in a manner such that each Preferred Member's Capital Account balance is increased, if necessary, to an amount equal to the sum of the Preferred Adjusted Capital, the Unpaid Preferred Return, and the Unallocated Preferred Return amounts, if any, with respect to such Member (together, the "Preferred Entitlement Amount"), and (ii) after performing the allocations required in the foregoing clause (i), the Pro Rata Allocation shall be performed by disregarding the Preferred Entitlement Amount(s), if any, reflected in the Preferred Member(s)' Capital Account(s).

(d) Federal Income Tax Allocations.

(i) Except as provided in the following clause (ii) or as required by the Code or Treasury Regulations, all items of income, gain, loss, deduction, credit, and any other items of the Company shall be allocated among the Members for federal and state income tax purposes in the same manner as such items are allocated for purposes of allocating Profits and Losses.

(ii) In accordance with Code Section 704(c) and the related Treasury Regulations, income, gain, loss and deduction with respect to any property contributed to the capital of the Company, solely for tax purposes, will be allocated among the Members using the "Traditional Method" as set forth in Treas. Reg. Section 1.704-3(b), unless otherwise determined by the Management Committee, acting unanimously. If the Book Value of any Company asset is adjusted, subsequent allocations of income, gain, loss and deduction with respect to that asset will take account of any variation between the adjusted basis of the asset for federal income tax purposes and its Book Value in the same manner as under Code Section 704(c) and the related Treasury Regulations. Allocations under this Section are solely for purposes of federal, state and local taxes and will not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses or other items or distributions under any provision of this Agreement.

(e) Member Acknowledgment. The Members agree to be bound by the provisions of this Section in reporting their shares of Company income and loss for federal and state income tax purposes.

Section 4.3 Compliance with Code. The foregoing provisions of this Article relating to the allocation of Profits, Losses and other items for federal income tax purposes are intended to comply with Treasury Regulations Sections 1.704-1(b) and 1.704-2, and shall be interpreted and applied in a manner consistent with such Treasury Regulations. The Management Committee will have the discretion to allocate items of income, gain, loss and deduction among the Members to ensure that this Article complies with such Treasury Regulations.

Section 4.4 Allocations upon Disposition of Interest. Profits or Losses attributable to any Interest which has been Disposed of shall be allocated (i) to the transferor for the days prior to and including the date of the Disposition; and (ii) to the transferee for the days subsequent to the date of the Disposition.

Section 4.5 Tax Matters.

(a) Tax Matters Member. The tax matters partner for purposes of Section 6231 of the Code (the "Tax Matters Member") shall be CTTV. The Tax Matters Member is specifically directed and authorized to take whatever steps such Member, in its discretion, deems necessary or desirable to perfect such designation, including filing any forms or documents with the Internal Revenue Service and taking such other action as may from time to time be required. The Tax Matters Member shall not be liable to the Company or the other Members for any act or omission taken or suffered by it in its capacity as Tax Matters Member in good faith and in the belief that such act or omission is in accordance with the directions of the Members; provided that such act or omission is not in willful violation of this Agreement and does not constitute fraud or a willful violation of applicable Laws.

(b) Tax Returns. After consultation and the consent of the other Member and subject to Section 5.3 hereof, at the expense of the Company, the Tax Matters Member

shall cause to be prepared and timely filed all tax returns (including amended returns) required to be filed by the Company. The Tax Matters Member shall maintain or cause to be maintained the Capital Accounts of the Members as described in Section 3.7. On or prior to the August 15 following the end of each Fiscal Year of the Company, the Tax Matters Member shall provide to the other Member for its review a draft Form 1065 of the Company and related Schedules K-1 of the Members for such Fiscal Year. At least twenty (20) days prior to filing any Company tax return, including any information returns, estimated returns and any other statement, report or form, with respect to United States federal income taxes, or any state or local income tax returns for jurisdictions in which the Company is treated as a partnership (each, a "Tax Return"), the Tax Matters Member shall provide a copy of such Tax Return to the other Member for its review. The Members agree not to take any position in their respective tax returns that is inconsistent with the Tax Returns filed by the Company. The Members intend that the Company shall be classified as a partnership for federal income tax purposes under Treasury Regulations Section 301.7701-3.

(c) Tax Elections. After consultation and consent of the other Member (which consent shall not be unreasonably withheld) and subject to Section 5.3, the Tax Matters Member shall make any tax elections the Members agree to be appropriate to utilize the alternate test for economic effect contained in Treasury Regulation Section 1.704-1(b)(2)(ii)(d) provided that the Company shall make (or continue in effect) the following elections (and any comparable state or local elections) effective from the Company's first taxable year:

(i) to amortize start-up expenditures, if any, over a 60-month period in accordance with Section 195 of the Code;

(ii) to amortize Company organizational expenses, if any, over a 60-month period in accordance with Section 709(b) of the Code;

(iii) To elect the most accelerated method of depreciation and amortization for any Company asset acquired by the Company;

(iv) To elect under Section 6231(a)(1)(B)(ii) of the Code not to have clause (i) of Section 6231(a)(1)(B) of the Code apply, it being agreed that the Company will be audited at the Company level.

(v) In addition, notwithstanding Section 5.3, upon written request by any Member to the Tax Matters Member for a Section 754 election under the Code, the Members agree that the Tax Matters Member shall make such election.

(d) Audits. Subject to Section 5.3, all matters relating to all Tax Returns filed by the Company, including tax audits and related matters and controversies, shall be conducted, at the expense of the Company, by the Tax Matters Member after consultation and consent of the other Member (which consent shall not be unreasonably withheld). The Tax Matters Member will keep the other Member and the Management Committee fully advised of all actions taken and proposed to be taken by it in its capacity as Tax Matters

Member. The Tax Matters Member shall give prompt notice to the other Member of any audit or examination of the Company's books and records to be conducted by any taxing authority or other governmental Person. In the event any such examination results in a proposed adjustment, the Tax Matters Member may after consultation with and the consent of the other Member (which consent shall not be unreasonably withheld), settle or compromise any issue arising from such examination or audit. In the event of any audit or administrative or judicial proceeding that involves an issue that may have a material adverse impact on a Member, such Member may, at its option and at the expense of the Company, assume control of all or such portion of such audit or proceeding.

(e) Survival. The provisions of this Section 4.5 shall survive the dissolution of the Company or the termination of any Member's Interest and shall remain binding on all Members for a period of time necessary to resolve with the applicable federal, state, local or foreign taxing authorities all matters (including any litigation) regarding federal, state or local taxation, as the case may be, of the Company or any Member with respect to the Company.

ARTICLE 5

MANAGEMENT

Section 5.1 Management of the Business of the Company. The Members shall manage the business of the Company, and shall have all powers and rights necessary, appropriate or advisable to effectuate and carry out the purposes and business of the Company. The Members may appoint, employ or otherwise contract with any Persons for the transaction of the business of the Company or the performance of services for or on behalf of the Company, and the Members may delegate to any such Person (who, if an individual, may be designated an officer of the Company) such authority to act on behalf of the Company as the Members may from time to time deem appropriate. No single Member, solely by reason of its status as such, shall (i) transact any business on behalf of the Company or (ii) possess any authority or power to sign for or bind the Company.

Section 5.2 The Management Committee.

(a) Purpose. Pursuant to Section 5.1, and subject to the delegation of rights and powers as provided for herein, the Members shall manage the business of the Company by and through their respective representatives on the Management Committee, which representatives shall constitute agents of the appointing Member and shall not constitute managers of the Company within the meaning of the Michigan Act.

(b) Composition. Each Member shall be represented at Management Committee meetings by individuals designated by them to serve as representatives on the Management Committee. The Management Committee shall be comprised of four (4) representatives, with two representatives to be designated by each Member. Each representative shall be an employee of the appointing Member or one of its Affiliates and shall serve for an indefinite term at the pleasure of the appointing Member. Any

appointment or replacement (with or without cause) of a representative by a Member shall be effective upon notice of such appointment or replacement given to the Company and the other Member. Upon the death, resignation or removal of any representative, the appointing Member shall promptly appoint a successor.

(c) Voting. Any approval, vote, or consent of the Members under this Agreement shall be taken at a meeting of the Management Committee or by written consent, in each case pursuant to this Section 5.2(c) and Section 5.5. Each Member shall be entitled to one vote, which may be exercised by either Management Committee representative appointed by such Member. If both such representatives are present at a meeting, such Member shall appoint one such representative to exercise such Member's vote. Except to the extent expressly otherwise provided herein, each Member, when exercising any voting right hereunder or under the Michigan Act or determining to grant or withhold its consent to any matter involving the Company, may exercise such rights or make such determinations as it in its sole discretion deems appropriate, and each of the representatives on the Management Committee shall have the right to act in the interests and at the discretion of the Member that appointed such representative. Any reference in this Agreement to the approval, vote, or consent of the Management Committee shall mean the approval, vote, or consent of the Members in accordance with this Agreement. Notwithstanding the foregoing, if at any time CTTV shall be a Preferred Member, CTTV shall have two votes. Notwithstanding any provision herein to the contrary, the acquisition of CTTV's Preferred Interest pursuant to the exercise of the Option by OBC under Section 3.5 shall not entitle OBC or any transferee to any additional votes under this Section 5.2(c) by virtue of its ownership of a Preferred Interest, whether previously owned by CTTV or otherwise.

