

**AGREEMENT FOR
PURCHASE AND SALE OF CERTAIN ASSETS**

SIERRA TALC COMPANY, a California corporation ("Sierra")
and PAUL W. WOOD COMPANY, a Nevada corporation ("Wood Co.")
hereby agree as follows:

1. Purchase and Sale. On October 31, 1963, unless both parties agree on another closing date, Sierra shall buy and Wood Co. shall sell, on the terms set forth in this agreement, the following assets of Wood Co. as they exist on the date of the closing:

- a. Inventory
- b. Accounts receivable *less deposits*
- c. Goodwill
- d. The right to use of the name "Paul W. Wood Company"

2. Price.

a. The inventory shall be purchased at the lower of cost or market.

b. Accounts receivable shall be sold for a price equal to the face value of each such account. Any such account receivable not collected by Sierra within 90 days of the date of closing may, at Sierra's option, be reassigned to Wood Co., and an appropriate adjustment shall be made of the final purchase price as indicated in Paragraph 5 below. Prior to such reassignment, Sierra agrees to use all due diligence in collecting all accounts receivable sold to it under this agreement.

PLAINTIFF'S
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c. The goodwill of Wood Co. and the exclusive right to use the name "Paul W. Wood Company" shall be sold for a total price of One Dollar.

d. The inventory sold hereunder shall be subject to a physical count by Sierra and shall include all inventory on hand in warehouses presently leased by Wood Co. and in transit.

3. Liabilities. Sierra shall assume those liabilities of Wood Co. which are listed on the attached Schedule A, subject only to such changes as occur in the ordinary course of business between the date shown on Schedule A and the closing. No other liabilities of Wood Co. are to be assumed by Sierra, and Wood Co. hereby expressly agrees to hold Sierra harmless against all other fixed or contingent claims or obligations of any kind relating to the assets purchased or to the business or activities of Wood Co. The note made by Wood Co. payable to Paul Wood Realty Company referred to in Schedule A shall be assumed by Sierra, but, effective as of the closing, the interest rate shall be changed to four per cent per year. The liabilities to be assumed shall not exceed 50% of the purchase price, the balance of which shall be paid in cash as hereinafter set forth.

4. Representations by Wood Co. Wood Co. represents and warrants:

a. No changes in its liabilities, as reflected in Schedule A, have been or will be made prior to the closing

except in the ordinary course of business.

b. No part of the note due to the Paul W. Wood Realty Company has been or will be prepaid.

5. Closing. At the closing Wood Co. will effectively transfer to Sierra, by instruments of transfer approved by Sierra's counsel, good title to all the assets to be purchased, free and clear of any liens or encumbrances not to be assumed by Sierra, and Sierra will pay to Wood Co. by cashier's or certified check, 80% of the then estimated purchase price, less the liabilities expressly assumed. As soon as the final accounting determinations are available and any reassignment of accounts receivable has been made, the appropriate additional payment (or refund) will be made. The closing shall take place at Wood Co.'s offices in San Francisco at 10 A.M. on Friday, November 1, 1963 and shall be effective as of the close of business on October 31, 1963. After the closing, Wood Co. will, at Sierra's request, execute and deliver to Sierra such further documents as may be required to complete or evidence the transfer of assets.

6. Facilities. Sierra will not acquire Wood Co.'s leases or assume any obligations thereunder. It is understood that Sierra will not carry on warehousing activities as Wood Co. has in the past. It is Sierra's sincere and full intention to make arrangements, effective after the closing, with either Wood Co. or Paul Wood Realty Company to store materials indefinitely in the existing Los Angeles and San Francisco

warehouses (providing charges are fully competitive and service satisfactory) and to lease necessary office space in Los Angeles and in San Francisco on a month to month basis. The parties expect to cooperate in connection with these arrangements, but no long term commitments are undertaken. Sierra will give either Wood Co. or Paul Wood Realty Company not less than six months' notice of its intention to discontinue use of the warehouses. It is expressly understood, however, that Sierra will not store in the Wood Los Angeles warehouse any Sierra Talc products.

7. Sierra Materials. Wood Co. agrees prior to the closing, to make no further purchases of Sierra materials. Materials needed to supply customers will be handled on consignment or other basis acceptable to both parties to the end that at the closing there will be little or no inventory of Sierra materials to be purchased by Sierra. Wood Co. will not relax its efforts to sell Sierra's products, however.

8. Approvals. This agreement has been approved by the board of directors of Wood Co. At or prior to the closing Wood Co. will deliver to Sierra the opinion

of its counsel that the sale has been duly and legally authorized and that the transfer documents effectively convey to Sierra title to the purchased assets. Wood Co. will attach to each transfer document a certificate as provided for in §3904 of the California Corporations Code.

