

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL
EFFECTIVE DATE:	11/09/2001

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Development Specialists, Inc.		11/09/2001	CORPORATION: ILLINOIS

RECEIVING PARTY DATA

Name:	West American Rubber Company, LLC
Street Address:	1413 Braden Court
City:	Orange
State/Country:	CALIFORNIA
Postal Code:	92686-1184
Entity Type:	LIMITED LIABILITY COMPANY: CALIFORNIA

PROPERTY NUMBERS Total: 4

Property Type	Number	Word Mark
Serial Number:	75550803	PERFORMANCE PROCESSING COMPANY
Serial Number:	75422473	WARCO
Serial Number:	75639330	WARCO AMERICA'S CHOICE FOR QUALITY RUBBER
Serial Number:	75550697	WARCO WHITE

CORRESPONDENCE DATA

Fax Number: (714)513-5130
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 714.513.5100
 Email: uspto-tm-oc@sheppardmullin.com
 Correspondent Name: Brian M. Daucher
 Address Line 1: 650 Town Center Drive
 Address Line 2: Fourth Floor
 Address Line 4: Costa Mesa, CALIFORNIA 92626

ATTORNEY DOCKET NUMBER: 03A1-110487

TRADEMARK

900049536

REEL: 003314 FRAME: 0145

CH \$115.00 75550803

NAME OF SUBMITTER:	Brian M. Daucher
Signature:	/bmd/
Date:	05/23/2006

Total Attachments: 23

source=asset purchase agreement#page1.tif
source=asset purchase agreement#page2.tif
source=asset purchase agreement#page3.tif
source=asset purchase agreement#page4.tif
source=asset purchase agreement#page5.tif
source=asset purchase agreement#page6.tif
source=asset purchase agreement#page7.tif
source=asset purchase agreement#page8.tif
source=asset purchase agreement#page9.tif
source=asset purchase agreement#page10.tif
source=asset purchase agreement#page11.tif
source=asset purchase agreement#page12.tif
source=asset purchase agreement#page13.tif
source=asset purchase agreement#page14.tif
source=asset purchase agreement#page15.tif
source=asset purchase agreement#page16.tif
source=asset purchase agreement#page17.tif
source=asset purchase agreement#page18.tif
source=asset purchase agreement#page19.tif
source=asset purchase agreement#page20.tif
source=asset purchase agreement#page21.tif
source=asset purchase agreement#page22.tif
source=asset purchase agreement#page23.tif

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

WEST AMERICAN RUBBER COMPANY, LLC

as Buyer,

AND

DEVELOPMENT SPECIALISTS, INC.,
solely in its capacity as the assignee for the benefit of the creditors of
West American Rubber Co., Inc.

as Seller

November 9, 2001

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement"), dated as of November 9, 2001, is by and between Western American Rubber Company, LLC, a California limited liability company ("Buyer"), and Development Specialists, Inc., an Illinois corporation ("Seller"), solely in its capacity as the assignee for the benefit of the creditors of Western American Rubber Co., Inc., a California corporation ("Debtor").

RECITALS

A. Debtor is a leading manufacturer and reseller of highly engineered specialty rubber products (manufactured products division), and is a bulk reseller of polychloroprene and ethylene diene elastomer (polymer processing division) (the "Business").

B. In June, 1998, a group consisting of Bank of America, CIBC World Markets, Union Bank of California, Van Kampen Funds, and Patriarch Partners LLC (collectively, "Lender Group") provided financing to Debtor ("Debtor Financing") secured by, among other assets, the Purchased Assets (defined below). As of the date of this Agreement, Debtor is indebted to the Lender Group pursuant to the Debtor Financing in an amount exceeding \$40,000,000. The value of the Purchased Assets (defined below) is substantially less than \$40,000,000.

C. On November 9, 2001, Debtor assigned to Seller substantially all of its assets for the benefit of creditors pursuant to a General Assignment for the Benefit of Creditors, a copy of which is attached hereto as Exhibit A (the "Assignment").

D. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the Purchased Assets (defined below) ("Sale") subject to the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms below shall have the following meanings:

"Assumed Contracts" shall mean the Contracts set forth on the Assumed Contracts Schedule attached hereto.

"Assumed Liabilities" shall mean only those specific liabilities set forth on the Assumed Liabilities Schedule attached hereto and all liabilities and obligations arising after Closing under the Assumed Contracts (other than any liability or obligation arising out of or relating to a breach under any Assumed Contract which occurred prior to the Closing).