Section 5.3 Power and Authority of the Management Committee. Except as otherwise provided herein, or as may otherwise be required by the Michigan Act, all approvals and other actions by the Members shall be taken by majority vote of the Members taken at a meeting of the Management Committee or by written consent, in each case pursuant to Sections 5.2(c) and 5.5. Matters requiring the approval of the Management Committee shall include but not be limited to any of the following to the extent not incorporated in an Annual Budget, Annual Operating Plan or Disbursement and Commitment Schedule approved pursuant to Section 5.4(a):

(a) Acquisition by purchase, lease, or otherwise of any real or personal property which may be necessary, convenient, or incidental to the Battery Business;

(b) Operation, maintenance, improvement, construction, ownership, grant of options with respect to, sale, conveyance, assignment, and lease of any real or personal property necessary, convenient, or incidental to the Battery Business;

(c) Execution of any and all agreements, contracts, documents, certification, and instruments necessary or convenient in connection with the management, maintenance, and operation of the Company's assets and business, or in connection with management of the Company's affairs;

(d) Contracting on behalf of the Company for the services of independent contractors, and delegation to such Persons the duty to manage or supervise any of the assets or operations of the Company;

(e) Deleted;

(f) Assessment, collection, and receipt of any rents, issues and profits or income from any assets, or any part or parts thereof, and the disbursement of Company funds for Company purposes to those Persons entitled to receive same;

(g) Payment of all taxes, license fees, or assessments of whatever kind or nature, imposed upon or against the Company or its assets, and for such purposes to file such returns and do all other such acts or things as may be deemed necessary and advisable by the Company;

(h) Establishment, maintenance, and supervision of deposits of any monies or securities of the Company in accounts with federally insured banking institutions, or other institutions, as may be selected by the Management Committee, provided that such accounts are in the name of the Company;

(i) Initiation, defense, settlement and compromise of lawsuits (subject to Section 5.4(d)(viii)) or other judicial or administrative proceedings brought by or against the Company or the Members in connection with activities arising out of, connected with, or incidental to this Agreement and/or the business of the Company;

(j) Execution for and on behalf of the Company of all such applications for permits and licenses as the Management Committee deems necessary and advisable with respect to the Company's assets and business, and execution, filing and recordation of all such subdivisions, parcels, or similar maps covering or relating to the Company's assets or business;

(k) Performance of all ministerial acts and duties relating to the payment of all indebtedness, taxes, and assessments due or to become due with regard to the Company's assets or business, and the delivery and receipt of notices, reports, and other communications arising out of or in connection with the ownership, indebtedness, or maintenance of the Company's assets or business;

(l) Negotiation of and entry into leases for space necessary for the Company's assets or business on terms consistent with the then applicable Annual Operating Plan;

(m) Approval of operating expenditures in excess of those in an approved Disbursement and Commitment Schedule or an Approved Annual Budget;

(n) Establishment, appointment and removal of the Company officers, subject to Section 5.7;

(o) Deleted;

(p) Establishment of bidding procedures for procurement of goods and services; and

(q) Deleted;

(r) Any amendment of any Associated Agreement to which the Company is a party;

(s) A change of the name of the Company;

(t) Engaging in a business other than the Battery Business;

(u) Any borrowing, leasing or other financings by the Company, or the creation of security interests, liens or mortgages in or on any property or assets of the Company;

(v) Making any loan, advance or other extensions of credit;

(w) Decisions as to the giving of any guarantee or indemnity to secure the liabilities or obligations of any other Person;

(x) The engagement of counsel and others in connection with the prosecution, defense, settlement and compromise of lawsuits or other judicial or administrative proceedings initiated by the Company or brought against the Company or the Members in connection with activities arising out of, connected with, or incidental to this Agreement and/or the business of the Company;

(y) Deleted.

(z) Decisions with respect to any derivative activities to which the Company may be a party;

(aa) Deleted.

(bb) The voting of all stocks or other equity or debt interests the Company may own in other entities, or the giving of consents or approvals with respect to such interests.

Section 5.4 Matters Requiring Unanimous Vote of the Management Committee. Approval of the following matters shall require the Unanimous Approval of the Management Committee taken at a meeting of the Management Committee or by written consent, in each case pursuant to Sections 5.2(c) and 5.5:

(a) Approval of the Annual Budgets, Annual Operating Plans and Disbursement and Commitment Schedules;

(b) Determination as to whether the Company has satisfied the Objectives, approval of a recovery plan with respect to any Objectives that are not satisfied and any modifications of Objectives;

(c) Appointment and removal of the President of the Company, including entry into, and any amendment to or termination or extension of the term of, any employment agreement with any President of the Company;

(d) any of the following not incorporated in an Annual Budget, Annual Operating Plan or Disbursement and Commitment Schedule approved pursuant to Section 5.4(a):

(i) Any lease, sale, exchange, conveyance or other transfer or disposition of all, or substantially all, of the assets of the Company;

(ii) Payment of distributions to the Members except in connection with the dissolution and winding up of the Company and except as required under Section 4.1(b);

(iii) Any merger, conversion or consolidation of or involving the Company;

(iv) The assignment of any Company property in trust for the benefit of creditors, or the making or filing, or acquiescence in the making or filing by any other Person, of a petition or other action requesting the reorganization or liquidation of the Company under the Bankruptcy Law;

(v) The issuance of any additional Interests (other than Preferred Interests) or, except as otherwise provided in Article 7 in connection with the transfer of an Interest, the admission of additional or substituted Members;

(vi) Entering into any contract with a Member or an Affiliate of a Member having a value in excess of $100,000, including determining the fair market value of in-kind Capital Contributions by the Members;

(vii) Licensing, sale or other disposition of any material item of intellectual property; and

(viii) Initiation and settlement (but not including the prosecution or defense) of lawsuits or other proceedings relating to intellectual property. Notwithstanding the foregoing, if at any time while CTTV is a Preferred Member, the Management Committee fails to agree on a plan or proposal submitted by CTTV to the Management Committee for settlement of such lawsuit or proceeding, then CTTV shall have the right to declare an impasse. In the event CTTV declares an impasse, OBC shall have the option of either accepting CTTV's plan or proposal for settlement or requiring that COBASYS continue the prosecution or defense of such lawsuit or proceeding, in which case OBC shall be required to reimburse COBASYS on a quarterly basis for one-half of all of the costs of such prosecution or defense, including all legal fees, expert fees, internal COBASYS manpower costs, time and materials and all disbursements to third-party service or materials providers, incurred after such impasse is declared; and

(e) Requiring Capital Contributions from the Members other than as contemplated by Sections 3.1 and 3.2.

Notwithstanding the above, if CTTV is a Preferred Member at any time after January 1, 2010, the matters set forth in Sections 5.4(b) and (c) shall be determined by majority vote of the Members in accordance with Section 5.3.

Section 5.5 Meetings of Management Committee/Conduct of Business.

(a) The Management Committee shall meet at least once during each calendar quarter subject to more frequent meetings upon approval of the Management Committee. Notice of and an agenda for all Management Committee meetings shall be provided to all Management Committee representatives by the Secretary at least ten (10) Business Days prior to the date of such meetings. Special meetings of the Management Committee may be called at the direction of any Member upon no less than five (5) Business Days notice to the other Member.

(b) Except as otherwise provided herein, the Management Committee shall conduct its meetings in accordance with such rules as it may from time to time establish and shall keep minutes of its meetings and issue resolutions evidencing the actions taken by it. A secretary elected by the Management Committee (the "Secretary") shall keep the minutes of all such meetings.

(c) Unless otherwise agreed, all meetings of the Management Committee shall be held at the principal offices of the Company or by conference telephone or similar means of communication by which all representatives can participate in the meeting.

(d) Any action required or permitted to be taken by the Members, either at a meeting or otherwise, may be taken without a meeting if each of the Members' representatives on the Management Committee consents thereto in writing and the writing or writing are filed with the minutes of proceedings of the Management Committee.

(e) The Members may, by Unanimous Approval, delegate such of their powers and authority to one or more representatives serving on, or a subcommittee or subcommittees of, the Management Committee, the officers of the Company, or such other Person or Persons as the Members may deem advisable.

(f) At all meetings of the Management Committee, representatives of a majority of the voting power of the Members present in person or by proxy and entitled to vote thereat shall constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the Management Committee so present or represented and entitled to vote may adjourn the meeting from time to time and from place to place, without further notice, other than by oral announcement at the meeting, until a quorum is obtained. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.

Section 5.6 Remuneration of Management Committee. The Management Committee representatives shall receive no compensation from the Company for performing services in their capacity as such representatives. Each of the Members shall be responsible for the payment of the salaries, benefits, retirement allowances and travel and lodging expenses for its Management Committee representatives.

Section 5.7 Officers of the Company; President. The officers of the Company (other than the President) shall be nominated by the President and appointed by the Management Committee in accordance with Section 5.3.

