PLAINTIFF'S EXHIBIT
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THIS AGREEMENT made this 5th day of June, 1963, between F&H LIQUIDATING CORPORATION (formerly Refractory & Insulation Corporation), a New Jersey corporation ("Seller"), party of the first part, and REFRACTORY & INSULATION CORPORATION (formerly APRA Precipitator Corporation), a Delaware corporation, party of the second part ("Purchaser").

W I T N E S S E T H :

WHEREAS, the Seller desires to sell and Purchaser desires to purchase all of the Seller's assets, properties and business (except cash other than petty cash funds in the amount of $3,825 and shares of capital stock of C & C Corporation) upon the terms and conditions hereinafter set forth,

NOW, THEREFORE, in consideration of the premises and of the mutual and dependent covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. TRANSFER OF THE SELLER'S ASSETS AND CERTAIN RELATED TRANSACTIONS.

1.1 TRANSFER OF ASSETS. The Seller, subject to the terms and conditions hereof, hereby transfers, conveys, assigns and delivers to Purchaser all of the Seller's assets and business existing on May 3, 1963 as a going concern (except cash other than petty cash funds in the amount of $3,825 and shares of capital stock of C & C Corporation), including, without limitation, all lands, factories, plants, buildings (together with appurtenances, licenses and permits), machinery, tools and equipment, automobiles and trucks, furniture and fixtures, inventories, supplies, accounts and notes receivable, unfilled orders, securities, insurance policies, patents and patent applications, inventions, discoveries and improvements, patent licenses and agreements, rights, processes and formulae, trademarks, trade names, labels and other trade rights, copyrights, such contracts and leases as

DEPOSITION EXHIBIT
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Purchaser desires to have assigned to it and which it wishes to assume, and all of the Seller's good will and the right to its corporate name and all other names used by the Seller in connection with its business or products. Such assets include those owned by the Seller on May 3, 1963 reflected in the Seller's May 3, 1963 Balance Sheet referred to in Section 2.5(a) hereof (except cash other than petty cash funds in the amount of $3,825 and shares of capital stock of C & C Corporation).

1.2 CONSIDERATION FOR SUCH TRANSFER. Subject to the terms and conditions hereof, and in full consideration for the transfer, conveyance, assignment and delivery referred to in Section 1.1 hereof, Purchaser shall pay a total purchase price of $1,932,500 by delivering to the Seller the following:

(a) Cash to be Paid. A certified check or checks payable to the Seller in the amount of $1,890,209.66.

(b) Undertaking re Certain of Seller's Liabilities. An undertaking or undertakings whereby Purchaser assumes and agrees to pay, perform and discharge the following, and only the following, liabilities and obligations of the Seller:

(i) Liabilities of the Seller as listed in Schedule J hereof in an aggregate amount of $42,290.34; and

(ii) Obligations of the Seller in respect of (1) such of the leases, contracts and other commitments of the Seller set forth on Schedules F and G referred to in Section 2.15 which Purchaser has notified the Seller in writing that it desires to assume, (2) such other leases, contracts and commitments as may have been approved in writing by Purchaser which Purchaser desires to assume, (3) sales orders placed with the Seller in the ordinary course of business and (4) purchase orders placed by the Seller in the ordinary course of business which do not involve an aggregate payment by the Seller of more than $140,202.46.

1.3 INSTRUMENTS OF CONVEYANCE AND TRANSFER, ETC. The Seller hereby delivers to Purchaser:

(a) Bills of Sale, Assignments, etc. Such full covenant and warranty deeds, bills of sale with covenants of warranty, endorsements, assignments and other good and sufficient instruments of transfer, conveyance and assignment, in form satisfactory to Purchaser, as shall be effective to vest in Purchaser good and marketable title, free and clear of all liens and encumbrances except as provided in Section 2.14, to the assets and business transferred, conveyed, assigned and delivered hereunder; and

(b) Contracts, Records, etc. All of the Seller's contracts and commitments which are assumed by Purchaser hereunder, with assignments thereof, books (except minute and stock books), records and other data relating to its assets, business and operations, including, without limitation, all its notebooks and other records relating to inventions, discoveries and improvements, whether patentable or not;

and simultaneously with such delivery, the Seller shall take all such steps as may be requisite to put Purchaser in actual possession and operating control of such assets and business. The Seller shall be permitted access to the books and records delivered by it at reasonable times for any reasonable business purpose.

