

A G R E E M E N T

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THIS AGREEMENT, made and entered into as of this 2^d day of November, 1960, by and between Crane Co., an Illinois corporation with an office in Chicago, Illinois, (hereinafter called Crane), and Cochrane Corporation, a Pennsylvania corporation with an office in Philadelphia, Pennsylvania, (hereinafter called Cochrane, WITNESSETH:

WHEREAS, Cochrane desires to sell to Crane and Crane desires to purchase from Cochrane certain of the assets of Cochrane;

NOW, THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth, the parties hereto mutually agree as follows:

1. Subject to the terms and to the fulfillment of the conditions hereinafter contained, Cochrane agrees to sell to Crane or a wholly owned subsidiary of Crane, and Crane or its wholly owned subsidiary agrees to buy from Cochrane; (wherever Crane is hereinafter used it shall mean either Crane or a wholly owned subsidiary of Crane):

(a) All of the inventories of Cochrane reflected on its books and records at March 31, 1960 subject to changes in the usual and ordinary course of business between that date and the date of closing. Cochrane

shall determine the value of its inventories at the date of closing which value will be examined by Arthur Andersen & Co., its regularly employed Certified Public Accountants and Crane shall have the option on its part to have Crane's personnel assigned to observe the practices followed in the taking and pricing of such inventory.

Upon the completion and taking of such inventory, Arthur Andersen & Co. will submit to Cochrane and to Crane their opinion in the form attached hereto as Exhibit H.

On the date of the closing Crane shall pay to Cochrane on account of the said inventories the sum of \$2,000,000 and will pay the balance due Cochrane as shown by the opinion of Arthur Andersen & Co. in cash promptly following the receipt of such opinion but in no event later than January 31, 1961. In the event that the aggregate amount to be paid for such inventories is less than \$2,000,000, Cochrane shall refund promptly to Crane the difference between the price to be so paid and \$2,000,000.

Crane shall be entitled to a credit from the amount due Cochrane for its inventories for any

advance payments or progress payments actually received by Cochrane as of the date of the closing. In addition, Cochrane agrees that if any advance or progress payments have been billed by Cochrane and not received on the date of the closing, Cochrane will assign such billing to Crane at the closing and Crane will be entitled to collect and retain for its own account the amount of such billings.

(b) All patents and trademarks and applications therefor, engineering drawings, patterns and lists of customers of Cochrane, Crane to pay therefor on the date of the closing the sum of \$1.00.

(c) Plant and equipment including land, buildings, machinery and equipment, etc., Crane to pay therefor to Cochrane the sum of \$635,000 less depreciation in accordance with Cochrane's past practices from June 30, 1960 to the date of the closing plus any capital improvements but in no event shall Crane be obligated to pay in excess of

\$650,000 for these assets.

(d) All of the outstanding stock of Cochrane's two subsidiaries, namely, Cochrane Engineering Corporation (Engineering), an Illinois corporation with an office in Chicago, Illinois, and Cochrane Water Conditioning Limited (Conditioning), a Canadian Dominion corporation with a place of business in Toronto, Canada, Crane to pay therefor the book value as of June 30, 1960 as set forth on Exhibits C and D attached hereto less any dividends or distribution of capital, surplus or profits which shall have been paid and/or declared to the date of closing, plus or minus any profit or losses with depreciation being computed in accordance with the past practices of Cochrane. In the event the aggregate of the book values determined in accordance with the foregoing produces a minus figure, such figure shall on a prorata basis be deducted from the amounts due from Crane to Cochrane under (a) and (c) above. Crane shall pay therefor at the date of closing the book value as of October 31, 1960 less any dividends or distribution of capital, surplus or profits which shall have been

declared and not paid or less any such items which is Cochrane's intention to distribute, pay or declare during November of 1960. Following the closing and on or before December 21, 1960, the book value of the two subsidiaries as above described as of November 30, 1960 shall be determined and Crane shall immediately pay to Cochrane any remaining balance due thereon and Cochrane shall immediately reimburse Crane for any overpayment with respect to such book values. As of the date of the closing Crane shall also pay to Cochrane the amount of any net intercompany receivables due Cochrane from its two subsidiaries.

(e) All other remaining assets of Cochrane of whatsoever kind, nature or description and where-soever situated including but not limited to Cochrane's investment in a French company, except as follows:

- (i) Cash on hand and in banks.
- (ii) Receivables (including but not limited to the Mexican notes and any and all royalties irrespective of when paid arising out of any business trans-acted by Cochrane's Mexican, French,

Italian, Swedish or New Zealand licensees prior to January 1, 1961 or by Conditioning or Engineering prior to December 1, 1960, and any amounts due on contracts which have been completed at the date of closing but under the terms of which certain amounts are withheld until after the closing).

(iii) Any unbilled charges against customers.

(iv) Life insurance policies, corporate charter, seals, minute books, stock books, stock ledgers and books of account.

Crane to pay therefor on the date of closing the sum of \$1.00.

2. At the date of the closing, real estate and personal property taxes and assessments for the year 1960, insurance, utility charges, employee compensation (including without limitation salaries, wages, bonuses and vacation pay for wage earners), rentals and similar charges shall be prorated. At the date of the closing, Crane shall reimburse Cochrane the amounts of prepayments on any service or operating contracts, prepaid advertising, prepaid amounts in the postal meter, freight, deposit for the gas account at Pottstown,

special deposits, travel advances, United Airlines' deposit, deposits with bids and any other appropriate deferred charges (except for any life insurance policies) as such appear in accordance with generally accepted accounting principles on the balance sheet of Cochrane.

In the event Crane cancels the insurance policies Cochrane will be entitled to receive from Crane the difference between what it is entitled to receive from the insurance companies on the policies cancelled and the amount it would have been entitled to if the premiums for the insurance policies had been prorated.

3. Concurrently with the purchase of the foregoing assets, Crane will assume and take over and perform in accordance with their terms, all outstanding purchase contracts, sales contracts, leases, license agreements, agreements with sales agents, Union contracts and other outstanding operating and service contracts of Cochrane as entered into by Cochrane in the usual and ordinary course of business. If required to assume any such contracts in writing Crane will so assume. If any such sales contracts shall be non-assignable by law or contract or in the event that the other party to any such contract shall not consent to the assignment thereof, then, and in such event, Crane shall complete any such contract for or on behalf of Cochrane and receive from Cochrane as payment therefor the net amount due of the price for which Cochrane shall have agreed to perform the contract. Except as provided under the

provisions of paragraph 11 hereof, Crane shall assume and be liable for performance guarantees and warranty of products sold by Cochrane prior to the date of the closing.

4. Unless otherwise mutually agreed upon, the closing shall be held commencing at 11:00 A.M. on December 2, 1960 at the offices of Cochrane in the city of Philadelphia, effective as of the close of business on November 30, 1960.

5. Cochrane warrants and represents, and all of which warranties and representations shall be true at the time of and shall survive the closing, that:

(a) It is a corporation duly organized and existing under the laws of Pennsylvania and is now and will be on the date of closing in good standing in Pennsylvania and will prior to the date of closing give to Crane a list of the other states where it is qualified to do business.

(b) Its two subsidiaries, Engineering and Conditioning, are respectively duly organized and existing under the laws of Illinois and the Dominion of Canada and are respectively duly qualified to do business in Illinois and the Dominion of Canada and are now and shall be on

the date of closing in good standing in every jurisdiction in which the nature of their business makes such qualification necessary.

(c) The consolidated financial statements of Cochrane for the fiscal year ended March 31, 1960 attached hereto as Exhibit A and the three months statement ended June 30, 1960 for Cochrane and the separate statements for its subsidiaries, Engineering and Conditioning, for the three months ended June 30, 1960 attached hereto respectively as Exhibits B, C and D constitute substantially true and correct statements as of such dates of the financial condition of Cochrane and of its assets, liabilities and income, with the same being true of its two subsidiaries, all prepared in accordance with generally accepted accounting principles.

(d) It has and will have at the time of closing, good and marketable title to all of the properties and assets to be so transferred and sold to Crane hereunder, free and clear of any and all liens and encumbrances or restrictions, except current taxes and assessments due and payable after the date of

closing and easements and restrictions of record affecting real property and objections and exceptions to title as shown on Cochrane's title insurance policies, all as set forth on Exhibit E attached hereto.

(e) Its two subsidiaries, Engineering and Conditioning, will have at the time of closing good and marketable title to all of their properties and assets free and clear of any and all liens and encumbrances or restrictions, except liabilities appearing on the balance sheets, current taxes and assessments due and payable after the date of closing and easements and restrictions of record and other title objections or exceptions affecting real property at the time of acquisition by Engineering or Conditioning.

(f) Engineering will at the time of closing have no known undisclosed liability for re-negotiation nor any liability under sales contracts for price redetermination.

(g) There is not now nor will there be on the date of closing any litigation, proceeding or controversy pending, or, to the knowledge of

Cochrane threatened, against its two subsidiaries nor are its two subsidiaries now, nor will they be at the time of closing in default with respect to any judgment, order, writ, injunction, decree, rule or regulation of any court or administrative agency.

(h) Cochrane's and its two subsidiaries' affairs have been and will be conducted from June 30, 1960 to the date of closing, in accordance with good business practices, and they have not sold, purchased, incurred or entered into, nor will they sell, purchase, incur or enter into, any contract, lease or other agreement affecting any of the assets or liabilities to be transferred to or assumed by Crane hereunder except in the ordinary course of business. In this connection, Cochrane further warrants and represents that between the date of the execution of this Agreement and the closing date, it and its two subsidiaries will not accelerate delivery on any sales and purchase orders and that on the closing date the only changes in backlog of customers and inventories will be due to the normal course of business.

(i) Except as set forth on Exhibit F attached hereto, none of the agreements or contracts to be assumed, taken over and performed by Crane by virtue of the provisions of numbered paragraph three hereof, are or will be on the date of closing, "long term" (long term being defined as more than one year), nor will any of the sales contracts to be so assumed, taken over and performed by Crane be subject to price redetermination.

(j) It or its subsidiaries do not have, nor will they have, at the time of closing, any pension plans for either their hourly or salaried employees or any undisclosed liability for any such pensions except for the pension plans agreed to in the last Union contracts negotiated covering hourly employees only and that with respect to these plans there will be deposited with the trustee on the date of closing the amount of \$15,000. Cochrane has computed this amount by adding to normal costs of the plans commencing April 15, 1960 an amount necessary to amortize the past service cost over a period of 30 years including interest at 3% per annum on the un-amortized balance.

(k) The sales contracts to be assumed, taken over or performed by Crane pursuant to the provisions of this Agreement which shall be entered into following the execution of this Agreement shall not require Crane to produce and deliver merchandise in the aggregate at prices less than cost excluding any allocable part of general and administrative expenses, all calculated in accordance with generally accepted accounting principles consistent with those heretofore applied by Cochrane and its two subsidiaries.

(1) Its two subsidiaries, Engineering and Conditioning, have filed with the appropriate governmental agencies all tax returns required to be filed by them. Engineering's Federal income tax returns have either been examined by the Internal Revenue Service and settled or no waivers of statutes of limitations have been executed or given by Engineering for the years to and including the year ended March 31, 1959 and there are no unpaid proposed assessments of Federal income tax pending against Engineering for said years. Engineering's Federal income tax returns for the years since

March 31, 1959 have been filed as required and have been prepared on the same basis as that upon which the return for the year ended March 31, 1959 was cleared and settled. All liability for taxes shown on Federal and State tax returns filed have been paid or the liability therefor has been provided for in the attached Exhibits A and C and all Federal and State income or franchise taxes for the period subsequent to the periods covered by said returns likewise have been paid or fully accrued.

Conditioning's income tax returns and statements up to and including the fiscal year ended March 31, 1958 have been audited by the Federal authorities and no reassessment notice has been received with respect to the fiscal year ended March 31, 1958 or with respect to each of the years prior thereto; in addition, Conditioning's income tax returns and statements with respect to the years following March 31, 1958 have been prepared in accordance with the same accounting principles and practices employed in former years, and there is no reason to anticipate any further taxes as being due

for such year or prior years. All liability for taxes on Federal income tax returns filed have been paid or the liability therefor has been provided in the attached Exhibits A and D and all Federal and other taxes due up to March 31, 1960 have either been paid or fully accrued. All installments of taxes due prior to the closing date have been or will be paid on their due date.

(m) The stock of its two subsidiaries, Engineering and Conditioning, has been lawfully issued, is fully paid and nonassessable, is free and clear of any liens, encumbrances, equities and restrictions and that Cochrane has the legal right to sell and transfer all outstanding shares of such subsidiaries.

In the event of a breach of any of the foregoing representations and warranties, Crane shall be entitled to adjustment in the contract price in the amount of the loss to Crane. No breach shall relieve Crane of its contract obligations hereunder.