9. Miscellaneous.

a. Wood Co. will change its corporate name and will consent to Sierra's use of the name, either as a corporate division, or as the name of a subsidiary or affiliated corporation. Paul W. Wood and the Paul Wood Realty Company will cooperate with Sierra in this connection and will execute consents to the use of the name by Sierra and will if required by the California Secretary of State, change the name of the Paul Wood Realty Company or of any other company owned or controlled by Paul Wood. Wood Co. and Paul W. Wood agree that they will not use or authorize anyone else to use the name Paul W. Wood Company or any substantially similar name in any business competitive with the business being acquired hereunder. Upon request Sierra's counsel will prepare any consents or certificates of amendments required in this connection.

b. Paul W. Wood will not for a period of five years after the closing compete directly or indirectly in the State of California with the business being acquired

hereunder. Mr. Wood agrees to serve Sierra in an advisory capacity during that period at a salary of \$1 per year.

c. Wood Co. and Paul W. Wood shall use their best efforts to cooperate with Sierra in arranging an orderly transfer of the business. In particular, every effort will be made to make the transition satisfactory to suppliers and customers and to such employees as Sierra wishes to retain.

d. Sierra shall have the right to substitute as the buyer under this agreement a subsidiary or other nominee, but in that event Sierra guarantees payment of the purchase price.

e. All agreements, representations and warranties contained in this agreement shall survive the closing.

f. At all reasonable times Wood Co. shall make available to Sierra for inspection its books, records, files, assets and facilities. At the closing, Wood Co. will deliver to Sierra all customer lists, and all files and records necessary or appropriate to enable Sierra to continue the business heretofore conducted by Wood Co., except the warehousing business. Wood Co. will promptly forward to Sierra all correspondence, mail, payments and documents received by Wood Co. after the closing which relate to the operation of the business being acquired hereunder, and Wood Co. will assist Sierra in collecting accounts receivables and in any

other matter relating to the operation of the business as a going concern.

g. If any of the six most important suppliers of Wood Co. cancels or threatens to cancel its relationship with Wood Co. prior to the closing, Sierra shall have the option to withdraw from this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed the 28th day of October, 1963.

SIERRA TALC COMPANY

By *Denny Mulryan*
its President

ATTEST:

Loris Le Bays
Secretary

PAUL W. WOOD COMPANY

By *Paul W. Wood*
its President

ATTEST:

Walter R. Rolph
Secretary

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that the officers who have executed for the Paul W. Wood Company the foregoing Agreement for Purchase and Sale of Certain Assets have been duly authorized by the Board of Directors to execute that agreement.

Dated: October 25, 1963.

Wm. V. Wood
Secretary of Paul W. Wood Company

APPROVAL AND AGREEMENT OF PAUL W. WOOD

The undersigned, Paul W. Wood, hereby approves the foregoing Agreement for Purchase and Sale of Certain Assets, and hereby agrees to perform the obligations relating to him as set forth therein.

Dated: October 22, 1963.

Paul W. Wood
Paul W. Wood

SHAREHOLDERS' APPROVAL

The undersigned, as shareholders of Paul W. Wood Company (including the beneficial owners) hereby approve the foregoing Agreement for Purchase and Sale of Certain Assets.

<u>Date</u>	<u>Shareholder</u>	<u>No. of Shares</u>
<u>10/22/63</u>	<u>Paul W. Wood</u>	<u>10</u>
<u>10-25-63</u>	<u>[Signature]</u>	<u>10</u>
<u>10-25-63</u>	<u>Thomas L. Warren</u>	<u>10</u>
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GUARANTY

The undersigned, PAUL W. WOOD, does expressly agree to hold Sierra harmless against any fixed or contingent claims or obligations of any kind relating to the assets purchased or the activities of Wood Co. for a total amount not to exceed \$100,000. This personal guarantee shall expire four years after the date of closing, except with respect to claims or obligations asserted prior to that time.

Paul W. Wood
PAUL W. WOOD

APPENDIX C

CERTIFICATE

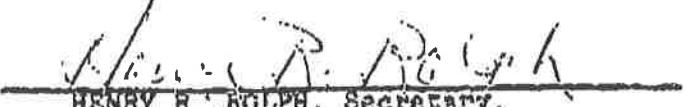
The undersigned, HENRY R. ROLPH, hereby certifies as follows:

He is the Secretary of the Paul W. Wood Company, a Nevada corporation. The Board of Directors of said corporation adopted the following resolution at a special meeting held October 25, 1963:

"RESOLVED that the officers of this corporation, or any two of them, be and they hereby are empowered to sell, transfer and assign all or substantially all of the assets of the Paul W. Wood Company, including its inventory, accounts receivable, goodwill and the exclusive right to use the corporate name, to the Sierra Talc Company, a California corporation, or its nominee, as of October 31, 1963, substantially in accordance with the following terms and conditions: Inventory shall be sold at cost or market on date of closing, whichever is lesser; accounts receivable shall be assigned for face value; goodwill and the exclusive right to use the corporate name shall be sold for one dollar; and Sierra Talc Company shall assume or guarantee the assumption by its nominee of certain liabilities of this corporation including the entirety of its indebtedness to the Paul W. Wood Realty Company, a California corporation. Said officers shall be, and they hereby are, authorized to execute any and all agreements or documents necessary to effect the foregoing."

Said resolution was approved by the owners of a majority of the shares of stock of said corporation entitled to vote thereon, and the written consent thereto of said majority was obtained, at a duly held special meeting of the shareholders on October 25, 1963.

The undersigned declares under penalty of perjury that the foregoing is true and correct.


HENRY R. ROLPH, Secretary,

Paul W. Wood Company, a Nevada corporation.

SCHEDULE A

**[List as of September 30, 1963 of
liabilities to be assumed, subject to
changes prior to closing in the ordinary
course of business]**

	\$46,997.00	balance due Aluminum Company of America
	<u>26,650.00</u>	outstanding balance due Paul W. Wood
		<u>Realty Co. on promissory note of July 1, 1952</u>
Total:	\$73,647.00	