1.4 FURTHER ASSURANCES. The Seller shall from time to time at Purchaser's request and without further consideration, execute and deliver such other instruments of transfer, conveyance and assignment and take such other action as Purchaser may require more effectively to transfer, convey, and assign to and vest in Purchaser, and to put Purchaser in possession of, any property transferred, conveyed, assigned and delivered hereunder. In the case of contracts and rights of the character referred to in paragraph (f) of Section 2.15, if any, which cannot be transferred effectively without the consent of third parties which is unobtainable, the Seller will use its best efforts to assure to Purchaser the benefits thereof.

1.5 INTERIM OPERATION. The parties agree that the Seller has operated its business from the beginning of business on May 4, 1963, until the date hereof for the account of Purchaser, and that all expenditures made or liabilities incurred or accrued during such period in the ordinary course of business, except depreciation and amortization, including, but not limited to, the following items: (a) wages and salaries of employees; (b) payroll taxes and employee benefit costs; (c) power and light; (d) plant maintenance and repairs; (e) raw material and services; (f) sales and use taxes (other than sales and use taxes, if any, on the sale of assets by the Seller to Purchaser hereunder); (g) insurance premiums; and (h) expenditures for capital assets, have been for the account of Purchaser. The parties agree further that all trade accounts and notes receivable created subsequent to May 3, 1963 were created for the account of Purchaser, and that all collections made by the Seller of such accounts and notes receivable, and collections relating to the accounts and notes receivable and other assets sold to Purchaser hereunder, were made for the account of the Purchaser. All the foregoing has been determined in accordance with generally accepted accounting practice. To reflect the foregoing, Purchaser has paid to the Seller on the date hereof an amount of $217,170.35 , reflecting the expenditures made and other items paid or payable for the account of Purchaser as reflected in Schedule K attached hereto and the Seller has paid to Purchaser an amount of $313,806.37 , reflecting collections made for the account of Purchaser as reflected in Schedule L attached hereto.

2. SELLER'S REPRESENTATIONS AND WARRANTIES. The Seller hereby represents and warrants as follows:

2.1 [illegible] The Seller is a corporation duly [illegible], validly existing and in good standing under the laws of the State of New Jersey, has corporate power to carry on its business as it is now being conducted, and is duly qualified to do business and is in good standing in the states of New York, Pennsylvania, Ohio and Illinois. Copies of the Seller's Certificate of Incorporation and all amendments thereto (except the Certificate of Amendment changing Seller's name to F&H Liquidating Corporation) effected prior to the date hereof (certified by the Secretary of State of New Jersey under date of May 14, 1963) and of the Seller's By-Laws as amended to the date hereof (certified by the Seller's Secretary as of the date hereof), have been delivered to Purchaser and are complete and correct as at the date hereof.

2.2 CAPITALIZATION. The Seller's authorized capital stock consists of 500,000 shares of common stock, par value $1 per share, of which 165,000 shares are validly issued and outstanding, fully paid and non-assessable on the date hereof.

2.3 SUBSIDIARIES. The Seller has no subsidiaries except C & C Corporation.

2.4 BOARD OF DIRECTORS' AND STOCKHOLDERS' AUTHORITY RELATIVE TO THIS AGREEMENT. The execution, delivery and performance of this Agreement by the Seller, and the transfer, conveyance, assignment and delivery contemplated thereby, including the change of Seller's name as of the date hereof to one which does not [illegible] "Realty & Liquidation", have been duly authorized by the Seller's Board of Directors and stockholders, and the Seller has delivered to Purchaser true and complete copies of the minutes of the meetings of its Board of Directors and stockholders at which such authority was granted, certified by its Secretary.

2.5 FINANCIAL STATEMENTS. The Seller has delivered to Purchaser copies of the following financial statements, all of which are true and complete to the best of its knowledge, information and belief and have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods indicated:

(a) Balance Sheet. Balance Sheets of the Seller as of December 31, 1962 (certified by Haskins & Sells, certified public accountants), and of May 3, 1963, each of which is true and correct and which present a true and complete statement as of its date of the financial condition and assets and liabilities of the Seller; and

(b) Statements of Profit and Loss and Surplus Accounts. Statements of the profit and loss and surplus accounts of the Seller for each of the five calendar years 1958 through 1962 (certified by Haskins & Sells) and for the period from January 1, 1963 to May 3, 1963 each of which is true and correct and which fully and accurately presents the results of operations of the Seller for the period indicated.