6. The consummation of this transaction shall be subject to the fulfillment on or prior to the date of closing, of the following conditions, which are in addition to any other conditions set forth herein:

(a) Cochrane shall execute and deliver such instruments of assignment and transfer and other documents as may be deemed reasonably necessary and advisable by counsel for Crane to fully vest in Crane good title to all of the assets to be purchased hereunder except that as to real estate the instruments of title shall be deeds of special warranty.

(b) That the certificates representing the stock of its two subsidiaries, namely, Engineering and Conditioning, will be deposited with Crane at the time of closing in such form as to enable the shares of stock represented thereby to be transferred to Crane on the stock transfer books of Engineering and Conditioning with any appropriate documentary stamps affixed and cancelled.

(c) The consent of Cochrane ~~to the use by~~ Crane of the trade name "Cochrane Corporation", or any part thereof as a subsidiary or as a division of Crane, Cochrane hereby agreeing that immediately after the date of closing, it will cause its name to be changed to a name not similar to or identified with its present name, and that

for a period of seven years from and after the date of closing, it will not engage in any business competitive with Cochrane's present business within the Dominion of Canada and the continental limits of the United States of America, excluding the states of Idaho, North Dakota and South Dakota.

(d) There shall have been no adverse changes in the conditions, financial, business or otherwise, of Cochrane or its two subsidiaries from June 30, 1960 and until the time of closing, except for changes resulting from operations in the usual and ordinary course of their businesses and between such dates the businesses and assets of Cochrane and its two subsidiaries to be acquired by Crane hereunder shall not have been adversely affected as a result of any fire, explosion, earthquake, flood, accident, strike, lock-out, combination of workmen, taking over of any such assets by any government authorities, riot, activities of armed forces, or acts of God or of the public enemies. In the event any one or more of the acts of God described in detail above

is covered by insurance where Crane would be entitled to the proceeds the occurrence of such an act will not be a condition.

(e) Cochrane and its two subsidiaries shall maintain in full force and effect until the time of closing, existing insurance policies to cover and protect against loss or damage the assets to be purchased by Crane hereunder, and Cochrane agrees that it will cause the "loss payable clause" in each policy covering plant, building, offices and their contents to be amended immediately so that the proceeds of any such policies shall be paid in the event of loss or damage as the interest of Cochrane and Crane may appear. If the closing is not held as set forth in this Agreement and is not mutually postponed to a further date, Crane agrees that its name may be removed from such policies.

(f) In the event that any sums which Cochrane and its two subsidiaries have paid for Workmen's Compensation and Unemployment Compensation and its experience ratings therefor can

be assigned to or for the benefit of Crane,
then on the date of closing, Cochrane shall
execute and deliver such documents and there-
after do such other things as may be deemed
reasonably necessary and advisable by counsel
for Crane to effect such transfer.

7. Cochrane will use its best efforts to obtain the written consent, if required, of any lessor before the date of the closing to the assignment of any leases to be taken over and performed by Crane by virtue of the provisions of paragraph three hereof. Crane shall only be liable for such leases where such written consent is obtained.

8. During the period from and after the date of closing and through March 31, 1961, Crane shall receive and hold as trustee for the account of Cochrane payments on all receivables defined on pages five and six which have not been paid prior to the date of closing and for which Cochrane is not paid directly. During this entire period Crane will deposit daily in Cochrane's account in the bank and the account to be designated by Cochrane the amounts received by Crane for Cochrane's receivables as above described giving to Cochrane a duplicate copy of the deposit slip as the deposits are made. Nothing

contained herein shall be construed as placing any obligation on Crane to collect for Cochrane any such trade accounts, but Crane will follow Cochrane's past practices in effecting the collection of such accounts receivable. Any accounts which have not been duly paid by March 31, 1961 will be turned over completely and unconditionally to Cochrane for collection. During this same period of time Crane will, in accordance with Cochrane's past practices, process Cochrane's accounts payable which are obligations of Cochrane.

9. Following the execution of this Agreement, Cochrane will permit Crane, through its authorized representatives, at all reasonable times, to have access to and examine the properties and financial and corporate records of Cochrane and its two subsidiaries, but any examination so made shall not affect the aforesaid continuing representations and warranties of Cochrane.

10. Crane warrants and represents that it has done nothing nor dealt with any broker which in any respect would require Cochrane to pay any broker's or finder's fees or commissions with respect to the matters provided for in this Agreement. Cochrane warrants and represents that it has done nothing nor dealt with any broker which in any respect would require Crane to pay any broker's or finder's fees or commissions with respect to the matters provided for in this Agreement. Except for the Federal documentary stamps, the cost of any real estate transfer taxes shall be divided equally between Crane and Cochrane.

11. As of the date of the closing Cochrane will accrue a reserve on its books for liability under its performance guarantees and warranties of products, such reserve to be computed in accordance with Cochrane's past practices of accruing such a reserve annually on its books. To the extent of this reserve and only to that extent, Cochrane will reimburse Crane for materials and labor expended where Crane services products sold by Cochrane before the closing and where under the performance guarantee or warranty of product in question Cochrane would have been required to so service the product if this Agreement had not been consummated. Crane agrees to notify Cochrane prior to rendering any such services and to obtain wherever possible Cochrane's written approval before rendering such services.

12. Crane further agrees that it will continue the voluntary payment for their respective lifetime to the ten former employees of Cochrane listed on Exhibit G attached hereto in the monthly amount set forth opposite their respective names; said Exhibit also setting forth the respective ages of such employees.

13. On or prior to the time of closing Cochrane will cause its pension plans for its wage earners and any trust agreements or any group annuity contract pertaining to such plans to be amended in a manner satisfactory to counsel for Crane so that from and after the date of closing the Board of Directors of Crane shall have the

same power to appoint and remove trustees and members of pension boards serving thereunder and to exercise all such rights of amendment, suspension and termination as are reserved to Cochrane in such plans, trust agreements or annuity contracts and otherwise to act with respect to such plans, trust agreements or annuity contracts to such degree as may be permissible as though Crane rather than Cochrane had been a party thereto in the first instance.

14. Cochrane covenants that not later than the closing date the present Directors and Officers of Engineering and Conditioning will lodge with the company for delivery to Crane their written resignations as Directors and Officers to take effect on acceptance and that each of the Directors will cooperate in the necessary proceedings for the appointment of new Directors and Officers to replace those so resigning and Cochrane undertakes that on or before the closing date it will cause such Directors' meetings to be held as may be necessary to validly transfer the said shares sold into the name of Crane or its nominee and otherwise to effectuate the purpose of this Agreement.

15. Cochrane agrees that following the closing, it will, from time to time, upon reasonable request of Crane, execute, acknowledge and deliver in proper form any instruments of further assurance necessary or desirable for perfecting in Crane its successor or assign, as the case may be, title to the properties,

assets and rights intended to be purchased by Crane according to the provisions of this Agreement.

16. The obligations of Cochrane under this Agreement are expressly conditioned upon the ratification of the execution hereof and the approval of the transfer of its assets as aforesaid, by the affirmative vote of the respective holders of at least 51% of the outstanding shares of capital stock of Cochrane entitled to vote at a meeting to be held on or before November 18, 1960 called for the purpose of approving this Agreement. Promptly following the execution hereof, Cochrane will take appropriate steps to propose and submit the said matters to and obtain such vote of the holders of its capital stock at meetings to be called and held as provided by law.

17. In addition to any of the other conditions herein, the obligations of Crane hereunder are expressly conditioned upon the Board of Directors of Cochrane authorizing the execution of this Agreement and calling a special meeting of the holders of the capital stock of Cochrane to be held on or before November 18, 1960 for the purpose specified in numbered paragraph sixteen and upon the required affirmative vote of said capital stock being obtained at said special meeting.

18. Cochrane has requested Crane to waive the requirements of any Bulk Sales Laws and Crane has acceded to this request.

Cochrane will indemnify and hold Crane harmless against all claims made by creditors of Cochrane's except as to such claims Crane has assumed or agrees to assume hereunder.

19. From the date of closing Crane, at the written direction of Cochrane, will have Cochrane's name endorsed on Crane's product liability insurance for such amount or amounts and for such period of time not exceeding six years as Cochrane in writing shall direct Crane. Any additional premium occasioned by having Cochrane's name added to Crane's product liability insurance policy or policies shall be reimbursed by Cochrane to Crane.

20. Following the closing Cochrane shall have the right to examine its books and records retained by Crane for valid purposes including but not limited to such matters as accounts receivable, accounts payable and income taxes. Any such examination shall take place on reasonable notice to Crane and during ordinary business hours.

21. In the event Crane acquires the assets described herein through a wholly owned subsidiary, Crane will guarantee performance of this contract and of any obligation of its subsidiary arising out of this contract including but not limited to any leases assigned to Crane's subsidiary.

22. This Agreement together with the matter annexed hereto and made a part hereof (constituting Exhibits A through H inclusive) constitutes the entire Agreement between the parties.

23. This Agreement is being entered into and closed in the state of Pennsylvania and shall be construed and enforced in accordance with the laws of such state.

24. This Agreement shall inure to the benefit of and be binding upon Cochrane and Crane, and their respective successors and assigns.

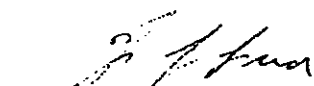
IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate as of the day and year first above written.

COCHRANE CORPORATION

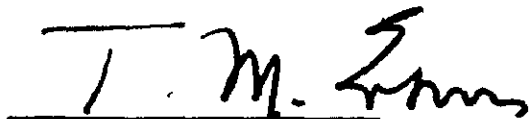
By: 

President

Attest:


Asst. Secretary

CRANE CO.

By: 

Chairman

COCHRANE CORPORATION AND SUBSIDIARIES

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CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 1960

TOGETHER WITH
AUDITORS' OPINION

ARTHUR ANDERSEN & CO.
1617 PENNSYLVANIA BOULEVARD
PHILADELPHIA 3

EXHIBIT "A"

ARTHUR ANDERSEN & CO.

1617 PENNSYLVANIA BOULEVARD
PHILADELPHIA 3

AUDITORS' OPINION . .

To the Board of Directors,

Cochrane Corporation:

We have examined the consolidated balance sheet of COCHRANE CORPORATION (a Pennsylvania corporation) and subsidiaries as of March 31, 1960, and the related statements of consolidated income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated income and retained earnings present fairly the financial position of Cochrane Corporation and subsidiaries as of March 31, 1960, and the results of their operations for the year then ended, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Arthur Andersen & Co.

Philadelphia, Pa.,
June 17, 1960

ASSETS

• CURRENT ASSETS:

Cash
Receivables (less reserves for bad
debts of \$66,832)
Inventories, at the lower of cost (principally
first-in, first-out) or market
Prepaid insurance, etc.

Total current assets

OTHER ASSETS:

Noncurrent receivables
Cash surrender value of life insurance

\$ 84,2
40,5

PLANT AND EQUIPMENT, At cost:

Land
Buildings
Machinery and equipment, etc.

\$ 55,
479,
1,047,

\$1,581,
900,

Less- Accumulated depreciation

The accompanying

CORPORATION AND SUBSIDIARIES

BALANCE SHEET -- MARCH 31, 1960

LIABILITIES AND STOCKHOLDERS' CAPITAL

CURRENT LIABILITIES:			
1,907	Current portion of long-term debt	\$	82
	Notes payable to banks		600
6,096	Accounts payable		558
	Progress billings, net of related costs of \$65,493		108
5,642	Accrued expenses		354
6,274	Accrued income taxes		49
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9,919	Total current liabilities		\$1,752
LONG-TERM DEBT (Note 1), Net of current portion shown above:			
	4-1/2% serial notes payable, due in annual installments of \$80,000 on October 1, 1961 and 1962	\$	160,000
	Mortgage payable, due in installments to 1969		24,000 184

4,840	STOCKHOLDERS' CAPITAL:		
	Capital stock-		
	6% cumulative preferred, par value \$100 per share		
	Authorized 5,000 shares, issued and outstanding 2,370 shares	\$	237,000
	Common, par value \$10 per share		
	Authorized and issued 10,500 shares, including 1,500 shares in treasury shown below		105,000

		\$	342,000
	Retained earnings (\$1,741,806 restricted -- Note 1)		2,517,688

		\$2,859,688	
	Less- 1,500 shares of common stock in treasury, at cost		140,000 2,719,
1,481			-----
5,240			\$4,656,
=====			=====

: an integral part of this balance sheet.

