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To the Honorable Commissioner of Patents and Trademarks

100927038

original documents or copy thereof

1. Name of conveying party(ies):

Purdy Corporation (n/k/a Paint Sundry Brands Corporation)

- Individual(s)
- General Partnership
- Corporation-State Oregon
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies):

Name: Purdy Corporation

Internal Address: Attn: President

Street Address: 13201 North Lombard

City: Portland State: OR ZIP: 97203

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Delaware
- Other

If assignee is not domiciled in the United States, a domestic representative designator is attached: Yes No

Designations must be a separate document from Assignment

Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: August 11, 1998

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark registration No.(s)

1,907,330

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Cravath, Swaine & Moore

Internal Address: Attn: Emily T. Campbell

Street Address: Worldwide Plaza

825 Eighth Avenue

City: New York State: NY ZIP: 10019

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41): \$ 40.

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

12/17/1998 DMGUYEN 00000102 1907330

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40.00 0P

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

E. Michael Karol
Name of Person Signing

Signature

12/7/98
Date

Total number of pages containing cover sheet

TRADEMARK
REEL: 1828 FRAME: 0396

ASSET PURCHASE AND ASSUMPTION AGREEMENT

THIS IS AN ASSET PURCHASE AND ASSUMPTION AGREEMENT dated as of August 11, 1998 (the "Agreement") by and between Purdy Corporation, an Oregon corporation (to be renamed Paint Sundry Brands Corporation) ("Purdy") and Purdy Corporation, a Delaware corporation ("New Purdy") and a wholly-owned subsidiary of Paint Sundry Brands LLC, a limited liability company organized under the laws of Delaware.

Background

A. Bessemer Holdings, L.P., a Delaware limited partnership, Purdy and the Stockholders of Purdy are parties to an Agreement and Plan of Recapitalization dated June 18, 1998 (the "Recapitalization Agreement"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Recapitalization Agreement.

B. Pursuant to the Recapitalization Agreement, Acquiror and Purdy contemplate that Purdy and New Purdy will enter into this Agreement and New Purdy will purchase and assume certain assets and liabilities of Purdy.

Terms

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, intending to be legally bound hereby, the parties hereto agree as follows:

1. Purchase of Assets.

(a) Purdy hereby transfers, assigns and delivers to New Purdy, as a capital contribution, and New Purdy hereby acquires and accepts from Purdy, all the assets of Purdy relating to the Purdy Assets, effective as of 8:00 a.m., New York time, on the Closing Date.

(b) The "Purdy Assets" means all the right, title and interest of Purdy in the business, properties, assets, goodwill and rights of whatever kind and nature, real, personal or mixed, tangible or intangible, whether or not any of such assets have any value for accounting purposes or are carried or reflected on or referred to in the books or financial statements of Purdy, that are owned, leased or licensed by Purdy on the Closing Date, other than the Excluded Assets (as defined below), including:

(i) the Owned Real Property and the leasehold interests under the Real Property Leases, in each case together with Purdy's right, title and interest in all buildings, improvements and fixtures thereon and all other appurtenances thereto (the "Premises");

(ii) all raw materials, work-in-process, finished goods, supplies, parts, spare parts and other inventories of Purdy that on the Closing Date are located on the Premises, and all raw materials, work-in-process, finished goods, supplies, parts, spare parts and other

inventories of Purdy (including in transit, on consignment or in the possession of any third party) on the Closing Date;

(iii) all other tangible personal property and interests therein, including all machinery, equipment, furniture and vehicles, of Purdy;

(iv) all accounts receivable of Purdy on the Closing Date;

(v) all right, title and interest of Purdy in and to (A) the Intellectual Property, and (B) all other patents, patent applications, copyright registrations and applications therefor, other copyrights, trademarks, service marks, trade names and registrations thereof and applications therefor, and all rights to any of the foregoing;

(vi) all trade secrets, confidential information, inventions know-how, formulae, processes, procedures, research records, records of inventions, test information, market surveys and marketing know-how of Purdy;

(vii) all right, title and interest of Purdy in and under the governmental permits, licenses and authorizations set forth on Schedule 3.12 of the Schedules;

(viii) all contracts to which Purdy is a party or by which Purdy is bound that are listed on Schedule 3.8 or 3.10 of the Schedules, and all other contracts (including purchase orders and sales orders) to which Purdy is a party or by which Purdy is bound;

(ix) all partnership interests or any other equity interest in any corporation, company, limited liability company, partnership, joint venture, trust or other business association;

(x) all rights in and to products sold or leased (including products returned after the Closing and rights of rescission, replevin and reclamation);

(xi) all credits, prepaid expenses, deferred charges, advance payments, security deposits and prepaid items;

(xii) all rights, claims and credits to the extent relating to any of the Purdy Assets or any of the Purdy Liabilities, including any such items arising under insurance policies and all guarantees, warranties, indemnities and similar rights in favor of Purdy in respect of any of the other Purdy Assets or any of the Purdy Liabilities;

(xiii) all books of account, ledgers, general, financial, accounting and personnel records, files, invoices, customers' and suppliers' lists, other distribution lists, billing records, sales and promotional literature, manuals, customer and supplier correspondence (in all cases, in any form or medium), of Purdy; and

(xiv) all goodwill generated by or associated with Purdy.