2.6 ABSENCE OF UNDISCLOSED LIABILITIES. Except as and to the extent reflected or reserved against in the Seller's May 3, 1963 Balance Sheet, the Seller as of the date thereof had no liabilities or obligations secured or unsecured (whether accrued, absolute, contingent or otherwise) of a nature customarily reflected in a corporate balance sheet prepared in accordance with generally accepted accounting principles, including, without limitation, any tax liabilities due or to become due and whether incurred in respect of or measured by the Seller's income for any period prior to the close of business on May 3, 1963, or arising out of transactions entered into, or any state of facts existing, prior thereto, nor has the Seller any accrued, absolute, contingent or other liability with respect to any contract renegotiations as at May 3, 1963.

2.7 ABSENCE OF CERTAIN CHANGES OR EVENTS. Since May 3, 1963, there has not been:

(a) Labor Relations, Financial Conditions and Assets. Other than changes in the ordinary course of business, any significant labor troubles or any change in the Seller's financial condition, assets, liabilities, properties or business, including any damage or destruction of property by fire or other casualty, whether or not covered by insurance, which has been materially adverse. For the purposes of this Section changes in results of operations due to lower levels of business activity shall not constitute an adverse change in financial condition or business;

(b) Capital Stock, Options, Dividends, etc. Any change in the Seller's authorized or issued capital stock, the granting of any stock options, any purchase or other acquisition of any shares of the Seller's capital stock, or any declaration, setting aside or payment of any dividend or making of any other distribution or payment in respect of the Seller's capital stock;

(c) Pledge of Assets; Incurring of Indebtedness. Any mortgage or pledge of any of the Seller's properties or assets or any indebtedness incurred maturing more than one year from the date the indebtedness was incurred; and

(d) Employee Benefit Plans and Certain Salaries. Any bonus, stock option, profit sharing, pension, retirement or other similar arrangement or plan instituted or agreed to by the Seller, or any change in the Seller's Profit Sharing Pension Trust Plan or in the Pension Agreement with Local Union No. 5341 of the United Steelworkers, AFL-CIO as in effect on May 3, 1963, or any increase in the compensation payable or to become payable by the Seller to any of its officers, employees or agents whose total compensation for services rendered to the Seller is currently at an annual rate of more than $10,000, or any bonus, percentage of compensation, or other like benefit accrued to, or for the credit of, any of the officers, employees or agents of the Seller other than under the said Plan and Agreement.

2.8 TAX MATTERS. The provision made for taxes on the Seller's May 3, 1963 Balance Sheet is sufficient, in the opinion of the Seller, for the payment of all accrued and unpaid federal, state, county and local taxes of the Seller, whether or not disputed, for the accounting period ended on that date and for all periods prior thereto. The Seller's federal income tax returns have been audited by the Federal Internal Revenue Service for all years to and including the calendar year 1959. The results of such audit are properly reflected in the financial statements referred to in Section

2.5 hereof, all deficiencies disclosed as a result of such audits having been paid and settled.

2.9 ACCOUNTS AND NOTES RECEIVABLE. The Accounts Receivable of the Seller shown on the Seller's May 3, 1963 Balance Sheet, or thereafter acquired, or any Notes Receivable acquired by it, prior to the date hereof, have been collected, or are collectible when due in an aggregate amount of not less than 90% of the book amounts thereof.

2.10 INVENTORIES. The inventories of the Seller shown on the Seller's May 3, 1963 Balance Sheet or thereafter acquired by it prior to the date hereof, consist of items of a quality and quantity usable or salable in the normal course of the Seller's business; the value of all items of obsolete materials and of materials of below-standard quality has been written down to realizable market value or adequate reserves provided therefor; and the values at which such inventories are carried reflect the normal inventory valuation policy of the Seller of stating the inventory at cost, not in excess of market.

2.11 PLANTS AND EQUIPMENT. All of the Seller's plants and all machinery and equipment therein are in normal operating condition, free from any known defects except such minor defects as do not substantially interfere with the present use thereof in the conduct of normal operations; all of the other buildings used by the Seller and any equipment therein are in normal operating condition and repair.

2.12 BOOKS OF ACCOUNT: RETURNS AND REPORTS. To the best of the Seller's knowledge, information and belief:

(a) Its books of account reflect all of its items of income and expense, and all of its assets, liabilities and accruals; and

(b) The Seller has filed all reports and returns required by any law or regulation to be filed, and has duly paid, or accrued on its books of account, all taxes, duties and charges due pursuant to such reports and returns, or assessed against it and the assessment of any material amount of additional taxes in excess of that reported and paid is not reasonably expected.

2.13 MINUTE BOOKS. The Seller's minute books contain complete and accurate records of all meetings and other corporate actions of the stockholders and directors of the Seller.

