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

<p>1. Name of conveying party(ies):</p> <p>Fiber Sales and Development Corporation 1034 Danforth Drive St. Louis, Missouri 63102</p>	<p>2. Name and address of receiving party(ies):</p> <p>International Fiber Corporation 65 Bridge Street North Tonawanda, New York 14120</p>
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input checked="" type="checkbox"/> Other: Asset Purchase Agreement</p> <p>Execution Date(s): August 25, 2000</p> <p>1st (sole) Inventor: 2nd Inventor: 3rd Inventor: 4th Inventor:</p>	
<p>4. Application number(s) or patent number(s): If this document is being filed together with a new application, the execution date(s) of the application is(are):</p> <p>1st (sole) Inventor: 2nd Inventor: 3rd Inventor: 4th Inventor:</p> <p>A. Patent Application No.(s): 09/354,829; 09/039,310</p> <p>B. Patent No.(s): 5,646,045; 5,019,406; 4,857,352; 4,438,263</p>	

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PATENT
REEL: 011103 FRAME: 0065

5. Name and address of party to whom correspondence concerning document should be mailed:

**Kristen E. Mollnow, Esq.
NIXON PEABODY LLP
Clinton Square
P.O. Box 31051
Rochester, New York 14603**

6. Total number of applications and patents involved: 6

7. Total fee (37 CFR 3.41): **\$240**

☐ Previously paid (see original transmittal)

☒ A check in the amount of **\$240** is enclosed.

8. Deposit Account Number: 14-1138

☐ Charge total fee to account.

☒ Charge any additional fees to account.

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9. 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.

Date: September 12, 2000

Kristen E. Mollnow
Kristen E. Mollnow, Esq.

[Total number of pages including cover sheet, attachments and document: 64]

ASSET PURCHASE AGREEMENT

BY AND AMONG

INTERNATIONAL FIBER CORPORATION,
(a Delaware corporation),

DUPONT PROTEIN TECHNOLOGIES INTERNATIONAL, INC.,
(a Delaware corporation),

FIBER SALES & DEVELOPMENT CORPORATION,
(a Delaware corporation), and

QUALCEPTS NUTRIENTS, INC.,
(a Minnesota corporation).

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Exhibits

A	Form of Bill of Sale, Assignment and Assumption Agreement
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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is made as of August __, 2000, by and among International Fiber Corporation, a Delaware corporation ("IFC"), ("Buyer,"), DuPont Protein Technologies International, Inc., a Delaware corporation ("DPTI"), Fiber Sales & Development Corporation, a Delaware corporation ("Fiber Sales"), and Qualcepts Nutrients, Inc., a Minnesota corporation ("Qualcepts"). Fiber Sales and Qualcepts are sometimes collectively referred to as the "Companies," and individually as a "Company." The Companies and DPTI are sometimes collectively referred to as the "DPTI Companies."

Background

This Agreement sets forth the terms and conditions upon which the Buyer is purchasing from Fiber Sales the Purchased Assets (defined below) and assuming the Assumed Liabilities (defined below) and Fiber Sales is selling the Purchased Assets (defined below) and transferring the Assumed Liabilities (defined below) to Buyer.

Witnesseth

NOW, THEREFORE, the Parties, intending to be legally bound hereby, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual covenants contained herein, hereby agree as follows:

1. Definitions

For convenience, certain terms used in more than one part of this Agreement are listed in alphabetical order and defined or referred to below (such terms as well as any other terms defined elsewhere in this Agreement shall be equally applicable to both the singular and plural forms of the terms defined).

"Accounts Receivable" means, as of any date, any trade accounts receivable, notes receivable, bid, performance, lease, utility or other deposits, and other miscellaneous receivables.

"Accounts Payable " means, as of any date, any trade accounts payable, notes payable, debts, charges, accrued expenses, other miscellaneous payable and any other liabilities as set forth on the Balance Sheet under the heading "Accounts Payable/Other Expenses."