COCHRANE CORPORATION AND SUBSIDIARIES

CONSOLIDATED INCOME

FOR THE YEAR ENDED MARCH 31, 1960

REVENUES:		
Net sales		\$ 7,944,53
Commissions and royalties		105,40

Total revenues		\$ 8,049,94
COST OF SALES		
		5,570,73

Gross income		\$ 2,479,20
SELLING AND ADMINISTRATIVE EXPENSES:		
Commissions	\$ 572,158	
Other (see accompanying schedule)	<u>1,794,346</u>	2,366,50

Operating income, after deducting provisions for depreciation of \$119,973		\$ 112,70
OTHER DEDUCTIONS -- Net:		
Interest	\$ 46,087	
Less- Purchase discounts, etc. (net)	<u>39,330</u>	6,75

Income before income taxes		\$ 105,94
FEDERAL, STATE AND FOREIGN INCOME TAXES		
		63,00

Net income		\$ 42,94
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The accompanying notes are an integral part of this statement.

COCHRANE CORPORATION AND SUBSIDIARIES

CONSOLIDATED OTHER SELLING AND ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED MARCH 31, 1960

Salaries, wages, etc.	\$1,032,573
Advertising	72,644
Travel	181,558
Insurance	58,345
Telephone, telegraph and postage	94,049
Supplies	78,236
Policy allowances, guaranty and warranties	45,589
Depreciation	15,543
Professional expenses	25,550
Pay roll taxes	26,580
Other taxes	13,384
Rentals	49,905
Dues, subscriptions and contributions	12,211
Maintenance, repairs and defective material	8,959
Miscellaneous and departmental transfers -- net	79,220

	\$1,794,346
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COCHRANE CORPORATION AND SUBSIDIARIES

CONSOLIDATED RETAINED EARNINGS

FOR THE YEAR ENDED MARCH 31, 1960

BALANCE, MARCH 31, 1959	\$2,488,96
ADD- Net income for the year	42,94

	\$2,531,90
DEDUCT- Cash dividends paid or payable on preferred stock (\$6.00 per share)	14,22

BALANCE, MARCH 31, 1960 (\$1,741,806 restricted -- Note 1)	\$2,517,68
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The accompanying notes are an integral
part of this statement.

COCHRANE CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1960

- (1) Under certain provisions of the 4-1/2% serial notes payable agreement, retained earnings as of March 31, 1960, of \$1,741,806 are restricted as to cash dividends or any other cash distributions to the stockholders. Other provisions of the note agreement, among other things, limit the amount of indebtedness which may be incurred by the Company and its subsidiaries, prohibit certain liens or encumbrances on plant and equipment and other assets, and require that consolidated net current assets be maintained at not less than \$1,400,000.
- (2) Pursuant to the terms of new three-year union contracts negotiated late in 1959, the Company, in April and May, 1960, entered into agreements providing separate noncontributory pension plans for the benefit of employees included in the bargaining units. Under these pension agreements, the Company is required to contribute to pension trust funds annually, such amounts as shall be required to maintain the plans on a sound actuarial basis in accordance with Internal Revenue Regulations. The agreements and plans are effective as of October 16 and November 1, 1959, subject to being approved as qualified under appropriate sections of the Internal Revenue Code, which approval has not yet been obtained. The Company estimates that its past service costs under these plans would aggregate approximately \$250,000. Actuarial studies are presently being made to more accurately determine the future annual cost to the Company. The Company has not yet selected the period over which the past service costs will be funded. The Company estimates the costs applicable to the period from the effective dates of the plans to March 31, 1960, would be negligible and, accordingly, no provision therefor has been made in the accompanying financial statements.

COCHRANE CORPORATION AND SUBSIDIARIES

CONSOLIDATED SOURCE AND DISPOSITION OF WORKING CAPITAL

FOR THE YEAR ENDED MARCH 31, 1960

WORKING CAPITAL WAS PROVIDED BY:

Net income		\$ 42,945
Add (deduct)- Income transactions not affecting working capital-		
Depreciation	\$ 119,973	
Increase in cash surrender value of life insurance	(8,772)	111,201

Working capital provided by operations		\$ 154,146
Decrease in noncurrent receivables		22,395

Total working capital provided		\$ 176,541

WORKING CAPITAL WAS EXPENDED FOR:

Cash dividends	\$ 14,220
Reduction of long-term debt	82,250
Net additions to plant and equipment	80,744

Total working capital expended	\$ 177,214

RESULTING IN A DECREASE IN WORKING CAPITAL OF

\$ 673
=====

THE DECREASE IN WORKING CAPITAL IS
REPRESENTED BY THE FOLLOWING CHANGES:

	March 31,		Increase (Decrease)
	1960	1959	
Current assets-			
Cash	\$ 131,907	\$ 352,219	\$ (220,312)
Receivables -- net	1,386,096	1,173,142	212,954
Inventories	2,275,642	2,084,024	191,618
Prepaid insurance, etc.	56,274	55,556	718
	-----	-----	-----
	\$3,849,919	\$3,664,941	\$ 184,978
	-----	-----	-----
Current liabilities-			
Current portion of long-term debt	\$ 83,000	\$ 83,000	\$ -
Notes payable to banks	600,000	500,000	100,000
Accounts payable	558,234	389,424	168,810
Progress billings -- net	108,135	104,613	3,522
Accrued expenses	354,133	310,837	43,296
Accrued income taxes	49,050	179,027	(129,977)
	-----	-----	-----
	\$1,752,552	\$1,566,901	\$ 185,651
	-----	-----	-----
Working capital	\$2,097,367	\$2,098,040	\$ (673)
	=====	=====	=====

COCHRANE CORPORATION

Statement of Income

	One Month Ended June 30, 1960	Percent of Net Sales	Three Months Ended June 30, 1960	Percent of Net Sales
Operating Revenues				
Sales, less returns and allowances	\$ 775,753		\$1,911,834	
Foreign license fees	816		8,896	
Total	<u>776,569</u>	<u>100.0%</u>	<u>1,920,730</u>	<u>100.0</u>
Cost of Goods Sold	<u>507,173</u>	<u>65.3</u>	<u>1,338,184</u>	<u>69.7</u>
Gross Income	<u>269,396</u>	<u>34.7</u>	<u>582,546</u>	<u>30.3</u>
Selling and Administrative Expense				
Commissions	82,919	10.7	189,314	9.8
Selling expense	85,350	11.0	229,107	11.9
Administrative expense	44,130	5.7	128,458	6.7
Total	<u>212,399</u>	<u>27.4</u>	<u>546,879</u>	<u>28.4</u>
Operating Income	<u>56,997</u>	<u>7.3</u>	<u>35,667</u>	<u>1.8</u>
Other Expense (Net)				
Interest expense	4,421	.5	12,003	.6
Less: Purchase discounts, etc.	<u>1,530</u>	<u>.2</u>	<u>5,066</u>	<u>.3</u>
Total	<u>2,891</u>	<u>.3</u>	<u>6,937</u>	<u>.4</u>
Income before Income Taxes	54,106	7.0	28,730	1.4
Federal, State and Foreign Income Taxes	<u>24,500</u>	<u>3.2</u>	<u>12,212</u>	<u>.6</u>
Net Income	<u>\$ 29,606</u>	<u>3.8%</u>	<u>\$ 16,518</u>	<u>.8</u>
Depreciation charges included in above figures	<u>\$ 9,159</u>		<u>\$ 26,969</u>	

COCHRANE ENGINEERING CORPORATION

Balance Sheet as of June 30, 1960

Assets		
Cash		\$ 2,123
Commissions Receivable		
Cochrane Corporation	\$ 24,995	
Copes-Vulcan Division	5,354	
Aerotec Industries	<u>6,024</u>	36,373
Accounts Receivable		
Federal Income Tax	2,389	
Travel Advances	766	
Other	<u>166</u>	3,321
Furniture and Office Machines	10,308	
Less reserve for depreciation	<u>9,575</u>	<u>733</u>
Total Assets		<u>\$ 42,550</u>
Liabilities		
Accounts Payable		\$ 1,173
Advances from Cochrane Corporation		23,000
Accrued Items		3,220
Capital Stock		5,000
Earned Surplus		
Balance as of March 31, 1960	\$ 13,822	
Net Loss, three months ended June 30, 1960	<u>(3,665)</u>	<u>10,157</u>
Total Liabilities		<u>\$ 42,550</u>

EXHIBIT "C"

COCHRANE ENGINEERING CORPORATION

Statement of Income

	One Month Ended <u>June 30, 1960</u>	Three Months Ended <u>June 30, 1960</u>
Income		
Commission Income		
Cochrane Corporation	\$ 13,295	\$ 19,588
Copes-Vulcan Division	1,108	4,427
Aerotec Industries	2,278	2,574
Cochrane Water Conditioning Limited	-	12
Service and Inspection		
Cochrane Corporation	1,342	2,790
Customers	-	577
Miscellaneous Income	-	-
Gross Income	<u>18,023</u>	<u>29,968</u>
Expenses		
Sales and Administration	7,106	21,642
Field Service	1,103	3,043
Milwaukee Office	<u>3,040</u>	<u>8,948</u>
Total Expenses	<u>11,249</u>	<u>33,633</u>
Income or (Loss) before Income Taxes	6,774	(3,665)
Federal Income Taxes	-	-
Net Income or (Loss)	<u>\$ 6,774</u>	<u>\$ (3,665)</u>

Balance S

ASSETS

Current Assets

Cash

\$ 63,859

Accounts Receivable

Trade

\$1,469,509

Other

29,588

Notes Receivable

32,182

1,531,279

Less allowance for losses in collection

59,185

1,472,094

Inventories

Work in process

752,716

Raw materials

1,383,847

2,136,563

Prepaid insurance and other prepaid items

50,362

Total Current Assets

3,722,873

Other Assets

Investments in and advances to subsidiaries

95,000

Noncurrent receivables

84,258

Cash surrender value - life insurance on employees

40,582

Fixed Assets

Land

46,108

Buildings

\$ 484,562

Machinery and equipment

1,005,581

1,490,143

Less allowance for depreciation

901,142589,001

605,109

\$4,577,527

EXHIBIT "B"

CORPORATION

as of June 30, 1960

LIABILITIES

Current Liabilities

Serial promissory note due October 1, 1960	\$	80,000
Mortgage payable		3,000
Notes payable - bank		600,000
Accounts payable		602,566
Payments received in advance		1,099
Dividends payable		3,555
Progress billings on long term contracts less related cost of \$291,058		63,033

Accrued Items

Salaries, wages, provisions for vacations	\$	68,441	
Commissions payable		151,666	
Royalties payable		8,175	
Employees wage deductions and payroll taxes		55,645	
Estimated costs to complete contracts billed		19,557	
Miscellaneous		<u>41,534</u>	345,018

Federal and state taxes on income		<u>30,548</u>
-----------------------------------	--	---------------

Total Current Liabilities 1,728,819

Serial promissory notes (\$80,000 due Oct. 1, 1960-62
less note due 1960 shown above) 160,000

Mortgage payable (\$750 due quarterly, 1960-69, less
current portion shown above) 23,250

Capital Stock

6% Cumulative Preferred, \$100 Par	
Authorized - 5,000 shares	
Issued and outstanding - 2,370 shares	237,000
Common, \$10 Par	
Authorized, issued and outstanding - 10,500 shares	<u>105,000</u>
	342,000

Earned Surplus

Balance at March 31, 1960	\$2,450,795	
Net income, three months ended June 30, 1960	<u>16,518</u>	
	2,467,313	
Deduct dividends declared	<u>3,555</u>	2,463,758
		<u>2,805,758</u>

Deduct

Common stock held in treasury, 1,500 shares at cost		<u>140,000</u>	2,665,758
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\$4,577,827

COCOA, WA

Balance She

ASSETS

Cash \$ 23,877

Accounts Receivable

Trade	\$218,673
Other	8,838
	<u>227,511</u>

Less allowance for losses in collection	<u>7,423</u>	220,088
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Inventory

Work in process	97,700
Raw materials	<u>11,571</u>
	109,271

Prepaid insurance and other prepaid items 5,286

Total Current Assets 363,522

Fixed Assets

Land		9,000
Machinery and equipment	\$ 2,944	
Furniture, fixtures and office equipment	27,872	
Leasehold improvements	<u>20,097</u>	
	50,913	

Less allowance for depreciation and amortization	<u>17,592</u>	<u>33,321</u>	42,321
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\$405,843

EXHIBIT "D"

COMPANIES LIMITED

of June 30, 1960

LIABILITIES

Accounts Payable		
Trade - Outside	\$149,883	
Trade - Cochrane (U.S. \$ 67,943)	66,338	
Progress billings (net of related cost of \$ 16,358)	<u>4,690</u>	\$220,911
Accrued Items		
Salaries, wages, etc.	3,138	
Accrued expenses	7,249	
Commissions payable	1,583	
Canadian Federal Sales Tax payable	291	
Estimated costs to complete contracts billed	8,250	
Royalties payable	<u>12,075</u>	32,586
Reserve for Federal and Provincial Income Taxes		3,615
Total Current Liabilities		<u>257,112</u>
Demand Notes Payable - Cochrane - Philadelphia (U.S. \$ 75,000)		73,878

