

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

EASY GARDENER, INC.

AND

LANDMASTER PRODUCTS, INC.

ASSET PURCHASE AGREEMENT

AGREEMENT, dated as of the 20 day of March, 1998, by and among Landmaster Products, Inc., a Colorado corporation (the "Company"); each of Wayne Murray and Quincy McMillan (said individuals being hereinafter collectively called the "Selling Stockholders" and severally called "Selling Stockholder"); and Easy Gardener, Inc., a Delaware corporation ("Buyer").

W I T N E S S E T H :

WHEREAS, the Selling Stockholders are the owners of all of the issued and outstanding Common Stock of the Company; and

WHEREAS, Buyer is the wholly-owned subsidiary of U.S. Home & Garden, Inc. ("USH&G"); and

WHEREAS, the Company is principally engaged in the business of marketing, packaging and distributing landscape fabric products (the "Business"); and

WHEREAS, the Company wishes to sell to Buyer, and Buyer wishes to purchase from the Company, as a going concern, the business and substantially all of the properties and assets of the Company, all subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of and in reliance upon the covenants, conditions, representations and warranties herein contained, the parties hereto hereby agree as follows:

1. Purchase and Sale Agreement.

1.1. Agreement of Purchase and Sale. Subject to the terms and conditions set forth in this Agreement and in reliance upon the representations, warranties, covenants and conditions herein contained, on the Closing Date (as defined in Section 2.1 hereof) the Company shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase from the Company, the Purchased Assets (as defined in Section 1.2 hereof), free and clear of any and all liens, claims, charges or encumbrances of any nature whatsoever.

1.2. Purchased Assets. Except for the real property leasehold located at 1925 W. Dartmouth, Englewood, Colorado 80123 and other interests, together with all fixtures, improvements and structures located thereon or pertaining thereto as set forth on Schedule 1.2 hereto, the term "Purchased Assets" means all of the properties and assets owned by the Company or otherwise employed, used or available for use in the Business.

real and personal, tangible and intangible, of every kind and nature, wherever located, as the same shall exist on the Closing Date, including, without limitation, all (a) cash and cash equivalents (except for accrued earnings and profits of the Company at December 31, 1997, in the aggregate amount of \$835,000 (the "December 31, 1997 Accrued Earnings"); machinery, equipment, motor vehicles, tools, molds, dies, patterns, gauges, furniture and supplies; inventories (including raw materials, work-in-process, finished goods, packaging inventories, demonstration inventories and spare parts); notes and accounts receivable; customer lists (including name, address and telephone number); customer and product authorizations; E.D.I.'s; goodwill; claims and rights of action against third parties; refunds and credits due or to become due from any source; rights and interests of the Company under warranties, guarantees, insurance policies, pending or executory contracts and commitments for the purchase or lease of materials, supplies or services in connection with the Business, pending or executory contracts and commitments for the sale or lease of products or services in connection with the Business, and other leases and pending or executory contracts and commitments of any nature relating to the Business; deferred charges, advance payments, prepaid expenses and deposits; rights of offset and credits of all kinds; except for "Landmaster" which shall be licensed to Buyer, all names, brands and marks used in connection with the Business, and all derivatives and combinations thereof; all promotional materials; all research and development relating to new products, new designs, processes or cost reductions which are used or useful or in any way related to or of potential benefit to the Business; telephone numbers listings and rights under governmental and administrative licenses, permits and approvals, (b) specifications, manuals and technical data, trade secrets, discoveries, blueprints, drawings, inventions, designs, patents, improvements, processes, product information and data, shop rights and know-how, and (c) files, books and records relating to any of the foregoing. The Purchased Assets shall include, without limitation, all properties and assets of the Company reflected on the Pre-Closing Balance Sheet, including the notes thereto, referred to in Section 4.6 hereof, and all properties and assets acquired by the Company after February 6, 1998, except for those assets disposed of in the ordinary course of business since February 6, 1998 and the December 31, 1997 Accrued Earnings and as set forth on Schedule 1.2 hereto. Anything in this Agreement contained to the contrary notwithstanding, the Purchased Assets shall not include the minute books, stock books and tax returns of the Company, except as same are relevant to the customers and vendors of the Company.