"Affiliates" means, with respect to a particular Party, Persons or entities controlling, controlled by or under common control with that Party, as well as any officers, directors and majority-owned entities of that Party and of its other Affiliates. For the purposes of the foregoing, ownership, directly or indirectly, of 25% or more of the voting stock or other equity interest shall be deemed to constitute control.

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"Agreement" means this Agreement, the Exhibits and Disclosure Schedules hereto.

"Assets" means all of the assets of every kind and description, real, personal and mixed, tangible and intangible, wherever situated, that are owned or possessed by a Person.

"Assumed Liabilities" is defined in **Section 2.2(a)**.

"Balance Sheet" is defined in **Section 4.5**.

"Balance Sheet Date" is defined in **Section 4.5**.

"Benefit Plan" means (a) each deferred compensation, bonus or other incentive compensation, stock purchase, stock option or other equity compensation plan, program, agreement or arrangement; each severance or termination pay, medical, surgical, hospitalization, life insurance or other "welfare" plan, fund or program (within the meaning of Section 3(1) of ERISA); (b) each profit-sharing, stock bonus or other "pension" plan, fund or program (within the meaning of Section 3(2) of ERISA), (c) each employment, termination or severance agreement; and (d) each other employee benefit plan, fund, program, agreement or arrangement, in each case, sponsored, maintained, assumed, or contributed to or required to be contributed to by the DPTI Companies or any ERISA Affiliate or to which the DPTI Companies or any ERISA Affiliate is a party, whether written or oral, for the benefit of any employee or former employee of the Companies or ERISA Affiliate.

"Bill of Sale, Assignment and Assumption Agreement" means a bill of sale, assignment and assumption agreement by and among the Companies and Buyer in substantially the same form as **Exhibit "A."**

"Business Day" means any day other than a Saturday or Sunday, or a day on which the banking institutions of the State of Delaware are authorized or obligated by law or executive order to close.

"Buyer" is defined above in the preamble.

"Cash Purchase Price" is defined in **Section 2.3(b)**.

"Charter Documents" means a Person's certificate or articles of incorporation, certificate defining the rights and preferences of securities, articles of organization, certificate or articles of formation, general or limited partnership agreement, certificate of limited partnership, joint venture agreement, limited liability company agreement, operating agreement or similar document governing the entity.

"Closing" is defined in **Section 3.1**.

"Closing Balance Sheet" is defined in **Section 2.5(d)**.

"Closing Certificates" means the certificates to be delivered by the Buyer and the Companies at the Closing under Section 3.2 and any other provisions hereof.

"Closing Date" is defined in Section 3.1.

"Closing Inventory" means the Inventory of Fiber Sales on the Closing Date as set forth on the Closing Balance Sheet.

"Closing Net Trade Receivables" means the amount obtained, positive or negative, by subtracting (i) the aggregate Accounts Payable of Fiber Sales as set forth on the Closing Balance Sheet from (ii) the aggregate Accounts Receivables, net of any bad debt reserve, of Fiber Sales as set forth on the Closing Balance Sheet.

"Code" means the Internal Revenue Code of 1986, as amended.

"Companies" is defined above in the preamble.

"Confidential Information" means any confidential information or Trade Secrets of the Companies, including personnel information, advertising and marketing plans or systems, distribution and sales methods or systems, sales and profit figures, customer and client lists, customer, client and supplier information and any relationships with dealers, distributors, wholesalers, customers, clients, suppliers and any other Persons who have, or have had, business dealings with the Companies.

"Contract" means any written or oral contract, agreement, lease, instrument, or other document or commitment, arrangement, undertaking, practice or authorization that is binding on any Person or its property under any applicable Law.

"Copyrights" means any copyrights in both published and unpublished works.

"Court Order" means any judgment, decree, injunction, order or ruling of any federal, state, local or foreign court or governmental or regulatory body or authority that is binding on any person or its property under applicable Law.