Section 5.8 Authority and Duties of Officers; Standing Delegation of Authority. The officers of the Company shall have such authority and shall perform such duties as may be determined by the Members. Pursuant to this Article 5, the Members hereby authorize the President to take any of the following actions identified in Sections 5.3(a), (b), (c), (d), (f), (g), (h), (j) and (p) and to delegate such authority to one or more officers, employees and agents of the Company; provided that in each case (i) such action is not inconsistent with an Annual Budget, Annual Operating Plan or Disbursement and Commitment Schedule approved pursuant to Section 5.4(a), (ii) the President shall promptly report each such action to the Management Committee and (iii) if CTTV is a Preferred Member at any time after January 1, 2010, CTTV may revoke such any and all such delegations.

ARTICLE 6

INDEMNIFICATION

Section 6.1 Exculpation. To the fullest extent permitted by the Michigan Act, no Member, Affiliate of a Member, representative of either Member on the Management Committee, officer of the Company or other Person to whom the Management Committee has delegated its authority to act on behalf of the Company ("Authorized Person") shall have any liability to the Company or the Members for any Losses incurred as a result of any act or omission of such Member, representative, officer or Authorized Person if (i) such Member, representative, officer or Authorized Person acted in good faith and (ii) the conduct of such Member, representative, officer or Authorized Person did not constitute actual fraud, gross negligence or willful misconduct; provided that nothing contained herein shall protect any Member against any liability to the Company or the other Members for failure to perform the obligations of such Member expressly set forth in this Agreement or the Associated Agreements.

Section 6.2 Indemnification.

(a) Indemnification. To the fullest extent permitted by the Michigan Act, the Company shall defend, protect, indemnify and hold harmless each Member, Affiliate of a Member, Management Committee representative, officer of the Company and Authorized Person (each individually, an "Indemnitee") from and against any and all Losses arising from any and all Proceedings in which an Indemnitee may be involved, or threatened to be involved, as a party or otherwise, arising out of or incidental to the business of the Company (excluding in the case of a Member, Losses for loss of profit or return on any

Indemnitee's direct or indirect investment in the Company), if (i) the Indemnitee acted in good faith and in a manner such Indemnitee reasonably believed to be in, or not opposed to, the interests of the Company, and, with respect to any criminal proceeding, had no reason to believe the conduct in question was unlawful and (ii) the Indemnitee's conduct did not constitute actual fraud, gross negligence or willful misconduct.

(b) Rights of Indemnitee. The Company will periodically reimburse each Indemnitee for all Losses (including fees and expenses of counsel) indemnified pursuant to Section 6.2(a) as such Losses are incurred in connection with investigating, preparing, pursuing or defending any Proceeding; provided that such Indemnitee shall promptly repay to the Company the amount of any such reimbursed expenses paid to it if it shall be judicially determined by judgment or order not subject to further appeal or discretionary review that such Indemnitee is not entitled to be indemnified by the Company in connection with such matter. The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 6.2 shall not be deemed exclusive of, and shall not limit, any other rights or remedies to which any Indemnitee may be entitled or which may otherwise be available to any Indemnitee at law or in equity, (ii) shall continue as to a Person notwithstanding that such Person has ceased to be an Indemnitee, and (iii) shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee. Subject to the foregoing sentence, the provisions of this Section 6.2 are solely for the benefit of the Indemnitees and shall not be deemed to create any rights for the benefit of any other Persons. Each Indemnitee shall have a claim against the property and assets of the Company for payment of any indemnity amounts from time to time due hereunder, which amounts shall be paid or properly reserved for prior to the making of distributions by the Company to Members.

(c) Further Indemnification. The Company may, to the extent authorized from time to time by Unanimous Approval, grant rights to indemnification and to advancement of expenses to any employee or agent of the Company to the fullest extent of the provisions of this Section 6.2 with respect to the indemnification and advancement of expenses of Members and officers of the Company.

Section 6.3 Liability for Debts of the Company; Limited Liability.

(a) Except as otherwise provided in the Michigan Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member.

(b) Except as provided by applicable Laws, a Member, in its capacity as such, shall have no liability to the Company or to any other Member in excess of payments required to be made by such Member under this Agreement.

(c) The provisions of this Agreement are intended solely to benefit the Members and, to the fullest extent permitted by applicable Laws, shall not be construed as conferring any benefit upon any creditor of the Company (and no such creditor shall be a

third-party beneficiary of this Agreement), and no Member shall have any duty or obligation to any creditor of the Company to make any contributions or payments to the Company.

Section 6.4 Company Expenses. The Company shall indemnify, hold harmless, and pay all expenses, costs, or liabilities of any Member who for the benefit of the Company and with the prior approval of the Management Committee makes any deposit, acquires any option, or makes any other similar payment or assumes any obligation in connection with any property proposed to be acquired by the Company and who suffers any financial loss as the result of such action.

ARTICLE 7

TRANSFER OF INTERESTS

Section 7.1 Restrictions on Transfer.

(a) Each of OBC and CTTV agrees and acknowledges that the identity of the other is an essential element of this Agreement and accordingly the parties agree as follows:

(i) Except as expressly permitted by this Article 7, no Member may at any time Transfer all or any part of any of such Member's Interest without the express written consent of the other Member, which consent may be granted or withheld by any such Member in its full and absolute discretion. Nothing in this Article 7 shall be construed to permit any Member at any time to, and no Member shall, create or suffer to exist any Lien upon, in, or in respect of all or any part of any of such Member's Interest without the express written consent of the other Member, which consent may be granted or withheld by any such Member in its full and absolute discretion; provided that OBC shall be permitted at any time to grant to CTTV a Lien upon its Interest. Any offer or purported Transfer of a Member's Interest in violation of the terms of this Agreement shall be void.

(ii) Each Member hereby agrees that if such Member ceases to be an OBC Group Entity or a ChevronTexaco Group Entity, as the case may be, but no Change of Control shall have otherwise occurred with respect to such Member, the Interest held by such Member first shall be transferred to another OBC Group Entity or ChevronTexaco Group Entity, as the case may be, and such Interest shall continue to be subject to (i) this Section 7.1(a)(ii), and (ii) Section 7.1(c) (when, as and if it is applicable).

(b) Upon giving 30 days notice to the other Member, any OBC Member may Transfer all or any part of its Interest to an OBC Group Entity, and any ChevronTexaco Member may Transfer all or any part of its Interest to a ChevronTexaco Group Entity, provided that the transferee of such Interest shall be bound by the terms of Section 7.1(a)(ii) above, when, as and if it becomes applicable to such transferee. After giving effect to any such permitted transfer of an Interest, any obligation of the transferring Member hereunder

shall be a joint and several obligation of the transferring Member and such transferee, notwithstanding the fact that the transferring Member may no longer continue to have any Interest.

(c) A ChevronTexaco Member may Transfer all or any part of its Interest to a Person that is not a ChevronTexaco Group Entity, and an OBC Member may Transfer all or any part of its Interest to a Person that is not an OBC Group Entity, provided that such Transfer is made in compliance with the procedures set forth in this Section 7.1(c).

(i) A Member intending to Transfer its Interest (the "Selling Member") shall deliver a notice to the Other Member (the "Offeree Member") which shall (x) state such intent, and (y) set forth a list of proposed Acceptable Transferees, together with such information regarding each Person on such list as may be reasonably required to determine whether such Person is an Acceptable Transferee.

(ii) The Offeree Member shall, within 30 days after receipt of such notice, deliver to the Selling Member a written response to such list, setting forth its position with respect to the acceptability of the Persons named therein, which shall be determined by such Offeree Member in its sole discretion exercised in good faith, for any reason other than for the purpose of frustrating all Transfers. The procedure set forth in this subsection (ii) may be repeated by the Selling Member as often as may be reasonably required for the Selling Member's marketing of the Selling Member's Interest.

(iii) The Selling Member shall have a period of no more than 270 days after the Acceptable Transferees have either been accepted or not objected to, to execute and deliver a definitive agreement with any Acceptable Transferee committing the Selling Member to sell and such Acceptable Transferee to purchase the Selling Member's Interest, and to complete such sale (subject to reasonable extension if required to satisfy the condition set forth in Section 7.7). If the Selling Member fails to complete such sale within such period, the Selling Member must again invoke the offer procedure set forth in this Section 7.1(c) in order to Transfer its Interest pursuant to this Section 7.1(c). From time to time, the Selling Member will furnish to the Offeree Member such information respecting Selling Member's marketing of the Selling Member's Interest as the Offeree Member reasonably requests for any purpose reasonably related to Offeree Member's exercise of its rights under Section 7.1(c)(iv).

(iv) Prior to consummating a proposed sale of the Interest of the Selling Member to any Acceptable Transferee pursuant to Section 7.1(c)(v), the Selling Member shall deliver a second notice (the "Selling Member's Offer Notice") to the Offeree Member which shall (x) state the intention of the Selling Member to sell its Interest, (y) describe the material terms and conditions of the proposed sale to the Acceptable Transferee (including the proposed purchase price and structure), together with any letter of intent or definitive agreement relating to such proposed sale if executed as of such date ("Sale Materials") and (z) offer to sell such Interest to such Offeree Member on the same terms and conditions as proposed to sell such

Interest to the Acceptable Transferee; provided, however, that the Offeree Member may substitute cash of equal value in the event that the Acceptable Transferee offers consideration of a type that is not readily available to the Offeree Member. If the Offeree Member desires to purchase the Interest so offered, it shall, within 10 days of the receipt by the Offeree Member of the Selling Member's Offer Notice ("Offeree Member Response Date"), deliver a notice (the "Offeree Member's Acceptance Notice") to the Selling Member. The Offeree Member's Acceptance Notice shall set forth an irrevocable commitment by the Offeree Member to purchase the Interest so offered on the terms and conditions set forth in the Sale Materials and in Section 7.7.