(c) The term "Excluded Assets" means:

(i) all accounts receivable of Purdy from Fox, any other Stockholder, any other member of the Fox family or any Affiliate of any of the foregoing;

(ii) all cash and cash equivalents of Purdy;

(iii) all rights, claims and credits of Purdy to the extent relating to any other Excluded Asset or any Excluded Liability (as defined below), including any such items arising under insurance policies and all guarantees, warranties, indemnities and similar rights in favor of Purdy in respect of any other Excluded Asset or any Excluded Liability; and

(iv) all rights of Purdy under this Agreement and the other agreements and instruments executed and delivered in connection with this Agreement.

2 Consents of Third Parties

(a) Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any asset or any claim or right or any benefit arising under or resulting from such asset, or an obligation to assume any liability, in an attempted assignment or assumption thereof, without the consent of a third party, would constitute a breach or other contravention of the rights of such third party, would be ineffective with respect to any party to such asset (if an agreement) or to an agreement concerning such asset, or would in any way materially adversely affect the rights of Purdy or, upon transfer, New Purdy under such asset. If any transfer or assignment by Purdy to, or any assumption by New Purdy of, any interest in, or liability, obligation or commitment under, any asset requires the consent of a third party, then such assignment or assumption shall be made subject to such consent being obtained. Subject to the last sentence of Section 2(b), to the extent any contract may not be assigned to New Purdy by reason of the absence of any such consent, New Purdy shall not be required to assume any Assumed Liabilities arising under any such contract.

(b) If any such consent is not obtained prior to the Closing, Purdy and New Purdy shall cooperate in any lawful and reasonable arrangement reasonably proposed by New Purdy under which New Purdy shall obtain the economic claims, rights and benefits under the asset, claims or right with respect to which the consent has not been obtained in accordance with this Agreement. Such reasonable arrangement may include (i) the subcontracting, sublicensing or subleasing to New Purdy of any and all rights of Purdy against the other party to such third-party agreement arising out of the breach or cancellation thereof by the other party, and (ii) the enforcement by PURDY of such rights on behalf of New Purdy. Nothing in this Section shall require the expenditure of an unreasonable amount of funds or the incurrence of unreasonable liability by Purdy. To the extent any such arrangement results in New Purdy obtaining the economic claims, rights and benefits under any contract not assigned because of lack of consent, New Purdy shall be responsible for the Assumed Liabilities thereunder.

3. Assumption of Liabilities.

(a) New Purdy hereby assumes and undertakes to timely pay, perform and discharge, in accordance with and subject to their respective terms, all of the Purdy Liabilities (as defined below), effective as of 8:00 a.m., New York time, on the Closing Date.

(b) The "Purdy Liabilities" means all debts, obligations and liabilities of Purdy, whether known or unknown, absolute or contingent, liquidated or unliquidated, mature or unmatured, prior to the Closing including, without limitation, those reflected as "Current Liabilities," "Affiliate Payables," "Disqualified Obligations" or "Debt" on the Closing Statement, other than any Excluded Liability.

(c) Notwithstanding any other provision of this agreement, New Purdy shall not assume any of the following liabilities, obligations and commitments of Purdy (the "Excluded Liabilities"), all of which shall be retained and paid, performed and discharged when due by Purdy:

(i) any liability, obligation or commitment of Purdy that relates primarily to, or that arises primarily out of, any Excluded Asset, or that arises out of the ownership of Purdy of the Excluded Assets or associated with the realization of the benefits of any Excluded Asset; and

(ii) any liability, obligation or commitment for Taxes, whether or not accrued, assessed or currently due and payable, of Purdy (including as a result of the transactions contemplated by this Agreement).

4. Limitations. PURDY MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE WITH RESPECT TO THE MATTERS CONTEMPLATED HEREBY OR WITH RESPECT TO ANY ASSET TO BE CONVEYED HEREUNDER. ALL WARRANTIES BY PURDY (WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED) WITH REGARD TO MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, CONDITION OR DESIGN ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE OR OTHERWISE ARE EXPRESSLY EXCLUDED. THE PARTIES AGREE THAT THE ASSETS, INCLUDING THE CONTRACTS, ARE BEING TRANSFERRED TO NEW PURDY IN AN "AS IS, WHERE IS" CONDITION WITH ALL OF THEIR FAULTS.

