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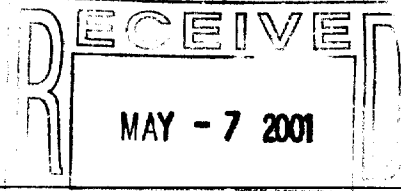
FORM PTO-1618A

Expires 06/30/99
OMB 0651-0027

101712238

U.S. Department of Commerce
Patent and Trademark Office

TRADEMARK



5-7-01

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

☒ New☐ Resubmission (Non-Recordation)
Document ID # ☐ Correction of PTO ErrorReel # Frame # ☐ Corrective DocumentReel # Frame #

Conveyance Type

☒ Assignment☐ License☐ Security Agreement☐ Nunc Pro Tunc Assignment☐ MergerEffective Date
Month Day Year☐ Change of Name☐ Other

Conveying Party

☐ Mark if additional names of conveying parties attachedExecution Date
Month Day YearName HELLER FINANCIAL, INC.

08-23-96

Formerly ☐ Individual ☐ General Partnership ☐ Limited Partnership ☒ Corporation ☐ Association☐ Other ☒ Citizenship/State of Incorporation/Organization DE

Receiving Party

☐ Mark if additional names of receiving parties attachedName DUNCAN ENTERPRISESDBA/AKA/TA Composed of Address (line 1) 5673 E SHIELDSAddress (line 2) Address (line 3) FRESNO CA 93727

City

State/Country

Zip Code

☐ Individual ☐ General Partnership ☐ Limited Partnership ☐☒ Corporation ☐ Association☐ Other ☒ Citizenship/State of Incorporation/Organization CA

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

FOR OFFICE USE ONLY

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Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK

REEL: 002292 FRAME: 0428

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

559-224-2131

Name

TRACY A AGRALL

Address (line 1)

WILD CARTER & TIPTON

Address (line 2)

246 W SHAW

Address (line 3)

FRESNO

Address (line 4)

CA 93704

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

41

Trademark Application Number(s) or Registration Number(s)

☐

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

1888131		

Number of Properties

Enter the total number of properties involved.

#

1

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

☒

Deposit Account

☐

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

☐

No

☐

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. Charges to deposit account are authorized, as indicated herein.

TRACY A. AGRALL

Name of Person Signing

Signature

MAY 3, 2001

Date Signed

FORECLOSURE AGREEMENT

This Foreclosure Agreement (the "Agreement"), dated as of the 23rd day of August, 1996, is entered into between Duncan Enterprises, a California corporation (the "Buyer") and Heller Financial, Inc., a Delaware corporation (the "Lender").

RECITALS

I. Pursuant to that certain Credit Agreement dated as of December 29, 1989 between Polymeric, Inc., a Massachusetts corporation, as successor by merger with Tulip Acquisition Corporation (the "Borrower"), and the Lender, as amended from time to time thereafter (as so amended and as otherwise previously modified from time to time, the "Loan Agreement"), and certain other documents, instruments and agreements executed pursuant thereto or in connection therewith (collectively, the "Related Agreements," and together with the Loan Agreement, the "Lender Loan Documents"), the Lender has made loans to, and made other financial accommodations to or for the benefit of, the Borrower (all such loans and other financial accommodations being herein referred to collectively as the "Loans"). The Loans and all other obligations of the Borrower to the Lender, howsoever created, arising or evidenced (collectively, the "Obligations"), are secured by substantially all of the Borrower's assets. Further, payment of the Obligations is guaranteed by the third party guaranty of Tulip Holding Corporation, a Delaware corporation (the "Guarantor"). The Obligations are also secured by substantially all of the Guarantor's assets and for purposes of this Agreement the term Borrower shall hereinafter be deemed to include the Guarantor.

II. As a result of a continuing default by the Borrower in repayment and performance of the Obligations and other liabilities under the Loan Agreement, the Lender has the right under Section 9-504 of the New York Uniform Commercial Code (the "UCC") to sell and transfer to any person or entity for value in a private sale all of the Borrower's right, title and interest in and to any or all of the assets subject to the Lender's security interest (such assets are collectively referred to herein as the "Encumbered Assets").

III. The Borrower has represented to the Lender that the Borrower is willing to surrender possession to the Lender solely for the purpose of effecting such a private sale of substantially all of the personal property and business assets of the Borrower, which personal property and business assets include certain tangible assets and intangible assets, the tangible assets of which are located in several states, including but not by way of limitation the states of Massachusetts, New Jersey, West Virginia, Rhode Island, Illinois, Pennsylvania and New York, on the terms and subject to the conditions set forth herein. The Lender desires to grant, sell, transfer and deliver to the Buyer for value, in a sale pursuant to the UCC and on the terms and conditions hereinafter set forth, all of the Borrower's and the Lender's right, title and interest in the Subject Assets (as hereinafter defined).

IV. The Buyer desires to purchase substantially all of the personal property and business assets of the Borrower, which personal property and business assets include certain tangible assets and intangible assets, the tangible assets of which are located in several states, including but not by way of limitation the states of Massachusetts, New Jersey, West Virginia, Rhode Island, Illinois, Pennsylvania and New York, on the terms and subject to the conditions set forth herein. The Buyer desires to acquire from the Lender for value, in a sale pursuant to

the UCC and on the terms and conditions hereinafter set forth, all of the Borrower's and the Lenders' right, title and interest in the Subject Assets (as hereinafter defined).

AGREEMENTS

NOW THEREFORE, in consideration of the mutual promises and agreements set forth herein, the Buyer and the Lender agree as follows:

1. Incorporation of Recitals. The Recitals set forth above are true and correct, and are incorporated into and form an integral part of the agreement between the parties contained in this Agreement; provided, however, that Buyer makes no representations with respect to the Recitals contained in I, II and III above.

2. Purchase and Sale. Subject to the terms and conditions set forth in this Agreement, in consideration of the Purchase Price (as hereinafter defined), at the Closing (as hereinafter defined), the Lender will conduct a private foreclosure sale of, and will thereat sell to the Buyer and the Buyer will acquire: (a) all of the Borrower's right, title and interest in and to all of the assets of the Borrower, other than the Excluded Assets (as hereinafter defined), in which the Lender has a security interest under the UCC (the "Subject Assets"), which Subject Assets include, to the extent that the Lender has a security interest in such assets under the UCC, the following assets of the Borrower: (i) accounts receivable (the "Accounts Receivable"), (ii) inventory (the "Inventory"), (iii) fixed assets (the "Fixed Assets"), and (iv) all other assets of any kind or nature whatsoever to the extent a security interest therein can be taken under the UCC (the "Other Assets"), including, but not limited to, all rights, title and interest in the patents, technologies, formulae, trade secrets, customer lists, supplier lists, trade names, trademarks, service marks, copy rights and other intellectual property of the Borrower (the "Intellectual Property"), including, but not limited to, the names "Polymeric" and "Tulip" (all trade names, trademarks, service marks and other names used by the Borrower are collectively referred to as the "Trade Names"), and all variations of any of the Trade Names or names that include any of the Trade Names; and (b) the business and operations of the Borrower in which the Lender has a security interest under the UCC, to the extent a security interest therein can be taken under the UCC (the "Business"), including, but not limited to, the books and records, customer lists, sales invoices and records, competitive information and all other records and documents related to the Business, but not the Borrower's stock books, minute books, and other corporate records of a similar nature. Subject Assets includes all of the assets of the Borrower (other than the Excluded Assets) in which the Lender has a security interest under the UCC as of the Closing Date (as hereinafter defined). All of the Subject Assets, including the Accounts Receivable, the Inventory, the Fixed Assets, the Intellectual Property and the Other Assets, shall be transferred and delivered to the Buyer by the Lender at the Closing free and clear of any security interest or lien of the Lender or of any security interests or liens subordinate to the Lender's security interest and lien; provided however, that with respect to rights of third parties with respect to set-off claims, liabilities, royalties, licenses, guaranteed payments or other claims or burdens against the Subject Assets such transfer and delivery shall be subject to Section 8.12 hereof.

2.1 Excluded Assets. Notwithstanding the foregoing, the Lender is not selling and the Buyer is not purchasing any of those assets more particularly described on Schedule 2.1 hereof (such assets being referred to hereinafter as the "Excluded Assets"). The Buyer may elect to exclude any of the other Subject Assets from the sale, but such an exclusion shall not result in any reduction of the Purchase Price (as hereinafter defined).

2.2 Compliance with Section 9-504. It is the express intent of the parties hereto that the sale of the Subject Assets contemplated hereby be consummated pursuant to Section 9-504 of the UCC. Accordingly, the Lender has conducted searches of the records in the locations listed in Part I of Schedule 2.2, which searches have revealed the entities listed on Part II of Schedule 2.2. To the extent not waived in writing to the sole satisfaction of the Lender, the Lender has sent or will send notices of the foreclosure sale contemplated hereby in advance of such sale to the parties listed in Part III of Schedule 2.2 and to any other party from whom the Lender has received (before sending its notices to the Borrower) written notice of a claim of an interest in the Subject Assets whose interest might be adversely affected hereby. Copies of such notices may later be appended to Schedule 2.2 and made a part thereof.

2.3 No Assumption of Obligations or Liabilities. The Buyer shall not assume, and shall have no obligation or liability with respect to any liabilities or obligations of the Borrower or the Lender, whether absolute, accrued, contingent or otherwise. The Lender has informed the Buyer that the Lender shall not assume, nor shall the Lender be deemed to have assumed, any liability or obligation of the Borrower whatsoever.

2.4 Sale As Is; Where Is. The Lender specifically disclaims (and the parties hereto expressly agree that the Lender makes and gives no covenant, undertaking, representation or warranty, express or implied, in connection with this Agreement, the Subject Assets or any other matter relating hereto or thereto) as to the following matters:

(a) Non-infringement of any of the Intellectual Property or Trade Names owned by Borrower;

(b) The existence on the Closing Date (as hereinafter defined) of any specific items constituting the Subject Assets or the quantity or quality thereof; or

(c) The condition, quality, suitability, value, merchantability or fitness for a particular purpose of any of the Subject Assets, of the Business, or of the Borrower or any aspect of the Borrower's financial condition, businesses, prospects, or operations.