(v) If the Offeree Member so delivers the Offeree Member's Acceptance Notice, the closing of such purchase shall take place within 30 days after delivery of the Offeree Member's Acceptance Notice, subject to reasonable extension if required to satisfy the conditions set forth in Section 7.7. If the Offeree Member either notifies the Selling Member in writing that it has elected not to purchase the Interest of the Selling Member or fails to provide the Offeree Member's Acceptance Notice on or prior to the Offeree Member Response Date, the Selling Member shall be free to consummate its proposed sale to the Acceptable Transferee on the terms and conditions set forth in the Sale Materials and in Section 7.7.

(d) Notwithstanding anything to the contrary contained herein, unless all of the Members shall consent, no Member may Transfer all or any portion of its Interest if such Transfer, when added to the total of all other Dispositions of Interests within the preceding twelve (12) months, would result in the Company being considered to have terminated within the meaning of Code Section 708.

Section 7.2 Change of Control.

(a) Each of OBC and CTTV agrees and acknowledges that the identity of the other (and the identity of any entity possessing control over the other) is an essential element of this Agreement and accordingly the parties agree as follows: In the event of a Change of Control of any Member (the "Changed Member"), the Changed Member shall, following such Change of Control, promptly notify the other Member (the "Unchanged Member") of such event, setting forth the date and circumstances of the Change of Control and the identity of the Person that has acquired control of the Changed Member. If the Changed Member fails to give such notice, the Unchanged Member may give such notice. Promptly after delivery of any such notice, or after otherwise ascertaining that such Change of Control has occurred, the Members shall cause the Fair Market Value of the Company to be determined in accordance with the procedures set forth in Section 2.6.

(b) Within 30 days following the determination of Fair Market Value of the Company, the Unchanged Member may provide a notice to the Changed Member indicating its desire to acquire the Interest of the Changed Member for the Change Price (plus the Preferred Interest Amount with respect to such Member, if applicable), and setting forth the date on which such Unchanged Member intends to acquire such Interest

pursuant to this Section 7.2(b), which date shall be as soon as practicable after delivery of the notice pursuant to this Section 7.2(b). If the Unchanged Member provides such notice, it shall have the right to acquire all but not less than all of the Interest of the Changed Member, subject to the provisions of Section 7.7, for the Change Price. As used in this Agreement, the term "Change Price" means, with respect to any Member's Interest, (x) the Fair Market Value of the Company multiplied by (y) such Member's Percentage Interest. If the selling Member is the holder of a Preferred Interest, the purchasing Member shall be obligated to pay the Change Price plus the Preferred Interest Amount of the selling Member.

Section 7.3 Waiver of Partition.

(a) All Company assets, whether real, personal or mixed, tangible or intangible, shall be owned by the Company as an entity. All the Company assets shall be recorded as the property of the Company on its books and records, irrespective of the name in which legal title to such Company assets is held.

(b) The assets, property and cash contributed to the Company, as well as all other property and assets acquired by the Company, shall be owned by the Company. No Member shall, either directly or indirectly, take any action to require partition, and notwithstanding any provisions of applicable Laws to the contrary, each Member (and each of its legal representatives, successors, or assigns) hereby irrevocably waives any and all rights it may have to maintain any action for partition or to compel any sale with respect to its Interest, or with respect to any assets or properties of the Company, except as expressly provided in this Agreement, until the termination of this Agreement.

Section 7.4 Covenant Not to Withdraw or Dissolve. Notwithstanding any provision of the Michigan Act, except as expressly provided above, each Member hereby covenants and agrees that the Members have entered into this Agreement based on their mutual expectation that both Members will continue as Members and carry out the duties and obligations undertaken by them hereunder and that, except as otherwise expressly required or permitted hereby, each Member hereby covenants and agrees not to (i) take any action to file a certificate of dissolution or its equivalent with respect to itself; (ii) take any action that would cause a Bankruptcy of such Member; (iii) withdraw or attempt to withdraw funds or assets from the Company, except as otherwise expressly permitted by the Michigan Act; (iv) exercise any power under the Michigan Act to dissolve the Company; (v) Transfer all or any portion of its Interest, except as expressly provided herein; or (vi) demand a return of such Member's contributions or profits (or a bond or other security for the return of such contributions of profits), in each case without Unanimous Approval.

Section 7.5 Substituted Members. Any transferee acquiring the Interest of a Member as permitted under this Agreement shall be deemed admitted as a substituted Member with respect to the Interest transferred concurrently with the effectiveness of the Transfer without any further vote or approval of any Member, provided such transferee shall have executed and delivered to the other Member a counterpart of this Agreement and such other documents or agreements as shall be reasonably requested by such other Member to confirm such transferee's admission as a Member and its agreement to be bound by and assume the obligations of the transferor in accordance with the terms of this Agreement and any Associated Agreement under which such transferor has any

rights or obligations. The transferor shall not be relieved of any obligation or liability hereunder arising prior to the consummation of such Transfer but shall be relieved of all future obligations with respect to the Interest so Transferred. No purported Transfer of any Interest, or any portion thereof or interest therein, in violation of the terms of this Agreement (including any Transfer occurring by operation of law) shall vest the purported transferee with any rights, powers or privileges hereunder, and no such purported transferee shall be deemed for any purposes as a Member hereunder or have any right to vote or consent with respect to Company matters, to maintain any action for an accounting or to exercise any other rights of a Member hereunder or under the Michigan Act.

Section 7.6 Deliveries. Upon the consummation of any purchase and sale pursuant to this Article 7, the transferring Member shall deliver the Interest of the transferring Member, free and clear of all Liens (other than any Lien created under any financing to which the Company is a party), together with duly executed written instruments of transfer with respect thereto, in form and substance reasonably satisfactory to the purchaser of such Interests, against (x) delivery of the cash portion of the applicable price for such Interest by wire transfer, in immediately available funds, to the account of the transferring Member designated for such purpose, and (y) delivery of any other consideration as may be provided for such purchase and sale.

Section 7.7 Approvals. Notwithstanding any other provision of this Agreement, no Transfer of an Interest pursuant to this Article 7 shall occur unless and until any and all necessary consents and approvals have been obtained from any Governmental Body with authority with respect thereto, including any required approvals under the HSR Act. The Members agree to cooperate and to cause their Affiliates to cooperate in the preparation and filing of any and all reports or other submissions required in connection with obtaining such consents and approvals.

Section 7.8 Liquidated Damages. OBC and CTTV agree that if either OBC or CTTV shall Transfer its Interest in the Company in violation of such party's agreements in Sections 2.7, 7.1, 7.2, or 7.4 or of OBC's agreement in Section 8.4(c), then such transferring party shall immediately pay to the non-transferring party, as liquidated damages, an amount equal to one-third of CTTV's Capital Contributions measured as of the date of such Transfer (for example, as of September 30, 2004, such liquidated damages amount would be one-third of $143,585,000, or approximately $47,861,667). The parties agree that in any such event, the actual damages to the non-transferring party will be difficult or impossible to measure and that such amount represents the parties' reasonable estimate as of the date of this Agreement of such damages and that this Section 7.8 is intended to compensate such non-transferring party for such damages and not as a penalty.

ARTICLE 8

DEFAULT

Section 8.1 Default.

(a) Default. If any of the following events occur:

(i) the Bankruptcy of a Member; or

(ii) any part of the Interest of a Member is seized by a creditor of such Member, and the same is not released from seizure or bonded out within thirty (30) days from the date of notice of seizure; or

(iii) a Member fails to (x) provide any Capital Contribution required under Article 3 within ten (10) days after the due date thereof, (y) provide any other funding required by this Agreement within ten (10) days after the due date thereof, or (z) perform any material obligation imposed upon such Member under any agreement relating to borrowed money to which the Company is a party which results in a default by, or acceleration of indebtedness of, the Company thereunder, and such failure continues unremedied for ten (10) days after the occurrence of such failure; or

(iv) a Member (y) fails to perform any material provision or obligation imposed on such Member in this Agreement other than those described in Section 8.1(a)(iii); or (z) attempts to transfer any of its Interest in the Company except as permitted under Article 7, and in each such case such failure continues unremedied for thirty (30) days after receipt of notice from the other Member, or

(v) a Member fails to perform any material provision or obligation imposed on such Member in the Technology Agreement and such failure continues unremedied for ten (10) days after receipt of notice from the other Member;

then a "Default" shall be deemed to have occurred with respect to such Member, who shall be referred to as the "Defaulting Member," and the other Member shall be referred to as a "Nondefaulting Member". Subsequent to the occurrence of a Default, the Defaulting Member shall continue to be a Member and shall continue to be obligated to make all Capital Contributions as provided in Article 3.

(b) Continuation of the Company. If an event described in Section 8.1(a) occurs, it is the intent of the Members that the Company shall continue to exist and operate without interruption, dissolution or termination, and without impairing or reducing in any manner the Company's rights and obligations to third parties unless the Nondefaulting Member elects to dissolve the Company pursuant to Section 8.2(a).