CAPITAL AND SURPLUS

Capital Stock - without nominal or par value			
Authorized 50,000 shares			
Unissued <u>35,000</u> shares			
Issued 15,000 shares - paid in		15,000	
Earned Surplus			
Balance March 31, 1960	\$ 49,811		
Three Months operations ended June 30, 1960	<u>10,042</u>		
		<u>59,853</u>	
			74,853
			<u>\$405,843</u>

COCHRANE WATER CONDITIONING LIMITED

Statement of Income

	One Month Ended June 30, 1960	Percent of Net Sales	Three Months Ended June 30, 1960	Percent of Net Sales
Operating Revenue				
Sales, less returns and allowances	<u>\$143,872</u>	<u>100.0%</u>	<u>\$421,833</u>	<u>100.0%</u>
Cost of Goods Sold				
Material	86,627	60.3	276,124	65.5
Burden - handling	5,197	3.6	16,569	3.9
Engineering	6,839	4.8	17,174	4.1
Freight	2,358	1.6	10,032	2.4
Landing charges	2,994	2.1	7,794	1.8
Royalty	4,156	2.9	12,075	2.9
Additional cost of sales	(243)	(.2)	(234)	(.1)
Miscellaneous	10,700	7.4	10,700	2.5
Underabsorbed burden	<u>(2,432)</u>	<u>(1.7)</u>	<u>(4,542)</u>	<u>(1.1)</u>
	<u>116,196</u>	<u>80.8</u>	<u>345,693</u>	<u>81.9</u>
Gross Income	<u>27,676</u>	<u>19.2</u>	<u>76,140</u>	<u>18.1</u>
Selling and Administrative Expenses				
Commissions and trade discounts	1,954	1.3	10,135	2.4
Selling expenses, net of commissions earned	16,570	11.5	44,473	10.6
Administrative expenses	<u>3,034</u>	<u>2.1</u>	<u>9,231</u>	<u>2.2</u>
	<u>21,558</u>	<u>14.9</u>	<u>63,839</u>	<u>15.2</u>
Operating Income	<u>6,118</u>	<u>4.3</u>	<u>12,301</u>	<u>2.9</u>
Other Income, Net				
Purchase discounts, etc.	99		468	
Foreign and local exchange	<u>36</u>		<u>773</u>	
	<u>135</u>	<u>.1</u>	<u>1,241</u>	<u>.3</u>
Income before Income Taxes	6,253	4.4	13,542	3.2
Federal and Provincial Income Taxes	<u>1,500</u>	<u>1.1</u>	<u>3,500</u>	<u>.8</u>
Net Income	<u>\$ 4,753</u>	<u>3.3%</u>	<u>\$ 10,042</u>	<u>2.4%</u>
Depreciation included in above	<u>\$ 443</u>		<u>\$ 1,094</u>	

PARCEL 1

Parking Lot 17th and Clearfield Streets

Deed dated December 29, 1958, K & G Corporation to
Cochrane Corporation.

Title Objections: (From Commonwealth Title Co.
B 947726M)

1. Mortgage \$30,000.00 to K & G Corporation
dated December 29, 1958. - to be paid off by Cochrane at or before
the closing.
2. Easement of drain for drain under railroad.

PARCEL 2

17th and Lippincott (formerly Wishart) Streets
Main Plant

Deed dated October 11, 1945, recorded in Deed Book C.J.P.,
1036, page 141, Cochrane Corporation (old company) to H.S.B.
Corporation (name changed to Cochrane Corporation October 19,
1945, Certificate recorded, Liber Book J., 208, page 562,
Harrisburg).

Title Objections: (From Commonwealth Title Co.
#X33448 and #938565M)

1. Railroad siding extends across premises.
2. North half of bed of Clearfield Street
excepted.
3. Public sewer in 17th Street.
4. No record of sewer in Clearfield or
Lippincott Street.

EXHIBIT "E"

5. No record of sewer pipe in Clearfield Street.
6. Clearfield Street not paved; no sidewalk or curbing.
7. Clearfield Street not on City Plan; no record of opening.
8. Windows in southwest line overlook railroad.
9. Three foot alleys appurtenant to portions of premises physically non-existent.
10. Right of railroad to elevate or depress its tracks.

PARCEL 3

Former Pottstown Metal Products Co. Plant

Deed dated August 31, 1951, Pottstown Metal Products Co.
to Cochrane Corporation, recorded in Deed Book 2210, page 60.

Title Objections: (From Commonwealth Title Co.
#X159861M, Montgomery County
Trust Co. #11230, #22782)

1. Release, John Wambach to P & RR Co. dated April 4, 1835, recorded August 6, 1835, Miscellaneous Book 4, page 116.
2. Release, Daniel Yocum to P & RR Co. dated September 3, 1835, recorded September 5, 1835, Miscellaneous Book 4, page 126

3. Release, Bartholomew Wamback to P & RR Co. dated March 22, 1838, recorded March 23, 1838, Miscellaneous Book 4, page 414.

4. Right of Way, Catharine Amole to Philadelphia Suburban Gas and Electric Co. dated July 6, 1920, recorded March 24, 1921, Deed Book 830, page 552.

5. Portion of premises within bed of Grosstown Road subject to public and private rights.

6. Agreement, Daniel Davidheiser, et ux and Pa. Schuylkill Philadelphia Co. dated March 16, 1886, recorded in Deed Book 297, page 58.

7. Agreement, re: Farmers Fire Insurance Co. of York, right to occupy ground necessary for approach to overhead bridge as in Deed to Eastern Real Estate Company dated June 9, 1903, recorded in Deed Book 505, page 222.

8. Covenant re fence, per deed, Jacob Yerger, et ux to Pa. Schuylkill Valley Railroad Co., dated September 8, 1883, recorded in Deed Book 275, page 117.

9. Agreement per deed Pennsylvania Railroad Co. to Pottstown Metal Products Co. dated April 22, 1937, recorded in Deed Book 1236, page 275.

10. Proceedings re: alteration of grade crossing of Grosstown Road and the Pennsylvania Railroad Co. right of way.

11. Right of Way of Pennsylvania Pa. & R. Railroad Co. as recorded in Deed Book 501, page 150 and Deed Book 165, page 197.

12. Right of Way of Philadelphia Suburban Gas and Electric Company (from physical inspection).

13. Right of Way of National Transit Co. as recorded in Deed Book 44, page 69.

PARCEL 4

West of Grosstown Road

Deed Julia M. Hines to Cochrane Corp. dated October 8, 1953, recorded October 10, 1953 in Deed Book 2411, page 171.

Title Objections: (From Commonwealth Title Co. #X159861M)

1. Release, John Neiman to P & RR Co. dated April 4, 1835, recorded August 6, 1835 in Miscellaneous Book 4, page 109.

2. Release, Daniel Yocum to P & RR Co. dated September 3, 1835, recorded September 5, 1835 in Miscellaneous Book 4, page 126.

3. Agreement re erection and maintenance of fence, per deed, Rachael E. Reifsnyder to Pa. Schuylkill Valley Railroad Co. dated May 1, 1895, recorded in Deed Book 402, page 220.

4. Right of Way of Pennsylvania Pa. & R. Railroad Co. as recorded in Deed Book 501, page 150 and Deed Book 165, page 197.

5. Right of Way of Philadelphia Suburban Gas and Electric Company (from physical inspection).

6. Right of Way of National Transit Co. as recorded in Deed Book 44, page 69.

7. Proceedings re alteration of grade crossing of Grosstown Road and the Pennsylvania Railroad Co. right of way.

PARCEL 5

Selinger Tract (East of Grosstown Road)

Deed, Joseph A. Selinger, Jr. to Cochrane Corp. dated August 19, 1953, recorded in Deed Book 2398, page 359.

Title Objections: (From Commonwealth Title Co.
#X214851M)

1. Release, Daniel Yocum to Philadelphia and Reading Railroad Co. dated September 3, 1835, recorded in Miscellaneous Book 4, page 126.

2. Deed, Joseph A. Selinger, Jr. to Cochrane Corp. dated August 19, 1953, recorded in Deed Book 2398, page 359, re discharge of waste onto Selinger's remaining property.

PARCEL 6

Pennsylvania Railroad Co. tract west of center line of
Grosstown Road

Deed dated July 27, 1955, Pennsylvania Railroad Co. to
Cochrane Corp., recorded in Deed Book 2638, page 130.

Title Objections: (From Commonwealth Title Co.
#X244334)

1. Covenant in Deed Book 297, page 58
re maintenance of fence.
2. Covenant in Deed to Cochrane Corp.
re fence construction.

PARCEL 7

Borough of Pottstown Tract
West of Grosstown Road

Deed, Borough of Pottstown to Cochrane Corp. dated
, recorded Montgomery County in Deed Book 3051,
page 141, and Berks County in Deed Book 1351, page 584.

ALL PARCELS

The following Title Objections will be applicable to
all properties:

1. Subject to possible lien of corporate taxes.
2. Variation in location or dimension and other
objections and easements, which a survey for conveyance
purposes would disclose or which are visible on the ground.

EXHIBIT F

1. Union Contracts consisting of the following:
 - (a) Agreement between Cochrane Corporation and Local 165, I.U.E.R.M. ALF-CIO dated December 2, 1959.
 - (b) Agreement between Cochrane Corporation Copper-smithing Division and Sheetmetal Workers' International Association Local Union No. 82 dated December 3, 1959.
 - (c) Agreement between Cochrane Corporation and American Federation of Technical Engineers Local 3 AFL-CIO dated December 2, 1959.
 - (d) Agreement between Pottstown Metal Products Division of Cochrane Corporation and United Steel Workers of America, AFL-CIO, dated December 3, 1959.
2. Leases consisting of the following:
 - (a) New York office lease, 260 Madison Avenue, with 260 Madison Corporation, expiring April 30, 1965 at yearly rental of \$9,500 plus electricity.
 - (b) Milwaukee office lease at 2411 West Capital Drive, with Zeb Corporation expiring July 3, 1963 at yearly rental of \$1,200 plus electricity and cleaning.
 - (c) Minneapolis office lease at 4010 West 65th Street, with Southdale Management Company expiring July 31, 1963 at a monthly rental of \$117.
3. Sales Orders with deliveries extending beyond one year as follows:

See Exhibit F-1 attached.

EXHIBIT F (cont'd)

4. Equipment Leases as follows:

- (a) Thomas A. Edison, Inc. - 11 dictating and 3 transcribing machines for thirty-six months at \$223.12 per month.
- (b) Monroe Calculating Machine Co. - 2 calculators for thirty-six months at \$54.93 per month.
- (c) Pennsylvania Pump & Compressor Co. - air compressor and after cooler - P.M.P. P.O. 1-11291 dated September 2, 1960 at \$6,075.00., payable twenty-four equal monthly installments plus interest at 6%.
- (d) Sprinkler leases with Automatic Sprinkler Corporation dated June 15, 1956 for sprinkler systems at Philadelphia and Pottstown plants with requirement for yearly payment of \$100.00 per year each.

5. Licensing Agreements under which Cochrane is Licensee:

- (a) James H. Harlow, Agent, as Licensor, dated January 8, 1957 covering patents No. 2,773,829 and No. 2,773,830.
- (b) Illinois Water Treatment Co. as Licensor, dated January 1, 1958 covering patents No. 2,771,424 and No. 2,605,084 and Canadian patent No. 617,844.
- (c) Kuljian Corporation, as Licensor, dated November 15, 1957 covering patent applications No. 530,367 and No. 532,524.
- (d) The Permutit Company, as Licensor, dated January 1, 1953 covering patent No. 2,428,418, Canadian patent No. 450,605 and British patent No. 544,086.

(S) (U) (F) (M) (D) (C) (B) (A) (Z) (Y) (X) (W) (V) (U) (T) (S) (R) (Q) (P) (O) (N) (M) (L) (K) (J) (I) (H) (G) (F) (E) (D) (C) (B) (A)

EXHIBIT F (cont'd)

6. Licensing Agreements under which Cochrane is Licensor:

- (a) Recuperation Thermique & Epuration, Paris, France, as Licensee, evidenced by letters dated August 20, 1923, January 18, 1924, May 20, 1936 and February 16, 1939 from Cochrane.
- (b) Termomeccanica Italiana, La Spezia, Italy, as Licensee dated June 15, 1954 as modified September 15, 1954 and January 11, 1960.
- (c) Kockums Mekamska Verkstada Aktiebolag, Malmo, Sweden, as Licensee, dated December 30, 1954.
- (d) Babcock and Wilcox de Mexico, Mexico City, Mexico as Licensee, dated October 15, 1955 as supplemented October 15, 1955.
- (e) Cochrane Water Conditioning, Limited, Toronto, Canada as Licensee, dated April 1, 1957.