2.14 TITLE TO PROPERTIES; ABSENCE OF LIENS AND ENCUMBRANCES, ETC. The Seller has good and marketable title to all of its properties and assets, real and personal, free and clear of all liens and encumbrances, except for such as appear of record and for such imperfections of title and encumbrances, if any, as are not substantial in character, amount or extent, and do not materially detract from the value or interfere with the present use of the properties subject thereto or affected thereby, or otherwise materially impair business operations. The Seller has not received notice of violation of any applicable zoning regulation, ordinance or other law, order, regulation or requirement relating to its operations and, so far as known to the Seller, there is no such violation and all plants and other buildings used by the Seller conform with all applicable ordinances, codes and regulations.

2.15 LISTS OF PROPERTIES, CONTRACTS AND PERSONNEL DATA. The Seller has delivered to Purchaser, or is delivering coincidentally with the execution hereof, accurate lists and summary descriptions, certified correct by authorized officers of the Seller, of the following:

(a) Real Property. All real property owned of record or beneficially or leased by the Seller, and a brief description of all buildings and structures located thereon ("Schedule A"), accompanied by the original or certified copies of the deeds, title insurance policies and other title documents relating to such real property as is owned, as well as all leases relating to real property leased by the Seller; and the Seller is not in default under any lease and all such leases are assignable to Purchaser or proper consents to the assignment thereof to Purchaser have been obtained;

(b) Inventories. Inventories of materials, merchandise, machinery, equipment, furniture and fixtures, as recorded in the books of account and records of the Seller as of May 3, 1963 ("Schedule B");

(c) Patents, Trademarks, etc. All patents, patent applications, trademarks, trademark registrations and applications therefor, trade names, copyrights, copyright registrations and applications therefor, patent licenses, contracts with employees or others relating in whole or in part to disclosure, assignment or patenting of any inventions, discoveries, improvements, processes, formulae or other know-how, and all other agreements relating in whole or in part to any item in any of the categories referred to in Section 1 hereof, presently owned, in whole or in part, by the Seller ("Schedule C") accompanied by the originals or certified copies thereof, all of which patents, trademarks and copyrights, to the best of the Seller's knowledge and belief, are valid and in good standing and all of which licenses, contracts and other agreements are valid and enforceable in accordance with their terms and all are assignable, or, other than as contemplated by Section 1.4 hereof, proper consents to the assignment thereof have been obtained; and all patent licenses granted by the Seller to others and in force accompanied by the originals or certified copies thereof;

(d) Automobiles and Trucks. All automobiles and trucks owned or leased by the Seller ("Schedule D");

(e) Insurance Policies. All policies of insurance with respect to the Seller and covering its properties, buildings, machinery, equipment, furniture, fixtures and operations, all of which are in force ("Schedule E"), accompanied by the originals or certified copies thereof;

(f) Certain Leases and Contracts. Each presently existing lease, other than the leases referred to in clause (a) of this Section 2.15, contract or other commitment of the Seller, other than labor contracts ("Schedule F"), accompanied by the originals or certified copies thereof; and, except as indicated on such list, the Seller is not in default under any such lease, contract or other commitment, and all are assignable, or, other than as contemplated by Section 1.4 hereof, proper consents to the assignment thereof have been obtained;

(g) Labor Contracts. Each presently existing labor contract ("Schedule G"), accompanied by the originals or

certified copies thereof; and the Seller is not in default under any such contract and all are assignable to Purchaser or proper consents to the assignment thereof to Purchaser have been obtained, so that Purchaser can continue the operations theretofore conducted by the Seller without interruption and under the same terms and conditions as are provided in such contracts;

(h) Certain Salaried Employees. The names and current annual salary rates of all the Seller's present directors, officers and employees whose current annual salary rate is $10,000 or more, together with a summary of the bonuses, additional compensation and other like benefits, if any, paid or payable to such persons for the calendar year 1962 ("Schedule H");

(i) The Seller's Profit Sharing Pension Trust Plan Trustees Agreement and the Pension Agreement with Local Union No. 5341 of the United Steelworkers, AFL-CIO as in effect on the date hereof, accompanied by a copy thereof, and together with such schedules of employee credits and trust assets as the Purchaser shall request ("Schedule O");

(j) Loan and Credit Agreements, etc. All mortgages, deeds of trust, loan or credit agreements and similar instruments to which the Seller is a party, and all amendments or modifications of any thereof ("Schedule I"), accompanied by originals or certified copies thereof; and

(k) Accounts and Notes Receivable. A complete list of all accounts and notes receivable, as recorded in the books of account and records of the Seller as of May 3, 1963 ("Schedule N").