"Custom Software" means any computer software that has been developed or designed specifically for use by the Companies.

"Default" means (a) a breach, default or violation, (b) the occurrence of an event that with or without the passage of time or the giving of notice, or both, would constitute a breach, default or violation or cause an Encumbrance to arise, or (c) with respect to any Contract, the occurrence of an event that with or without the passage of time or the giving of notice, or both, would give rise to a right of termination, renegotiation or acceleration or a right to receive damages or a payment of penalties; provided, however, that this definition shall not include an assignment of an Immaterial Contract pursuant to the terms hereof.

"Disclosure Schedule" means the Schedules of the Companies delivered herewith as contemplated by **Section 4, Section 6 and Section 8** hereof.

"DPTI" is defined above in the preamble.

"Encumbrances" means, with respect to any property or property interest, any lien, mortgage, security interest, pledge, restriction on transferability, defect of title or other encumbrance of any nature whatsoever other than that imposed by any Law or by any Contract listed on a Schedule hereto, including any restriction on the use thereof.

"Environmental Condition" is defined in **Section 4.14(b)**.

"Environmental Law" means any Law or Court Order relating to pollution or protection of health or the environment, as well as any principles of common law under which a Party may be held liable for the Release or discharge of any Hazardous Substance into the environment.

"Environmental Liability" means any Liability, known or unknown, arising out of (a) the presence, or any Release or threatened Release, of any Hazardous Substances existing as of or prior to the Closing Date at, from, in, to, on, or under any Site, (b) the transportation, treatment, storage, handling, or disposal or arrangement for the transportation, treatment, storage, handling or disposal of any Hazardous Substances prior to the Closing Date by or on behalf of either Company, any predecessors of either Company or any entities previously owned or controlled by either Company to any off-Site location or (c) any violation of Environmental Law prior to the Closing Date by either Company, any predecessors of either Company or any entities previously owned or controlled by either Company.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and all regulations and rules issued thereunder, or any successor law.

"ERISA Affiliate" means any person that, together with DPTI, is or was at any time treated as a single employer under Section 414 of the Code or Section 4001 of ERISA and any general partnership of which DPTI is or has been a general partner.

"Estimated Balance Sheet" means the balance sheet delivered by Fiber Sales pursuant to **Section 6.10**.

"Estimated Inventory" means the estimated Inventory of Fiber Sales as set forth on the Estimated Balance Sheet.

"Estimated Net Trade Receivables" means the amount obtained, positive or negative, by subtracting (i) the aggregate Accounts Payable of Fiber Sales as set forth on the Estimated Balance Sheet from (ii) the aggregate Accounts Receivables that are good and collectible of Fiber Sales as set forth on the Estimated Balance Sheet.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Assets " is defined in **Section 2.1(b)**.

"GAAP" means US generally accepted accounting principles.

"Governmental Permits" means any governmental permits, licenses, registrations, certificates of occupancy, approvals and other governmental authorizations.

"Hazardous Substances" means (a) any "hazardous substances" as defined by the federal Comprehensive Environmental Response, Compensation and Liability Act, 42 USC. §§ 9601 et seq., (b) any "extremely hazardous substance," "hazardous chemical," or "toxic chemical" as those terms are defined by the federal Emergency Planning and Community Right-to-Know Act, 42 USC. §§ 11001 et seq., (c) any "hazardous waste," as defined under the federal Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 USC. §§ 6901 et seq., (d) any "pollutant," as defined under the federal Water Pollution Control Act, 33 USC. §§ 1251 et seq., as any of such laws in clauses (a) through (d) as amended, (e) polychlorinated biphenyl containing equipment, and (f) any regulated substance or waste under any Environmental Laws.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Immaterial Contract" means any Contract that is terminable by a party on not more than 30 days notice without any Liability and any Contract under which the obligation of a party (fulfilled and to be fulfilled) involves an amount of less than \$10,000.