7. Pension Plan Agreements and Trusts as follows:

- (a) Pension Plan Agreement dated May 25, 1960 between Cochrane and Local No. 165, I.U.E.R.M.
- (b) Pension Plan Agreement dated April 25, 1960 between Cochrane and A.F.T.E. Local No. 3.
- (c) Pension Plan Agreement dated April 25, 1960 between Cochrane and S.W.I.A. Local No. 82.
- (d) Pension Plan Agreement dated April 25, 1960 between Cochrane and U.S. of A. Local No. 5080.
- (e) Pension Plan Trust Agreement dated May 27, 1960 between Cochrane and Girard Trust Corn Exchange Bank, as trustee.

Sales Orders Scheduled for Shipment After November 30, 1961

EXHIBIT F-1

	S.O.	Customer & User
	107-61	Customer: International General Electric Co. User: Commission Federal De Electricidad, Mexico
	1335-61	Northern Indiana Public Service Company
**	1815-61	Customer: Beloit Iron Works User: Orient Paper Mills, India
**	1816-61	Customer: Beloit Iron Works User: Orient Paper Mills, India
**	1817-61	Customer: Beloit Iron Works User: Orient Paper Mills, India
	1424-61	<i>Low Voltage Light & Power</i>
** No formal order received, entered on Letter of Intent		

37
38
39
40

Equipment	F/U	Schedule Date
1 - Heater	\$27,137	January 1962 not before
1 - Heater	27,137	Scheduled April 1961
1 - Heater	27,137	Scheduled July 1961
Water Treating Plant	\$89,471	February 1962
Flash Tank & Heat Exchanger	\$ 2,011	
Heater	\$29,714	
Water Treating Equipment	\$88,000	
<i>Ammonia</i>	<i>28,000</i>	<i>October 1961</i>

plc 10/28/60

EXHIBIT G

<u>Name</u>	<u>Age</u>	<u>Monthly Pension Allowance</u>
Walter G. Cook	80	\$ 84.00
Harold D. Elfreth	77	105.00
Jesse E. Harris	79	125.00
Maude McIlvaine Jennison (Estimated to be between 75-80)		45.50
Mary F. Irvin	67	84.00
Louis J. Poehler	85	43.00
John A. Strecker	77	84.00
Joseph J. Tapley	75	84.00
Fred S. Vandegrift	66	84.00
Joseph Oldknow *	75	84.00

* Still in Cochrane's employ. Will retire on the above pension at December 31, 1960.

AUDITORS' OPINION

To Cochrane Corporation
and Crane Co.

At your request we have examined the inventories of Cochrane Corporation (a Pennsylvania corporation) as of November 30, 1960. Our examination of the inventories was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the inventories of Cochrane Corporation as of November 30, 1960 were fairly stated at \$_____, determined in conformity with generally accepted accounting principles applied on a basis consistent with that applied by Cochrane Corporation in stating its inventories at March 31, 1960.

Exhibit H

ASSENT AND AGREEMENT

As an inducement to Crane Co. to execute the foregoing Agreement, the undersigned holders of shares of issued and outstanding capital stock of Cochrane Corporation, to the extent set opposite their respective signatures, hereby assent to the execution of the foregoing Agreement by Cochrane Corporation and represent and agree to and with Crane Co. that they, the undersigned holders, are, respectively, the owners or nominees of the shares of said capital stock of Cochrane Corporation as are set forth opposite their signatures below, that they are now and will be on the date of closing referred to in said Agreement, entitled to vote such shares without restriction, that they will cause Cochrane Corporation to call and hold the necessary meetings of its stockholders to vote upon the transfer of the assets of Cochrane Corporation and the change of its corporate name as provided in said Agreement, and that they will vote their said shares at such meetings to approve and ratify the execution of said Agreement and to approve and authorize such transfer of assets and change of corporate name.

IN WITNESS WHEREOF, the undersigned stockholders, in
r to irrevocably induce the execution of the fore-
g Agreement by Crane Co. on or before November 4,
, have hereunto set their hands and seals as of this
day of November, 1960.

NUMBER OF SHARES

2426 Fr

3 o c c.

• 477-625-6276. www.maryland.gov/education

ASSENT AND AGREEMENT

As an inducement to Crane Co. to execute the foregoing Agreement, the undersigned holders of shares of issued and outstanding capital stock of Cochrane Corporation, to the extent set opposite their respective signatures, hereby assent to the execution of the foregoing Agreement by Cochrane Corporation and represent and agree to and with Crane Co. that they, the undersigned holders, are, respectively, the owners or nominees of the shares of said capital stock of Cochrane Corporation as are set forth opposite their signatures below, that they are now and will be on the date of closing referred to in said Agreement, entitled to vote such shares without restriction, that they will cause Cochrane Corporation to call and hold the necessary meetings of its stockholders to vote upon the transfer of the assets of Cochrane Corporation and the change of its corporate name as provided in said Agreement, and that they will vote their said shares at such meetings to approve and ratify the execution of said Agreement and to approve and authorize such transfer of assets and change of corporate name.

This instrument may be executed in counterparts.

IN WITNESS WHEREOF, the undersigned stockholders, in order to irrevocably induce the execution of the foregoing Agreement by Crane Co. on or before November 4, 1960, have hereunto set their hands and seals as of this 2nd day of November, 1960.

<u>STOCKHOLDERS</u>	<u>NUMBER OF SHARES</u>
<u>McE...</u>	<u>3000</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

December 5, 1960

Mr. Allen M. Harvelson,
Treasurer and Chief Financial Officer
Crane Co.
155 North Wacker Drive
Chicago 6, Illinois

Re: Cochrane Corporation

Dear Allen:

This will serve as both a letter of transmittal of various closing documents received by me at the closing in connection with the above corporation held at the offices of Wolf, Block, Schorr and Solid-Schon in Philadelphia on Friday, December 2, 1960 and also as a summary for each of us as to what took place on that day and what matters are still pending:

General Bill of Sale and Assumption
(one fully executed copy and three
additional unexecuted copies) *87m2*

Agreement between Cochrane
Corporation, Crane Co. and Girard
Trust Corn Exchange Bank amending
the trust agreement with Girard
Trust Corn Exchange Bank (three
fully executed copies and one un-
executed copy) *87m2*

Amendment No. 1 to the Trust Agree-
ment dated May 27, 1960 entered into
pursuant to the four pension plans
Cochrane has (two fully executed
copies and four unexecuted copies) *87m2*

Receipt from Girard Trust Corn
Exchange Bank dated December 2, 1960
re \$19,000 deposit as contribution
to the pension trust (original only)

December 5, 1960

Winked up copies of title report made by Commonwealth Land Title Insurance Company, one dated October 28, 1960 and the second dated November 10, 1960 covering the properties deeded to us in Philadelphia and Pottstown at the closing (original copy of the two reports) -- when the deeds have been recorded, they will be turned over to me. *87ms*

Certificate signed by T. E. McBride to the effect that all the issued and outstanding common stock of Cochrane Engineering Corporation, an Illinois corporation, consists of 50 shares of common stock and all the issued and outstanding stock of Cochrane Water Conditioning Limited, a Canadian corporation, consists of 15,130 shares of capital stock.

Certificate No. 4 representing 14,997 shares of Cochrane Water Conditioning Limited, a Canadian corporation, and certificates numbered 7, 1 and 5 each representing one share of common stock in the same company. (These are being sent directly to Earl Cadwallader in Canada.) These are all in order to be transferred on the books of the company to Crane Co. or Crane Limited as may be felt desirable with the exception of the three one share certificates where the name has not been guaranteed by a national bank. These represent qualifying shares for directors and if there is any problem, I have been assured that Cochrane will take steps to have the signatures guaranteed. *Canada*

Trademarks themselves as registered in Canada and as set forth on list in Assignment except for last trademark plus a duplicate of No. 163,707 covering "BECAWEROL". (I don't understand this. Probably these will eventually wind up in Canada.)

Assignment of Patents. (The first two patents were not delivered to me with the statement being made that the first one had expired and that no one had been able to locate the second one.

Patents listed on Assignment above except for the first two patents.

Receipt signed by Cochrane Corporation with respect to three of the four checks delivered at the closing respectively in the amounts of \$2,810,005, \$174,702.71 and \$9,464.36 with the latter two being in Canadian funds. (When we receive a settlement sheet from Commonwealth Land Title it will constitute a receipt for the 600,000 plus dollar check paid for the real estate.)

Copy of receipt in duplicate given by Crane to Cochrane Corporation regarding receipt by Crane of \$25,000 on account of adjustments, minute book of Cochrane Engineering Corporation and resignations of all officers and directors of Cochrane Engineering Corporation and Cochrane Water Conditioning Limited.

Resignations of Frances M. Day and J. H. Claycomb respectively as Assistant Secretary and Vice-President of Cochrane Water Conditioning Limited and resignations of Thurlow E. McBride, Murray Dobler and John Thomas Johnson as

Mr. Allen M. Worrolson

- 5 -

December 5, 1960

directors and officers of the same corporation and resignation of Vernal G. Gorman as Vice-President of Sales of the company. (I am sending these directly to Canada.)

Resignations of Louis J. Goffman, Frances M. Day, W. Wylie Tomas, J. H. Claycomb and T. E. McBride as officers and where necessary as directors of Cochrane Engineering Corporation.

Minute Book of Cochrane Engineering Corporation.

Assignment, original and two copies of Cochrane's interest to a booklet entitled "Finding and Stopping Waste in Modern Boiler Rooms".

Assignment, original and two copies, to a trademark called "COCHRANE" in France. (We have no idea if this Assignment complies with French law but when the matter is checked we can obtain any further documents from Cochrane.)

Letter from Wolf, Block, Schorr and Solis-Cohen dated May 24, 1960 regarding New Jersey trademark "COCHILICIEBR" with note appended to the effect that this trademark cannot be assigned in New Jersey.

Original direction to Crane Co. as to where Crane is to deposit Cochrane's accounts receivable.

Two originals and one certificate signed by McBride for Cochrane certifying that there have been no adverse changes in the condition of Cochrane's business.

Mr. Allen H. Harrelson

- 6 -

December 5, 1960

Copy of receipt given to Cochrane Corporation regarding property in or near Toronto, Canada.

Deed to property in Toronto, Canada.
(This will be sent directly to Montreal.)

Canada

Copy of letter sent by Cochrane Corporation to The Philadelphia National Bank regarding its investment in Recuperation Thermique & Epuration, Paris, France.

12-2-60

Receipt given to Cochrane Corporation re receipt of certificates representing shares of stock -- the first certificate represents 63 and not 630 shares.

Receipt given by Crane to Cochrane re letter from The Philadelphia National Bank and copies of letters dated July 28 and August 3 all with respect to Recuperation Thermique & Epuration.

Letters referred to in above receipt.

Stock powers covering investment in Recuperation Thermique & Epuration representing 400 Class A shares, 63 Founder shares, 7,600 Class B shares and 4,000 Class B shares.

Letter from Wolf, Block, Schorr and Solis-Cohen to Frank L. Luce dated December 2, 1960 regarding items still open.

Sincerely yours,

Frank L. Luce

ELL:ack
encls.

cc: R. E. Cadwallader

A. M. Harralson

R. E. Hensel

Treasurer and Chief Financial Officer

September 3, 1963

RECEIVED

G. F. McDERMOTT

Dividend Recuperation Thermique Et Epuration

I was advised by The Philadelphia National Bank in a telephone conversation today that they had received the 1960 and 1961 dividends on the shares that we own in the above Corporation from Societe Generale in Paris, France and that the amount of the net dividend was 33,444.32 francs and that the francs had been converted to U. S. dollars at the rate of .2035 resulting in the receipt of \$6,805.92. This amount has been credited to Crane Co. Account #139-1873 as of this date.

In my letter to them of July 31, 1963, I had figured the total dividend at 33,818.84 francs after 15% French withholding tax, so that the collection charge of Societe Generale apparently amounted to 374.52 francs or approximately 75.00 U. S. dollars.

In booking this dividend I have instructed Mr. Schneider to book it gross of the 15% withholding tax and to credit the foreign tax withheld for the 15% tax, so that we will pick-up the dividend gross for tax purposes and claim foreign tax credit for the withholding tax. In addition since we apparently own 10% of the common stock of the Company, we can claim a deemed paid credit for French taxes imposed on the French Company which, according to their financial report which we received a month ago amounted to 50% of their income before taxes. This means that no U. S. tax will have to be provided on the dividend income, as the withheld tax plus the deemed paid tax will be well in excess of the U. S. 52% income tax rate.



Tax Manager

REH:cs

cc: Mr. D. C. Fabiani, President
Mr. F. C. Hess, Controller
Mr. F. L. Luce, Secretary
Mr. G. F. McDermott, Assistant Treasurer
Mr. E. A. Schneider, Accounting Supervisor

COCHRANE DIVISION
CRANE CO.
PHILADELPHIA 32, PA.