2.16 PENSION ARRANGEMENTS. The Seller has no pension arrangements of any kind for any of its employees, salaried or non-salaried, other than as provided in its Profit Sharing Pension Trust Plan, the Pension Agreement with Local Union No. 5341 of the United Steelworkers, AFL-CIO, and pension arrangements for a disabled employee, Russell Wheeler.

2.17 LITIGATION. Except for suits, if any, of a character incident to the normal conduct of the Seller's business and for which insurance is carried and the action known as John J. Vicelich v. Refractory and Insulation Corporation instituted in the U.S. District Court for the Southern District of New York, there is no material litigation, proceeding or governmental investigation pending, or threatened, against or

relating to the Seller, or its properties or business, or the transaction contemplated by this Agreement, nor is there any basis for any such actions or for any claims, including, without limitation, any basis for actions or claims alleging or claiming violation of the antitrust laws, the infringement of patents, copyrights, trademarks or trade names or the pollution of air or water and the Seller is not a party to or subject to the provisions of any order, decree or judgment of any court having jurisdiction or of any governmental agency.

2.18 NO BROKERS. All negotiations relative to this Agreement and the transactions contemplated hereby have been carried on by the Seller directly with Purchaser, without the intervention of any person as the result of any act of the Seller in such manner as to give rise to any valid claim against either of the parties hereto for a brokerage commission, finders' fee or other like payment. Seller hereby indemnifies the Purchaser against any claim for such commission, fee or payment.

2.19 DISCLOSURE. No representation or warranty by the Seller, nor any statement or certificate furnished or to be furnished to Purchaser pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain, any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements contained therein not misleading.

3. PURCHASER'S REPRESENTATIONS AND WARRANTIES. Purchaser hereby represents and warrants as follows:

3.1 ORGANIZATION AND GOOD STANDING. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

3.2 AUTHORITY RELATIVE TO THIS AGREEMENT. The execution, delivery and performance of this Agreement by Purchaser has been duly and effectively authorized by all requisite corporate action and the entering into of this Agreement and the consummation of the transaction contemplated thereby does not violate the provisions of Purchaser's Certificate of Incorporation or By-Laws, the provisions of any note of which Purchaser is the maker, or of any indenture, agreement or other instrument to which Purchaser is a party.

4. CONDUCT OF SELLER'S BUSINESS PENDING THE CLOSING. Since May 3, 1963, except as otherwise consented to by Purchaser in writing, the Seller represents:

4.1 BUSINESS IN ORDINARY COURSE. The Seller's business has been conducted only in the ordinary course, which included the maintenance of the insurance policies listed on Schedule E, but which did not include the making of any commitment except as contemplated by Paragraph (b) of Section 1.2.

4.2 CERTIFICATE OF INCORPORATION AND BY-LAWS. No change has been made in the Seller's Certificate of Incorporation or By-Laws, except for the Certificate of Amendment changing Seller's name to F&H Liquidating Corporation.

4.3 CAPITAL STOCK, OPTIONS, DIVIDENDS, ETC. No capital stock of the Seller has been issued or sold, no stock options have been granted by the Seller, no shares of the capital stock of the Seller were purchased or otherwise acquired for a consideration, and no dividend or other distribution or payment has been declared, paid, set aside or made in respect of the Seller's capital stock.

4.4 BORROWING; PLEDGING OF ASSETS. No borrowing or any mortgage or pledge of any of the Seller's properties or assets

has been made.

4.5 EMPLOYEE BENEFIT PLANS AND CERTAIN SALARIES. No bonus, stock option, profit sharing, pension, retirement or other similar arrangement or plan has been instituted or agreed to by the Seller, no change in the Seller's Profit Sharing Pension Trust Plan or in the Pension Agreement with Local Union No. 5341 of the United Steelworkers, AFL-CIO as in effect on May 3, 1963 and no increase in the compensation payable or to become payable by the Seller to any of its officers, employees or agents whose total compensation for services rendered to the Seller is currently, or whose compensation after any increase will be, at an annual rate of more than $10,000, has been made, and no bonus, percentage of compensation, or other like benefit has been accrued to or for the credit of, any of the officers, employees or agents of the Seller.

4.6 PRESERVATION OF BUSINESS ORGANIZATION AND GOOD WILL. The Seller has used its best efforts to preserve its business organization intact, to keep available to Purchaser the services of the Seller's present officers and employees; and to preserve for Purchaser the good will of the Seller's suppliers, customers and others having business relations with it.

4.7 COMPLIANCE WITH LAW, ETC. The Seller has duly complied with all laws applicable to it and to the conduct of its business.