(c) Suspension and Assignment of Distributions. Notwithstanding anything in this Agreement to the contrary, effective upon the occurrence of an event which, but for the expiration of any applicable grace period, would constitute a Default with respect to a Member ("Event of Default"), no distribution shall be made by the Company to such Member until such Event of Default has been cured and the Nondefaulting Member has been reimbursed for all direct costs and expenses incurred as a result of the Event of Default. Effective upon the expiration of such grace period, the Defaulting Member assigns to the Nondefaulting Member its right to receive any and all distributions from the Company to which it would otherwise be entitled under this Agreement or the Michigan Act (including any distributions suspended during the grace period in accordance with the preceding sentence) until such time as the Nondefaulting Member has been reimbursed in full for all such costs and expenses.

Section 8.2 Options of Nondefaulting Member. If a Default occurs and is continuing then the Nondefaulting Member shall have the right, in its sole and absolute discretion, to:

(a) dissolve the Company in accordance with Article 9;

(b) expel the Defaulting Member from the Company by giving written notice specifying the expulsion date and purchasing, designating another Person to purchase or causing the Company to purchase the Interest of the Defaulting Member as of the expulsion date in such percentage as the Nondefaulting Member shall determine (the Nondefaulting Member, such other Person or the Company, as the case may be, the "Default Purchaser"), at the Default Purchase Price, less all costs and expenses incurred or reasonably anticipated to be incurred by the Default Purchaser as a result of the Default (a "Default Purchase"). At the Default Purchaser's election, payment to the Defaulting Member may take the form of a ten (10) year note from the Default Purchaser secured by the Interest purchased and payable in equal annual installments of principal plus interest at the Prime Rate. In the event the Default Purchaser incurs costs or expenses in respect of the Defaulting Member's default in addition to those which were previously deducted from the Default Purchase Price, any such note shall be reduced by an amount equal to such additional costs or expenses, or the Default Purchaser may offset such amount against any other sums owed by the Default Purchaser to the Defaulting Member;

(c) Cure the default and cause the cost thereof to be charged against a special loan account established for the Nondefaulting Member until the entire cost thereof plus interest on the unpaid balance at an annual rate equal to 2% over the Prime Rate shall have been paid or reimbursed to the Nondefaulting Member from any subsequent distributions made pursuant to this Agreement to which the Defaulting Member would otherwise have been entitled, which amounts shall be paid first as interest and then principal, until the loan is paid in full;

(d) Cure the Default and credit the Nondefaulting Member's Capital Account with an amount equal to the sum of the costs of such cure and all other costs and expenses incurred by the Nondefaulting Member as a result of the Default and cause the Percentage Interests of the Members to be adjusted to reflect the additional Interest in the Company of the Nondefaulting Member as a result of such credit based on the Fair Market Value of the Company as of the date of such cure; provided, however, that any such cure by the Nondefaulting Member shall not affect the liability of the Defaulting Member for any other obligations to the Company or the Nondefaulting Member, whether attributable to periods prior to or following such cure. The Nondefaulting Member's additional Interest shall be equal to the percentage calculated by dividing the amount of the cure by the Fair Market Value of the Company. Correspondingly, the Defaulting Member's Interest shall be reduced by such percentage; or

(e) exercise any and all rights of a secured creditor under the Uniform Commercial Code with respect to the Collateral.

Following the occurrence and during the continuance of a Default, the Defaulting Member (and its Management Committee representatives) shall have no vote on any matter before the Management

Committee, other than those matters set forth in Section 5.4(a), Section 5.4(d)(i) through (viii), and Section 5.4(e).

Section 8.3 No Limitation or Right of Set-Off. Each Member agrees that the obligation to make payment to the Company as provided in this Agreement is a covenant of each Member to the other Member and any Default entitles the Nondefaulting Member to take the actions set forth in Section 8.2 which shall be in addition to, and not in substitution for, any other rights or remedies which the Nondefaulting Member may have at law or equity or pursuant to the other provisions of this Agreement or any Associated Agreement. Any Member which becomes a Defaulting Member undertakes that, in respect of any exercise by the Nondefaulting Member of any rights under or the application of any of the provisions of Section 8.2, such Defaulting Member shall not raise by way of set off, or invoke as a defense or assert as a claim, whether in law or equity, any failure by any other Member to pay amounts due and owing under this Agreement or any alleged or unliquidated claim that such Defaulting Member may have against the Company or any Member, whether such claim arises under this Agreement or otherwise. Such Defaulting Member further undertakes not to raise by way of defense, whether in law or in equity, that the nature or the amount of the remedies granted to the Nondefaulting Member is unreasonable or excessive.

Section 8.4 Security Interest.

(a) Grant of Security Interest by OBC. All of OBC's obligations under this Agreement (including without limitation OBC's obligations under Sections 2.7, 3.2, 3.4, 7.1, 7.2, and 7.4) shall be secured by, and OBC hereby grants to CTTV, a first priority security interest in all right, title, claim and interest of OBC in and to the Collateral. OBC hereby authorizes CTTV, its counsel and its representatives, at any time and from time to time, to file financing statements and amendments in such jurisdictions as CTTV may deem necessary or desirable in order to perfect the security interests granted by OBC under this Agreement. Notwithstanding the foregoing, so long as no Default with respect to OBC shall have occurred and be continuing, OBC shall be entitled to exercise any and all rights relating to the Collateral otherwise available to it under the terms of this Agreement.

(b) Representations and Warranties regarding the Collateral. OBC represents and warrants to CTTV as of the date hereof as follows:

(i) OBC is a corporation organized under the laws of the State of Delaware. OBC's mailing address is 2968 Waterview Drive, Rochester Hills, Michigan 48309. OBC's chief executive office is located at 2968 Waterview Drive, Rochester Hills, Michigan 48309. OBC's organizational identification number is 2075852.

(ii) "Ovonic Battery Company, Inc." is the correct legal name of OBC indicated on the public record of OBC's jurisdiction of organization which shows OBC to be organized.

(iii) All names and tradenames that OBC has used within the five years prior to the date hereof are as set forth on Schedule OBC-8.4(b)(iii).

(iv) OBC has good and marketable title to all the Collateral owned by it and will have good and marketable title to all Collateral hereafter acquired upon acquisition thereof. The security interests granted pursuant to this Section 8.4 constitute (in the case of Collateral now owned) and will constitute upon acquisition thereof (in the case of Collateral hereafter acquired), valid, first priority Liens in such Collateral.

(v) The Collateral is (in the case of Collateral now owned) and (in the case of Collateral hereafter acquired) will be upon acquisition thereof, free and clear of all Liens other than the Liens granted under this Agreement.

(vi) OBC is solvent and is paying its debts as they become due and owing insofar as this affects the Collateral, and OBC shall remain solvent upon the execution of and compliance with the terms of this Agreement and OBC's obligations under this Agreement, such that execution of this Agreement does not render OBC insolvent.

(vii) There are no actions or proceedings that are pending or, to OBC's knowledge, threatened against OBC that might adversely affect the Collateral.

(viii) No security agreement, financing statement, or equivalent security or lien instrument or continuation statement covering all or any part of the Collateral is on file or of record in any public office, except such as may have been filed in favor of CTTV pursuant to this Agreement or with respect to the Liens granted to CTTV under this Agreement.

(c) Covenants with respect to the Collateral. OBC hereby covenants and agrees with CTTV that during the term of this Agreement:

(i) OBC shall not (A) adopt a trade name or change its name, or (B) change its identity, jurisdiction, structure or tax identification number, unless in any case OBC (x) provides CTTV no less than 30 days' prior written notice thereof and (y) makes all filings under applicable law and takes all other actions that are required so that such change will not at any time adversely affect the validity, perfection or priority of CTTV's Lien on any of the Collateral.

(ii) OBC shall not sell, lease or otherwise dispose of any of the Collateral, or any interest therein.

(iii) OBC shall not grant or suffer to exist any Lien on any of the Collateral other than the Liens granted under this Agreement.

(iv) At any time and from time to time, upon the request of CTTV, and at the sole expense of OBC, OBC will promptly execute and deliver any and all such further documents and take such further actions as CTTV may deem desirable in obtaining the full benefits of the security interest granted pursuant to this Section 8.4 and of the rights and powers herein granted, including, without limitation, the

filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the liens and security interests granted hereby and, if applicable, transferring any Collateral to CTTV's possession in order to perfect or enhance the priority thereof. If any amount payable under or in connection with any Collateral shall be or become evidenced by any promissory note or other instrument (other than an instrument that constitutes chattel paper), such note or instrument shall be immediately pledged to CTTV hereunder, and shall be endorsed in a manner satisfactory to CTTV and delivered to CTTV.

(v) OBC irrevocably appoints CTTV, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of OBC and in the name of OBC or in its own name, from time to time in CTTV's discretion, for the purpose of carrying out the terms of this Article 8, to exercise any of the rights and remedies granted to CTTV under this Article 8, and to take any and all other appropriate action and to execute any and all documents and instruments that may be necessary or desirable under this Article 8. All powers, authorizations, and agencies contained in this Section 8.4 with respect to the Collateral are irrevocable and powers coupled with an interest. OBC ratifies all that the attorney shall lawfully do or cause to be done by virtue hereof.