THE BUYER ACKNOWLEDGES AND AGREES THAT EXCEPT AS, AND ONLY TO THE EXTENT, SET FORTH IN THIS AGREEMENT: (A) THE SALE OF THE SUBJECT ASSETS HEREUNDER IS WITHOUT RECOURSE TO THE LENDER, ON AN "AS IS, WHERE IS" BASIS, WITHOUT ANY REPRESENTATIONS OR WARRANTIES AS TO ITEMS, CONDITION, QUANTITY OR ANY OTHER MATTERS WHATSOEVER EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT; (B) THE LENDER IS SELLING TO THE BUYER ALL ACCOUNTS RECEIVABLE WITHOUT RECOURSE TO THE LENDER WITH RESPECT TO THE CREDITWORTHINESS OF ANY OBLIGOR WITH RESPECT TO SUCH ACCOUNTS RECEIVABLE, THE LENDER MAKES

NO REPRESENTATION AS TO THE VALUE, IF ANY, OF THE SUBJECT ASSETS BEING TRANSFERRED HEREBY, AND THE LENDER MAKES NO REPRESENTATION OR WARRANTY CONCERNING THE POSSIBLE INFRINGEMENT OF ANY INTELLECTUAL PROPERTY, TRADEMARKS, TRADE NAMES OR PATENT ARISING OUT OF THE USE BY THE BUYER OF ANY OF THE SUBJECT ASSETS; (C) THE LENDER MAKES NO REPRESENTATIONS OR WARRANTIES THAT ALL OR A PORTION OF THE SUBJECT ASSETS ARE MERCHANTABLE (IN THE SENSE OF AN IMPLIED WARRANTY OF MERCHANTABILITY UNDER THE UCC) OR FIT FOR A PARTICULAR PURPOSE; AND (D) THE SOLE REPRESENTATIONS AND WARRANTIES OF THE LENDER REGARDING THE SUBJECT ASSETS ARE THOSE SPECIFICALLY PROVIDED IN SECTIONS 8 AND 9 OF THIS AGREEMENT.

3. Purchase Price: Payment of Consideration.

3.1 Consideration. For purchase of the Subject Assets, the Buyer shall pay to the Lender a dollar amount on the Closing Date (the "Purchase Price"), calculated as follows:

The Buyer shall purchase the Subject Assets of Borrower for ~~\$9,200,000.~~ \$8,200,000.

The Buyer shall have the right to determine the allocation of the Purchase Price among the various Subject Assets, and the Lender shall utilize such allocation in preparing and filing tax returns with respect thereto, if any, that the Lender is required to file.

3.2 Timing and Method of Payment. The Purchase Price shall be paid to the Lender at the Closing (as hereinafter defined) by:

(a) cashier's check, certified check or wire transfer of immediately available funds, at the option of the Lender, in the amount of \$4,500,000;

(b) an unsecured subordinated note, in substantially the form of Exhibit A hereto, which subordinated note (the "Subordinated Note") shall have the following principal terms - principal amount of \$3,700,000, interest accrues at the rate of 12% per annum, interest payable monthly, maturity date nine months after the Closing Date; and

(c) a junior subordinated note, in substantially the form of Exhibit B hereto, which junior subordinated note (the "Junior Subordinated Note") shall have the following principal terms - principal amount of \$4,000,000, pay in kind interest accrues monthly at the rate of 12% per annum, interest paid when note due and payable, note due and payable nine months after Closing Date but only to the extent that the Buyer's revenues from the sale of certain specified products of Borrower equal or exceed specified amounts during the period from September 1, 1996 through May 31, 1997.

3.3 Buyer's Financial Reporting Requirements to Lender. So long as obligations owing by Buyer under the Subordinated Note remain outstanding, Buyer shall provide to Lender such financial and other information as Lender shall reasonably request, including income statements, balance sheets and cash flow statements for Buyer within 30 days after the end of each month.

NO REPRESENTATION AS TO THE VALUE, IF ANY, OF THE SUBJECT ASSETS BEING TRANSFERRED HEREBY, AND THE LENDER MAKES NO REPRESENTATION OR WARRANTY CONCERNING THE POSSIBLE INFRINGEMENT OF ANY INTELLECTUAL PROPERTY, TRADEMARKS, TRADE NAMES OR PATENT ARISING OUT OF THE USE BY THE BUYER OF ANY OF THE SUBJECT ASSETS; (C) THE LENDER MAKES NO REPRESENTATIONS OR WARRANTIES THAT ALL OR A PORTION OF THE SUBJECT ASSETS ARE MERCHANTABLE (IN THE SENSE OF AN IMPLIED WARRANTY OF MERCHANTABILITY UNDER THE UCC) OR FIT FOR A PARTICULAR PURPOSE; AND (D) THE SOLE REPRESENTATIONS AND WARRANTIES OF THE LENDER REGARDING THE SUBJECT ASSETS ARE THOSE SPECIFICALLY PROVIDED IN SECTIONS 8 AND 9 OF THIS AGREEMENT.

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3.3 Buyer's Financial Reporting Requirements to Lender. So long as obligations owing by Buyer under the Subordinated Note remain outstanding, Buyer shall provide to Lender such financial and other information as Lender shall reasonably request, including income statements, balance sheets and cash flow statements for Buyer within 30 days after the end of each month.

4. Liabilities and Liens Remain Outstanding: the Lender Assumes No Liabilities.

4.1 The Lender has informed the Buyer that, except to the extent of cash actually and finally received and applied by the Lender, the Loans and other Obligations shall remain outstanding and the Lender does not release any, but instead specifically reserves all, security interests, liens and other encumbrances and rights relating thereto, in all of the Excluded Assets.

4.2 The Buyer acknowledges that Lender has informed Buyer, to date, the Lender has assumed no liability with respect to any of the Subject Assets or the Excluded Assets, and the Lender, under no circumstances (including, without limitation, with respect or pursuant to this Agreement), assumes or shall assume any liability with respect to any of such assets.

5. Closing.

5.1 Closing Date. The "Closing Date" shall mean the date upon which the Purchase Price is paid by the Buyer to the Lender in accordance with Sections 3.1 and 3.2 hereof and the Borrower's right, title and interest in the Subject Assets is transferred by the Lender hereof to the Buyer, all of which shall occur on or before August 23, 1996, or such later date to which the Closing may be extended upon the mutual written consent of the Lender and the Buyer, such consent to be given or not given in the sole and absolute discretion of each such party. In the event that the Closing Date does not occur on or prior to August 23, 1996, the parties hereby agree that this Agreement shall be terminated, unless the Lender and the Buyer mutually agree to continue the Closing Date to a subsequent date.

5.2 Time and Place. The transfer and delivery of all documents and instruments necessary to consummate the transactions contemplated by this Agreement (the "Closing") shall be held at the offices of Katten Muchin & Zavis, Chicago, Illinois, at 1:30 P.M. Chicago time on the Closing Date.

5.3 Transactions at Closing. At the Closing:

(a) The Lender shall execute and deliver to the Buyer the General Assignment and Bill of Sale in substantially the form of Exhibit C hereto and the Trademark Assignment in substantially the form of Exhibit D hereto;

(b) The Buyer shall deliver to the Lender a cashier's check, certified check or wire transfer in an amount equal to \$4,500,000; and (for delivery on August 26, 1996)

(c) The Buyer shall deliver to the Lender the Subordinated Note and the Junior Subordinated Note.

The Lender has informed the Buyer that the Lender's security interests and liens shall immediately attach to and be perfected with respect to the proceeds of the Purchase Price and that upon the Lender's receipt of the Purchase Price, the Lender shall apply it to such of the Obligations as the Lender determines in its sole discretion.

4. Liabilities and Liens Remain Outstanding: the Lender Assumes No Liabilities.

4.1 The Lender has informed the Buyer that, except to the extent of cash actually and finally received and applied by the Lender, the Loans and other Obligations shall remain outstanding and the Lender does not release any, but instead specifically reserves all, security interests, liens and other encumbrances and rights relating thereto, in all of the Excluded Assets.

4.2 The Buyer acknowledges that Lender has informed Buyer, to date, the Lender has assumed no liability with respect to any of the Subject Assets or the Excluded Assets, and the Lender, under no circumstances (including, without limitation, with respect or pursuant to this Agreement), assumes or shall assume any liability with respect to any of such assets.

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(for delivery on August 26, 1996) *MMK*

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The Lender has informed the Buyer that the Lender's security interests and liens shall immediately attach to and be perfected with respect to the proceeds of the Purchase Price and that upon the Lender's receipt of the Purchase Price, the Lender shall apply it to such of the Obligations as the Lender determines in its sole discretion.

6. Taxes. Any sales taxes and transfer taxes, arising as a result of the transfer and sale of the Subject Assets shall be paid by the Buyer.

7. Representations, Warranties, and Covenants of the Buyer. The Buyer represents, warrants and covenants to the Lender as follows:

7.1 Organization of The Buyer. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of California. The Buyer has all corporate power and authority to purchase the Subject Assets pursuant to Section 9-504 of the UCC and other applicable law, to execute and deliver this Agreement and the other documents, instruments or agreements to be executed and delivered by it in connection herewith, and to carry out all of the actions required of it pursuant to the terms of this Agreement.

7.2 Corporate Authority: Binding Effect. This Agreement constitutes the legal, valid and binding obligation of the Buyer, enforceable in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and remedies generally and general principles of equity regardless of whether enforcement is sought in a proceeding at law or in equity. All approvals of the Buyer, including approval of its shareholders and Board of Directors, required, if any, to consummate the transactions provided for in this Agreement will have been obtained prior to the Closing. The Buyer has the absolute and unrestricted right, power, authority and capacity to purchase the Subject Assets and to enter into this Agreement, the Subordinated Note, the Junior Subordinated Note and the related documents (the "Documents"). Neither the execution and delivery of this Agreement or the Documents nor the consummation of the transactions contemplated hereby and thereby will result in a breach of, or constitute a default (or with notice or lapse of time or both result in a breach of or constitute a default) under, or otherwise give any person the right to terminate, any material license, contract or other agreement or instrument to which the Buyer is a party. Neither the execution and delivery of this Agreement or the Documents by the Buyer nor the consummation of the transactions contemplated hereby and thereby will (A) violate or conflict with any provision of the Articles of Incorporation or the Bylaws of the Buyer or (B) violate or conflict with any provision of any law, rule, regulation, order, permit, certificate, writ, judgment, injunction, decree, determination, award or other decision of any court, government, governmental agency or instrumentality, domestic or foreign, or arbitration by which the Buyer is bound or affected which violation or conflict would have a materially adverse effect on the Buyer. The execution of this Agreement and the Documents to be executed and delivered by the Buyer in connection herewith, and the consummation of the transactions contemplated hereby and thereby, are within the authority of the individual who shall execute this Agreement on behalf of the Buyer.

7.3 Litigation. Except as set forth on Schedule 7.3 hereto, to the best of the Buyer's knowledge, no action, suit, proceeding or investigation is pending or threatened relating to, affecting, or questioning the validity of this Agreement or challenging any of the transactions contemplated hereby.

7.4 Brokers. The Buyer has not retained, utilized or been represented by any broker or finder in connection with the transactions contemplated by this Agreement, other than assist the Buyer in securing financing for the purchase of the Subject Assets.

7.5 Intentionally Omitted.

7.6 Intentionally Omitted.

7.7 The Subject Assets: Lender's Security Interest in the Subject Assets. At the date of this Agreement and without having completed an independent investigation, the Buyer is not aware of any fact or circumstance that would lead the Buyer to conclude that the Lender fails to hold a valid, perfected, first priority (to the extent that priority can be determined from a search of the public records) security interest in and lien upon the Subject Assets.

7.8 Due Diligence. The Buyer will use its best efforts to complete its due diligence, as described in Section 8.18 hereof (the "Due Diligence"), by August 23, 1996.

7.9 Further Assurances. The Buyer shall take all reasonable steps necessary to consummate the transactions contemplated herein.

7.10. Regulatory Approvals. No governmental notice, filing, authorization, approval, or order of consent is required in connection with the execution, deliver and performance of this Agreement by the Buyer.

8. Representations, Warranties, and Covenants of the Lender. The Lender represents, warrants and covenants to the Buyer that:

8.1 Release of Lien. The Lender has not released any security interest, lien or mortgage it may have in, or consented to the sale or disposition of, any of the Subject Assets being purchased hereunder (except for sales in the ordinary course of the Borrower's business and for the sale pursuant hereto), and has not heretofore sold, assigned, transferred or participated any of its interests in the Subject Assets being purchased hereunder.

8.2 Brokers. The Lender has not retained, utilized or been represented by any broker or finder in connection with the transactions contemplated by this Agreement.

8.3 Lender's Right to Dispose of Subject Assets. The Lender has the right to sell the Subject Assets pursuant to the terms of the Lender Loan Documents and pursuant to the applicable provisions of the UCC. Notice of the sale of the Subject Assets contemplated hereby has been given to all other entities entitled to notice under Section 9-504 of the UCC.

8.4 Enforceability of the Lender Loan Documents. The Lender Loan Documents are enforceable against the Borrower and the Subject Assets in accordance with their terms, subject to applicable bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights and remedies generally and, as to enforceability, to general principles of equity regardless of whether enforcement is sought in a proceeding at law or in equity.

8.5 Corporate Authority: Binding Effect. This Agreement constitutes the legal, valid and binding obligation of the Lender, enforceable in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and remedies generally and general principles of equity

regardless of whether enforcement is sought in a proceeding at law or in equity. All approvals of the Lender, including approval of its shareholders and Board of Directors, required, if any, to consummate the transactions provided for in this Agreement have been obtained. The Lender has the absolute and unrestricted right, power, authority and capacity to sell, transfer and deliver to the Buyer the Subject Assets and to enter into this Agreement and the Documents. Neither the execution and delivery of this Agreement or the Documents by the Lender nor the consummation of the transactions contemplated hereby and thereby will (A) violate or conflict with any provision of the Articles of Incorporation or the Bylaws of the Lender or (B) violate or conflict with any provision of any law, rule, regulation, order, permit, certificate, writ, judgment, injunction, decree, determination, award or other decision of any court, government, governmental agency or instrumentality, domestic or foreign, or arbitration by which the Lender is bound or affected, which violation or conflict would have a materially adverse effect on the Lender. The execution of this Agreement and the Documents to be executed and delivered by the Lender in connection herewith, and the consummation of the transactions contemplated hereby and thereby, are within the authority of the individual who shall execute this Agreement on behalf of the Lender.

8.6 Security Interest. Pursuant to the terms of the Lender Loan Documents and pursuant to the applicable provisions of the UCC, the Lender has a perfected, first priority (to the extent that priority can be determined from a search of the public records), security interest in and lien upon the Subject Assets.

8.7 Litigation. Except as disclosed by the Lender on Schedule 8.7 hereto, to the best of the Lender's knowledge, no action, suit, proceeding or investigation is pending or threatened against the Borrower, relating to, affecting, or questioning the validity of this Agreement or challenging any of the transactions contemplated hereby.

8.8 Subordinate Liens. Other than those liens reflected on Schedule 2.2, the Lender is aware of no other liens on the Subject Assets.

8.9 Organization and Good Standing. The Lender is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation.

8.10 Good Title, etc; Location of Subject Assets. The Lender will transfer, convey and deliver to the Buyer at the Closing good, marketable and unencumbered title to the Subject Assets, and in accordance with Section 9-504 of the UCC, the Lender Loan Documents and applicable law, all of the Borrower's right, title and interest in and to the Subject Assets free and clear of the Lender's security interest and lien and free and clear of any security interests or liens subordinate to the Lender's security interest and lien.

8.11 Regulatory Approvals. No governmental notice, filing, authorization, approval, or order of consent is required in connection with the execution, delivery and performance of this Agreement by the Lender.

8.12 Indemnification. The Lender agrees to indemnify, defend, and hold the Buyer, its officers, directors, employees, agents, affiliates and attorneys (collectively, the "Buyer Indemnitees") harmless from and against any and all claims, liabilities, obligations, issues,

damages, penalties, judgments, suits, actions, causes of actions, demands, and reasonable costs, expenses and disbursements of any kind or nature (collectively, "Claims") for:

(a) breaches of the Lender's representations, warranties or covenants contained in Sections 8, 9 and 11 of this Agreement;

(b) the failure of the Lender to deliver title to the Subject Assets as set forth in Sections 8, 10 and 9 hereof;

(c) any Claim brought against the Buyer by any person or entity to set aside or otherwise avoid the sale of the Subject Assets provided for herein; and

(d) the assertion by any of the Borrower's account debtors or other claimants of Valid Set-off Claims (as hereinafter defined) against any of the Subject Assets acquired by the Buyer at the Closing, to the extent that such Valid Set-Off Claims against Accounts Receivable do not exceed a maximum amount of \$250,000.

The Lender's obligation and liability under subparagraphs (a), (b) and (c) of this Section 8.12 to the Buyer Indemnitee is limited to, and shall not in any event exceed, the Purchase Price and shall be paid such that Lender's liquidated obligation and liability shall be satisfied first by setting off against any outstanding principal balance owing by Buyer under the Subordinated Note, the Lender's obligation and liability under subparagraph (d) of this Section 8.12(d) is limited to, and shall not in any event exceed, the aggregate amount of \$250,000, and the Lender's obligation and liability under this Section 8.12 shall expire and terminate on the day that is eighteen (18) months after the Closing Date; provided, however, that in the event that the Lender has any liability to the Buyer under this Section 8.12, and in the further event that the Subordinated Note is outstanding and unpaid at the time the Lender's liability is liquidated, the Lender's liability, if any, may be satisfied, in whole or in part, at the Lender's discretion, through a reduction in the amount of the Buyer's obligations under the Subordinated Note. The Buyer shall not be permitted to offset against the Subordinated Note or the Junior Subordinated Note any claim that the Buyer may have under this Section without the written consent of the Lender. Notwithstanding the foregoing, in no event shall the Lender incur any liability pursuant to this Section 8.12 for the consequences of the failure of the Borrower to take any action contemplated by this Agreement. "Valid Set-off Claims" means, in the case of the Borrower's account debtors, claims that goods sold by the Borrower were defective or non-conforming goods, claims that goods allegedly sold by the Borrower were not physically delivered to the account debtor or claims that a marketing or customer service representative of the Borrower verbally or otherwise agreed to product return or other set-off allowance, and with respect to all other Subject Assets, any claims, liabilities, royalties, licenses, guaranteed payments or other claims or burdens as the result of which the Buyer is deprived of the use of any of the Subject Assets acquired hereby. The Buyer shall only have a claim (limited to \$250,000) against the Lender under this Section with respect to Valid Set-Off Claims against Accounts Receivable to the extent that the actual proceeds received by the Buyer from all of the Accounts Receivable are \$1,500,000 less than the book balance of the gross Accounts Receivable as of the Closing Date.

8.13 Indemnification Procedure for Third Party Claims. In the event that subsequent to the Closing the Buyer Indemnatee asserts a claim for indemnification, or receives notice of the assertion of any Claim by any entity who is not a party to this Agreement or an affiliate of such a party (including, but not limited to any domestic or foreign court or governmental authority, federal, state or local) (a "Third Party Claim") against the Buyer Indemnatee, against which the Lender is required to provide indemnification under Section 8.12 of this Agreement, the Buyer Indemnatee shall give written notice, together with a statement of any available information regarding such claim, to the Lender within thirty (30) days after learning of such claim (or within such shorter time as may be necessary to give the Lender a reasonable opportunity to respond to such claim). The Lender shall have the right, upon written notice to the Buyer Indemnatee (the "Defense Notice") within thirty days (30) after receipt from the Buyer Indemnatee of notice of such claim, which notice by the Lender shall specify the counsel it will appoint to defend such claim (the "Defense Counsel"), to conduct at its expense the defense against such claim in its own name, or, if necessary, in the name of the Buyer Indemnatee; provided, however, that the Buyer Indemnatee shall have the right to approve the Defense Counsel, which approval shall not be unreasonably withheld.

8.13.1 In the event that the Lender does elect to conduct the defense of a Third Party Claim, the Buyer Indemnatee will cooperate with and make available to the Lender at the Lender's expense such assistance and materials as may be reasonably requested by Lender. If a decision is made by the Lender to settle a Third Party Claim, which decision the Lender is permitted to make under this Section 8.13.1, the Lender will give written notice to the Buyer Indemnatee to that effect. If the Buyer Indemnatee fails to consent to such settlement decision within fifteen (15) calendar days after its receipt of such notice, the Buyer Indemnatee may continue to contest or defend such Third Party Claim, at its own expense, and, in such event, the maximum liability of the Lender under Section 8.12 on account of such Third Party Claim will not exceed the amount of such settlement offer.

8.14 Transactions Prior to Closing. Prior to the Closing, the Lender will use its best efforts to cause the Borrower to transact and conduct its business solely in the ordinary course and to not make any change in its operations, its employed personnel or their compensation which would have a materially adverse effect on the Borrower's business or the Subject Assets unless approved in writing by the Buyer. Transactions or conduct that are not in the ordinary course include, without limitation, (a) factoring or selling any of the Accounts Receivable, (b) liquidating or disposing of the Inventory other than through normal sales to regular and current distribution channels, (c) special pricing or promotion of the Inventory and (d) providing special terms for the sale or return of the Inventory. Nothing in this Section 8.14 shall be deemed to require the Lender to continue to provide financing to the Borrower, provided that, in the event that the Lender takes any action to discontinue financing the Borrower's ongoing operations consistent with past practices and forecasted needs, the Buyer will have the right, but not the obligation, to terminate this Agreement without any further obligation.

8.15 Retention of Management and Employees. The Lender will use its best efforts to cause the Borrower to retain its current management team and employees until the Closing Date.

8.16 Other Offers. Until the first to occur of the completion of the transactions contemplated herein or the termination of this Agreement according to its terms, neither the Lender nor any of its respective directors, officers, representatives or agents, will conduct any negotiations or solicit or encourage:

(a) any sale of the Subject Assets (other than in the ordinary course of business);

(b) any proposal for a sale of the Borrower's business or a business combination or;

(c) any offer for the sale, transfer, assignment or other disposition of any shares of Borrower's common stock or any other equity interest in Borrower. The Lender shall use its best efforts to assure that Borrower complies with the provisions of this Section 8.16, and, notwithstanding the fact that the Borrower is not a party hereto, the failure of the Borrower to so comply will give the Buyer the right, but not the obligation, to terminate this Agreement and the obligations hereunder. Notwithstanding the foregoing, the Lender may continue its discussions with and provide information to the one financial buyer with whom it has previously held discussions for the sale of the Borrower's assets, and the Lender may provide financial and other information about the Borrower in response to any unsolicited request by any other financial buyer; provided, however, without limiting the generality of this Section 8.16, in no event shall any information be provided to any of the entities set forth on Schedule 8.16 attached hereto.

8.17 Break-Up Fee. In the event that the Closing does not occur because of a material breach by the Lender of its obligations pursuant to this Agreement, the Lender shall pay all of the Buyer's reasonable, direct, and actual expenses incurred in connection with the transactions contemplated by this Agreement, including, but not limited to, reasonable attorneys', accountants' and consultants' fees and expenses incurred by the Buyer in connection with its due diligence. Notwithstanding the foregoing, the Lender's liability hereunder shall not in any event exceed \$100,000 and shall only be paid against reasonably detailed invoices and documents evidencing the Buyer's payment of such expenses, provided by the Buyer to the Lender.

8.18 Due Diligence.

8.18.1 The Lender shall use its best efforts to cause the Borrower to give the Buyer and its representatives, accountants, and attorneys full access to the personnel, corporate and financial books, records and reports of the Borrower during the Borrower's usual business hours. The Lender will use its best efforts to cause the Borrower to furnish promptly to Buyer: (a) the Borrower's unaudited financial statements for the year ended December 31, 1995; (b) the Borrower's unaudited financial statements for the three-month period ended March 31, 1996, and such schedules as the Buyer reasonably requires; (c) the Borrower's unaudited financial statements for the months ended April 30, 1996, May 31, 1996, June 30, 1996 and July 31, 1996 (when completed) and such schedules as the Buyer reasonably requires; and (d) each of the Borrower's financial statements, including monthly financial statements, prepared between the date hereof and the Closing Date, in each case together with a certificate, signed by the

Borrower's Chief Financial Officer, certifying that such Financial Statements have been prepared in accordance with GAAP consistently applied in accordance with the Borrower's historical practice.

8.18.2 The Lender shall use its best efforts to cause the Borrower to provide to the Buyer, its representatives, accountants and attorneys, complete access to all of its officers, directors, key employees and other representatives.

8.19 Intentionally Omitted.

8.20 Intentionally Omitted.

8.21 Further Assurances. The Lender will take all reasonable steps necessary to consummate the transactions contemplated herein.

9. Lender's Representation and Warranty Regarding Transfer of the Subject Assets. The Lender shall, under Section 9-504 of the UCC and the Lender Loan Documents, and, in accordance with applicable law, transfer all of the Borrower's rights, title and interest in the Subject Assets to the Buyer for value and to discharge the Lender's security interest and lien and any security interest or lien subordinate thereto. The Lender represents and warrants to the Buyer that, at Closing, the Buyer shall receive, through execution of this Agreement and execution of Exhibits C and D hereto, good, marketable and unencumbered title to all of the Borrower's rights, title and interests in the Subject Assets, and the transfer of the Borrower's interests in and to the Subject Assets will be free and clear of the Lender's security interest and lien and any security interest or lien subordinate thereto; provided, however, that with respect to rights of third parties with respect to set-off claims, liabilities, royalties, licenses, guaranteed payments or other claims or burdens against the Subject Assets, such transfer and delivery shall be subject to clause (d) of Section 8.12 hereof.

10. Limitation of the Lender's Liability and of the Lender's Indemnification Obligations. The Buyer agrees that the Lender's liability in the event that any of the Lender's representations, covenants or warranties set forth in this Agreement are breached, and in the event that the Lender's Indemnification Obligations arise under Section 8.12 of this Agreement, shall not, in any event, exceed the amounts specified in Section 8.12 of this Agreement.

11. Agreement Concerning Post-Closing Collections. The Lender agrees that it will promptly turn over to the Buyer, in form received, all cash, checks and other items of payment which are received by or otherwise come into its possession after the Closing Date, which represent payments by account debtors which shall become the property of the Buyer. The Buyer agrees that it will promptly turn over to the Lender, in form received, all cash, checks, and other items of payment which are received by or otherwise come into the Buyer's possession relating to the Excluded Assets set forth on Schedule 2.1 hereof. Prior to delivery to the Buyer or to the Lender, as may be appropriate in accordance with this Section 11, the Buyer or the Lender, as applicable, will hold all such cash, checks and other items of payment in trust for the other party.

12. The Buyer's Conditions to Closing: Deliveries to the Buyer at Closing. The purchase of the Subject Assets and the obligations of the Buyer under this Agreement and the obligation of the Buyer to consummate the Closing shall be subject to the satisfaction, at or prior to Closing, of the conditions that: (a) the Buyer shall have received the approval of this Agreement and the transactions contemplated herein by appropriate resolutions from its board of directors; (b) the Buyer shall have received (unless waived), duly executed by the Lender a General Assignment and Bill of Sale and a Trademark and Trade Name Assignment covering the Subject Assets in the forms of Exhibits C and D hereto, respectively, dated as of the Closing Date; (c) the Buyer shall have received possession of the Subject Assets; (d) no bankruptcy or insolvency petition shall have been filed by the Borrower or filed against the Borrower which has not been dismissed, and no nonjudicial action in the nature thereof (such as an assignment for the benefit of creditors) shall have been taken by or against the Borrower; (e) the Buyer shall have concluded its due diligence to its satisfaction; and (f) no person or entity shall have filed any action attempting to enjoin any of the transactions contemplated herein.

The obligation of the Buyer to consummate the Closing shall also be subject to the satisfaction prior to the Closing of the following additional conditions (unless waived):

12.1 Representations and Warranties True. All representations, certifications and warranties of the Lender hereunder shall be true as of the Closing Date in every material respect.

12.2 No Default by the Lender. The Lender shall have performed and complied with all agreements, covenants and conditions required by this Agreement, or by any agreement executed and delivered or to be executed and delivered in connection herewith or pursuant hereto, to be performed or complied with by it prior to or at the Closing.

12.3 No Statutes, Rules or Orders. There shall be no statute, rule, regulation or order of any court or administrative agency in effect which prohibits the Lender, the Borrower or the Buyer from consummating the transactions contemplated hereby.

12.4 Closing. The Closing shall have occurred on or before August 23, 1996 or such later date as the Buyer and the Lender may mutually agree upon in writing.

12.5 Completion of Schedules. All schedules and exhibits to this Agreement shall be completed on or before the Closing to the Lender's and the Buyer's satisfaction.

12.6 Access. For the period between execution of this Agreement and Closing, the Borrower shall have made available to the Lender and the Buyer, and allowed the Lender and the Buyer access to, the Borrower's officers, directors and employees, the Subject Assets, and the books and records of the Borrower related thereto.

12.7 Waiver of Confidentiality Agreement. The Buyer shall have obtained a waiver of such provisions in that Confidentiality Agreement dated December 7, 1995 by and between the Buyer and Bear, Stearns & Co., Inc. (the "Confidentiality Agreement"), on behalf of itself and the Borrower, as are necessary to provide that the Confidentiality Agreement shall

be superseded and abated to the extent, but only to the extent, necessary to enable the Buyer to conduct the Due Diligence.

12.8 Notice of Sale. Notice of the sale of the Subject Assets contemplated hereby shall have been given (in form and substance satisfactory to the Buyer and to the Lender) to all other entities entitled to notice under Section 9-504 of the UCC who have not waived in writing after default their right to receive such notice prior to the Closing Date.

12.9 Violation of Law. No violations of law shall have occurred which could, in the Buyer's judgment, have an adverse impact on the Buyer's or the Lender's ability to consummate the transactions contemplated hereby.

12.10 Wells Fargo Approval. Buyer shall have obtained the approval of its principal lender, Wells Fargo Bank, N.A., of the transactions contemplated by this Agreement.

13. The Lender's Conditions to Closing: Delivery to the Lender at Closing. The obligation of the Lender to sell the Subject Assets to the Buyer, the obligations of the Lender under this Agreement and the obligation of the Lender to consummate the Closing shall be subject to the satisfaction, at or prior to Closing, of the conditions that: (a) the Buyer shall have received the approval of this Agreement and the transactions contemplated herein by appropriate resolutions from its board of directors; (b) no bankruptcy or insolvency petition shall have been filed by the Borrower or filed against the Borrower which has not been dismissed, and no nonjudicial action in the nature thereof (such as an assignment for the benefit of creditors) shall have been taken by or against the Borrower; and (c) no person or entity shall have filed any action attempting to enjoin any of the transactions contemplated herein.

The obligation of the Lender to consummate the Closing shall also be subject to the satisfaction prior to the Closing of the following additional conditions (to the extent noncompliance is not waived in writing by the Lender):

13.1 Consideration Paid. The Lender shall have received the Purchase Price and the Lender shall have received duly executed notes substantially in the form of Exhibits A and B hereof.

13.2 Intentionally Omitted.

— 13.3 No Statutes, Rules or Orders. There shall be no statute, rule, regulation or order of any court or administrative agency in effect which prohibits the Lender or the Buyer from consummating the transactions contemplated hereby.

13.4 Representations and Warranties True. All representations, certifications and warranties of the Buyer hereunder shall be true as of the Closing Date in every material respect.

13.4 No Default By the Buyer. The Buyer shall have performed and complied with all agreements, covenants and conditions required by this Agreement or by any agreement

executed and delivered or to be executed and delivered in connection herewith or pursuant hereto, to be performed or complied with by it, prior to or at the Closing.

13.5 Violation of Law. No violations of law shall have occurred which could, in the Lender's judgment, have an adverse impact on the Lender's ability to consummate the transactions contemplated hereby.

13.6 Access. For the period between execution of this Agreement and Closing, the Borrower shall have made available to the Lender and the Buyer, and allowed the Lender and the Buyer access to, the Subject Assets and the books and records of the Borrower related thereto.

13.7 No Violation of Agreements. The making, execution, delivery, and performance of this Agreement by the Lender and the Buyer will not violate or conflict with any restriction binding upon or relating to the Lender or its business, operations, properties, or assets.

13.8 Other Documents. The Lender shall have received such other documents, instruments or certificates as the Lender may reasonably request with respect to any matter relevant to this Agreement, the transfer of the Subject Assets, or the transactions contemplated by this Agreement.

13.9 Closing. The Closing shall have occurred on or before August 23, 1996 or such later date as the Lender or the Buyer may mutually agree upon in writing.

13.10 Completion of Schedules. All schedules and exhibits to this Agreement shall be completed on or before the Closing to the Lender's and the Buyer's satisfaction.

14. Termination. The obligations of each of the Buyer and the Lender pursuant to this Agreement shall terminate if the Closing Date has not occurred on or before the close of business on August 23, 1996; provided, however, that the terms of Sections 2.3, 8.17, 12.7 and 15.1 shall survive any such termination. The obligations of the Buyer pursuant to this Agreement may be terminated by the Buyer in its sole and absolute discretion for any reason whatsoever on or before the Closing.

15. General.

15.1 Expenses. Except as otherwise agreed herein, or as provided in the Loan Agreement and related documents, all expenses of the preparation, execution and consummation of this Agreement and of the transactions contemplated hereby, including, without limitation, attorneys, accountants and outside advisor's fees and disbursements, shall be borne by the party incurring such fees.

15.2 Notice. All notices, demands and other communications hereunder shall be in writing or by written telecommunication, and shall be deemed to have been duly given if

delivered personally, if mailed by certified mail return receipt requested, if mailed postage prepaid, or if sent by written telecommunication, confirmation of receipt received, as follows:

If to the Lender, to:

Heller Financial, Inc.
500 West Monroe Street
Chicago, Illinois 60661
Attn: PMO Polymerics Account Manager and PMO Legal

With a copy sent contemporaneously to:

Katten Muchin & Zavis
525 West Monroe Street
Chicago, Illinois 60661-3693
Attn: David S. Heller, Esq.

If to the Buyer, to:

Duncan Enterprises, Inc.
5673 East Shields Avenue
Fresno, California 93727
Attn: Larry R. Duncan

With a copy sent contemporaneously to:

Greenfield & Picheny LLP
1801 Century Park East, 23rd Floor
Los Angeles, CA 90067
Attn: Mark S. Greenfield, Esq.

15.3 Entire Agreement. This Agreement and the related schedules, exhibits and agreements delivered in connection herewith contain the entire understanding of the parties with respect to the subject matter hereof, supersede all prior agreements and understandings relating to the subject matter hereof, and shall not be amended except by a written instrument hereafter signed by all of the parties hereto.

15.4 Governing Law. The validity and construction of this Agreement shall be governed by the internal laws of the State of California without regard to principles of conflicts of laws.

15.5 Sections, Section Headings and Defined Terms. All enumerated subdivisions of this Agreement are herein referred to as "sections" or "subsections." The headings of the sections and subsections are for reference only and shall not limit or control the meaning thereof. Capitalized terms contained in the Exhibits or Schedules to this Agreement, which are not otherwise defined in such Exhibits or Schedules, shall have the meaning ascribed to them in this Agreement.

15.6 Successors. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective heirs, successors and assigns; provided, however, no party may assign, whether absolutely or merely for collateral purposes, its rights, claims and benefits hereunder to any other person or entity without the express written consent of each of the other parties to this Agreement; provided further, however, that the Lender cannot assign its indemnification obligations set forth in this Agreement.

15.7 Survival of Representations and Warranties. The representations and warranties of the parties hereto contained in this Agreement, notwithstanding any investigation by the Buyer or the Lender, shall be deemed to have been relied upon by the Buyer or the Lender, as the case may be, and shall survive for a period of 18 months after the Closing Date and consummation of the transactions contemplated hereby; provided however that in the event that any of the Lender's representations, warranties or agreements are discovered after the Closing to have been breached, the Lender's liability for damages on account of such breach shall not, in any event, exceed the amount specified in Section 8.12 of this Agreement.

15.8 Further Assurances. From time to time, at the reasonable request of the other party hereto, each party hereto shall execute and deliver such further instruments and take such further actions at the expense of the requesting party, as such requesting party may in good faith deem necessary or desirable in order to assure that the transfers, purposes and objectives of this Agreement are fully accomplished. Without limiting the generality of the foregoing, the Lender will render every reasonable assistance to the Buyer with respect to the sale, assignment, transfer, and delivery of the Subject Assets to the Buyer.

15.9 No Implied Rights or Remedies. Except as otherwise expressly provided herein, nothing herein express or implied is intended or shall be construed to confer upon or to give any person, firm, or corporation other than the Lender and the Buyer any rights or remedies under or by reason of this Agreement.

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

15.11 Risk of Loss. Except with respect to (a) the extent to which indemnification is provided by the Lender under Section 8.12 hereof, and (b) a violation of any of the representations and warranties made herein by Lender, the risk of any loss that may occur with respect to any of the Subject Assets being purchased hereunder shall be borne by the Buyer immediately after the Closing and at all times after the Closing Date. Other than as otherwise provided herein, the Lender shall have no liability whatsoever to the Buyer for any loss or damage to the Subject Assets being purchased hereunder that may occur on and after consummation of the Closing.

15.12 Limited Responsibility. Each party hereto acknowledges and agrees that it is the mutual intent of the parties hereto that the obligations, representations, warranties and undertakings hereunder or as a result hereof or of the transactions contemplated hereby are and be limited to only those expressly set forth herein, and not enlarged by implication, operation of law or otherwise.

15.13 UCC Redemption. The parties acknowledge that, at any time before the Closing, the Borrower or any other secured party or the Borrower may redeem the pertinent Subject Assets by tendering fulfillment of all Obligations (including but not limited to the expenses reasonably incurred by the Lender in retaking, holding and preparing the Subject Assets for disposition, in arranging for the sale, and to the extent not prohibited by law, the Lender's reasonable attorneys' fees and legal expenses). If such a redemption should occur, the Lender shall be relieved of its obligations, and the Buyer shall be entitled to the return of any portion of the Purchase Price theretofore paid by it pursuant to the provisions of this Agreement and to payment of the breakup fee pursuant to Section 8.17 hereof.

15.14 Attorney's Fees and Expenses. If any litigation or any other proceeding is commenced in connection with or related to this Agreement, the losing party shall pay the expenses, including but not limited to, the reasonable attorney's fees and expenses of the prevailing party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly respective officers as of the date and the year first above written.

HELLER FINANCIAL, INC.

By: Michelle Krontalis
Its: Senior Vice President

DUNCAN ENTERPRISES

By: _____
Its: _____

-DOCUMENT 2 CHICAGO (0028-0002-3) FROM F.DATED 08/28/1996 16:20-

TRADEMARK
REEL: 002292 FRAME: 0450

Exhibits

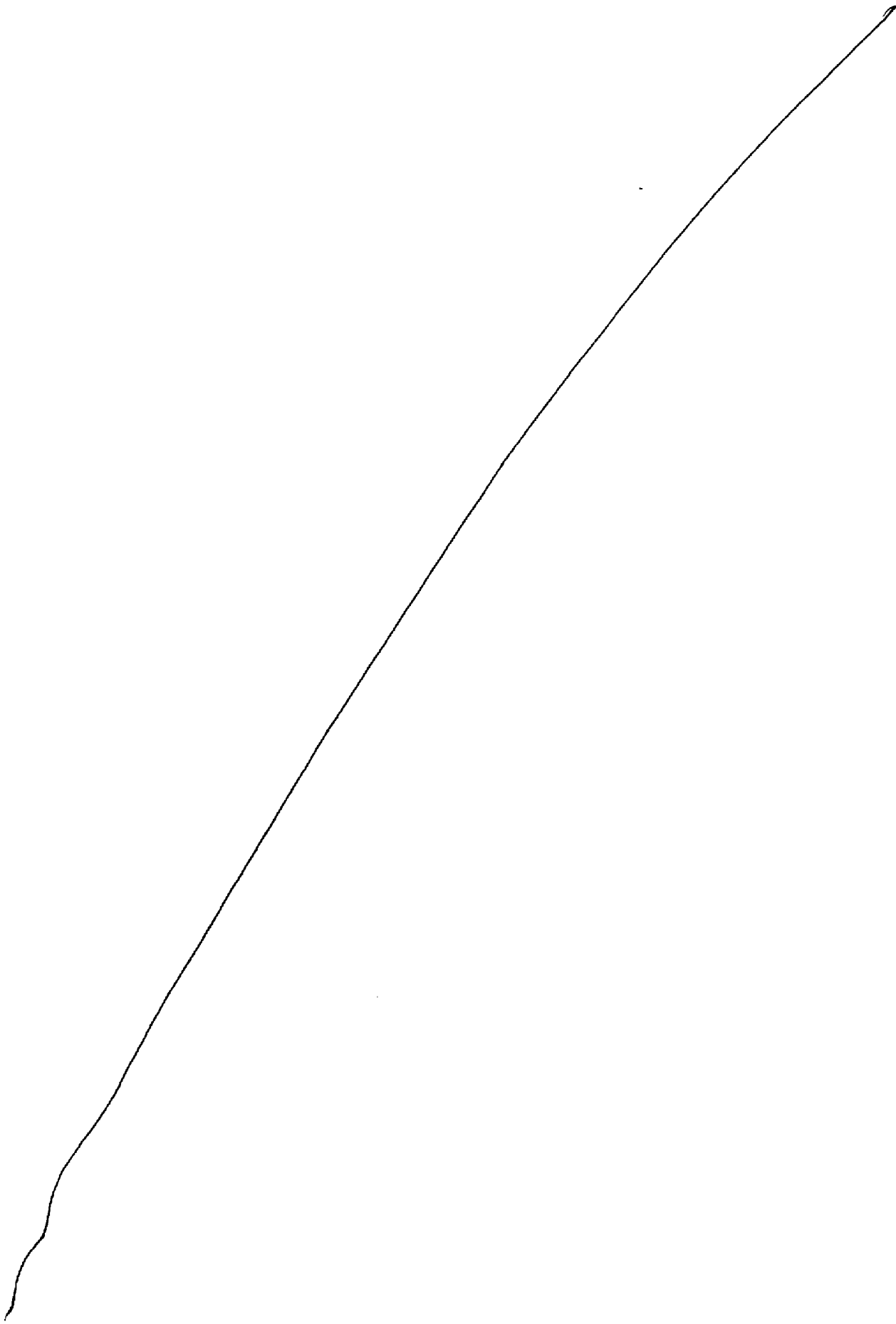
LIST OF EXHIBITS AND SCHEDULES

EXHIBITS

- EXHIBIT A: Subordinated Note (Section 3.2(b))
- EXHIBIT B: Junior Subordinated Note (Section 3.2(c))
- EXHIBIT C: Form of General Assignment and Bill of Sale
(Section 5.3(a))
- EXHIBIT D: Form of Trademark Assignment (Section 5.3(a))

SCHEDULES

- SCHEDULE 2.1: List of Excluded Assets (Section 2.1)
- SCHEDULE 2.2: List of: (I.) locations searched; (II.) other
creditors with security interests in the Subject
Assets; and (III.) persons/entities to receive
notice of sale (Section 2.2)
- SCHEDULE 7.3: List of Litigation (Section 7.3)
- SCHEDULE 8.7: List of Litigation (Section 8.7)
- SCHEDULE 8.16: List of Entities Prohibited from Receiving
Information on the Borrower (Section 8.16)



Ex. A.

EXHIBIT A TO FORECLOSURE AGREEMENT

SUBORDINATED NOTE

This Subordinated Note is subject to the terms and provisions of the Waiver and Confirmation Agreement between Heller Financial, Inc. and Wells Fargo Bank, National Association.

SUBORDINATED NOTE

\$3,700,000.00

Chicago, Illinois
August 23, 1996

1. **Promise to Pay.** On or before May 31, 1997 (or, if such day is not a business day, on the next following business day), the undersigned, DUNCAN ENTERPRISES, a California corporation (the "**Borrower**"), for value received, promises to pay to the order of **HELLER FINANCIAL, INC.**, a Delaware corporation (together with its successors and assigns, the "**Lender**") at the Lender's principal office at 500 West Monroe Street, Chicago, Illinois 60661, **THREE MILLION SEVEN HUNDRED THOUSAND AND NO/100THS DOLLARS (\$3,700,000.00)**. Such amount, together with the aggregate unpaid amount of interest thereon, is hereinafter referred to as the "**Loan**".

The unpaid principal amount of the Loan may be prepaid in whole or in part without premium of penalty at any time upon not less than three (3) business days' prior written notice to Lender.

2. **Interest.** The unpaid principal amount of the Loan hereunder shall bear interest until paid in full at the following rates:

(a) So long as no "Event of Default" (as hereinafter defined) has occurred and is continuing, a rate per annum equal to twelve percent (12%); and

(b) During any period when an Event of Default exists, a rate per annum equal to fourteen percent (14%) (the "**Default Rate**").

Interest shall be computed for the actual number of days elapsed on the basis of a 360-day year and shall be payable monthly on the first business day of each month.

3. **Manner of Payment.** All payments under this Subordinated Note shall be made in immediately available funds by the Borrower to the Lender. All such payments shall be made to the Lender at its principal office in Chicago, not later than 1:00 p.m., Chicago time, on the date due; and funds received after that hour shall be deemed to have been received by the Lender on the next following business day. Payments of both principal and interest are to be made in the lawful money of the United States of America.

4. **Representations, Warranties and Covenants.** The representations and warranties of the Borrower in the Foreclosure Agreement between the Borrower and the Lender as of even date herewith are hereby incorporated into this Subordinated Note as though set out in their

respective entireties herein. The Borrower hereby represents and warrants to the Lender that: (a) all material tax returns and reports required to be filed by the Borrower have been timely filed or the time for filing such returns and reports has been duly extended, and all taxes, assessments, fees and other governmental charges upon the Borrower and its properties, assets, income and franchises and shown on such returns to be due and payable have been paid, and (b) the charges, accruals and reserves on the books of the Borrower in respect of any taxes or other governmental charges are in accordance with generally accepted accounting principles.

As of and from and after the date hereof and after giving effect to the borrowing of the Loan, the Borrower (a) owns and will own assets the book value of which (as determined in accordance with generally accepted accounting principles applicable to the Borrower) is greater than the total amount of liabilities of the Borrower (not including any liabilities evidenced by the Junior Subordinated Note of even date herewith made by the Borrower to the order of the Lender), and (b) does not intend to incur and does not believe that it will incur debts beyond its ability to pay such debts as they become due.

Within thirty (30) days of the end of each month that the Loan is outstanding, the Borrower shall provide to the Lender such financial reports as the Lender may reasonably request, including, without limitation, income statements, balance sheets and cash flow statements, for the immediately preceding month

5. Events of Default. The occurrence or existence of any one or more of the following shall constitute an "Event of Default" hereunder:

(a) Failure to pay any installment of principal of or interest on the Loan when due, or any other amount due under this Subordinated Note; or

(b)(1) Failure of the Borrower to pay when due or within any applicable grace period any principal or interest on indebtedness (other than the Loan) or (2) breach or default of the Borrower with respect to any indebtedness (other than the Loan), if the effect of such failure to pay, default or breach as provided in clauses (1) and (2) above, is to cause or to permit the holder or holders then to cause indebtedness having an individual principal amount in excess of \$250,000 or having an aggregate principal amount in excess of \$250,000 to become or be declared due prior to their stated maturity; or

(c) Failure of the Borrower to perform or comply with any other material term or condition contained herein, which failure is not cured within thirty (30) days of notice thereof from the Lender to the Borrower, or any representation, warranty, certification or other statement made by the Borrower herein is false in any material respect on the date made; or

(d) (1) A court of competent jurisdiction enters a decree or order for relief with respect to the Borrower in an involuntary case under Title 11 of the United States Code entitled "Bankruptcy", as amended from time to time or any applicable bankruptcy, insolvency or other similar law now or hereafter in effect and all rules and regulations promulgated thereunder (the

"Bankruptcy Code"), which decree or order is not stayed or other similar relief is not granted under any applicable federal or state law, or (2) the continuance of any of the following events for ninety (90) days unless dismissed, bonded or discharged: (A) an involuntary case is commenced against the Borrower, under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or (B) a decree or order of a court for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over the Borrower, or over all or a substantial part of its property, is entered, or (C) an interim receiver, trustee or other custodian is appointed without the consent of the Borrower for all or a substantial part of its property; or

(e) (1) An order for relief is entered with respect to the Borrower or the Borrower commences a voluntary case under the Bankruptcy Code, or consents to the entry of an order for relief in an involuntary case or to the conversion of an involuntary case to a voluntary case under any such law or consents to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property, or (2) the Borrower makes any assignment for the benefit of creditors; or (3) the Board of Directors of the Borrower adopts any resolution or otherwise authorizes action to approve any of the actions referred to in this subsection; or

(f) Any money judgment, writ or warrant of attachment, or similar process involving (1) an amount in any individual case in excess of \$250,000, or (2) an amount in the aggregate at any time in excess of \$250,000 (in either case not adequately covered by insurance as to which the insurance company has acknowledged coverage) is entered against the Borrower or any of its assets and remains undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days or in any event later than five (5) business days prior to the date of any proposed sale thereunder; or

(g) Any order, judgment or decree is entered against the Borrower decreeing the dissolution or split up of the Borrower and such order remains undischarged or unstayed for a period in excess of thirty (30) days; or

(h) The Borrower ceases to be solvent (as represented by the Borrower above) or admits in writing its present or prospective inability to pay its debts as they become due; or

(i) The Borrower is enjoined, restrained or in any way prevented by the order of any court or any administrative or regulatory agency from conducting all or any material part of its business and such order continues for more than fifteen (15) days.

6. Remedies. Upon the occurrence of an Event of Default as a result of any of the events described in paragraphs (d) or (e) above, the unpaid principal balance of the Loan, the accrued and unpaid interest thereon and all fees and expenses payable pursuant to the terms hereof shall become immediately due and payable, all without presentment, demand or notice of any kind. Upon the occurrence and during the continuance of any other Event of Default, the Lender may declare the unpaid principal balance of the Loan, the accrued and unpaid interest

EXHIBIT D TO FORECLOSURE AGREEMENT

TRADEMARK ASSIGNMENT

WHEREAS, Heller Financial, Inc., a Delaware corporation (the "Lender"), as secured party pursuant to the Loan Agreement and the Lender Loan Documents (as those terms are defined in the Foreclosure Agreement hereinbelow defined) (Heller, in such capacity being hereinafter referred to as "ASSIGNOR") has been granted a security interest by each of Polymerics, Inc., a Massachusetts corporation and Tulip Holding Corporation, a Delaware corporation (collectively, the "BORROWER") in certain trademarks applied for and/or registered in the United States Patent and Trademark office (as shown in Exhibit 1 attached hereto) which the BORROWER has adopted, used, and is using and which the BORROWER owns; and

WHEREAS, the ASSIGNOR, as secured party pursuant to the Loan Agreement and the Lender Loan Documents has further been granted a security interest by the BORROWER in certain common law trademarks which the BORROWER has adopted, used, is using and which the BORROWER owns; and

WHEREAS, Duncan Enterprises, Inc., a California corporation (the "ASSIGNEE"), having its principal offices at 5673 East Shields Avenue, Fresno, California 93727, is desirous of acquiring both said registered trademarks and said common law trademarks (collectively, the "Trademarks").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the ASSIGNOR, pursuant to Section 9-504 of the Uniform Commercial Code, hereby sells, assigns and transfers to the ASSIGNEE and its successors, assigns and legal representatives, and the ASSIGNEE does hereby accept, all of the BORROWER's right, title and interest, including, but not limited to, rights to existing choses in action and the right to past damages associated therewith, in and to the Trademarks together with the goodwill of the business symbolized by the Trademarks and registrations thereof.

EXCEPT AS SPECIFICALLY PROVIDED IN THE FORECLOSURE AGREEMENT (hereinbelow defined), THE ASSIGNOR MAKES NO REPRESENTATION, WARRANTY, COVENANT OR UNDERTAKING, EXPRESS OR IMPLIED, WITH RESPECT TO THE EXISTENCE OF ANY SPECIFIC ITEMS CONSTITUTING THE TRADEMARKS OR THE QUANTITY THEREOF, THE BORROWER'S BUSINESS OR PROSPECTS, OR THE CONDITION, QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT OR VALUE OF THE TRADEMARKS. THE TRADEMARKS ARE SOLD AND ASSIGNED TO THE EXTENT THEY ARE SUBJECT ASSETS (AS DEFINED IN THE FORECLOSURE AGREEMENT) WITHOUT RECOURSE ON AN ABSOLUTE "AS IS, WHERE IS" BASIS, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THAT FORECLOSURE AGREEMENT DATED AS OF AUGUST 23, 1996, AMONG AND BETWEEN THE ASSIGNEE AND THE ASSIGNOR

DOCUMENT 2 CHICAGO DUES-00-00-00 247114-4 DATE:08/23/96 TIME:14:26

(THE "FORECLOSURE AGREEMENT"). THIS TRADEMARK ASSIGNMENT IS SUBJECT TO, AND QUALIFIED IN ITS ENTIRETY BY, THE EXACT TERMS OF THE FORECLOSURE AGREEMENT.

Signed this 23rd day of August, 1996.

ASSIGNOR:

HELLER FINANCIAL, INC.

By:

Its:

ASSIGNEE:

DUNCAN ENTERPRISES

By:

Its:

AUG-23-1996 17:51

08/23/1996 10:40

SENT BY:

8-23-96 : 5:46PM : KATTEN MUCHIN ZA

P.25
CASE 93-01
0108435219:210/31

- DOCUMENT # 0000004 000000072.0 247116.6 DATE 08/23/96 TIME 16:26 -

(THE "FORECLOSURE AGREEMENT"). THIS TRADEMARK ASSIGNMENT IS
SUBJECT TO, AND QUALIFIED IN ITS ENTIRETY BY, THE EXACT TERMS OF
THE FORECLOSURE AGREEMENT.

Signed this 23rd day of August, 1996.

ASSIGNOR:

HELLER FINANCIAL, INC.

By: _____
Its: _____

ASSIGNEE:

DUNCAN ENTERPRISES

By:  _____
Its: Craig Financial Officer

DATE OF SEARCH: 5-9-96
JURISDICTION SEARCHED: U.S. Trademark Office
NAME SEARCHED: POLYMERICS INC.
INDEX SEARCHED: Trademark Registers, Applications & Assignments
THROUGH DATE: 12-20-95

Number: 74/014769
Mark: FURER FUN
Date Filed: 12-22-89
Status: Abandonment - no use statement filed
Owner: Polymerics, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/120852
Mark: NITE LITES
Date Filed: 12-3-90
Status: Abandonment - after inter partes decision
Owner: Polymerics, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/162751
Mark: EASY PAINT WRITER
Date Filed: 5-2-91
Status: Non-final action mailed
Owner: Polymerics, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/162816
Mark: EASY WRITER
Date Filed: 5-2-91
Status: Abandonment - failure to respond
Owner: Polymerics, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/162817
Mark: EASY PAINTER
Date Filed: 5-2-91
Status: Abandonment - failure to respond
Owner: Polymerics, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/162945
Mark: EASY FLOW
Date Filed: 5-2-91
Status: Abandonment - failure to respond
Owner: Polymerics, Inc.
Assignments: There appear to be no assignments on record.

Exhibit 1

Page Two

Number: 74/174963
Mark: SOFT NITE LITES
Date Filed: 6-10-91
Status: Abandonment - after inter partes decision
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/174965
Mark: STRETCH
Date Filed: 6-10-91
Status: Abandonment - failure to respond
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/225659
Mark: GLITTER AND DESIGN
Date Filed: 11-27-91
Status: Abandonment - failure to respond
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/258887
Mark: CLOVERS ALL
Date Filed: 3-25-92
Status: Abandonment - failure to respond
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/376263
Mark: CUSTOM CREATIONS
Date Filed: 4-2-93
Status: Abandonment - no use statement filed
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/442891
Mark: TULIP TREASURES
Date Filed: 10-1-93
Status: Approved for pub - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/442968
Mark: MISCELLANEOUS DESIGN
Date Filed: 10-1-93
Status: Abandonment - failure to respond
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/482985
Mark: ULTRA STROKES
Date Filed: 1-25-94
Status: Extension 1 granted
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/505245
Mark: SUEDE SENSATIONS
Date Filed: 3-25-94
Status: Abandonment - no use statement filed
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/521796
Mark: EVERFLEX
Date Filed: 5-3-94
Status: Extension 1 granted
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/521843
Mark: PERMAFLEX
Date Filed: 5-3-94
Status: Extension 1 granted
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/526769
Mark: PAPERPAINT
Date Filed: 5-20-94
Status: Communication received from applicant
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/528038
Mark: HEARTCRAFT
Date Filed: 5-20-94
Status: Allowed principal register - soon accepted
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/539272
Mark: CUSTOM CREATIONS
Date Filed: 6-17-94
Status: Abandonment - no use statement filed
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/562298
Mark: NEW DIMENSIONS
Date Filed: 7-22-94
Status: Notice of allowance - mailed
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/564361
Mark: COLORSTROKES
Date Filed: 8-2-94
Status: Notice of allowance - mailed
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Page Four

Number: 74/626439
Mark: SPARKLING SNOW
Date Filed: 1-27-95
Status: Abandonment - failure to respond
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/626440
Mark: GEMSTONE MAGIC
Date Filed: 1-27-95
Status: Published for opposition
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/640260
Mark: SOFT IMAGES
Date Filed: 4-7-95
Status: Notice of allowance - mailed
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/667889
Mark: HOT DOTS
Date Filed: 5-1-95
Status: Communication received from applicant
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/684081
Mark: WHERE IMAGINATION BLOOMS
Date Filed: 6-5-95
Status: Notice of allowance - mailed
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/684211
Mark: WHERE IMAGINATION BLOOMS
Date Filed: 6-5-95
Status: Notice of allowance - mailed
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 74/687941
Mark: CRAZY SHAPES
Date Filed: 6-13-95
Status: Notice of allowance - mailed
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 75/819475
Mark: QUILT-B-QUICK AND DESIGN
Date Filed: 11-14-95
Status: Approved for pub - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Page Five

Number: 75063160
 Mark: IT'S GOOD FOR WOOD
 Date Filed: 2-15-96
 Status: New application - record initialized not assigned to examiner
 Owner: Polymerica, Inc.
 Assignments: There appear to be no assignments on record.

Number: 75063791
 Mark: MISCELLANEOUS DESIGN
 Date Filed: 2-26-96
 Status: New application - record initialized not assigned to examiner
 Owner: Polymerica, Inc.
 Assignments: There appear to be no assignments on record.

Number: 75064777
 Mark: MAKE A MEMORY
 Date Filed: 2-28-96
 Status: New application - record initialized not assigned to examiner
 Owner: Polymerica, Inc.
 Assignments: There appear to be no assignments on record.

Number: 1071175
 Mark: PAINT PUFFER
 Date Registered: 8-9-77
 Status: Cancelled - section 8
 Owner: Polymerica, Inc.
 Assignments: There appear to be no assignments on record.

Number: 1071177
 Mark: PUFFING PAINT
 Date Registered: 8-9-77
 Status: Cancelled - section 8
 Owner: Polymerica, Inc.
 Assignments: There appear to be no assignments on record.

Number: 1103335
 Mark: LIQUID LEATHER
 Date Registered: 9-26-78
 Status: Cancelled - section 8
 Owner: Polymerica, Inc.
 Assignments: There appear to be no assignments on record.

Number: 1126825
 Mark: ROLLER DOODLE (STYLED)
 Date Registered: 11-30-79
 Status: Combined sec. 8 & 15 accepted
 Registrant: Polymerica, Inc.
 Assignor: Polymerica, Inc.
 Assignee: Heller Financial, Inc.
 Brief: Security interest
 Date Recorded: 2-1-90
 Date Executed: 12-29-89
 Roll/Frame: 690/122

Number: 1528211
Mark: FASHION STAMP (STYLED)
Date Registered: 3-7-89
Status: Combined sec. 8 & 15 accepted
Registrant: Polymers, Inc.
Assignor: Polymers, Inc.
Assignee: Shawmut Bank, N.A.
Brief: Security interest
Date Recorded: 1-19-89
Date Executed: 12-7-88
Roll/Frame: 639/314

Assignor: Shawmut Bank, N.A.
Assignee: Polymers, Inc.
Brief: Release by secured party of the security agreement recorded on 1-19-89, at Roll 639, Frame 314
Date Recorded: 2-1-90
Date Executed: 12-28-89
Roll/Frame: 690/118

Assignor: Polymers, Inc.
Assignee: Heller Financial, Inc.
Brief: Security interest
Date Recorded: 2-1-90
Date Executed: 12-29-89
Roll/Frame: 690/122

Number: 1548743
Mark: SPATTER PAINT
Date Registered: 7-18-89
Status: Section 8 affidavit accepted
Registrant: Polymers, Inc.
Assignor: Polymers, Inc.
Assignee: Shawmut Bank, N.A.
Brief: Security interest
Date Recorded: 1-19-89
Date Executed: 12-7-88
Roll/Frame: 639/314

Assignor: Shawmut Bank, N.A.
Assignee: Polymers, Inc.
Brief: Release by secured party of the security agreement recorded on 1-19-89, at Roll 639, Frame 314
Date Recorded: 2-1-90
Date Executed: 12-28-89
Roll/Frame: 690/118

Assignor: Polymers, Inc.
Assignee: Heller Financial, Inc.
Brief: Security interest
Date Recorded: 2-1-90
Date Executed: 12-29-89
Roll/Frame: 690/122

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Number: 1551845
Mark: SLICK
Date Registered: 8-15-89
Status: Combined sec. 8 & 15 accepted
Registrant: Polymers, Inc.
Assignor: Polymers, Inc.
Assignee: Shawmut Bank, N.A.
Brief: Security interest
Date Recorded: 1-19-89
Date Executed: 12-7-88
Reel/Frame: 639/314

Assignor: Shawmut Bank, N.A.
Assignee: Polymers, Inc.
Brief: Release by secured party of the security agreement recorded on 1-19-89, at Reel 639, Frame 314
Date Recorded: 2-1-90
Date Executed: 12-28-89
Reel/Frame: 690/118

Assignor: Polymers, Inc.
Assignee: Heller Financial, Inc.
Brief: Security interest
Date Recorded: 2-1-90
Date Executed: 12-29-89
Reel/Frame: 690/122

Number: 1572720
Mark: TULIP PRODUCTIONS
Date Registered: 12-26-89
Status: Combined sec. 8 & 15 accepted
Registrant: Polymers, Inc.
Assignor: Polymers, Inc.
Assignee: Shawmut Bank, N.A.
Brief: Security interest
Date Recorded: 1-19-89
Date Executed: 12-7-88
Reel/Frame: 639/314

Assignor: Shawmut Bank, N.A.
Assignee: Polymers, Inc.
Brief: Release by secured party of the security agreement recorded on 1-19-89, at Reel 639, Frame 314
Date Recorded: 2-1-90
Date Executed: 12-28-89
Reel/Frame: 690/118

Assignor: Polymers, Inc.
Assignee: Heller Financial, Inc.
Brief: Security interest
Date Recorded: 2-1-90
Date Executed: 12-29-89
Reel/Frame: 690/122

Number: 1633596
Mark: COLOR YOUR CLOTHES (STYLIZED)
Date Registered: 1-29-91
Status: Registered - supplemental register
Owner: Polymers, Inc.
Assignments: There appear to be no assignments on record.

Page Nine

Number: 1668361
Mark: NEON NITE LITE
Date Registered: 10-8-91
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1671536
Mark: TULIP LITE
Date Registered: 1-14-92
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1689908
Mark: DESIGNER METALLICS (STYLIZED)
Date Registered: 3-31-92
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1687899
Mark: CANDI CRYSTALS
Date Registered: 5-12-92
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1689048
Mark: FIBER FUN
Date Registered: 7-7-92
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1788896
Mark: FASHION SUEDE (STYLIZED)
Date Registered: 8-4-92
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1789388
Mark: SPATIE MANIA! (STYLIZED)
Date Registered: 8-18-92
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1714692
Mark: PAINT-A-PATCH (STYLIZED)
Date Registered: 9-8-92
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Page Ten

Number: 1722134
Mark: JUMPIN' JEANS (STYLIZED)
Date Registered: 9-29-92
Status: Registered - principal register
Owner: Polymatrix, Inc.
Assignments: There appear to be no assignments on record.

Number: 1738314
Mark: TULIP TODAY AND DESIGN
Date Registered: 12-8-92
Status: Registered - principal register
Owner: Polymatrix, Inc.
Assignments: There appear to be no assignments on record.

Number: 1739028
Mark: GLOWILD
Date Registered: 12-8-92
Status: Registered - principal register
Owner: Polymatrix, Inc.
Assignments: There appear to be no assignments on record.

Number: 1749023
Mark: TULIP AND DESIGN
Date Registered: 1-5-93
Status: Registered - principal register
Owner: Polymatrix, Inc.
Assignments: There appear to be no assignments on record.

Number: 1747641
Mark: COLOR SWITCH
Date Registered: 1-19-93
Status: Registered - principal register
Owner: Polymatrix, Inc.
Assignments: There appear to be no assignments on record.

Number: 1747780
Mark: BRITISH IDEAS
Date Registered: 1-19-93
Status: Registered - principal register
Owner: Polymatrix, Inc.
Assignments: There appear to be no assignments on record.

Number: 1749383
Mark: PAINT-IT PERFECT
Date Registered: 1-24-93
Status: Registered - principal register
Owner: Polymatrix, Inc.
Assignments: There appear to be no assignments on record.

Number: 1749710
Mark: CRYSTALS (STYLIZED)
Date Registered: 2-2-93
Status: Registered - principal register
Owner: Polymatrix, Inc.
Assignments: There appear to be no assignments on record.

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Number: 1799335
Mark: DESIGNER
Date Registered: 3-23-93
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1768512
Mark: TULIP
Date Registered: 3-23-93
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1766688
Mark: NEON EASY FEET
Date Registered: 4-20-93
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1767846
Mark: NEW MOODS
Date Registered: 4-27-93
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1788311
Mark: BIG AND EASY AND DESIGN
Date Registered: 7-4-93
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1788728
Mark: BRUSH TOP
Date Registered: 8-17-93
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1798640
Mark: HAPPY CHALK
Date Registered: 10-12-93
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1800091
Mark: SUPER SPARKLE
Date Registered: 10-19-93
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Page Twelve

Number: 1805266
Mark: TULIP ORIGINALS
Date Registered: 11-16-93
Status: Registered - principal register
Owner: Polymarica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1780212
Mark: SECRET RECIPES
Date Registered: 7-6-93
Status: Registered - principal register
Owner: Polymarica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1780845
Mark: COLOR CRAZE
Date Registered: 7-6-93
Status: Registered - principal register
Owner: Polymarica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1793513
Mark: COLORPOINT
Date Registered: 9-29-93
Status: Certificate of correction issued
Owner: Polymarica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1809056
Mark: PAINTSTITCHING
Date Registered: 12-7-93
Status: Certificate of correction issued
Registrant: The Flagship Group II, Inc.
Assignor: The Flagship Group II, Inc.
Assignee: Polymarica, Inc.
Brief: Assigns the entire interest and the goodwill
Date Recorded: 11-15-95
Date Examined: 7-24-95
Reel/Frame: 1406/314

Number: 1816598
Mark: POLYMARK AND DESIGN
Date Registered: 1-18-94
Status: Registered - principal register
Owner: Polymarica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1817276
Mark: THE FIRST NAME IN FASHION PAINTS
Date Registered: 1-18-94
Status: Registered - principal register
Owner: Polymarica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1846219
Mark: EXPRESS YOURSELF
Date Registered: 7-19-94
Status: Registered - principal register
Owner: Polymarica, Inc.
Assignments: There appear to be no assignments on record.

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Number: 1848128
Mark: CAPSTAND
Date Registered: 3-2-94
Status: Certificate of correction issued
Registrar: The Flagship Group II, Inc.
Assignor: The Flagship Group II, Inc.
Assignee: Polymerica, Inc.
Brief: Assigns the entire interest and the goodwill
Date Recorded: 11-15-95
Date Executed: 7-24-95
Reel/Frame: 1406/514

Number: 1888131
Mark: PEARL (STYLIZED)
Date Registered: 4-11-95
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1884399
Mark: STRETCH
Date Registered: 9-29-93
Status: Registered - supplemental register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1891062
Mark: COLORPOINT
Date Registered: 4-25-95
Status: Registered - principal register
Registrar: The Flagship Group II, Inc.
Assignor: The Flagship Group II, Inc.
Assignee: Polymerica, Inc.
Brief: Assigns the entire interest and the goodwill
Date Recorded: 11-15-95
Date Executed: 7-24-95
Reel/Frame: 1406/514

Number: 1898890
Mark: TREASURES AND DESIGN
Date Registered: 6-13-95
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

Number: 1942702
Mark: GEMSTONE MAGIC
Date Registered: 12-12-95
Status: Registered - principal register
Owner: Polymerica, Inc.
Assignments: There appear to be no assignments on record.

** TOTAL PAGE.215 **