PLAINTIFF'S EXHIBIT
KM-348

Plaintiff's
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AGREEMENT

THIS AGREEMENT made at San Carlos, California, December 19, 1960, by and between WILLIAM E. MOORE and BERTHA A. MACKEY hereinafter respectively referred to as MOORE and MACKEY.

1. Pursuant to the terms of an agreement of even date Kelly-Moore Paint Company, Inc., of which William E. Moore is President and a controlling shareholder, has agreed to purchase all of the issued and outstanding common and preferred shares of Paco Textures Corporation certain of which shares are owned by the Estate of W. L. Mackey, deceased husband of Bertha A. Mackey, of which estate Bertha A. Mackey is executrix and sole heir, and pursuant to the terms of said agreement Kelly-Moore has further agreed to pay the indebtedness of Paco to the Estate of Mackey and to the said Bertha A. Mackey.

2. The consideration to be paid by Kelly-Moore for such exchange of shares of Paco consists of an appropriate number of One Hundred Dollar ($100) six percent preferred stock of Kelly-Moore.

3. The parties contemplate that after such exchange takes place Mackey will not desire to retain all of the shares she or the Estate of Mackey shall receive pursuant to such agreement and will desire to dispose of certain of said shares of the preferred stock of Kelly-Moore.

4. In order to induce Mackey to execute said stock exchange agreement, and in further consideration therefor, Moore does therefore hereby agree upon demand of Mackey to buy from Mackey a total of not exceeding 250 shares of the One Hundred Dollar ($100) six percent preferred capital stock of Kelly-Moore Paint Company, Inc. at its par value per share of One Hundred Dollars ($100), for cash or such other consideration as the parties may at the time of demand agree upon, said consideration to be paid by Moore to Mackey on or before ~~ninety~~ thirty (30) days ~~(90)~~ from and after the date demand is so made. Such demand shall be by notice

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deemed automatically made contemporaneously with the issuance of said shares by K-M to Mackey, and at no other time.

5. Moore will further buy an additional fifty (50) shares of said stock at par at any time within three (3) years from January 1, 1961, upon thirty (30) days written demand from Mackey to Moore.

6. Moore will further upon request of Mackey give Mackey reasonable assistance and help in finding a buyer for the remainder of the shares to be issued to Mackey.

WITNESS our hands at the place and on the date first above written.

WILLIAM E. MOORE

BERTHA A. MACKEY, individually and as Executrix of the Estate of W. L. Mackey

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Document
File # 126

MINUTES OF SPECIAL MEETING
OF
BOARD OF DIRECTORS
OF
KELLY-MOORE PAINT COMPANY, INC.

Held December 17, 1960

The undersigned, being all Directors of KELLY-MOORE PAINT COMPANY, INC., a California corporation, do hereby waive notice and consent to the holding of a special meeting of the Board of Directors of said corporation held at 1232 Cherry Street, San Carlos, California, at twelve noon on Wednesday, December 17, 1960.

This waiver of notice of and consent to said meeting is made in compliance with the terms of Section 814 of the Corporations Code of California, and the undersigned hereby consent that the same be made a part of the records of said meeting and that any business transacted at said meeting shall be as valid as if had at a meeting regularly called or noticed.

There was present a quorum of the Board.

The President announced that the meeting was called specifically for the purpose of authorizing certain agreements to be executed on behalf of the corporation with Paco Textures Corporation, the shareholders of Paco and certain of the officers and directors of said corporation. There was presented to the meeting an agreement for the exchange of Kelly-Moore One Hundred Dollar six percent preferred stock for all of the issued and outstanding common and preferred shares of Paco, a copy of which agreement is marked Exhibit A, attached hereto and made a part hereof as though here set out in full.

Upon motion duly made, seconded and unanimously carried, RESOLVED, that the Board hereby authorizes the President and Secretary of this corporation to enter into and execute said stock exchange agreement on behalf of this corporation.

There was further presented to the Board an agreement of even date for the continued employment of C. P. Woodland as President, General Manager and as a member of the Board of Directors of Paco in

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the event the share exchange takes place, a copy of which agreement is attached marked Exhibit B and made of the records and minutes of this meeting as though here set out in full.

Upon motion duly made, seconded and unanimously carried, RESOLVED, that said employment agreement be and it is hereby approved and the President of this corporation authorized to execute same on behalf of this corporation as the prospective sole future shareholder of the voting shares of the common stock of Paco and to cause said corporation's Board of Directors to further execute said contract of employment on behalf of said corporation.

There being no further business to come before the meeting, it was thereupon adjourned.

[illegible]

John J. Beckl, Secretary

ATTEST:

John J. Beckl
Secretary

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