To Mr. G. F. McDermott
Crane Co. - New York

All contracts are subject to the approval of Cochrane Division - Crane Co., Philadelphia, Pa., and are contingent upon strikes, accidents, fires or other causes unavoidable or beyond their control. All quotations are for immediate acceptance and subject to change without notice.

RECEIVED
SEP 5 1963
G. F. McDERMOTT

SUBJECT: RECUPERATION THERMIQUE ET EPURATION

IN REPLY MENTION DESK
September 4, 1963

Attached are the copies of the three letters which should give some clue as to the location of the shares.

G. Scuron

G. Scuron
Controller

CS:SC

ORGANIZED 1803

THE PHILADELPHIA NATIONAL BANK

FOREIGN DEPARTMENT
CABLE ADDRESS "PHILABANK"

PHILADELPHIA-1, PA.

DUPLICATE
Societe Generale
112 Avenue Kleber
Paris 16, France

Compartiment des Depots Etrangers
TD/DC 7.082

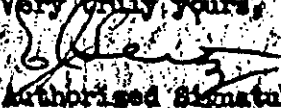
Re: 12,063 shares RESUPERATION THERMIQUE ET EPURATION
n/c Cochrane Corporation, Philadelphia, Pa.

Gentlemen:

We have your letter of March 23, 1961, in which you request authorization to supply the Morgan Guaranty Trust Company of New York, Paris, on behalf of their client, Crane Co., Chicago, with the name of the holder of the nominative certificates representing the above listed securities. We attach two photo-copies of a letter dated December 2, 1960, addressed to us by Cochrane Corporation, which is self-explanatory and in which they advised that all of their rights, title, and interest in these securities had been sold, assigned, transferred, and set over to Crane Co. You, therefore, have our permission to supply this information to the Morgan Guaranty Trust Company.

We have, on several occasions, written to Mr. Frank Luce, Esquire, Assistant Secretary, Crane Company, 300 Park Avenue, New York, N. Y., for information about the future position of the shares. All of our letters have gone unanswered. We have been unable to determine whether or not the shares will continue to remain in safe-keeping in the name of the previous owner. As soon as we are advised of this, one way or another, we shall communicate with you.

Very truly yours,


Authorized Signature

EJS:ev

CC: Mr. Frank Luce, Esquire
Assistant Secretary
Crane Company
New York, N. Y.

CC: Mr. W. E. McCoy, Comptroller
Cochrane Division - Crane Company
Philadelphia, Pa.

ORGANIZED 1803

THE PHILADELPHIA NATIONAL BANK

FOREIGN DEPARTMENT
CABLE ADDRESS "PHILABANK"

PHILADELPHIA-1, PA.

March 15, 1961

DUPLICATE

Mr. Frank Luce, Esquire
Assistant Secretary
Crane Company
300 Park Avenue
New York, N.Y.

Re: 12.063 shares Recuperation Thermique et Epuration

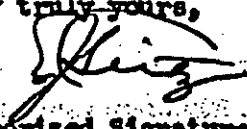
Dear Mr. Luce:

We recently confirmed to the Societe Generale, 112 Avenue Kleber, Paris 16, France, that they are holding these shares in safekeeping, for our account, in your behalf.

In this connection, we enclose a copy of our letter dated December 14, 1960, addressed to you, to which we have not yet received a reply.

Your prompt attention will be appreciated.

Very truly yours,


Authorized Signature

EJS:ab
Enc.

c.c. Mr. J.H. Claycomb, Assistant Treasurer
Cochrane Division—Crane Company
17th Street below Allegheny Avenue
Philadelphia 32, Pa.

December 14, 1960

Mr. Frank Luce, Esquire
Assistant Secretary
Crane Company
300 Park Avenue
New York, N.Y.

Re: 12,063 shares Recuperation Thermique et Epuration

Dear Mr. Luce:

Mr. T. McBride, President of Cochrane Corporation, 17th Street below Allegheny Avenue, Philadelphia, Pa. recently informed us that these shares, now held in safekeeping at Societe Generale, 112, Avenue Kleber, Paris, 16, France, were sold, assigned, transferred and set over to your company on December 2, 1960.

We should like to know, since the Cochrane Corporation is now a division of Crane Company, whether or not it is your intention to permit the shares to remain in safekeeping at the above mentioned bank, subject to our instructions, initiated by yourselves. The purpose of the safekeeping, originally, was to eliminate the risk and expense of forwarding the certificates back and forth for notation, every time a dividend was declared and due.

Please address your reply to the writer.

Very truly yours,

EJS:z

Edward J. Seitz
Authorized Signature
Foreign Department

ESTABLISHED 1871

WHITEHALL 3-2000

CHICAGO
SAN FRANCISCO
LOS ANGELES
MINNEAPOLIS
DETROIT
SEATTLE
ST. LOUIS
INDIANAPOLIS
ST. PAUL
PORTLAND
DULUTH
NEW ORLEANS
TULSA
OAKLAND
PHOENIX
MILWAUKEE
SAN DIEGO
KALAMAZOO

MARSH & McLENNAN

INCORPORATED
INSURANCE

70 PINE STREET

NEW YORK 5

NEW YORK
BOSTON
PITTSBURGH
PHILADELPHIA
BUFFALO
ATLANTA
MIAMI
SYRACUSE
CLEVELAND
CHARLESTON
RICHMOND
MONTREAL
TORONTO
VANCOUVER
CALGARY
EDMONTON
WINNIPEG
CARACAS
LONDON

September 4, 1963

Mr. George F. McDermott,
Assistant Treasurer
The Crane Company
300 Park Avenue
New York, New York

Dear George:

You expressed admiration for the facilities of Marsh & McLennan in the foreign field. The enclosed description of those facilities in our "News" may be of interest to you.

We trust that you may allow us to discuss these facilities further, in the hope that we may be able to assist you in the consolidation and control in the U.S.A. of the insurances of Crane's foreign affiliates. This consolidation I know would provide you personally with "sleep" insurance.

I am confident that the complications which you confidentially discussed will be corrected and that our relationship will be a happy one.

Sincerely yours,



Marshall J. Dodge, Jr.

MJD:R
Enc.



SPECIAL SUPPLEMENT

August, 1963

TO THE MEMBERS OF OUR ORGANIZATION:

I am glad to report that we have now completed our program for the development of a centrally controlled, fully coordinated brokerage service throughout the European Common Market countries, headquartered with the firm of J. Henrijean & Ses Fils. J. A. D. Hutchison, formerly in our New York office, has now been transferred to the Henrijean office in Brussels as coordinator for Marsh & McLennan business in Europe.

The firm of Henrijean have now enlarged their operation in France through association with the Paris office of A. W. Bain & Sons, Ltd.; have purchased the well-known Milan agency of "Il Mare" which now operates under the title of Henrijean Italia; have arranged through D. Hudig & Co. of Rotterdam to operate the facility of Henrijean, Holland; and have developed an entirely new relationship in Germany with the firm of Gradmann & Holler, whose six offices in Berlin, Dusseldorf, Frankfurt/M, Hamburg, Munich and Stuttgart will carry on operations as Henrijean for United States

and Canadian owned risks located in Germany. This cohesive network, coordinated by the Henrijean international staff operating out of Brussels is capable of providing centralized service unequalled in the European Economic Community.

This arrangement for the European area represents a major step in improving our world-wide brokerage facilities by making available uniform coverage of properties and liability under insuring conditions patterned after the accepted broad forms used in the United States. The availability of insurance on foreign subsidiaries embracing terms and conditions usual to the experience of the insurance buyer in the United States should provide a major area for the extension of services on our present accounts and the acquisition of new foreign business.

Now that these unique facilities are available, it is important that we take immediate steps to bring them to the attention, not only of our present assureds, but to any American or Canadian company with operations in the Common Market area. This also gives us an opportunity for pointing out the excellent facilities of our International Division to provide insurance coverage anywhere in the free world.

The primary responsibility for the development of international business lies with the account executive, supported and stimulated by the head of his office and other senior officials. In some cases the solicitation can be carried on by the account executive, -- in other cases it would be highly desirable to bring in a representative of the International

Division to carry on the solicitation. On major requests for action on the part of our correspondents, the International Division should be kept advised by means of copies of letters and cables.

The International Division is now distributing to each office an up-to-date International Placing Guide and will furnish other material from time to time. In order to add further impetus to this special effort to develop international business, our advertising program for the time being will be concentrated on this subject.

By virtue of the facilities which we now have at our disposal, we have already received several important orders, and have been given exclusive authority to develop comprehensive international programs for Procter & Gamble and Monsanto Chemical. We are hoping that the expansion of our international business will be of double importance, not only adding direct income, but as an entree into other types of coverage.

I am sure I can count on the cooperation of all of you in carrying out this important program.

Herman D. Smith
Chairman

Single coordinated insurance service throughout the Common Market



MARSH & McLENNAN INTERNATIONAL

Our well-established network of offices, affiliates and correspondents in virtually all of the world's major markets has recently been strengthened through arrangement for exclusive representation in Common Market countries by J. Henrijean & Ses Fils.

This prominent Brussels-based insurance brokerage firm, with operations in France, Germany, Italy and Holland, complements our existing facilities in other European countries.

Now American parent concerns may obtain coverages for their foreign operations that closely resemble those commonly used and understood here.

We suggest an early discussion of your company's present or planned overseas operations with an eye to the creative application of insurance to your needs.

MARSH & McLENNAN

INCORPORATED

INSURANCE BROKERS • CONSULTING ACTUARIES • AVERAGE ADJUSTERS

Chicago New York San Francisco Minneapolis Detroit Los Angeles Boston St. Louis
Philadelphia Pittsburgh Seattle Indianapolis St. Paul Portland Buffalo Duluth Tulsa Atlanta
Miami New Orleans Syracuse Rochester Tampa Milwaukee Phoenix Cleveland Kalamazoo
Charleston Oakland San Diego Richmond Montreal Toronto Vancouver Calgary Edmonton
Winnipeg Caracas London LOCAL BROKERAGE FACILITIES THROUGHOUT THE WORLD

BILL OF SALE AND ASSUMPTION

KNOW ALL MEN BY THESE PRESENTS THAT:

WHEREAS, COCHRANE CORPORATION, a Pennsylvania corporation, hereinafter referred to as "Cochrane", has entered into an Agreement dated the 2nd day of November, 1960, hereinafter referred to as the "Purchase Agreement" with CRANE CO., an Illinois corporation, hereinafter referred to as "Crane"; and

WHEREAS, the Purchase Agreement provides for the sale by Cochrane to Crane of Cochrane's inventories, patents, trademarks, engineering drawings, patterns, lists of customers, plant and equipment, the stock of Cochrane's subsidiaries and all other assets of Cochrane with certain exceptions spelled out in the Purchase Agreement; and

WHEREAS, Cochrane contemporaneously herewith, has delivered to Crane deeds of special warranty of all of its real property, stock certificates, duly endorsed for transfer, for all of the stock of its subsidiaries, and a certificate of title properly endorsed for the motor vehicle owned by it, and has assigned to Crane all of Cochrane's rights under its patents and trademarks; and

WHEREAS, Cochrane desires to transfer and convey to, and vest in, Crane title to and ownership of all of the other

properties and assets, tangible and intangible, to be conveyed and transferred to Crane as provided in the Purchase Agreement; and

WHEREAS, the Purchase Agreement provides that Cochrane is to assign to Crane and Crane is to assume and agree to perform all of its outstanding purchase and sales contracts, leases and other instruments made in the ordinary course of business; and

WHEREAS, the Purchase Agreement contains certain representations and warranties on the part of Cochrane;

NOW, THEREFORE, this instrument:

W I T N E S S E T H T H A T:

1. Cochrane does hereby sell, transfer, assign and set over to Crane all of its right, title and interest in and to its inventories; patents, trademarks and applications therefor; engineering drawings, patterns, and lists of customers; plant and equipment, including land, buildings and machinery; and all of its remaining assets of whatsoever kind, nature or description and wheresoever situate as the same existed at the close of business on November 30, 1960, including without limiting the generality of the foregoing Cochrane's investment in Recuperation Thermique & Epuration, a French company, excepting only the assets set forth in subparagraphs 1(e)(1) to 1(e)(iv) of the Purchase Agreement.

2. Cochrane does hereby transfer, assign and set over to Crane all of its outstanding purchase contracts, sales contracts, leases, license agreements, agreements with sales agents, union contracts, and all other outstanding operating and service contracts of Cochrane entered into by Cochrane in the usual course of its business as the same existed at the close of business on November 30, 1960.

3. There is hereby incorporated herein with the same force and effect as though the same were set forth at length all of the representations and warranties of Cochrane affecting any of the aforesaid assets as the same are set forth in the Purchase Agreement and all of the said warranties and representations are hereby confirmed. Except for such representations and warranties, no representations or warranties are made, expressly or by implication, from the execution and delivery of this Bill of Sale and Assumption.

4. Any right, title, interest or demand transferred to or conferred upon Crane hereunder, shall inure to the benefits of the successors or assigns of Crane.

5. Crane does hereby assume, take over and agree to perform in accordance with their respective terms all of the purchase contracts, sales contracts, license agreements, agreements with sales agents, union contracts and other outstanding and operating service contracts of Cochrane, assigned to Crane in

paragraph 2. If Crane is required by the other contracting parties to any such contract, agreement, lease or license, to assume such contract in writing, Crane hereby agrees to so assume. If any such contract is unassignable and the other party to such contract shall not consent to assignment thereof, Crane shall complete such contract for and on behalf of Cochrane and Cochrane agrees to pay to Crane and Crane agrees to accept as payment thereof the net amount of the price for which Cochrane shall have agreed to perform the contract. Except as provided in paragraph 11 of the Purchase Agreement, Crane hereby also assumes and agrees to be liable for any performance guarantee or warranty of product given by Cochrane in connection with any ~~products sold and delivered by Cochrane~~ prior to the close of business on November 30, 1960.

IN WITNESS WHEREOF, Cochrane and Crane have each caused this Bill of Sale and Assumption to be signed in its corporate name by its President or other authorized officer and its corporate seal to be hereto affixed duly attested by its Assistant Secretary this 2nd day of December, 1960, pursuant to resolutions adopted by their respective Boards of Directors and approved, in the case of Cochrane, by Unanimous Consent in Writing of its Shareholders.

Attest:

COCHRANE CORPORATION

Frank M. Day
Assistant Secretary

By Paul B. Bick
President

[Corporate Seal]

Attest:

CRANE CO.

E. J. Lane
Assistant Secretary

By Arn. Havelson, Treas.
~~Vice President~~

COMMONWEALTH OF PENNSYLVANIA:

SS.

COUNTY OF PHILADELPHIA :

On this, the 2nd day of December, 1960, before me, the undersigned officer, personally appeared T. E. McBRIDE who acknowledged himself to be the President of COCHRANE CORPORATION, a Pennsylvania corporation, and that he, as such President, being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as President.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Don Rosenfeld
Notary Public

My Commission Expires: July 22, 1964

STATE OF *Connecticut* :
COUNTY OF *Hartford* : SS.

On this, the 2nd day of December, 1960, before me,
the undersigned officer, personally appeared *A.M.*
Harrison who acknowledged himself to be the *Treasurer*
of CRANE CO., an Illinois corporation, and that he, as such
Treasurer, being authorized so to do, executed the
foregoing instrument for the purpose therein contained by signing
the name of the corporation by himself as *Treasurer*.

IN WITNESS WHEREOF, I have hereunto set my hand
and official seal.

Don Rosenfeld

Notary Public

My Commission Expires: *July 22, 1964*

CERTIFICATE PURSUANT TO PARAGRAPH 6(d)
OF THE PURCHASE AGREEMENT

I, T. E. McBRIDE, do hereby certify that I am the duly elected, qualified and acting President of Cochrane corporation, a Pennsylvania corporation, hereinafter called "Company", and I do further certify that:

1. I am familiar with the provisions of a certain Agreement dated November 2, 1960 between Crane Co., an Illinois corporation and Cochrane, and specifically paragraph 6(d) thereof.

2. There has been no adverse change in the conditions, financial, business or otherwise, of Cochrane or of its subsidiaries, Cochrane Engineering Corporation, an Illinois corporation, and Cochrane Water Conditioning Limited, a Canadian corporation, from June 30, 1960 to the close of business on November 30, 1960, except for changes resulting from operations in the usual and ordinary course of the businesses of such corporations.

3. Between June 30, 1960 and the close of business on November 30, 1960, the businesses and assets of Cochrane and its two subsidiaries above referred to have not been adversely affected as a result of any fire, explosion, earthquake, flood, accident, strike, lockout, combination of workmen, taking over of any such assets by any government authority, riot, activities of armed forces, or Acts of God or of the public enemies.

IN WITNESS WHEREOF, I have hereunto subscribed my

hand and affixed the seal of the corporation this 2nd day of
December, 1960.


T. E. McBride
President

(Corporate Seal)

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 04:00 PM 08/09/2000
001404962 - 2517737

**CERTIFICATE OF AMENDMENT TO THE CERTIFICATE OF INCORPORATION OF
COCHRANE INC.**

**Adopted Pursuant to Section 242 of the General Corporation Law of
the State of Delaware**

Cochrane Inc. (the "Corporation") a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, ("GCL") DOES HEREBY CERTIFY:

FIRST: That by unanimous consent of the Board of Directors of Cochrane Inc., pursuant to Section 141(f) of the GCL, a resolution was duly adopted setting forth a proposed amendment to the Certificate of Incorporation of said Corporation, declaring said amendments to be advisable, and referring said resolution to the stockholders of said Corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that a proposal to change the name of Corporation by deleting Article "First" of the Certificate of Incorporation and to adopt the following amendment to the Certificate of Incorporation of the Corporation:

*FIRST: The name of the Corporation is Crane Environmental, Inc."

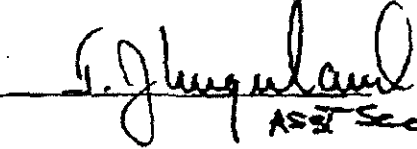
be and same is hereby approved.

SECOND: That pursuant to Section 228 of the GCL the sole stockholder gave its written consent to the amendment."

THIRD: That the aforesaid amendment was duly adopted in accordance with applicable provisions of Section 242 of the GCL.

FOURTH: That the capital of said Corporation shall not be reduced by reason of said amendment.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 27th day of August, 2000.


ASST Sec

T. J. UNGERLAND
ASST. SECRETARY

CERTIFICATE OF INCORPORATION
OF
COCHRANE INC.

1. The name of the corporation is:

Cochrane Inc.

2. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

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

4. The total number of shares of common stock which the corporation shall have authority to issue is One Thousand Five Hundred (1,500): all of such shares shall be without par value.

5. The board of directors is authorized to make, alter or repeal the by-laws of the corporation. Election of directors need not be by written ballot.

6. The name and mailing address of the incorporator is:

M. A. Brzoska
Corporation Trust Center
1209 Orange Street
Wilmington, Delaware 19801

7. The corporation is to have perpetual existence.

I, THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of Delaware, do make this certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 20th day of June, 1995.

M. A. Brzoska

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BUS CORP ACT Art. 5.10, Disposition of Assets Requiring Special Authorization of Shareholders; Effect of Disposition Requiring or Not Requiring Authorization; Liability of Acquiring Corporation

***186058 V.A.T.S. Bus.Corp.Act, Art. 5.10**

**VERNON'S TEXAS STATUTES AND CODES ANNOTATED
BUSINESS CORPORATION ACT
PART FIVE**

Current through end of 2003 Third Called Session

Art. 5.10. Disposition of Assets Requiring Special Authorization of Shareholders; Effect of Disposition Requiring or Not Requiring Authorization; Liability of Acquiring Corporation

A. A sale, lease, exchange, or other disposition (not including any pledge, mortgage, deed of trust or trust indenture unless otherwise provided in the articles of incorporation) of all, or substantially all, the property and assets, with or without the good will of a corporation, if not made in the usual and regular course of its business, may be made upon such terms and conditions and for such consideration, which may consist in whole or in part of money or property, real or personal, including shares of any corporation, domestic or foreign, as may be authorized in the following manner:

(1) The board of directors may adopt a resolution recommending that such sale, lease, exchange, or other disposition be approved by shareholders of the corporation, unless the board of directors determines that for any reason it should not make the recommendation in which case the board of directors may adopt a resolution directing that such sale, lease, exchange, or other disposition be submitted to shareholders without recommendation and, in connection with the submission, communicate the basis for its determination that the sale, lease, exchange or other disposition be submitted without recommendation.

(2) The board of directors may submit the proposed sale, lease, exchange or other disposition for authorization by the corporation's shareholders at a meeting of shareholders, which may be either an annual or a special meeting.

(3) Written or printed notice shall be given to each shareholder of record entitled to vote at such meeting within the time and in the manner provided for in this Act for the giving of notice of meetings of shareholders, and, whether the meeting be an annual or a special meeting shall state that the purpose, or one of the purposes, of such meeting is to consider the proposed sale, lease, exchange, or other disposition.

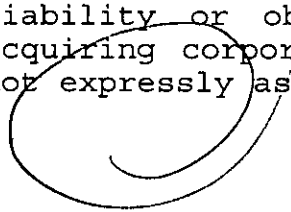
***186059** (4) At such meeting, the shareholders may authorize such sale, lease, exchange or other disposition and may fix, or may authorize the board of directors to fix, any or all of the terms and conditions thereof and the consideration to be received by the corporation therefor. Such authorization shall require the affirmative vote of the holders of at least two-thirds of the outstanding shares of the corporation entitled to vote thereon, unless any class or series of shares of the corporation is entitled to vote as a class thereon, in which event the vote required for authorization by the shareholders shall be the affirmative vote of the holders of at least two-thirds of the outstanding shares within each such class or series entitled to vote thereon as a class and at least two-thirds of the outstanding shares otherwise entitled to vote thereon. Shares entitled to vote as a class shall be entitled to vote only as a class unless otherwise entitled to vote on each matter submitted to the shareholders generally or provided in the articles of incorporation.

(5) After such authorization by vote of shareholders, the board of directors, nevertheless, in its discretion, may abandon such sale, lease, exchange or other disposition of assets, subject to the rights of third parties under any contracts relating thereto, without further action or approval by shareholders.

B. A disposition of any, all, or substantially all, of the property and assets of a corporation, whether or not it requires the special authorization of the shareholders of the corporation, effected under Section A of this article or under Article 5.09 of this Act or otherwise:

(1) is not considered to be a merger or conversion pursuant to this Act or otherwise; and

(2) except as otherwise expressly provided by another statute, does not make the acquiring corporation, foreign corporation, or other entity responsible or liable for any liability or obligation of the selling corporation that the acquiring corporation, foreign corporation, or other entity did not expressly assume.



CREDIT(S)

Acts 1955, 54th Leg., p. 239, ch. 64, eff. Sept. 6, 1955. Amended by Acts 1957, 55th Leg., p. 111, ch. 54, § 9; Acts 1967, 60th Leg., p. 1720, ch. 657, § 11, eff. June 17, 1967; Acts 1979, 66th Leg., p. 422, ch. 194, § 1, eff. May 17, 1979; Acts 1987, 70th Leg., ch. 93, § 26, eff. Aug. 31, 1987; Acts 1991, 72nd Leg., ch. 901, § 31, eff. Aug. 26, 1991; Acts 1993, 73rd Leg., ch. 215, § 2.15, eff. Sept. 1, 1993; Acts 1997, 75th Leg., ch. 375, § 28, eff. Sept. 1, 1997.

<General Materials (GM) - References, Annotations, or Tables>

HISTORICAL NOTES

HISTORICAL AND STATUTORY NOTES

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Acts 1997, 75th Leg., ch. 375 in § B(1) inserted "or conversion" following "merger".

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Asset acquisitions: Caveat Emptor. James Ryan and Robert Beasley, 53 Tex.B.J. 1222 (1990).

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C.J.S. Corporations § 655.

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TX Jur. 3d Corporations § 419, Generally; Where Predecessor Unincorporated.

Forms

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Texas Jurisprudence Pleading & Practice Forms 2d Ed § 75:81, Introductory Comments.

Texas Jurisprudence Pleading & Practice Forms 2d Ed § 114:21, Answer-Affirmative Defense-Absence Of Successor Liability.

***186061** 8 West's Texas Forms § 20.15, Acquisition Of Assets For Shares Of Acquiring Corporation.

8 West's Texas Forms § 22.15, Form-Acquisition Of Assets For Shares Of Acquiring Corporation.

8 West's Texas Forms § 22.18, Form-Notice To Minority Shareholders Of Former Subsidiary.

8 West's Texas Forms § 23.1, Introductory Comment.

8 West's Texas Forms § 23.5, Resolutions Of Board Of Directors.

8 West's Texas Forms § 23.8, Form 966-Federal Tax Information Return.

8 West's Texas Forms § 23.10, Revocation Of Dissolution By Shareholder Consent.

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Tx Practice Guide, Bus. & Coml Litigation CH 12.I, 12.I. Powers And Duties Of Business Corporations.

Tx Practice Guide, Bus. & Coml Litigation CH 12.IV, 12.IV. Voting And Management Rights Of Corporate Shareholders.

Tx Practice Guide, Bus. & Coml Litigation CH 13.I, 13.I. Liability Of Corporations.

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Texas Practice Guide Torts CH 8.H, 8.H. Successor Liability.