"Business Day" shall mean any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of California or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Contracts" shall mean all oral or written contracts, agreements, license agreements, leases, subleases, distribution arrangements, sales and purchase agreements, and purchase and sale orders to which Debtor is a party.

"Encumbrance" shall mean any charge, claim, community property interest, condition, equitable interest, lien, option, pledge, security interest, right of first refusal or restriction of any kind, including, without limitation, any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"Excluded Assets" shall mean all assets of Seller and Debtor other than the Purchased Assets.

"Intellectual Property" shall mean those items of intellectual property set forth in item 2 of the Purchased Assets Schedule attached hereto.

"Knowledge of Seller" shall mean actual knowledge without independent investigation.

"Person" shall mean any individual, corporation, partnership, limited liability company, trust, association, joint venture or other entity of any kind whatsoever.

"Purchased Assets" shall mean all right, title and interest of Seller in and to the assets of Seller set forth on the Purchased Assets Schedule attached hereto.

"Representative" shall mean any attorney, accountant, agent, consultant or other representative.

"Retained Liabilities" shall mean all liabilities and obligations of Debtor, whether such liabilities or obligations relate to payment, performance or otherwise arise before or after the Closing, are actual or contingent, accrued or unaccrued, matured or unmatured, liquidated or unliquidated, asserted or unasserted, known or unknown, or disclosed pursuant to this Agreement or otherwise, whether arising out of occurrences prior to, on or after the Closing Date, other than the Assumed Liabilities. Notwithstanding anything to the contrary contained herein, and without limiting the generality of the foregoing, the following liabilities and obligations of Debtor shall be considered Retained Liabilities for the purposes of this Agreement: accounts payable, employee and personnel costs and expenses (such as accrued salaries, vacations, taxes, sick pay, WARN obligations and all obligations arising under Debtor's benefit plans including COBRA obligations), all sales taxes prior to and arising out of the Sale, and any creditor claims or administrative expenses.

1.2 Other Defined Terms. In addition to the terms defined in the Recitals to this Agreement and Section 1.1, the following terms shall have the meanings defined for such terms in the Sections set forth below:

<u>Term</u>	<u>Section</u>
"Agreement"	Recitals
"Business"	Recitals
"Buyer"	Recitals
"Purchase Price"	3.1
"Closing"	4.1
"Closing Date"	4.1
"Debtor"	Recitals
"Purchase Price"	3.1

"Seller"

Recitals

ARTICLE II
PURCHASE AND SALE OF ASSETS

2.1 Transfer of Purchased Assets. At the Closing, upon the terms and subject to the conditions and provisions contained herein, except for the real property described in paragraph 11 of the Purchased Assets Schedule attached hereto ("Condominium"), which while included in the Sale is being conveyed by Debtor directly to Buyer at the direction of Seller, Seller shall sell, convey, transfer, assign and deliver to Buyer, and Buyer shall acquire and accept from Seller, the Purchased Assets as is.

2.2 Assumed Liabilities. At the Closing, Buyer shall assume and undertake to pay, perform and discharge when due or required to be performed only the Assumed Liabilities listed on the Assumed Liabilities Schedule attached hereto.

2.3 Retained Liabilities. Notwithstanding any other terms, provisions and conditions of this Agreement, Buyer shall not assume, or otherwise be responsible or liable for or obligated with respect to, any Retained Liabilities. All of the Retained Liabilities shall remain the sole responsibility of, and shall be retained, paid, performed and discharged solely by, Seller and/or Debtor, as appropriate.

ARTICLE III
PURCHASE PRICE

3.1 Purchase Price. The total purchase price (the "Purchase Price") shall be Six Million Dollars (\$6,000,000), as follows: at the Closing (defined below) Buyer shall deliver to Seller Two Million Dollars (\$2,000,000) ("Cash Portion"). Buyer shall execute a note in the amount of \$4,000,000 in favor of the Lender Group consistent with the Credit Agreement between the Lender Group and Buyer and related documentation ("Senior Lender Documentation"), to be secured by a first priority security interest in the Purchased Assets.

3.2 Allocation. The Purchase Price (including the amount of the Assumed Liabilities to the extent they constitute part of the amount realized by Seller for federal income tax purposes) shall be allocated among the Purchased Assets in accordance with the Allocation Schedule attached hereto. This allocation is intended to comply with the allocation method required by Section 1060 of the Code. The parties shall cooperate to comply with all substantive and procedural requirements of Section 1060 and the regulations thereunder, and except for any adjustment necessary to reflect the Purchase Price, the allocation shall be adjusted only if and to the extent necessary to comply with such requirements. Each of Buyer and Seller agrees that it will not take, nor will it permit

any affiliated person to take, for income tax purposes, any position inconsistent with such allocation; provided, however, that (a) Buyer's cost for the Purchased Assets may differ from the total amount allocated hereunder to the extent necessary to reflect the inclusion in the total cost of Buyer's capitalized acquisition costs not included in the total amount so allocated and (b) the amount realized by Seller may differ from the total amount so allocated to the extent necessary to reflect transaction costs that reduce the amount realized.

ARTICLE IV CLOSING

4.1 Closing. Upon the terms and conditions set forth herein, the closing (the "Closing") of the transactions contemplated herein shall be effective as of 11:59 p.m. on November 9, 2001. The date on which the Closing occurs in accordance with the previous sentence is referred to as the "Closing Date."

4.2 Conveyances at Closing. At the Closing, and in connection with effecting and consummating the Closing, including, without limitation, the Sale and the delivery of the \$2,000,000 cash portion of the Purchase Price and the Related Agreements, Seller and Buyer shall, on the Closing Date, deliver the following:

(a) Instruments and Agreements.

(i) Seller shall deliver to Buyer one or more bills of sale and assignments conveying all of the Purchased Assets.

(b) Form of Instruments and Agreements. To the extent that a form of any document to be delivered hereunder is not attached as an Exhibit hereto, such documents shall be in form and substance, and shall be executed and delivered in a manner, reasonably satisfactory to Buyer and Seller.

(c) Purchase Price. Buyer shall deliver the \$2,000,000 cash portion of the Purchase Price to Seller as instructed by Seller in writing.

4.3 Transaction Expenses. Each of Buyer and Seller shall pay the fees and expenses of its respective counsel, investment bankers, financial advisors, accountants and other experts and any other expenses incident to the negotiation and preparation of this Agreement and consummation of the transactions contemplated hereby.

4.4 Other Closing Matters. Each of the parties shall use its reasonable efforts to take such other actions required hereby to be performed by it prior to or on the Closing Date.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF SELLER

As an inducement to Buyer to enter into this Agreement, Seller hereby makes, as of the date hereof, the following representations and warranties to Buyer:

5.1 Authorization. Seller has the power and authority to execute and deliver this Agreement, to perform fully its obligations hereunder and to consummate the transactions contemplated hereby. Seller has duly executed and delivered this Agreement. This Agreement is a legal, valid and binding obligation of Seller, enforceable against it in accordance with its terms, except as such enforceability may be limited by (a) applicable insolvency, bankruptcy, reorganization, moratorium or other similar laws affecting creditors rights generally and (b) applicable equitable principles (whether considered in a proceeding at law or in equity).

5.2 No Violation. To the knowledge of Seller, the execution and delivery of this Agreement and the other agreements specified herein by Seller and the consummation by Seller of the transactions contemplated hereby and thereby do not and will not (a) violate any provision of the articles of incorporation or bylaws of Seller or (b) conflict with or violate any statute or law, or any judgment, decree, order, regulation or rule of any court or governmental authority, binding upon or applicable to Seller or by which the property or assets of Seller, including the Purchased Assets, are bound or affected.

5.3 Litigation. To the Knowledge of Seller, there are no actions, suits, proceedings, claims, orders or investigations pending or threatened against or affecting Seller or Debtor at law or in equity, or before or by any governmental authority that would adversely affect in any material respect the Business, the Purchased Assets, Seller's performance of its obligations under this Agreement or the consummation of the transactions contemplated hereby.

5.4 Compliance with Law; No Pending Bankruptcy Case. To the knowledge of Seller, the Assignment is in compliance with applicable law. Other than the Assignment, there is no pending bankruptcy or insolvency proceeding against Seller, nor to the Knowledge of Seller, is there a contemplated or threatened bankruptcy or insolvency proceeding against Seller or Debtor.

5.5 Intellectual Property. To the Knowledge of Seller, (a) Seller has not interfered with, infringed upon, misappropriated or otherwise come into conflict with any intellectual property rights of any third party, and Seller has not received any charge, complaint, claim, demand or notice alleging any such interference, infringement,

misappropriation or violation (including any claim that Seller or Debtor must license or refrain from using any intellectual property rights of any third party); and (b) no third party has interfered with, infringed upon, misappropriated or otherwise come into conflict with the Intellectual Property.

5.6 Disclaimer of Other Representations and Warranties. Except as expressly set forth in this Article V, Seller makes no representation or warranty, express or implied, at law or in equity, with respect to the Purchased Assets, including, without limitation, with respect to merchantability or fitness for any particular purpose, and any such other representations or warranties are hereby expressly disclaimed. Buyer hereby acknowledges the foregoing, and agrees that Buyer is purchasing the Purchased Assets on an "as-is, where-is" basis, with all faults, whether know or unknown. Buyer further acknowledges that Buyer is relying upon Buyer's own independent investigation of the Purchased Assets in entering into this Agreement and purchasing the Purchased Assets. Buyer acknowledges that Buyer has, prior to the execution and delivery of this Agreement, fully and thoroughly investigated and inspected each and every aspect of the Purchased Assets, and all factors relevant thereto. Buyer agrees that if Buyer fails or elects to not perform any investigation, inspection or review of the Purchased Assets, Buyer is accepting and assuming any and all risks and claims associated therewith.

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF BUYER

As an inducement to Seller to enter into this Agreement, Buyer hereby makes, as of the date hereof, the following representations and warranties to Seller:

6.1 Authorization. Buyer has the power and authority to execute and deliver this Agreement, to perform fully its obligations hereunder, and to consummate the transactions contemplated hereby. The execution and delivery by Buyer of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all requisite corporate action of Buyer. Buyer has duly executed and delivered this Agreement. This Agreement is a legal, valid and binding obligation of Buyer, enforceable against it in accordance with its terms, except as such enforceability may be limited by (a) applicable insolvency, bankruptcy, reorganization, moratorium or other similar laws affecting creditors rights generally and (b) applicable equitable principles (whether considered in a proceeding at law or in equity).

6.2 No Violation. The execution and delivery of this Agreement and the other agreements specified herein and the consummation of the transactions contemplated hereby and thereby do not and will not (a) violate any provision of the Articles of Organization of Buyer or (b) conflict with or violate any statute or law, or any judgment,

decree, order, regulation or rule of any court or governmental authority, binding upon or applicable to Buyer or by which the property or assets of Buyer are bound or affected.

6.3 Litigation. To the Knowledge of Buyer, there are no actions, suits, proceedings, orders or investigations pending or threatened against or affecting Buyer at law or in equity, or before or by any governmental authority, that would adversely affect in any material respect Buyer's performance of its obligations under this Agreement or the consummation of the transactions contemplated hereby.

ARTICLE VII
ADDITIONAL COVENANTS OF BUYER AND SELLER

Buyer and Seller covenant and agree with each other that from the date hereof through the Closing:

7.1 Effectuating the Sale. Upon the Closing, Seller shall give, and shall use commercially reasonable efforts to cause Debtor to give, the authorized Representatives of Buyer access to the Business, including, without limitation, Debtor's books and records, the Purchased Assets and any other information from any other source. Seller will also use commercially reasonable efforts to cause Debtor's officers to furnish to Buyer any and all financial, technical and operating data and other information pertaining to Debtor and its assets that come to Seller's attention after the Closing.

7.2 Consents and Reasonable Efforts. Seller shall take, and shall use reasonable efforts to cause Debtor to take, all reasonable actions required to obtain at the earliest practicable date all consents, permits, waivers, approvals, authorizations and agreements of, and promptly to give all notices to, effect all registrations pursuant to, and make all other filings with or submissions to, any third parties, including, without limitation, governmental and regulatory authorities, necessary or advisable to authorize, approve or permit the consummation of the transactions contemplated hereby. Each of the parties hereto covenants and agrees, upon the terms and subject to the conditions contained herein, to pursue diligently and in good faith and use all reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated hereby.

7.3 Obligations with respect to Seller's Employees. Buyer may, but shall have no obligation to, offer employment to any or all of Seller's employees on or after the Closing Date.

7.4 Confidentiality and Publicity. Other than obligations imposed by applicable state law, each of Buyer and Seller, on behalf of itself and its affiliates and

advisors, hereby agrees to maintain the confidentiality of all information furnished to it concerning the business, operations and financial condition of the party furnishing such information except to the extent that such information (a) shall become generally available to the public other than as a result of an unauthorized disclosure by the party that was furnished the information, (b) was available to the party that was furnished the information on a non-confidential basis prior to its disclosure by the furnishing party or (c) disclosure by any party is required by subpoena or order of a court of competent jurisdiction or by order of a regulatory authority of competent jurisdiction. Each of Buyer and Seller further agrees to use any such information only in furtherance of the transactions contemplated hereby. If this Agreement is terminated pursuant to Section 11.1 hereof, each of Buyer and Seller will promptly return all documents and copies of, and all work papers containing, information received from the other party hereto.

7.5 Preparation of Debtor's Final Tax Returns. Buyer shall have no responsibility or obligation to prepare any tax returns of Debtor. Seller shall ensure that Debtor's final tax returns are prepared and filed.

ARTICLE VIII CONDITIONS TO SELLER'S OBLIGATIONS

The obligations of Seller to consummate the transactions contemplated hereby are subject, in the discretion of Seller, to the satisfaction, on or prior to the Closing Date, of each of the following conditions, any of which may be waived (in whole or in part) by Seller in accordance with Section 11.6:

8.1 Representations, Warranties and Covenants. Each of the representations and warranties of Buyer contained in this Agreement that is qualified by materiality shall be true and correct on and as of the Closing Date as if made on and as of the Closing Date, and each of the representations and warranties of Buyer that is not qualified by materiality shall be true and correct in all material respects on and as of the Closing Date as if made on and as of the Closing Date. Buyer shall have performed all agreements and covenants required hereby to be performed by Buyer on or prior to the Closing Date.

8.2 Consents. All material consents, approvals, waivers and permits from third parties and governmental and regulatory authorities required to consummate the transactions set forth herein or contemplated hereby, if any, shall have been obtained.

8.3 No Proceedings or Litigation. No actions by any governmental authority shall have been instituted for the purpose of enjoining or preventing, or which question the validity or legality of, the transactions contemplated hereby.

8.4 Instruments and Agreements. Buyer shall have executed and delivered to Seller all of the documents required to be executed and delivered by Buyer in Section 4.2(a) hereof.

ARTICLE IX
CONDITIONS TO BUYER'S OBLIGATIONS

The obligations of Buyer to purchase the Purchased Assets and to consummate the transactions contemplated hereby are subject, in the discretion of Buyer, to the satisfaction, on or prior to the Closing Date, of each of the following conditions, any of which may be waived (in whole or in part) by Buyer in accordance with Section 11.6:

9.1 Representations, Warranties and Covenants. Each of the representations and warranties of Seller contained in this Agreement that is qualified by materiality shall be true and correct on and as of the Closing Date as if made on and as of the Closing Date, and each of the representations and warranties of Seller that is not qualified by materiality shall be true and correct in all material respects on and as of the Closing Date as if made on and as of the Closing Date. Seller shall have performed all agreements and covenants required hereby to be performed by Seller on or prior to the Closing Date.

9.2 Consents. All material consents, approvals, waivers and permits from third parties and governmental and regulatory authorities required to consummate the transactions set forth herein or contemplated hereby, if any, shall have been obtained.

9.3 No Proceedings or Litigation. No actions by any governmental authority shall have been instituted for the purpose of enjoining or preventing, or which question the validity or legality of, the transactions contemplated hereby. Buyer shall have received from Debtor a list of pending litigation against Debtor and Buyer shall have agreed to consummate the transactions contemplated hereby notwithstanding any such litigation.

9.4 Instruments and Agreements. Seller shall have executed and delivered to Buyer all of the documents required to be executed and delivered by Seller in Section 4.2(a) hereof.

9.5 Operation in the Ordinary Course of Business. Up to the time of the Closing and the Assignment, Debtor shall have operated the Business in the ordinary course of business, including but not limited to all of the following: (i) continued to manufacture and deliver product, (ii) maintained its equipment and infrastructure, (iii) purchased raw materials, (iv) paid accounts payable, (v) collected accounts receivable, (vi) paid rent, (vii) paid all of its employees in full through the Closing, (viii) paid all of its insurance premiums in full through the Closing, and (ix) paid its sales tax liability in full as of the Closing on or prior to the Closing.

9.6 No Material Adverse Change. Since October 20, 2001, there shall have been no material adverse change to the Business, Debtor's assets, the Purchased Assets, or Debtor's relationship with its suppliers and customers.

9.7 Approval of the Related Agreements. The Lender Group shall consent to the Sale subject to the terms and conditions of (i) this Agreement, and (ii) the Credit Agreement of even date between the Lender Group and Buyer, the Loan and Security Agreement of even date between Hemstreet Enterprises, Inc., a California corporation ("Hemstreet Enterprises") and Buyer, the Limited Liability Company Operating Agreement between the Lender Group and Hemstreet Investments LLC, a California limited liability company ("Hemstreet Investments"), and all agreements related to the foregoing.

9.8 Termination of Debtor's 401(k) Plan. Prior to the Assignment, Debtor shall have terminated its 401(k) plan.

9.9 Conveyance of the Condominium. Buyer shall have received from Debtor at or before the Closing a quitclaim deed conveying the Condominium to Buyer.

ARTICLE X
CONSENTS TO ASSIGNMENT; TRANSFER TAXES

10.1 Consents to Assignment. Anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Assumed Contract or any claim or right or any benefit arising thereunder or resulting therefrom if an attempted assignment thereof, without the consent of a third party thereto, would constitute a breach thereof or in any way adversely affect the rights of Buyer thereunder after taking into account the operation of the Bankruptcy Code. If such consent is not obtained, or if an attempted assignment thereof would be ineffective or would affect the rights thereunder so that Buyer would not receive all such rights, Seller shall cooperate with Buyer in all reasonable respects to provide to Buyer the benefits under any such Assumed Contract, claim or right, including, without limitation, enforcement for the

benefit of Buyer of any and all rights of Seller against a third party thereto arising out of the breach or cancellation by such third party or otherwise.

10.2 Taxes. Buyer shall fund from the Cash Portion, and Seller shall pay all transfer, sales, recording and similar Taxes arising in connection with the transactions contemplated hereunder, whether such taxes are imposed on Seller or Buyer, except that if there are insufficient funds from the Cash Portion to pay for the property taxes on the Condominium levied for the fiscal year 2001-2002 and the transfer taxes associated with the conveyance of the Condominium ("Condominium Expenses"), Buyer shall be responsible for the Condominium Expenses. Buyer and Seller shall cooperate to comply with all tax return requirements for such taxes and shall provide such documentation.

ARTICLE XI MISCELLANEOUS

11.1 Termination. This Agreement may be terminated prior to the Closing: (a) by mutual written consent executed by both Buyer and Seller at any time; (b) by Buyer if any event occurs which renders satisfaction of one or more of the conditions to Buyer's obligations set forth in Article IX impossible; and (c) by Seller if any event occurs which renders satisfaction of one or more of the conditions to Seller's obligations set forth in Article VIII impossible.

11.2 Remedies in the Event of Termination. In the event of termination of this Agreement pursuant to Section 11.1, (a) all obligations of the parties hereto under this Agreement shall terminate, (b) there shall be no liability of any party hereto to any other party and (c) each party hereto shall bear its own expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement; *provided* that the foregoing shall not relieve any party of liability for damages actually incurred by any other party as a result of any breach of this Agreement resulting from the willful misconduct or reckless or grossly negligent act or omission of the party permitting, causing or committing such breach; and *provided further* that the termination of this Agreement shall not affect the obligations of Buyer and Seller under 7.4 hereof

11.3 Assignment; Successors. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by any party without the prior written consent of all other parties to this Agreement. Seller agrees to the assignment by Buyer of its rights pursuant to this Agreement to any Affiliate of Buyer; *provided* that no such assignment by Buyer shall relieve Buyer of any of its obligations hereunder and any such assignee shall only have such rights (as limited hereunder) and obligations as Buyer now has hereunder. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective Representatives, successors and

permitted assigns. Buyer shall not be deemed to be a successor of Debtor and shall not have continuity of ownership or operation with Debtor.

11.4 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given (a) when received if personally delivered, (b) when transmitted if transmitted by facsimile, upon receipt of telephonic confirmation, (c) the date after it is sent, if sent for next-day delivery to a domestic address by recognized overnight delivery service (*e.g.*, Federal Express, United Parcel Service), and (defendant) upon receipt, if sent by certified or registered mail, return receipt requested. In each case notice shall be:

If to Buyer: ^{SAC} Western American Rubber Company, LLC
1413 Braden Court
Orange, California 92686-1184
Attention: Steven R. Hemstreet
Telephone: (714) 974-7771
Fax: (714) 974-9028

With a copy to: Sheppard, Mullin, Richter & Hampton LLP
333 South Hope Street
48th Floor
Los Angeles, California 90071-1780
Attention: Joel R. Ohlgren, Esquire
Theodore A. Cohen, Esquire
Telephone: (213) 620-1780
Fax: (213) 620-1398

And a copy to: Weinstock Manion Reisman Shore & Neumann
1875 Century Park East
15th Floor
Los Angeles, California 90067
Attention: Louis A. Reisman, Esquire
Gary Borofsky, Esquire
Robert E. Strauss, Esquire
Telephone: (310) 553-8844
Fax: (310) 553-5165

If to Seller: Development Specialists, Inc., solely in its capacity as Assignee for the Benefit of the Creditors of Western American Rubber Co., Inc.

Wells Fargo Center
333 South Grand Avenue
Suite 2010
Los Angeles, California 90071-1524
Attention: Mr. Geoffrey L. Berman
Phone: (213) 617-2717
Fax: (213) 617-2718

With a copy to: Latham & Watkins
633 West 5th Street
Suite 4000
Los Angeles, California 90071-2007
Attention: Peter M. Gilhuly, Esquire
Phone: (213) 485-1234
Fax: (213) 891-8763

or to such other place and with such other copies as either party may designate as to itself by written notice to the others.

11.5 Choice of Law. This Agreement shall be construed and interpreted, and the rights of the parties determined in accordance with, the laws of the State of California, without regard to the conflicts of laws or choice of laws rules thereof. Each party irrevocably consents to the service of any and all process in any action or proceeding arising out of or relating to this Agreement by the mailing of copies of such process to each party at its address specified in Section 11.4.

11.6 Entire Agreement; Amendments and Waivers. This Agreement, together with all Exhibits and Schedules attached or to be attached hereto, constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties; *provided* that the forms of agreements attached hereto as Exhibits shall be superseded by the executed copies of such agreements by the parties thereto. No amendment, supplement, modification or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

11.7 Construction. The headings and captions of the various Articles and Sections of this Agreement have been inserted solely for purposes of convenience, are not part of this Agreement and shall not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this Agreement. Unless stated to the contrary, all

references to Articles, Sections, paragraphs or clauses herein shall be to the specified Article, Section, paragraph or clause of this Agreement, and all references to Exhibits and Schedules shall be to the specified Exhibits and Schedules attached hereto. All Exhibits and Schedules attached are made a part hereof. All terms defined herein shall have the same meaning in the Exhibits and Schedules, except as otherwise provided therein. All references in this Agreement to "this Agreement" shall be deemed to include the Exhibits and Schedules attached hereto. The terms "hereby", "hereto", "hereunder" and any similar terms as used in this Agreement refer to this Agreement in its entirety and not only to the particular portion of this Agreement where the term is used.

11.8 Third Party Beneficiaries. No Person other than the parties hereto shall have any rights or claims under this Agreement.

11.9 Multiple 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. Facsimile signatures shall be operative as originals.

11.10 Invalidity. In the event that any one or more of the provisions, or any portion thereof, contained in this Agreement or in any other instrument referred to herein, shall for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law, such invalidity, illegality or unenforceability shall not affect any other provision, or any portion thereof, of this Agreement or any other such instrument.

11.11 Publicity. Subject to Section 7.4 herein, no party shall issue any press release or make any public statement regarding the transactions contemplated hereby, without the prior approval of the other party; *provided* that nothing herein shall be deemed to prohibit any party from making any disclosure which its counsel deems necessary in order to fulfill such party's disclosure or notice obligations imposed by law.

11.12 Further Assurances. Without limiting any other rights or obligations of the parties contained in this Agreement, following the Closing, Seller agrees to execute such documents, instruments and conveyances and take such actions as may be reasonably requested by Buyer and Buyer's counsel and otherwise reasonably cooperate with Buyer, its Affiliates and their respective Representatives in connection with any action that may be necessary or advisable to put Buyer in possession of the Purchased Assets and consummate the transactions contemplated hereby.

11.13 Cumulative Remedies. All rights and remedies of either party hereto are cumulative of each other and of every other right or remedy such party may otherwise

have at law or in equity, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

11.14 No Impediment to Liquidation. Nothing herein shall be deemed or construed so as to limit, restrict or impose any impediment to Seller's right to liquidate, dissolve and wind-up affairs and to cease all business activities and operations at such time as it may determine following the Closing.

11.15 Representation by Counsel; Mutual Negotiation. Each party has been represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction and construction of the parties, at arm's length and with the advice and participation of counsel, and this Agreement shall be interpreted in accordance with its terms without favor to any party.

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

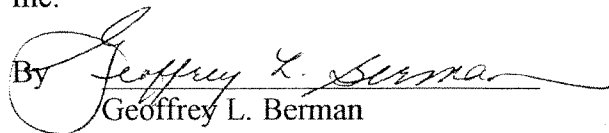
BUYER:

^{SR}
WESTER~~EN~~ AMERICAN RUBBER
COMPANY, LLC,
a California limited liability company

By 
Steven R. Hemstreet
Manager

SELLER:

DEVELOPMENT SPECIALISTS, INC., solely
in its capacity as the assignee for the benefit of
the creditors of Western American Rubber Co.,
Inc.

By 
Geoffrey L. Berman
Vice President

Allocation Schedule

<u>Asset</u>	<u>Allocation</u>
Accounts Receivable + Cash	<u>\$3,265,000</u>
Cash	\$
Other Receivables (including workers compensation refund)	\$ 264,000
Inventories	\$2,288,000
Property, Plant & Equipment, net	\$ 183,000
Total	<u>\$6,000,000</u>

Assumed Contracts Schedule

None.

Assumed Liabilities Schedule

The Sale is being financed in part by the \$4,000,000 credit facility provided by the Lender Group and evidenced by the Senior Credit Documentation, and no other obligations of any kind are being assumed.

Purchased Assets Schedule

All of Debtor's assets assigned to Seller pursuant to the Assignment, including without limitation:

1. All of Debtor's inventory, including without limitation the inventory described on the attached schedule.
2. All of Debtor's accounts receivable, including without limitation the accounts receivable described on the attached accounts receivable aging report.
3. All of Debtor's furniture, fixtures, equipment and machinery, including without limitation, the furniture, fixtures, machinery and equipment described on the attached schedule.
4. All of Debtor's intellectual property including, without limitation, all the following:
(a) all inventions, patents and patent applications, (b) all registered and unregistered trademarks, service marks, trade dress, logos, trade names and brand names, and any combination of such names, including all goodwill associated therewith and all applications, registrations and renewals in connection therewith, (c) all copyrightable works, all copyrights and all applications, registrations and renewals in connection therewith, (d) all trade secrets and confidential business information (including ideas, research and development, know-how, compositions, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and market plans and proposals), (e) all creative materials, including, without limitation, all files, films and tapes (whether in written or electronic form) related to the production of the website, the catalog (both current and future) and television, radio and print advertisement, (f) all computer software and source code (including hard copy and soft copy as well as all data and related documentation), (g) all websites and related content (including, without limitation, underlying software, URL's and domain names), (h) all financial models and (i) all accounting systems. Intellectual property included in the

Purchased Assets shall include, without limitation, those items of intellectual property set forth on the detail schedule attached hereto.

5. All of Debtor's customer lists together with the related books and records detailing customer activity.
6. All general intangibles, including without limitation, tax and duty claims and refunds, workers compensation refunds, choses in action and other claims, instruments, letters of credit, deposits, securities, bank accounts, deposit accounts, and credits.

7. All cash.
8. Debtor's right, title and interest in and to that certain Ground and Building Lease By and Between BHH Properties II, LLC, a California limited liability company, as Landlord, and West American Rubber Co., Inc., a California corporation, as Tenant, dated as of December 15, 1997, and all amendments, modifications and supplements, if any, thereto. No promise of delivery of possession is implied.
9. Debtor's right, title and interest in and to that certain Lease dated February 1, 1981, between West American Rubber Company of Los Angeles (as lessee) and Louisville Airpark Company (as lessor); as amended by Lease Amendment and Relocation Agreement dated May 13, 1985 (the "Relocation Agreement") between KYLOU, Inc. (successor in interest to Louisville Airpark Company), as landlord, and West American Rubber Company, Inc. (as tenant); as further amended by Amendment to Lease dated September 27, 1995 between Dixie Warehouse and Cartage Co., as lessor (the "Lessor"), (successor to KYLOU, Inc. by acquisition of the real property subject to said lease) and WARCO a/k/a West American Rubber Co., Inc., as lessee. No promise of delivery of possession is implied.
10. All of Debtor's right, title and interest in and to that certain Lease dated December 15, 1989, with CEI Braden Court Associates, a California limited partnership and Robert E. Andreae, a married man, as lessor, and Debtor as lessee, as amended by the lease amendment dated January 1, 1996
11. All of Debtor's right, title and interest in and to that real property legally described as Lot No. 29 of Tract 13145-17 as shown by Map on File in Book 125, Pages 35 to 37, inclusive, of Maps, Records of Riverside County, California. Except all minerals, oil, gas, and other hydrocarbon substances, as said substances are more particularly described in and reserved by Palm Desert Resorter, a California general partnership in the Document recorded March 11, 1988 as Instrument No. 65134 Official Records.
12. All of Debtor's right, title and interest in and to all other leasehold interests, without promise of delivery of possession.
13. All of Debtor's right, title and interest in and to all other real property owned by Debtor, without promise of delivery of possession.

Exhibit A
General Assignment for the Benefit of Creditors

[to come]

LA:1TAC1VAGR3A170350230.3
110701