(d) Sale of Collateral. If a Default with respect to OBC shall have occurred and be continuing, then CTTV shall have the right to sell the Collateral (in addition to exercising any other remedies available to it under applicable law or this Agreement). CTTV shall not be required to register or qualify any of the Collateral that constitutes securities under applicable state or federal securities laws in connection with any sale or other disposition thereof if such disposition is effected in a manner that complies with all applicable federal and state securities laws. CTTV shall be authorized at any such disposition (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to persons who will represent and agree that they are "accredited investors" or "qualified institutional buyers" under applicable law and purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof. OBC agrees that if any such Collateral is sold in a manner that CTTV in good faith believes to be reasonable under the circumstances then existing, then (A) the sale shall be deemed to be commercially reasonable in all respects and (B) CTTV shall not incur any liability or responsibility to OBC in connection therewith, notwithstanding the possibility that a substantially higher price might have been realized at a public sale. OBC recognizes that a ready market may not exist for such Collateral and that a sale by CTTV of any such Collateral for an amount substantially less than the price that might have been achieved had the Collateral been publicly traded may be commercially reasonable in view of the difficulties that may be encountered in attempting to sell Collateral that is not publicly traded. CTTV or any ChevronTexaco Group Entity may purchase any of the Collateral at any sale of Collateral hereunder. In addition, OBC recognizes that, in connection with any sale of the Collateral, CTTV has certain rights of first refusal to purchase the Collateral pursuant to Section 7.1 of this Agreement, and that such rights of first refusal may result in a sale of the Collateral (including a sale of all or part of the Collateral to CTTV) for an amount less than the price that might have been achieved had the Collateral not been

subject to such rights of first refusal. Notwithstanding anything to the contrary in this Section 8.4(d), neither CTTV nor any ChevronTexaco Group Entity shall be entitled to purchase the Interest of the Defaulting Member (or any portion thereof) in a sale of Collateral under this Section 8.4(d) for a price less than the minimum price at which CTTV or any ChevronTexaco Group Entity would be entitled to purchase such Interest (or any portion thereof) under Section 8.2(b). TO THE MAXIMUM EXTENT PERMISSIBLE UNDER APPLICABLE LAW, OBC HEREBY WAIVES ANY OBJECTION OR CLAIM BASED UPON ANY OF THE FOREGOING AND AGREES THAT ANY SALE OR OTHER DISPOSITION EFFECTED IN ACCORDANCE WITH THE FOREGOING (INCLUDING PURSUANT TO ANY SUCH RIGHT OF FIRST REFUSAL) SHALL BE CONCLUSIVELY DEEMED COMMERCIALLY REASONABLE WITHIN THE MEANING OF THE UNIFORM COMMERCIAL CODE.

(e) The provisions of this Section 8.4 shall terminate and shall be of no further force or effect on the first date after January 1, 2008 on which (A) no Preferred Interest is outstanding and (B) no Default with respect to OBC has occurred and is continuing. Upon the termination of the provisions of this Section 8.4, CTTV shall cooperate with the reasonable requests of OBC to release any Collateral in the possession of CTTV and to file appropriate termination statements and other documents evidencing and giving effect to the termination of the security interest in the Collateral granted hereunder.

ARTICLE 9

DISSOLUTION

Section 9.1 Dissolution. The Company shall dissolve and commence winding up upon the first to occur of any of the following events (each, a "Dissolution Event"):

(a) a decision by Unanimous Approval to dissolve, wind up and terminate the Company;

(b) upon a Default, the Nondefaulting Member elects to dissolve the Company pursuant to Section 8.2(a); or

(c) the entry of a decree of judicial dissolution pursuant to Section 18-802 of the Michigan Act.

Section 9.2 Winding Up. The Members shall be responsible for overseeing the winding up and dissolution of the Company. A reasonable amount of time shall be allowed for the period of winding up in light of prevailing market conditions and so as to avoid undue loss in connection with any sale of the Company's assets. Upon the occurrence of a Dissolution Event, the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying or making reasonable provision for the satisfaction of the claims of its creditors and Members, and no Member shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company's business and affairs; provided that all covenants contained in this Agreement and obligations provided for in this Agreement shall continue to be fully binding upon the Members until such time as the assets or property or the

proceeds from the sale thereof have been distributed pursuant to this Article 9 and the existence of the Company has been terminated by the filing by the Members of a Certificate of Dissolution with the Administrator.

Section 9.3 Distributions upon Liquidation.

(a) In connection with the winding up of the Company, first the Fair Market Value of the Company's assets shall be determined as provided in Section 2.6. Such Fair Market Value shall then be used as a basis for computing the Profit or Loss, if any, arising as a result of the operation of, and subject to allocation under, Section 3.8(d) and Article 4 (including without limitation Section 4.2(c)(xi)), respectively.

(b) In connection with the winding up of the Company, the Company's assets constituting Company Technology Assets shall first be applied and distributed to the maximum extent permitted by applicable Laws in accordance with Section 4.2 of the Technology Agreement.

(c) Thereafter, in connection with the winding up of the Company, the Company's assets or the proceeds from the sale thereof shall be applied and distributed to the maximum extent permitted by applicable Laws as follows:

(i) To creditors, including Members who are creditors (other than by reason of the operation and effect of Sections 304 and 305 of the Michigan Act), to the extent otherwise permitted by law, in satisfaction of liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof);

(ii) To the Preferred Member(s), an amount equal to such Member(s)' Preferred Interest Amounts, pro rata in accordance with such amounts;

(iii) With respect to any assets not distributed pursuant to (b) above, to those Persons entitled to such assets in accordance with Section 4.2 of the Technology Agreement;

(iv) To Members in satisfaction of liabilities for distributions under the Michigan Act; and

(v) Thereafter to Members in proportion to their respective Capital Account balances, to the extent the same are positive, up to the full amount thereof (after giving effect to adjustments to Capital Account balances under Section 3.8 and, as applicable, Article 4, through the date of distribution); with any remaining assets to be distributed to Members in accordance with their respective Percentage Interests.

Section 9.4 Claims of the Members. The Members will look solely to the Company's assets for the return of their contributions to their Capital Accounts, and if the assets of the Company remaining after payment of or due provision for all debts, liabilities and obligations of the Company are insufficient to return such contributions, the Members will have no recourse therefor

against the Company or any other Member or any other Person. No Member shall have any obligation to restore, or otherwise pay to the Company, the other Member or any third party, the amount of any deficit balance in such Member's Capital Account upon dissolution and liquidation.

Section 9.5 Rights and Obligations of Members. Dissolution of the Company for any cause shall not release a Member from any liability which such Member had already incurred at the time of dissolution and termination or affect in any way the survival of the rights, duties and obligations of a Member provided for in Section 4.5, Article 8, Section 11.11 or Section 11.13 of this Agreement.

ARTICLE 10

FINANCIAL MATTERS

Section 10.1 Books and Records. The Company shall maintain, at the Company's principal place of business and at the Company's expense, accurate and complete books and records, on the accrual basis, in accordance with GAAP (the application of which, having been adopted, shall not be changed without the prior written consent of the Management Committee), showing all costs, expenditures, sales, receipts, assets and liabilities, and profits and losses and all other records necessary, convenient or incidental to recording the Company's business and affairs. Such books and records shall be audited at least annually, at the Company's expense, by independent certified public accountants selected by the Management Committee. The initial certified public accountants for the Company shall be Deloitte & Touche LLP. The books and records of the Company shall be open to inspection by each Member or its designated representatives at the inspecting Member's expense at any reasonable time during business hours for any proper purpose.

Section 10.2 Financial Reports. The Management Committee shall cause to be prepared (a) as of the end of each calendar month or quarter as appropriate, (b) as of the end of each Fiscal Year, (c) as of the date of dissolution of the Company, and (d) as of such additional dates as the Management Committee may direct, in accordance with GAAP, appropriate financial statements showing the assets, liabilities, capital, profits, expenses, losses and recovered and unrecovered capital expenditures of the Company and a statement showing all amounts credited and debited to each Member's capital account (for both GAAP and Capital Accounts) and of each Member's distributive share, for federal income tax purposes, of income, gains, deductions, losses and credits (or items thereof) arising out of the Company's operations, as required by law, and a further statement reconciling any difference between the Member's respective capital accounts as shown in such financial statements and their capital accounts as determined in accordance with the provisions of this Agreement. A copy of each such report shall be delivered to each Member within ninety (90) days after each such applicable date.

Section 10.3 Company Funds. Pending application or distribution, the funds of the Company shall be deposited in such bank accounts, or invested in such interest-bearing or non-interest-bearing investments, including without limitation, federally insured checking and savings accounts, certificates of deposit, government issued or backed securities, or mutual funds investing primarily in such types of securities, as shall be designated by the Management

Committee. Such funds shall not be commingled with the funds of any other Person. Withdrawals therefrom shall be made upon such signatures as the Management Committee may designate.