"Included Patents" is defined in **Section 2.1**.

"Independent Accounting Firm" is defined in **Section 2.5(d)**.

"Intellectual Property" means any Copyrights, Patents, Trademarks, Trade Secrets and any applications or registrations therefor owned by, registered, licensed to the Companies or that the Companies have a right to use, and any Internet domain names registered to the Companies.

"Inventory" means any inventory of the Companies, including raw materials, supplies, packaging supplies, work in process and finished goods.

"Law" means any statute, law, ordinance, regulation, order or rule of any federal, state, local, foreign or other governmental or quasi-governmental agency or body or of any other type of regulatory body, including those covering environmental, energy, safety, health, transportation, bribery, record keeping, zoning, antidiscrimination, antitrust, wage and hour, and price and wage control matters.

"Liability" means any liability, indebtedness, obligation, expense, claim, loss, damage, deficiency, guaranty or endorsement of or by any person, absolute or contingent, accrued or unaccrued, due or to become due, liquidated or unliquidated.

"Litigation" means any lawsuit, action, arbitration, administrative, quasi-administrative or other proceeding, criminal prosecution or governmental investigation or inquiry.

"material" means an effect in the amount of at least \$1,750,000, and when used with respect to representations, warranties or conditions, means an effect in the amount of at least \$1,750,000 considering the individual effect of the situation to which it relates and also the aggregate effect of all similar situations unless the context indicates otherwise.

"Material Adverse Effect" means an adverse effect in the amount of at least \$1,750,000 on (i) the Purchased Assets or the Assumed Liabilities, or (ii) Buyer's ability to use and operate the Purchased Assets, and when used with respect to representations, warranties or conditions, means the individual effect of the situation to which it relates and also the aggregate effect of all similar situations unless the context indicates otherwise.

"Non-Assignable Contract" is defined in **Section 2.6**.

"Non-Competition Period" is defined in **Section 6.6**.

"Notice of Violation" means the July 31, 2000, notice of violation issued to Protein Technologies International, Urbana Plant by the Ohio Environmental Protection Agency relating to violations of the NPDES Permit.

"NPDES Permit" means the final National Pollutant Discharge Elimination System Permit, No. 11H00020*AD, issued by the Ohio Environmental Protection Agency to Fiber Sales, which became effective on May 1, 1998.

"Off-the-Shelf-Software" means any license or Software implied by the sale of third party non-customized standard application software with a maximum payment obligation of \$10,000.

"ordinary course" or "ordinary course of business" means the ordinary course of business of either Company, as consistent with past practices.

"Parties" means the Buyer, DPTI and the Companies.

"Patents" means all patents listed on **Schedule 1** together with any extensions, reexaminations and reissues of such patents, patents of addition, patent applications, divisions, continuations, continuations-in-part, and any subsequent filings in any country or jurisdiction claiming priority therefrom.

"Permitted Encumbrances" means those Encumbrances listed on **Schedule 4.7(a)**.

"Person" means any natural person, business trust, corporation, partnership, limited liability company, joint stock company, proprietorship, association, trust, joint venture, unincorporated association or any other legal entity of whatever nature.

"Personal Property" is defined in **Section 4.6**.

"Phase I/II Work" means the investigation, including any sampling, monitoring, analyses or other physical inspection, of any environmental media on, at, beneath or near the Real Property performed by Harding Lawson Associates on behalf of the Buyer for the purpose of identifying Environmental Conditions and Environmental Liabilities at or relating to the Real Property.

"Prime Rate" means the prime lending rate as announced from time to time in The Wall Street Journal.

"Purchased Assets" is defined in **Section 2.1(a)**.

"Real Property" is defined in **Section 4.7**.

"Release" means any release, spill, emission, leaching, leaking, pumping, injection, deposit, disposal, discharge, dispersal, or leaching of a Hazardous Substance into the environment.