5. CONDITIONS PRECEDENT TO PURCHASER'S OBLIGATIONS. All obligations of Purchaser under this Agreement are subject to the fulfillment, as at the date hereof of each of the following conditions:

5.1 OPINION OF SELLER'S COUNSEL. Purchaser shall have been furnished with an opinion, dated as at the date hereof, of counsel for the Seller, Messrs. Carpenter, Bennett & Morrissey, to the effect that:

(a) Seller's Organization and Good Standing. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of New Jersey, has corporate power to carry on its business as it is then being conducted and is duly qualified to do business and is in good standing in the states of New York, Pennsylvania, Ohio and Illinois;

(b) Seller's Capitalization; Validity of Common Stock. The Seller's authorized capital stock consists of 500,000 shares of common stock, $1 par value; and the number of shares of common stock outstanding as at the date hereof is as stated in said opinion and such shares are validly issued and outstanding, fully paid and non-assessable;

(c) Seller's Corporate Authority Relative to this Agreement. The execution, delivery and performance of this Agreement by the Seller have been duly authorized and approved by all requisite action of the Seller's Board of Directors and stockholders, and this Agreement has been duly executed and delivered by the Seller and constitutes the valid and binding obligation of the Seller in accordance with its terms;

(d) Compliance by Seller with all Other Requirements; Power to Transfer Assets. All other actions and proceedings required by law or this Agreement to be taken by the Seller, at or prior to the date hereof, in connection with this Agreement and the transactions provided for herein, have been duly and validly taken, and the Seller has complete and unrestricted power to transfer, convey, assign and deliver to Purchaser all of the properties, assets and business to be transferred hereunder;

(e) Litigation. They do not know of any litigation (except as specified in Section 2.17 hereof), appraisal or other proceeding or governmental investigation pending or threatened against or relating to the Seller, its properties or business, or the transactions contemplated by this Agreement, or of any legal impediment to the continued operation of the Seller's properties and business in ordinary course, nor do they know of any basis for any such actions or for any claims;

(f) Encumbrances on Personal Property. They do not know of any mortgages, liens, pledges or other encumbrances in any material aggregate amount upon any of the tangible or intangible personal property of the Seller; and

(g) Transfer of Assets not in Contravention of Law. The transfers, conveyances, assignments and deliveries hereunder are not in contravention of any applicable state or local law or any agreement or other instrument.

(h) Validity of Instruments of Transfer. The instruments of conveyance and transfer executed and delivered by the Seller on the date hereof are valid in accordance with their terms to effectively vest in Purchaser, (i) good and marketable title to the real property reflected in the Seller's May 3, 1963 Balance Sheet, and any real property acquired since that date, free and clear of all liens and encumbrances as stated in Section 2.14 hereof, and (ii) all right, title and interest of the Seller in and to its other assets and its business and good will, as contemplated by this Agreement.

5.2 TITLE INSURANCE. Purchaser, upon due application therefor, shall have received policies of title insurance (or commitments for such policies) in form satisfactory to its counsel, Messrs. Shearman & Sterling, insuring, in amounts deemed adequate by Purchaser, fee simple interests in the real properties referred to in paragraph (h) of Section 5.1 hereof, any exceptions or defects specified in such policies or commitments (and any exceptions, defects or violations relating to such properties or to the operations of the Seller, otherwise reported to such counsel) to be subject (if not of the nature specified in Section 2.14 hereof) to the approval of such counsel.

5.3 OPINION OF PURCHASER'S COUNSEL. Purchaser shall have received an opinion, dated as at the date hereof, of its counsel, Messrs. Shearman & Sterling:

(a) Seller's Corporate Authority Relative to this Agreement. To the effect set forth in paragraph (c) of Section 5.1 hereof;

(b) Form of Instruments of Transfer. To the effect that the form of the instruments of conveyance and transfer referred to in Section 1.3 (a) is satisfactory to them.

5.4 APPROVAL OF LEGAL MATTERS BY SHEARMAN & STERLING. All legal matters in connection with this Agreement and the closing hereunder shall be approved by Messrs. Shearman & Sterling, and there shall have been furnished to such counsel by the Seller

such corporate and other records and information as they may reasonably have requested for such purposes.

5.5 OBJECTION BY SELLER'S STOCKHOLDERS: LITIGATION AFFECTING CLOSING. At the date hereof there shall not have been objections by stockholders of the Seller holding in the aggregate more than 16,500 shares to the transfer of the Seller's assets as contemplated by this Agreement and no suit, action, or other proceeding shall be pending or threatened before any court or other governmental agency in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby.