1.3. Assumed Liabilities. Subject to the terms and conditions set forth in this Agreement and in reliance upon the representations, warranties, covenants and conditions herein contained, on the Closing Date (as defined in Section 2.1 hereof) Buyer shall assume, and shall only assume (a) the Company's

or administrative body or agency, applicable to the Company, the Business or any of the Purchased Assets, including, but not limited to, those relating to: occupational safety and health; environmental and ecological protection (e.g., the use, storage, handling, transport or disposal of pollutants, contaminants or hazardous or toxic materials or wastes, and the exposure of persons thereto); business practices and operations; labor practices; employee benefits; and zoning and other land use, and (b) the Company, the Business and/or any of the Purchased Assets have been or may be materially and adversely affected.

4.13. Intellectual Property. Schedule 4.13 is a complete and correct list of all (a) United States and foreign patents, trademark and trade name registrations, trademarks and trade names, brandmarks and brand name registrations, servicemarks and servicemark registrations, assumed names and copyrights and copyright registrations, owned in whole or in part or used by the Company, and all applications therefor, (b) inventions, discoveries, improvements, processes, formulae, proprietary rights and trade secrets relating to the Business, and (c) licenses and other agreements to which the Company is a party or otherwise bound which relate to any of the foregoing. Except as expressly set forth in said Schedule 4.13, (a) the Company owns or has the right to use all of the foregoing; (b) proceedings have been instituted, are pending or, to the best of the knowledge of the Company are threatened, which challenge the rights of the Company in respect thereto or the validity thereof and, to the best knowledge of the Company, there is no valid basis for any such proceedings; (c) none of the aforesaid violates any laws, statutes, ordinances or regulations, or has any time infringed upon or violated any rights of others, or is being infringed by others; and (d) none of the aforesaid is subject to any outstanding order, decree, judgment, stipulation or charge.

4.14. Tax Matters. The Company has filed with the appropriate governmental agencies all tax returns and reports required to be filed by it, and has paid in full or made adequate provision for the payment of, all taxes, interest, penalties, assessments and deficiencies shown to be due or claimed to be due on such tax returns and reports. The provision for income and other taxes which is set forth on the Pre-Closing Balance Sheet are adequate for all accrued and unpaid taxes of the Company as of the date thereof, whether (a) incurred in respect of or measured by income of the Company for any periods prior to the close of business on that date, or (b) arising out of transactions entered into, or any state of facts existing, on prior to that date. The provision for income and other taxes which is set forth on the books of account of the Company is adequate for all income and other taxes which accrued after the date of the Pre-Closing Balance Sheet. The Company has not executed or filed with any taxing authority any agreement extending the period for the assessment or collection of any

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto as of the date first above written.

EASY GARDENER, INC.

BY: *Richard J. Roberts*

Richard J. Roberts
Vice President

LANDMASTER PRODUCTS, INC.

BY: _____

WAYNE KOSBAY

OVINEY NICHILIAN

REC'D, this Agreement has been executed and delivered by the parties hereto as of the date first above written.

EASY GARDENER, INC.

BY: _____

LANDMASTER PRODUCTS, INC.

BY: *Wayne Kosbay*

Wayne Kosbay

OVINEY NICHILIAN

REC'D, this Agreement has been executed and delivered by the parties hereto as of the date first above written.

EASY GARDENER, INC.

BY: _____

LANDMASTER PRODUCTS, INC.

BY: _____

WAYNE KOSBAY

Wayne Kosbay

OVINEY NICHILIAN

19.1998 10:14PM

SCHEDULE 4.13

THIS SCHEDULE is attached to and made a part of that certain Assets Purchase Agreement dated March ____, 1998 by and between Landmaster Products, Inc., Wayne Murray and Quincy McMillan, and Easy Gardner, Inc.

Intellectual Property Information

1. Patents, Trademarks and Copyrights. None except for a trademark for "Polyspur 300" registered by Landmaster Products, Inc. (the "Company") with the U.S. Patent and Trademark office on July 18, 1995 under Reg. No. 1,905,636.
2. Service marks, Brand Names and Registrations. None
3. Assumed Names. None
4. Inventions and Trade Secrets. None.
5. Licenses and Other Agreements.

The Company has a right of first refusal agreement with Freudenberg Spinweb Company.

LANDMASTER PRODUCTS, INC.

By Wayne G. Murray
Its _____

Wayne G. Murray
Wayne Murray
Quincy McMillan
Quincy McMillan