ARTICLE 11

MISCELLANEOUS

Section 11.1 Notices. All notices, notifications, consents, requests, demands and other communications to be provided to any Person pursuant to the terms hereof shall be in writing and shall be deemed to have been duly given or delivered upon the date of receipt if: (a) delivered personally; (b) telecopied or telexed with transmission confirmed; (c) mailed by registered or certified mail return receipt requested; or (d) delivered by a recognized commercial courier to the Person as follows (or to such other address as any Person shall have last designated by fifteen (15) days written notice to the other Persons):

If to CTTV: ChevronTexaco Technology Ventures LLC
3901 Briarpark
Houston, TX 77042
Attention: Jerry Lomax
Facsimile: (713) 954-6016
Telephone: (713) 954-6001

With copies of notices for CTTV to:

ChevronTexaco Corporation
6001 Bollinger Canyon Road, Building T
San Ramon, California 94583
Attention: Chief Corporate Counsel
Attention: Allen H. Uzell
Facsimile: (925) 842-2056
Telephone: (925) 842-1679

If to OBC: Ovonic Battery Company, Inc.
2968 Waterview Drive
Rochester Hills, Michigan 48309
Attention: Robert Stempel
Facsimile: (248) 844-1214
Telephone: (248) 293-0440

With copies of notices for OBC to:

General Counsel
Ovonic Battery Company, Inc.
2956 Waterview Drive
Rochester Hills, Michigan 48309
Facsimile: (248) 844-1214
Telephone: (248) 293-0440

Energy Conversion Devices, Inc.
2956 Waterview Drive
Rochester Hills, Michigan 48309
Attention: Robert Stempel
Facsimile: (248) 844-1214
Telephone: (248) 293-0440

Section 11.2 Modification. This Agreement, including this Section 11.2 and the Exhibits to this Agreement, shall not be modified except by a written instrument signed by or on behalf of the Members.

Section 11.3 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Michigan as applied to contracts made and performed within the State of Michigan, without regard to principles of conflict of laws.

Section 11.4 Assignment, Binding Effect. This Agreement shall not be assigned by any Member directly or indirectly to any other Person (whether by the sale of stock or other transfer of ownership interest in a Person, or the sale or transfer by a Person that has an indirect stock or ownership interest in a Person or otherwise). This Agreement shall be binding upon and inure to the benefit of the Members and their respective successors and permitted assigns.

Section 11.5 No Third Party Rights. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any Person (including any employee of any Person) not party to this Agreement, except that the Indemnitees may be third party beneficiaries pursuant to Article 6 of this Agreement in which instance their rights are subject to the terms of such Article 6, and the Company and its Members may be third party beneficiaries to Section 11.13(a) and (b) of this Agreement in which instance their rights are subject to the terms of Section 11.13(a) and (b).

Section 11.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 11.7 Invalidity. If any of the provisions of this Agreement including the Exhibits hereto is held invalid or unenforceable, such invalidity or unenforceability shall not affect in any way the validity or enforceability of any other provision of this Agreement. In the event any provision is held invalid or unenforceable, the Members shall attempt to agree on a valid or enforceable provision which shall be a reasonable substitute for such invalid or unenforceable provision in light of the tenor of this Agreement and, on so agreeing, shall incorporate such substitute provision in this Agreement.

Section 11.8 Entire Agreement. This Agreement and the Associated Agreements contain the entire agreement between the parties hereto with respect to the matters contemplated herein and therein and all prior or contemporaneous understandings and agreements shall merge herein. There are no additional terms, whether consistent or inconsistent, oral or written, which are intended to be part of the parties' understandings which have not been incorporated into this Agreement or the Associated Agreements.

Section 11.9 Expenses. Except as the parties may otherwise agree or as otherwise provided herein, each party shall bear their respective fees, costs and expenses in connection with this Agreement and the transactions contemplated hereby.

Section 11.10 Waiver. No waiver by any party, whether express or implied, of any right under any provision of this Agreement shall constitute a waiver of such party's right at any other time or a waiver of such party's rights under any other provision of this Agreement unless it is made in writing and signed by the president or a vice president of the party waiving the condition. No failure by any party hereto to take any action with respect to any breach of this Agreement or default by another party shall constitute a waiver of the former party's right to enforce any provision of this Agreement or to take action with respect to such breach or default or any subsequent breach or default by such other party.

Section 11.11 Dispute Resolution. Any claim, controversy or dispute arising out of, relating to, or in connection with this Agreement, or the agreements and transactions contemplated hereby, including the interpretation, validity, termination or breach thereof, shall be resolved solely in accordance with the dispute resolution procedures set forth in Exhibit B.

Section 11.12 Disclosure. Each Member is acquiring its Interest in the Company based upon its own independent investigation, and the exercise by such Member of its rights and the performance of its obligations under this Agreement are based upon its own investigation, analysis and expertise. Each Member's acquisition of its Interest in the Company is being made for its own account for investment, and not with a view to the sale or distribution thereof.

Section 11.13 Non-Compete.

(a) Each of OBC and ECD agrees, for the benefit of the Company and its Members, that it shall not and shall not permit any of its Affiliates to compete in any way against the Company in the Battery Business, except as may be permitted by the Technology Agreement; provided that

(i) if the Members decide by Unanimous Approval to dissolve, wind up and terminate the Company, the obligations of OBC and ECD under this Section 11.13(a) shall terminate, effective upon the termination of the Company;

(ii) if there is a Default by OBC (or a subsequent OBC Member) that results in a Default Purchase or in an election by the Nondefaulting Member to dissolve the Company pursuant to Section 8.2(a)(i), the obligations of OBC and ECD under this Section 11.13(a) shall terminate, effective upon the later of (x) three years after the Default Purchase or the termination of the Company, as applicable, and (y) six years after the date of this Agreement;

(iii) if each OBC Member Transfers all of its Interest to a Person that is not an OBC Group Entity either in compliance with Section 7.1(c) or earlier with consent, the obligations of OBC and ECD under this Section 11.13(a) shall terminate, effective three years after Transfer.

During the period prior to the termination of the obligations of OBC and ECD under this Section 11.13(a) as provided in subsections (ii) and (iii) above, each of OBC and ECD shall use its best efforts to enable the Company to utilize all technology which OBC and/or ECD has given the Company rights to use pursuant to the Technology Agreement. In this regard, each of OBC and ECD shall make available to the Company and its Affiliates all personnel, services and facilities necessary for this purpose. Any personnel so provided by OBC and/or ECD shall be subject to appropriate confidentiality obligations in favor of the Company. During this period, the Company and its Affiliates may offer employment to any OBC or ECD employees who are associated with the Company's Battery Business.

(b) CTTV agrees, for the benefit of the Company and its Members, that CTTV shall not and shall not permit any of its Affiliates to compete in any way against the Company in the Battery Business, except as may be permitted by the IP Agreement; provided that

(i) if the Members decide by Unanimous Approval to dissolve, wind up and terminate the Company, CTTV's obligations under this Section 11.13(b) shall terminate, effective upon the termination of the Company;

(ii) if there is a Default by CTTV (or a subsequent ChevronTexaco Member) that results in a Default Purchase or in an election by the Nondefaulting Member to dissolve the Company pursuant to Section 8.2(a)(i), CTTV's obligations under this Section 11.13(b) shall terminate, effective upon the later of (x) three years after the Default Purchase or the termination of the Company, as applicable, and (y) six years after the date of this Agreement;

(iii) if each ChevronTexaco Member Transfers all of its Interest to a Person that is not a ChevronTexaco Group Entity either in compliance with Section 7.1(c) or earlier with consent, CTTV's obligations under this Section 11.13(a) shall terminate, effective three years after Transfer.

During the period prior to the termination of CTTV's obligations under this Section 11.13(b) as provided in subsections (ii) and (iii) above, CTTV shall use its best efforts to enable the Company to utilize all technology which CTTV has given the Company rights to use pursuant to the Technology Agreement. In this regard, CTTV shall make available to the Company and its Affiliates all personnel, services and facilities necessary for this purpose. Any personnel so provided by CTTV shall be subject to appropriate confidentiality obligations in favor of the Company. During this period, the Company and its Affiliates may offer employment to any CTTV employees who are associated with the Company's Battery Business.

(c) For the avoidance of doubt, for purposes of Sections 11.13(a) and (b), activities conducted outside the scope of the Battery Business shall be deemed not to be in competition with the Battery Business. Except as provided herein, each Member shall otherwise have the unqualified right to conduct its business as it may choose, whether or not in competition with the Company, without incurring any liability to the Company or to the

other Member and wholly free from any right or privilege of the Company or the other Member.

Section 11.14 Further Assurances. The Members shall provide to each other such information with respect to the transactions contemplated hereby (including sales or transfers of Interests in the Company) as may be reasonably requested, and shall execute and deliver to each other such further documents and take such further action as may be reasonably requested by any party to this Agreement in order to document, complete or give full effect to the terms and provisions of this Agreement and the transactions contemplated herein.

Section 11.15 Press Releases. The Members agree to consult with each other before issuing any press release or making any public statement with respect to this Agreement and the transactions contemplated hereby. Neither Member shall make any press release or other announcement respecting this Agreement without the consent of the other unless a Member refuses to consent and the Member desiring to make the release or other announcement is advised by its counsel that the release or other announcement is required to comply with any Law.

Section 11.16 CTTV Non-Assertion. CTTV agrees that with respect to any intellectual property right, including any United States patent which, on the date of this Agreement, it or Texaco Inc. ("Texaco") owns or under which it or Texaco has the right to grant licenses of the scope of the licenses granted in the Technology Agreement, or any intellectual property right, including any United States patent which may later issue on an application for patent, which was filed during the term of the Technology Agreement, it or Texaco owns or under which it or Texaco has the right to grant licenses of the scope of the license granted in the Technology Agreement, CTTV will not, and will not permit Texaco to, assert against the Company, or its vendees, mediate or immediate, any claims for infringement based on the manufacture, use, or sale of any apparatus made or sold by the Company within the Battery Business.

Section 11.17 ECD/OBC Non-Assertion. Each of ECD and OBC agrees that with respect to any intellectual property right, including any United States patent which, on the date of this Agreement, it owns or under which it has the right to grant licenses of the scope of the licenses granted in the Technology Agreement, or any intellectual property right, including any United States patent which may later issue on an application for patent, which was filed during the term of the Technology Agreement, it owns or under which it has the right to grant licenses of the scope of the license granted in the Technology Agreement, it will not assert against the Company, or its vendees, mediate or immediate, any claims for infringement based on the manufacture, use, or sale of any apparatus made or sold by the Company within the Battery Business.

Signatures on following page

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

CHEVRONTEXACO TECHNOLOGY VENTURES, LLC

By: /s/ GREGORY M. VESEY

Gregory M. Vesey
President

OVONIC BATTERY COMPANY, INC.

By: /s/ ROBERT C. STEMPEL

Robert C. Stempel
Chairman

ENERGY CONVERSION DEVICES, INC.

By: /s/ ROBERT C. STEMPEL

Robert C. Stempel
Chairman and Chief Executive Officer

EXHIBIT A
TO AMENDED AND RESTATED OPERATING AGREEMENT

BUDGET PROTOCOL

1. Authority. Authority for expenditures resides in the Management Committee.

2. Presentation of Budget Documents. Three months before the start of each Fiscal Year, the President will submit to the Management Committee a proposed Annual Budget and a proposed Annual Operating Plan for that Fiscal Year.

   A. Proposed Annual Budget
      The proposed Annual Budget shall contain estimates of the monthly research and development, capital and operating expenditures required for execution of the proposed Annual Operating Plan for each of the twelve months in the Fiscal Year to which it applies, as well as estimates of the annual expenditures for the following 3 Fiscal Years. Each proposed Annual Budget shall be in substantially the same format as the Initial Annual Budget, unless the Management Committee requests otherwise.

   B. Proposed Annual Operating Plan
      The proposed Annual Operating Plan shall, in detail acceptable to the Management Committee, describe the Company's Objectives for the Fiscal Year to which it applies and the actions the Company intends to take in furtherance of these Objectives.

3. Approval of the Budget Documents. The Management Committee shall use diligent efforts to approve an Annual Budget and Annual Operating Plan no later than 30 days prior to the start of each Fiscal Year. Upon approval by the Management Committee of the proposed Annual Budget and Annual Operating Plan, the President and other authorized officers of the Company are authorized to make expenditures and commitments in accordance with Disbursement and Commitment Schedules approved by the Management Committee on the activities described therein.

4. Monitoring and Cash Calls. The President will monitor the Company's actual cash balances and expected monthly expenditures on a regular basis. No less than 10 Business Days prior to the first of each month, the President shall provide written notice to the appropriate funding Member(s) of the amount of cash the Company requires from such Member(s) as set forth in the applicable Disbursement and Commitment Schedule, and the funding Member(s) shall provide or make available to the Company immediately available funds in the amount set forth in such notice on or before the first Business Day of that month. The President will also monitor actual and forecasted expenditures of the Company against the forecasts contained in the Approved Annual Budget and Annual Operating Plan and provide the Members with a written summary of this information as of the end of each month by no later than the 15th of the following month. In addition, the President shall present status reports on actual versus forecasted expenditures at each Management Committee meeting. The aggregate amount of cash requested by the President to meet the Company's expenditures for any calendar quarter or any Fiscal Year shall not exceed the aggregate amount covered by the applicable Disbursement and Commitment Schedule or the applicable Approved Annual Budget, as the case may be, without the prior approval of the Management Committee.

5. Adjustments to Plans and Budgets. In the event the President determines that changes beyond his delegated authority are required in the current schedule for the Company's operations (whether as set forth in the then applicable Disbursement and Commitment Schedule, the Annual Operating Plan or the Approved Annual Budget), he will present his recommendations for adjustments thereto to the Management Committee and seek its approval. Only the Management Committee can authorize spending in excess of previously approved levels. Such expenditures, if approved, will be authorized by the approval of a revised Disbursement and Commitment Schedule or Annual Budget, as the case may be.

EXHIBIT B
TO AMENDED AND RESTATED OPERATING AGREEMENT

DISPUTE RESOLUTION

1. The parties shall attempt to amicably settle any dispute, controversy or claim related to this Agreement, including any dispute over the breach, interpretation, or validity of this Agreement (all of which such possible disputes are hereinafter collectively referred to as a "Dispute"); provided that in no event shall either party be obligated to attempt to reach such a settlement for more than fifteen (15) days from the date either party gives written notice to the other party specifying that it is a Notice of Dispute and setting forth a brief description of such Dispute (the "Issue Date").

2. IF THE PARTIES ARE UNSUCCESSFUL IN THEIR ATTEMPT TO SETTLE THE DISPUTE, THE DISPUTE SHALL BE SUBMITTED TO, AND SETTLED BY, BINDING ARBITRATION IN HOUSTON, TEXAS IN ACCORDANCE WITH THIS PARAGRAPH; UNLESS THE PARTIES AGREE TO SEEK A NEGOTIATED RESOLUTION USING A MEDIATOR. THE ARBITRATION SHALL BE CONDUCTED UNDER THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("AAA") BEFORE A SINGLE ARBITRATOR (THE "ARBITRATOR") WHO SHALL BE A RETIRED U.S. DISTRICT COURT JUDGE AND SHALL NOT BE THE MEDIATOR (IF ANY). IN THE EVENT THE PARTIES SHALL NOT HAVE AGREED ON A CHOICE OF ARBITRATOR WITHIN THIRTY (30) DAYS FROM THE ISSUE DATE, THE AAA SHALL FURNISH TO EACH PARTY A LIST OF THREE NAMES (EACH OF WHOM SHALL BE A RETIRED U.S. DISTRICT COURT JUDGE) AND WITHIN THREE (3) BUSINESS DAYS AFTER RECEIPT OF SUCH LIST, CTTV SHALL STRIKE ONE NAME AND OBC AND/OR ECD SHALL STRIKE ONE NAME, THEREBY NOMINATING THE REMAINING PERSON AS THE ARBITRATOR. IF MORE THAN ONE NAME REMAINS AT THE END OF SUCH THREE BUSINESS DAY PERIOD, THE AAA WILL CHOOSE AN ARBITRATOR FROM THE LIST OF REMAINING NAMES. IN NO EVENT IS THE ARBITRATOR AUTHORIZED OR EMPOWERED TO AWARD PUNITIVE OR CONSEQUENTIAL DAMAGES OR DAMAGES IN EXCESS OF ACTUAL DIRECT DAMAGES. THE ARBITRATION AWARD SHALL BE IN WRITING AND SHALL SPECIFY THE FACTUAL AND LEGAL BASIS FOR THE AWARD. UNLESS OTHERWISE AWARDED BY THE ARBITRATOR, THE COST OF THE ARBITRATION WILL BE SPLIT EQUALLY BETWEEN (A) ECD AND ITS AFFILIATES AND (B) CTTV AND ITS AFFILIATES. JUDGMENT UPON ANY AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT WITH JURISDICTION. THE PREVAILING PARTY SHALL BE ENTITLED TO REASONABLE ATTORNEYS' FEES IN ANY COURT PROCEEDING RELATING TO THE ENFORCEMENT OR COLLECTION OF ANY AWARD OR JUDGMENT RENDERED BY THE ARBITRATOR UNDER THIS AGREEMENT. TO THE EXTENT ANY ISSUE RELATING TO THE ARBITRATION IS NOT OTHERWISE COVERED BY THE CHOICE OF LAW PROVISIONS OF THIS AGREEMENT OR THE APPLICABLE AAA RULES, THE LAW OF THE STATE OF TEXAS SHALL GOVERN SUCH ISSUE.

3. Notwithstanding any of the foregoing, any party may request injunctive relief and/or equitable relief from the Arbitrator or the court in order to protect the rights or property of such party pending the resolution of the Dispute as provided hereunder.

EXHIBIT C
TO AMENDED AND RESTATED OPERATING AGREEMENT

REDUCED FUNDING GUIDELINES

The President will cause spending to be reduced as follows when an event has occurred that requires the Company to follow "Reduced Funding Guidelines", unless the Management Committee grants specific permission for a variance:

- No purchase orders for new capital assets or real property shall be issued.

- All purchases of materials, supplies, outside services, etc. will be minimized or eliminated, as appropriate, including the elimination of non-essential expenditures.

- Out-of-pocket expenses will be minimized or eliminated, as appropriate, including the elimination of non-essential expenditures_

- No new employees will be hired. Current employees will be retained but non-essential overtime will be eliminated.

- No leases for facilities or equipment will be entered into and no debt will be incurred.

The guidelines above shall apply to all expenditures in connection with the Company's operations.