5.6 MATERIAL ADVERSE CHANGE SINCE MAY 3, 1963. During the period from May 3, 1963 to the date hereof there shall not have been any material adverse change in the properties, or any material adverse change in the financial condition of the Seller (determined in conformity with accounting principles applied on a basis consistent with that employed in the preparation of the Seller's financial statements at May 3, 1963); and at the date hereof there shall be delivered to Purchaser a certificate, dated this date, signed by the President of the Seller and stated to be the best knowledge of the signor thereof, to the foregoing effect and to the further effect that the aggregate amount of contingent liabilities of the Seller (including, without limitation, law suits, federal taxes, claims and guarantees), is not believed by the signor of the certificate, on the basis of both his own knowledge and the advice of legal counsel to Seller, to be materially important in relation to the business and assets of the Seller taken as a whole. For the purposes of this Section and any certificates delivered pursuant hereto,

changes in results of operations due to lower levels of business activity during any period shall not constitute an adverse change in financial condition.

5.7 EMPLOYMENT AGREEMENTS. The officers and employees of the Seller designated in Schedule M shall have executed and delivered to Purchaser employment agreements with Purchaser in form satisfactory to Purchaser.

5.8 ESCROW AGREEMENT. As security for the performance by the Seller of its covenants, warranties, agreements and indemnifications contained in this Agreement, the Seller shall have executed an Escrow Agreement with an Escrow Agent, satisfactory to Purchaser, in substantially the form set forth in Exhibit A, annexed hereto and made a part hereof, under which Escrow Agreement $165,000 is to be deposited on the date hereof.

5.9 APPROVAL BY PURCHASER'S BOARD OF DIRECTORS. This Agreement shall have been approved by Purchaser's Board of Directors.

6. CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE SELLER HEREUNDER. All obligations of the Seller under this Agreement are subject to the fulfillment, as at the date hereof, of each of the following conditions:

6.1 MISREPRESENTATIONS. The Seller shall not have discovered any material error, misstatement or omission in the representations and warranties made by Purchaser in Section 3 hereof.

6.2 OPINION OF PURCHASER'S COUNSEL. Purchaser shall have delivered to the Seller an opinion, dated as of the date hereof, of Purchaser's counsel, Messrs. Shearman & Sterling, to the effect that:

(a) Organization and Good Standing of Purchaser. Purchaser is a corporation duly organized and existing and in good standing under the laws of the State of Delaware;

(b) Purchaser's Authority Relative to this Agreement. The execution, delivery and performance of this Agreement by Purchaser have been duly authorized, this Agreement has been duly executed and delivered by Purchaser and constitutes the valid and binding obligation of Purchaser in accordance with its terms, and the entering into of this Agreement and the consummation of the transactions contemplated thereby does not violate any of the provisions of Purchaser's Certificate of Incorporation or By-Laws, any of the provisions of any note of which Purchaser is the maker or any of the provisions of any indenture, agreement or other instrument to which Purchaser is a party;

(c) Effectiveness of Undertaking re Assumption of Seller's Liabilities. Any undertaking entered into as provided for in Section 1.2(b) hereof has been duly executed and delivered and is binding and effective in accordance with its terms.

6.3 APPROVAL BY SELLER'S STOCKHOLDERS. The transfer of all of the properties and assets of the Seller to Purchaser, in accordance with the provisions of this Agreement, shall have been authorized and approved by the holders of not less than 66-2/3% of the outstanding stock of the Seller entitled to vote thereon.

6.4 UNDERTAKING BY PURCHASER RE SELLER'S PROFIT SHARING PENSION TRUST. Purchaser shall have undertaken to continue in effect the Seller's Profit Sharing Pension Trust Plan, as amended to the satisfaction of Purchaser, subject to obtaining consents from all participants in the Plan to the deletion of Section 3 of Article III from the Plan and to obtaining approval of the Internal Revenue Service to such modification and Purchaser shall have agreed to use its best efforts to obtain such approval; or Purchaser shall have taken the necessary action to permit employees of the Seller who enter the employ of Purchaser and who qualify to participate in the Retirement Plan For Salaried Employees of Combustion Engineering, Inc.

7. INDEMNIFICATIONS. The Seller will indemnify and hold harmless Purchaser against and in respect of:

7.1 Any and all liabilities of the Seller of any nature, whether accrued, absolute, contingent or otherwise, or claims against the Seller which may be asserted against Purchaser, which are not assumed by Purchaser pursuant to Section 1.2(b);

7.2 Any and all damage or deficiency resulting from any misrepresentation, breach of warranty or non-fulfillment of any agreement on the part of the Seller under this Agreement and from any misrepresentation in or occasioned by any certificate or other instrument furnished or to be furnished by the Seller under this Agreement; and

7.3 Any and all actions, suits, proceedings, demands, assessments, judgments, costs and legal and other expenses incidental to any of the foregoing.