5. Further Assurances.

(a) At 8:00 a.m., New York time, on the Closing Date, Purdy shall deliver to New Purdy :

(i) separate deeds, in registrable form and otherwise in form and substance reasonably satisfactory to Acquiror, with respect to each parcel of Owned Real Property, duly executed in the form and manner appropriate for registration in the applicable

jurisdiction, together with such other certificates, affidavits and other documents relating thereto as may be reasonably requested by Acquiror, its counsel or its title insurance company;

(ii) separate assignments, each dated the Closing Date, in registrable form and otherwise in form and substance reasonably satisfactory to Acquiror, and duly executed in the form and manner appropriate for registration in the applicable jurisdiction, for each registered patent, trademark or copyright or application therefor included in the Purdy Assets; and

(iii) certificates of title to all motor vehicles included in the Purdy Assets, duly endorsed in favor of New Purdy .

(b) From and after the Closing, New Purdy shall have the right and authority to collect for its own account all accounts receivable and other related items that are included in the Purdy Assets. Purdy shall promptly deliver (and endorse as necessary) to New Purdy any cash or other property received directly or indirectly by it with respect to any such receivables and such other related items, including any amounts payable as interest.

(c) Purdy hereby covenants that, from time to time after the delivery of this instrument, at New Purdy's request, Purdy will do, execute, acknowledge, and deliver, or will cause to be done, executed, acknowledged and delivered, such further acts, conveyances, transfers, assignments, powers of attorney and assurances as New Purdy may require to convey, transfer to and vest in New Purdy , and to put New Purdy in possession of, any of the Purdy Assets.

6. Recapitalization Agreement Controls. This Agreement is not intended to modify, enlarge or restrict the rights and obligations of the parties to the Recapitalization Agreement, and, to the extent that any provision of this Agreement is inconsistent with the Recapitalization Agreement, the provisions of the Recapitalization Agreement will control.

7. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

8. Notice. Any notice, request, instruction, or other document to be given hereunder by any party hereto to any other party shall be in writing and shall be given (and will be deemed to have been duly given upon receipt) by delivery in person, by electronic facsimile transmission, cable, telegram, telex, or other standard forms of written telecommunications, by overnight courier or by registered or certified mail, postage prepaid.

if to Purdy, to:

Purdy Corporation
c/o RAF Industries, Inc
165 Township Line Road
Suite 2100
Jenkintown, PA 19046
Attention: Robert A. Fox and
Richard M. Horowitz
Telecopy: (215) 576-1640

with a copy to

Dechert Price & Rhoads
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia Pennsylvania 19103-2793
Attention: Henry N. Nassau
Telecopy: (215) 994-2222

if to New Purdy , to:

Purdy Corporation
c/o Bessemer Holdings, L.P.
630 Fifth Avenue, 39th Floor
New York, NY 10111
Attention: Robert D. Lindsay
Telecopy: (212) 969-9032

with a copy to:

Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Attention: Richard A. Hall
Telecopy: (212) 474-3700

or at such other address for a party as shall be specified by like notice.

9. Governing Law; Consent to Jurisdiction. This Agreement shall be construed in accordance with and governed by the laws of the State of New York applicable to agreements made and to be performed wholly within that jurisdiction. Each party hereto, for itself and its

successors and assigns, irrevocably agrees that any suit, action or proceeding arising out of or relating to this Agreement shall be instituted only in (a) the United States District Court for the Eastern District of Pennsylvania, United States of America or in the absence of jurisdiction, the Court of Common Pleas of Pennsylvania located in Philadelphia, Pennsylvania, or (b) the United States District Court for the Southern District of New York, United States of America or in the absence of jurisdiction, the Supreme Court of the State of New York, New York County, and generally and unconditionally accepts and irrevocably submits to the exclusive jurisdiction of the aforesaid courts and irrevocably agrees to be bound by any final judgment rendered thereby from which no appeal has been taken or is available in connection with this Agreement. Each party, for itself and its successors and assigns, irrevocably waives any objection it may have now or hereafter to the laying of the venue of any such suit, action or proceeding, including, without limitation, any objection based on the grounds of *forum non conveniens*, in the aforesaid courts. Each of the parties, for itself and its successors and assigns, irrevocably agrees that all process in any such proceedings in any such court may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to him or it at his or its address set forth in Section 8 hereof or at such other address of which the other parties shall have been notified in accordance with the provisions of Section 8 hereof, such service being hereby acknowledged by the parties to be effective and binding service in every respect. Nothing herein shall affect the right to serve process in any other manner permitted by law.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PURDY CORPORATION

By: _____

Name: Robert J.S. Roriston

Title: Vice President & Secretary

PURDY CORPORATION (to be renamed
Paint Sundry Brands Corporation)

By: _____

Name:

Title: