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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings



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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
Long Reach, Inc. 1-16-03

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

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

2. Name and address of receiving party(ies)
Name: Allied Systems Company
Internal Address: _____
Address: _____
Street Address: 2300 N.E. Oregon Street
City: Sherwood State: OR Zip: 97140

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
 (Designations must be a separate document from assignment)
 Additional name(s) & address(es) attached? Yes No

OFFICE OF PATENT RECORDS
JUN 16 AM 9:32
FINANCE SECTION

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: 05/17/2002

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s) _____

B. Trademark Registration No.(s) 0785552

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Erich W. Merrill, Jr.
 Internal Address: _____

 Street Address: 111 S.W. Fifth Avenue
Suite 3400
 City: Portland State: OR Zip: 97204

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41)..... \$ 40.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: _____

DO NOT USE THIS SPACE

9. Signature.
Erich W. Merrill, Jr. 1/10/03
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 9

01/21/2003 ECOOPER 00000075 0785552
01 FC:8521

40.00 DP

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (the "Agreement") is made as of the 17th day of May, 2002, by and between, ALLIED SYSTEMS COMPANY, an Oregon Corporation with a principal place of business in Sherwood, Oregon (the "Buyer"); and LONG REACH INC., a Texas corporation with a principal place of business in Houston, Texas (the "Seller").

RECITALS:

A. Seller is engaged in the business of, among other things, manufacturing attachments to forklifts.

B. The Parties desire that Seller sell to Buyer and that Buyer purchase from Seller the assets set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good, fair and valuable consideration, the receipt, reasonable equivalency and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

The following terms shall have the following meanings when used in this Agreement:

1.1 "Assets" means all of Seller's right, title, and interest in and to the following assets of Seller:

(a) all products specific weld fixtures, toolboards, parts boards, machining jigs & fixtures, non-perishable tools, company owned casting patterns, extrusion dies, assembly stands, test stands including hydraulic pumps associated therewith, intended for the manufacture of each of the Long Reach Product Lines: Paper Roll Clamps, Carton Clamps, Lateral Clamps, Rotators, Specialty Clamps including Forgoing Clamps, Concrete Pipe Clamps and Single-Deals, Heavy Duty Side Shifting Fork Positioners, Cylinder Production and Long Reach Fork Mounted Push-Pull. Also, all Computer Equipment and hardware, computer software, website design and other tangible personal property of the seller exclusively useable in the manufacture of Long Reach Products.

(b) All inventory intended to be used, or otherwise related to the Seller's Business of Attachment Production and Spare Parts support without

limitation finished goods, product specific raw materials (castings, extrusions), work in process, service parts, goods in transit, Demo & Consigned units, packaging and shipping materials.

(c) all license agreements, distributor agreements, franchise agreements, service contracts, maintenance agreements, investments in buying co-ops and other contracts, agreements and commitments, whether written or oral, to which the Seller is a party and which are directly related, are used, are intended to be used, or are related to or necessary for, the conduct of the Seller's business in the ordinary course and which may be transferred to Buyer, either by their terms or for which the Seller has obtained the consent to such transfer from all parties required to permit such transfer, which shall include, without limitation, all contracts, bids, proposals and offers for the sale of inventory and all outstanding purchase orders and sales orders, and all rights of the Seller under all of the foregoing (collectively, the "Contracts");

(d) all mailing, customer, vendor and supplier lists, names and addresses of customers, vendors and suppliers, and all other information related to customers, vendors and suppliers of the Seller in the Seller's Business, including, but not limited to, sales and business records, invoices, research and development files, and customer credit information;

(e) all files, books and records (including engineering records and drawings), whether written, on magnetic tapes, disks or other media, and all essential business information wherever located;

(f) all approvals, permits, licenses, orders, registrations, certificates, variances, exemptions and similar rights obtained from governments, governmental agencies or third parties (to the extent assignable); and

(g) the Seller's Intellectual Property (as defined below) used, intended to be used, or related to the Seller's business.

1.2 "Bank" means _____.

1.3 "Bankruptcy Code" means title 11 of the United States Code, as amended, 11 U.S.C. §§ 101, et seq.

1.4 "Bankruptcy Court" means the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, Dallas, Texas, or such other court exercising competent jurisdiction over the bankruptcy case involving Seller.

1.5 "Buyer" is defined in the Preamble.

1.6 "Intellectual Property" means:

(a) all trade secrets and confidential business information (including customer and supplier compositions, manufacturing and production processes and techniques, technical data, designs, engineering and other drawings, specifications, pricing and cost information, and business and marketing plans and proposals);

(b) all trademarks, service marks, trade dress, logos, trade names (including but not limited to "Long Reach"), and corporate names, together with all translations, adaptations, derivations, and combinations thereof, and all applications, registrations, and renewals in connection therewith;

(c) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissues, continuations, continuations-in-part, revisions, extensions, and reexamination thereof;

(d) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith;

(e) all computer software (including data and related documentation);

(f) all other proprietary rights; and

(g) all copies and tangible and intangible embodiments of any of the foregoing (in whatever form or medium).

1.7 "Closing" means the delivery of the documents necessary to transfer the Purchased Assets to the Buyer as provided in this Agreement.

1.8 "Closing Date" is defined in Section 2.5.

1.9 "Purchase Price" is defined in Section 2.2.

1.10 "Sale Order" means the final, non-appealable order of the Bankruptcy Court, in substantially and materially the form attached hereto as Exhibit A.

1.11 "Seller" is defined in the Preamble.

ARTICLE II

PURCHASE AND SALE

2.1 Purchase and Sale of Assets. Subject to the terms and conditions of this Agreement and pursuant to Sections 363 and 365 of the Bankruptcy Code, at the Closing, Seller shall grant, sell, convey, transfer, assign and deliver to Buyer, free and clear of all liens, claims, interests or encumbrances pursuant to 11 U.S.C. Sec. 363(b) and (f) and Buyer shall purchase, all right, title and interest in and to the Assets.

2.2 Purchase Price. Subject to the adjustments set forth below and in paragraph 2.3, Buyer agrees to pay to the order of the Seller at the Closing a purchase price of (subject to the adjustments as described below, the "Purchase Price"). The parties acknowledge that the sales procedures relating to the disposition of the Assets will allow for competing bids by parties other than Buyer (each being referred to herein as a "Competing Bid") and that if the Bankruptcy Court enters an order approving a Competing Bid for the Assets or any payment thereof Buyer will no longer be obligated to buy any of the Assets. The amount of the Purchase Price may be increased by one or more bids submitted by Buyer at auction. Payment the Purchase Price to be paid by Buyer shall be paid by wire transfer to the Bank, in immediately available funds, pursuant to wire instructions provided by the Bank to Buyer.

2.3 Sale of Assets Purchase Price Adjustment. From the date of this Agreement to the Closing Date, Seller will not sell any of the Assets except finished goods and replacement parts inventory in the ordinary course of Seller's business. To the extent that any of Seller's inventory is sold before the Closing Date, the Purchase Price shall be reduced by fifty percent (50%) of Seller's product invoiced between filing of the motion to approve this Agreement and closing. Unless a physical count is conducted by Buyer, the items of inventory sold by Seller and after the date of this Agreement but before the Closing Date and its cost basis shall be determined by Seller's books and records. Seller covenants that it shall maintain its books and records to accurately reflect inventory sold and Seller's cost basis therein. Seller shall afford Buyer reasonable access to Seller's premises and books and records for the purposes of determining the amount of inventory sold and its cost basis in such inventory.

2.4 Minimum Overbid and Break Up Fee. The parties hereby agree that the sales procedures relating to the disposition of the Assets will include, among other things, a requirement that any initial Competing Bid must be in an amount equal to no less than and subsequent bids shall be in increments of no less than

2.5 The Closing. The Closing shall take place on a date (the "Closing Date") no later than two (2) business days after the earlier of the following:

- (a) the date on which the Sale Order becomes final and non-appealable; or
- (b) June 21, 2002.

2.6 Inspection Period. Buyer shall have fifteen (15) days following the execution and delivery of this Agreement to conduct all such inspections, tests and examinations as Buyer deems necessary of the Assets. Seller hereby grants Buyer (or Buyer's representative) the right to enter its business premises for the purpose of conducting said inspections, tests and examinations; provided, that such inspections, tests and examinations are to be conducted in a manner so as not to physically damage the Assets in any material way or unreasonably interfere with Seller's usual operation.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

3.1 No Warranties of Condition. Except as otherwise explicitly set forth in this Agreement, the sale of the Assets to the Buyer is "AS-IS, WHERE-IS" and the Seller makes no warranties, express or implied, in connection with the Assets or its sale of the same to the Buyer. Without limiting the generality of the foregoing, the Seller hereby **DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE** with respect to the Assets or its sale of the same to the Buyer.

3.2 Warranty of Continued Operation. Seller warrants that it shall continue to operate its parts business and all related accounting activity until the Closing Date at a sufficient level to assure a continuity of response to customers and maintenance of accurate and up-to-date records for inventory.

ARTICLE IV

NO ASSUMPTION OF LIABILITIES BY BUYER

Except as may otherwise be explicitly provided in this Agreement, Buyer shall not assume any debts, liabilities, or obligations of the Seller of any nature, whether present or future, fixed or contingent, disclosed or undisclosed, including, but not limited to, any and all liabilities for any claims, debts, defaults, warranties, or duties of the Seller of any kind.

ARTICLE V

TERMINATION

The Seller and the Buyer shall each be entitled to terminate this Agreement and shall have no further liability hereunder of any kind whatsoever on such date as the Bankruptcy Court enters an order approving a Competing Bid or if the sale is not consummated by the Closing Date.

ARTICLE VI

CONDITIONS OF CLOSING FOR THE BENEFIT OF BUYER

The obligation of Buyer to consummate the transactions contemplated hereunder is subject to the satisfaction as of the Closing Date of each of the following conditions (all of which shall be conclusively deemed to be satisfied or waived when Buyer transfers the Purchase Price to the Seller):

6.1 Seller's Obligations Performed. Seller has performed its obligations under this Agreement.

6.2 Bankruptcy Court Approval. The Bankruptcy Court shall have entered a final Sale Order and the Sale Order shall be in full force and effect and not subject to appeal.

6.3 Trade Name. Seller shall have taken all actions necessary to ensure that Buyer will acquire all rights in all trademarks that are part of the Assets.

6.4 Closing Deliveries. At or prior to Closing, Seller shall deliver, or cause to be delivered, to Buyer the following documents:

(a) Bill of Sale. The Bill of Sale in form and substance reasonably satisfactory to Buyer and signed by Seller; and

(b) Sale Order. A certified copy of the Sale Order.

ARTICLE VII

CONDITIONS OF CLOSING FOR THE BENEFIT OF THE SELLER

The obligation of the Seller to consummate the transactions contemplated hereunder is subject to the satisfaction on the Closing Date of each of the following conditions:

7.1 Bankruptcy Court Approval. The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall be in full force and effect.

7.2 Consideration. The balance of the Purchase Price shall have been received by the Bank via wire transfer or cashiers check.

ARTICLE VIII

MISCELLANEOUS

8.1 Notices. All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given upon receipt if it is sent by facsimile, or reputable express courier, and addressed or otherwise sent to the intended recipient as set forth below:

(a) If to the Seller:

Long Reach Inc.
12320 Amelia Dr.
Houston, TX 77405
Attention: Bill Sample, President
Fax: (713) 434-3400
with a copy to:

Thomas R. Califano, Esq.

Piper Rudnick LLP
1251 Avenue of the Americas
New York, New York 10020
Fax: (212) 835-6001

(b) If to the Buyer:

Allied Systems Company
2300 Oregon Street
Sherwood, Oregon 97140
Attention: Howard Brune, President
Fax: (503) 625-7269
with a copy to:

Miller Nash LLP
3500 U.S. Bancorp Tower
111 S.W. Fifth Avenue
Portland, Oregon 98204
Attention: John Casey Mills
Fax: (503) 224-0155

Any party may send any notice, request, demand, claim or other communication hereunder to the intended recipient at the address or facsimile number set forth above using any other means (including personal delivery, messenger service, ordinary mail, or electronic mail), but no such notice, request, demand, claim or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any party may change the address or facsimile number to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth.

8.2 Controlling Law. This Agreement shall be construed under and governed by the laws of the State of Texas.

8.3 Entire Agreement. This Agreement and the agreements and documents referred to herein constitute the entire agreement of the parties with respect to the transactions contemplated hereby and supersede all other agreements between the parties, whether written or oral, with respect to such transactions.

8.4 Binding Effect. This Agreement shall inure to the benefit of and bind the parties hereto and their respective heirs, successors and assigns.

8.5 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns. No party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other party, provided, however, that the Buyer may assign any or all of its rights and interests, and delegate its duties and obligations, to

one or more corporations, limited liability companies, or other entities of which Buyer and/or Buyer's shareholders collectively own a majority of the outstanding equity interests.

8.6 Expenses and Fees. Each party shall pay its respective costs and expenses, including, without limitation, legal and accounting fees in connection with this Agreement and the transactions contemplated hereby.

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

8.8 Modifications and Waivers. No supplement, modification or amendment of this Agreement shall be binding unless made in a written instrument which is signed by all of the parties and which specifically refers to this Agreement. Compliance with the provisions of this Agreement may be waived only by a written instrument specifically referring to this Agreement and signed by the party waiving compliance. No course of dealing, nor any failure or delay in exercising any right, shall be construed as a waiver, and no single or partial exercise of a right shall preclude any other or further exercise of that or any other right.

8.9 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

8.10 Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

IN WITNESS WHEREOF, the parties hereto have duly caused this Agreement to be executed as of the day and year first above written.

BUYER:

ALLIED SYSTEMS COMPANY

By: Bill Chan
~~President~~ William Chan
Senior Vice President

SELLER:

LONG REACH, INC.

By: Wu Jia
Print Name: Wenbin J. JIAN
Title: President / CEO

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