13 Tex. Prac. Series § 51.1, The Traditional Structure Of A Corporation.

13 Tex. Prac. Series § 51.2, The Authority Of The Shareholders.

13 Tex. Prac. Series § 52.1, Shareholders' Meetings In General.

13 Tex. Prac. Series § 52.2, The Time, Place, Purpose And Call Of Shareholders' Meetings.

13 Tex. Prac. Series § 52.6, Eligibility To Vote At Shareholders' Meeting And The Voting List.

13 Tex. Prac. Series § 59.6, Corporate Combinations.

13 Tex. Prac. Series § 59.7, Procedure For Statutory Merger Or Share Exchange Or Acquisition.

***186062** 13 Tex. Prac. Series § 59.9, Procedure For The Sale Of Substantially All Of The Assets Of The Corporation.

13 Tex. Prac. Series § 59.10, Dissenting Shareholders' Appraisal Rights.

20 Tex. Prac. Series § 892, Statutory Mergers And Consolidation.

20 Tex. Prac. Series § 897, Disposition Of Substantially All The Assets Of A Corporation.

20 Tex. Prac. Series § 912, Changes Giving Rise To Right Of Appraisal.

20 Tex. Prac. Series § 932.5, Post-Dissolution Product Liability Claims.

ANNOTATIONS

NOTES OF DECISIONS

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1. In general

See, also, Notes of Decisions under art. 5.06.

Under Texas law, officers and directors had fiduciary duty to corporation not to participate in transfer of corporate assets to their proprietorship, not to benefit personally from transfer, and not to use corporate funds for payment of personal bills. In re Jackson, Bkrtcy.N.D.Tex.1992, 141 B.R. 909. Corporations k 312(5)

Under Texas law, constructive trust arose when officers and directors breached fiduciary duty by transferring corporate assets without stockholder approval to proprietorship owned by

officers and directors. In re Jackson, Bkrtcy.N.D.Tex.1992, 141 B.R. 909. Corporations k 314(4)

Under Texas law, officers and directors breached fiduciary duty to corporation by transferring all corporate assets without stockholder approval to proprietorship owned by participating officers and directors. In re Jackson, Bkrtcy.N.D.Tex.1992, 141 B.R. 909. Corporations k 314(4)

***186063** Where sublease agreement, whereby corporate plaintiff, in consideration of rights granted to it under sublease, agreed to payment of \$10 and 40% of original issue of capital stock to defendant lessor, was executory in character and specifically stated that it would not become effective until corporate plaintiff received cash or its equivalent of capitalization in the sum of \$600,000, and plaintiff never received cash, or its equivalent, contributed to capitalization in the amount of \$600,000, condition precedent to delivery of "property", in form of leasehold interest was never contractually accomplished and attempted transfer of 4,000 shares of plaintiff's capital stock was invalid. Vermilion Parish Peat Co. v. Green Belt Peat Moss Co. (Civ.App. 1971) 465 S.W.2d 950, ref. n.r.e.. Corporations k 99(2); Landlord And Tenant k 80(1)

2. Voting rights

Where original issue of 4,000 shares of corporate plaintiff's stock to defendant lessor was in contravention of art. 2.16, this article and Const. Art. 12, § 6, relating to transfer of corporate shares, since there was no "property actually received" as consideration for issuance of shares because of failure of condition precedent to issuance of shares, act of defendant lessor in attempting to vote shares of stock in subsequent corporate meeting to effectuate transfer of substantially all assets of corporate plaintiff, without affirmative vote of at least two-thirds of outstanding shares of stock was invalid. Vermilion Parish Peat Co. v. Green Belt Peat Moss Co. (Civ.App. 1971) 465 S.W.2d 950, ref. n.r.e.. Corporations k 182.4(3)

3. Liability of stockholders after sale

Debt arising out of debtors' breach of their fiduciary duties as officers and directors of corporation by transferring all corporate assets without stockholder approval to proprietorship owned by debtors was nondischargeable on grounds that debtors engaged in defalcation while acting in fiduciary capacity. In re Jackson, Bkrtcy.N.D.Tex.1992, 141 B.R. 909. Bankruptcy k 3357(4)

Amount of debtors' nondischargeable obligation arising out of their breach of fiduciary duties as officers and directors of corporation by transferring all corporate assets without stockholder approval to proprietorship owned by officers and directors would be equal to gross amount of funds which they received from proprietorship; account overhead and operating expenses which were incurred by proprietorship during that period would not be deducted. In re Jackson, Bkrtcy.N.D.Tex.1992, 141 B.R. 909. Corporations k 320(12)

Where sole stockholders sold all their stock in Delaware corporation to buyer for a note secured by a chattel mortgage on identical chattels owned by Delaware corporation and by a pledge of capital stock of new corporate entity to be formed by buyer and contract bound buyer to dissolve Delaware corporation as soon as he secured a charter for new corporate entity and by contract Delaware corporation was denuded of its assets and purchase price for assets paid to stockholders, stockholders having received funds from which creditors could have collected their claims were liable for judgment creditor of Delaware corporation to extent of funds received. World Broadcasting System, Inc. v. Bass (Sup. 1959) 160 Tex. 261, 328 S.W.2d 863. Corporations k 545(1)

***186064 4. Successorship liability**

Genuine issue of material fact, precluding summary judgment under Texas law for successor corporation on products liability claim, existed as to whether successor could be accountable for tort liability incurred by its fully-owned subsidiary, which successor completely controlled. Watkins v. Black & Decker (U.S.), Inc., S.D.Tex.1995, 882 F.Supp. 621, opinion withdrawn and vacated on reconsideration.

Under Texas law, former employee could not impose liability on his former employer's successor-in-interest for alleged wrongful termination in violation of Texas law by former employer, absent allegation that successor corporation expressly assumed liabilities of former employer. McKee v. American Transfer and Storage, N.D.Tex.1996, 946 F.Supp. 485. Corporations k 445.1

Asbestos supplier failed to preserve for review its claim that it should not have been held liable as successor to entity that allegedly supplied asbestos to worker's employer; supplier did not specifically plead successorship defense, that issue was not tried by consent of parties, and no jury question was submitted. Celotex Corp. v. Tate (App. 13 Dist. 1990) 797 S.W.2d 197, writ dismissed by agreement. Appeal And Error k 173(2)

Asbestos supplier's defense of "successorship liability" was matter constituting avoidance in toxic tort action and, therefore, supplier was obligated to plead that matter specifically; supplier's claim that it did not expressly assume liabilities of its alleged predecessor was independent ground for denial of worker's heirs' cause of action that in no way rebutted any factual propositions underlying action. Celotex Corp. v. Tate (App. 13 Dist. 1990) 797 S.W.2d 197, writ dismissed by agreement. Pleading k 78

Statute governing successor corporation's liability for predecessor's obligations does not confer right to acquire assets without acquiring liability; it limits successor liability when purchaser has already acquired assets without expressly assuming liabilities. ACS Investors, Inc. v. McLaughlin (App. 5 Dist. 1995) 913 S.W.2d 664, writ granted, reversed 943 S.W.2d 426, rehearing overruled. Corporations k 445.1

***186065** Even if successor corporation's acquisition of predecessor's assets was, in itself, legal act, it could still constitute intentional act of interference with contract that imposed tort liability for damages. ACS Investors, Inc. v. McLaughlin (App. 5 Dist. 1995) 913 S.W.2d 664, writ granted, reversed 943 S.W.2d 426, rehearing overruled. Torts k 12

Under Texas law requiring that the successor corporation must have expressly assumed liability to impose liability for a predecessor's torts, provision of asset-acquisition agreement in which successor expressly assumed "ordinary course of business" liabilities and obligations would not encompass assumption of liability for predecessor's alleged torts against workers who used its products. Lockheed Martin Corp. v. Gordon (App. 1 Dist. 2000) 16 S.W.3d 127, review denied. Corporations k 445.1

The purchase of all or substantially all of the property or assets of the seller corporation does not make the acquiring entity responsible or liable for any liability or obligation of the selling corporation unless the acquiring entity expressly assumes the liability or obligation, or unless another statute expressly provides to the contrary. Shapolsky v. Brewton (App. 14 Dist. 2001) 56 S.W.3d 120, rehearing overruled, review denied. Corporations k 445.1

Publisher which purchased the assets of a debtor, in a sale approved by the bankruptcy trustee, was not a "mere continuation" of debtor, subject to debtor's liabilities, and debtor's contacts with Texas could not be attributed to publisher for purposes of establishing personal jurisdiction. Shapolsky v. Brewton (App. 14 Dist. 2001) 56 S.W.3d 120, rehearing overruled, review denied. Corporations k 579(.5); Courts k 12(2.5)

5. Nonprofit corporations

Country club's mere filing of statement with secretary of state on printed form stating it was filed pursuant to requirement of § F of art. 9.14 that statement be filed in connection with annual report for franchise tax purposes which gave only name of corporation, address of its initial registered office and name of its registered agent did not convert club from nonprofit corporation into one operated for profit; thus, approval of sale of club's property by two-thirds vote of shareholders present at shareholders' meeting, rather than two-thirds vote of all outstanding shares, was proper. *Argue v. Golfcrest Country Club* (Civ.App. 1970) 461 S.W.2d 248. Clubs k 9

***186066 6. Subsidiaries**

Generally, parent corporation has separate legal existence from its subsidiaries under Texas law, and parent and subsidiary corporations should be treated separately unless circumstances suggest that distinction between corporate entities should be disregarded. *Watkins v. Black & Decker (U.S.), Inc.*, S.D.Tex.1995, 882 F.Supp. 621, opinion withdrawn and vacated on reconsideration.

7. Brokerage fees

Listing agreement, which was entered into by corporation, was not a "sale, lease, exchange or other disposition" of land within meaning of this article and, thus, fact that shareholders refused to authorize sale of corporation's property to purchaser procured by real estate brokers did not preclude recovery of brokerage commission under the listing agreement. *Padre Sands, Inc. v. Cawood* (Civ.App. 1980) 595 S.W.2d 896, ref. n.r.e.. Brokers k 63(1)

8. De facto merger

No de facto merger occurred between acquiring corporation and selling corporation where selling corporation's assets were purchased for cash rather than stock; thus, even assuming that de facto merger doctrine rendering acquiring corporation liable for liabilities or obligations of selling corporation, even though not expressly assumed, could properly be applied in case arising before legislature abolished doctrine, worker injured while operating machine manufactured by selling corporation could not recover damages under that theory. *Suarez v. Sherman Gin Co.* (App. 5 Dist. 1985) 697 S.W.2d 17, ref. n.r.e.. Corporations k 445.1

"De facto merger" doctrine imposing liability of corporation on purchaser of its assets, and "mere continuation" doctrine imposing liability upon successor corporations regardless of manner in which assets are acquired may not be applied under Texas law. *Mudgett v. Paxson Mach. Co.* (App. 13 Dist. 1986) 709 S.W.2d 755, ref. n.r.e.. Corporations k 445.1

9. Waiver or estoppel

Where shareholders' motion asking leave of court to file supplemental petition in action against corporation arising out of alleged improper sale of corporation's property, asserting waiver and estoppel on part of corporation to claim that it was operating under Nonprofit Corporation Act was not brought to attention of court, supplemental petition was not matter that was before court, and therefore, there was no pleading of affirmative defenses of waiver and estoppel. *Argue v. Golfcrest Country Club* (Civ.App. 1970) 461 S.W.2d 248. Pleading k 276

***186067** Alleged defects in sale of auditor's assets from one shareholder to another, after auditor completed its franchise compliance audit for city, did not preclude auditor's suit against city to recover amounts due for audit, where sale was subsequently ratified. *Municipal Administrative Services, Inc. v. City of Beaumont* (App. 6 Dist. 1998) 969 S.W.2d 31. Municipal Corporations k 254

10. Damages

In action by minority stockholder against corporation and several of its directors alleging violation of SEC rule proscribing manipulative and deceptive devices and violation of this article and arts. 5.11, 5.12 and 5.13 dealing with rights of minority shareholders, evidence was sufficient for a jury to find that the state law had been violated and that exemplary damages were proper for such violation. *Coffee v. Permian Corp.*, C.A.5 (Tex.)1973, 474 F.2d 1040, certiorari denied 93 S.Ct. 2736, 412 U.S. 920, 37 L.Ed.2d 146, rehearing denied 94 S.Ct. 41, 414 U.S. 882, 38 L.Ed.2d 129. Securities Regulation k 308

Under Texas law, corporation is entitled to recover all damages sustained by it as result of breach of fiduciary duty by officer or director, including lost profits. In re *Jackson*, Bkrtcy.N.D.Tex.1992, 141 B.R. 909. Corporations k 319(8)

11. Review

Court of Appeals would decline to address issue of whether a violation of statute prohibiting sale of all of corporation's assets without approval of two-thirds of outstanding shares

results in a per se breach of fiduciary duty, in minority shareholder's action against majority shareholder of closely held corporation, since majority shareholder did not make specific objection to relevant jury instruction. Balusik v. Kollatschny (App. 1 Dist. 2002) 2002 WL 1822360, Unreported. Appeal And Error k 215(1)