8. NATURE AND SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The Seller and Purchaser agree that neither party has made any representation, warranty or covenant not set forth herein and this Agreement constitutes the entire agreement between the parties, and the representations, warranties and indemnifications of the Seller provided for herein shall not be discharged or dissolved upon, but shall survive, for a period of three years, the taking of delivery of the Seller's business and assets by Purchaser and shall be unaffected by any investigation made by Purchaser.

9. BULK SALES LAWS. Purchaser hereby waives compliance by the Seller with the provisions of the Bulk Sales Law of any state.

10. The Seller agrees that for a period of five years from the date hereof, it will not engage in the manufacture, sale or distribution of industrial insulations or refractory products.

11. BEST EFFORTS TO OBTAIN SATISFACTION OF CONDITIONS. The Seller agrees to use its best efforts to obtain the satisfaction of the conditions specified in Section 5 hereof, and Purchaser agrees to use its best efforts to obtain the satisfaction of the conditions specified in Section 6 hereof.

12. WAIVER. Each party may, at its option, waive in writing any and all of the conditions herein contained, to which its obligations hereunder are subject.

13. AMENDMENTS. Purchaser and the Seller, by mutual consent of their respective Boards of Directors, or officers authorized by such Boards, may amend or modify this Agreement, in such manner as may be agreed upon, by a written instrument executed by the Seller and Purchaser; provided, however, that no such amendment or modification shall change the amount of cash to be paid by Purchaser, and provided further that no such amendment or modification shall change this Agreement in any manner which would materially adversely affect the rights of the stockholders of the Seller.

14. SECTION AND PARAGRAPH HEADINGS. The section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

15. NOTICES, ETC. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed first-class postage prepaid:

(a) To the Seller. If to the Seller, to Carpenter, Bennett & Morrissey, 744 Broad Street, Newark 2, New Jersey.

(b) To Purchaser. If to Purchaser, to James B. Kelly, Secretary, Combustion Engineering, Inc., 200 Madison Avenue, New York 16, New York.

STATE OF NEW JERSEY)
: ss.
COUNTY OF Essex)

On the 5th day of June, 1963, before me personally came H. R. Clark, to me known, who, being by me duly sworn, deposes and says: That he resides in R.D. 2, Box 334, Pottstown, Pa.; that he is President of F&H LIQUIDATING CORPORATION, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Sophie E. Horn

SOPHIE E. HORN
Notary Public of New Jersey
My Commission Expires

STATE OF NEW JERSEY)
: ss.
COUNTY OF Essex)

On the 5th day of June, 1963, before me personally came T. A. Evans, to me known, who, being by me duly sworn, deposes and says: That he resides in New York, N.Y.; that he is President of REFRACTORY & INSULATION CORPORATION, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Sophie E. Horn

16. COUNTERPARTS. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

17. PARTIES IN INTEREST. This Agreement shall inure to the benefit of and be binding upon the parties named herein as the Seller and Purchaser and their respective successors and assigns, provided that any assignment of this Agreement or the rights hereunder by either party hereto without the written consent of the other party shall be void; nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies under or by reason of this Agreement.

IN WITNESS WHEREOF, the undersigned parties hereto have duly executed this Agreement on the date first above written.

F&H LIQUIDATING CORPORATION

By _____
President

ATTEST:

_____
Secretary

REFRACTORY & INSULATION CORPORATION

By _____
President

ATTEST:

_____
Secretary

STATE OF NEW JERSEY)
: ss.
COUNTY OF Essex)

On the 5th day of June, 1963, before me personally came H. N. Clark, to me known, who, being by me duly sworn, deposes and says: That he resides in R.D. 2, Box 334, Pottstown, Pa. ; that he is President of P&H LIQUIDATING CORPORATION, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Sophie E. Horn

SOPHIE E. HORN
Notary Public of New Jersey
My Commission Expires June 21, 1967

STATE OF NEW JERSEY)
: ss.
COUNTY OF Essex)

On the 5th day of June, 1963, before me personally came T. A. [illegible], to me known, who, being by me duly sworn, deposes and says: That he resides in New York, N.Y. ; that he is President of REFRACTORY & INSULATION CORPORATION, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Sophie E. Horn

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