"Retained Employees" means Terry Anderson, Lou Mattingly, Chris Bullis and James R. Aslin.

"Seller Required Consents" is defined in **Section 4.3**.

"Seller's knowledge" or "knowledge of Seller" means the knowledge of any director, officer or other salaried employee of the Companies.

"Shares" means the 1,000 shares of common stock of Qualcepts, \$10.00 par value.

"Site" means any of the real properties currently or previously owned, leased or operated by either Company, including all soil, subsoil, surface waters and groundwater thereat.

"Software" means any computer software products sold, distributed, marketed by either of the Companies and all personal computer operating, security or programming software, and single plant server software to support the site NT server, that is owned by, licensed to, the Companies or which the Companies have a right to use, in the conduct of the business of either Company other than Off-the-Shelf-Software.

"Substantial Change in Process" means a material change in the manufacturing operations, or the processes related thereto, at the Real Property, which occurs after the Closing

Date. For purposes of this Agreement, a "Substantial Change in Process" shall not include (i) an increase in the volume of cellulose powder or any other product manufactured at the Real Property as of the Closing Date, (ii) the addition of blenders to the manufacturing process, (iii) a naturally occurring change in the temperature of the well water used in the manufacturing process, or (iv) the addition of any equipment to the Real Property which is not a part of the existing water cooling system.

"Taxes" means any Federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"Tax Liability" means any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due) for Taxes.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Termination Date" is defined in Section 3.1.

"Trade Secrets" means any know-how, trade secrets, customer lists, software and other technical information, data, process technology, plans, drawings (including engineering and autocad drawings), innovations, designs, proprietary information and blue prints, owned, licensed, either directly or indirectly (as licensor or licensee), or which either Company has the right to use in the operation of their respective businesses, except for any such item that is generally available to the public.

"Trademarks" means any registered trademarks, registered service marks, trademark and service mark applications and unregistered trademarks and service marks, brand names, certification marks, trade dress, goodwill associated with the foregoing and registrations in any jurisdictions of, and applications in any jurisdiction to register, the foregoing, including any extension, modification or renewal of any such registration or application owned, licensed or used by either Company in the operation of their respective businesses.

"Transaction Documents" means this Agreement, the Bill of Sale, Assignment and Assumption and the Note and any other documents to be entered into in connection herewith.

"Transactions" means the purchase and sale of the Purchased Assets at the Closing and the other transactions contemplated by the Transaction Documents.

"Unaudited Financial Statements" is defined in **Section 4.5**.

"US" means the United States of America.

2. Sale and Purchase:

2.1 Purchased Assets.

(a) At the Closing, Fiber Sales shall grant, sell, convey, assign, transfer and deliver to the Buyer, and the Buyer shall purchase from Fiber Sales all Fiber Sale's right, title and interest in all of the Patents listed on **Schedule 1** hereto (the "Included Patents") plus all of the other Assets of Fiber Sales that are not Patents, including those Assets of Fiber Sales listed on **Schedule 2.1** hereto with such changes, deletions or additions thereto as may occur from the date hereof to the Closing in the ordinary course of business, but excluding the Excluded Assets (defined below) (collectively the "Purchased Assets").

(b) The Purchased Assets shall not include the following Assets of Fiber Sales (the "Excluded Assets"):

(i) its original organizational corporate records, Charter Documents, minute books, and Tax Returns;

(ii) the rights that accrue or will accrue to it under this Agreement;

(iii) cash, intercompany receivables, intercompany services and assets belonging to an Affiliate of the Companies used to provide such services, and any patents not listed on **Schedule 1**;

(iv) any tax refunds of Fiber Sales relating to periods ending on or prior to the Closing Date.

(v) the right to use the names and marks PROTEIN TECHNOLOGIES INTERNATIONAL, PROTEIN TECHNOLOGIES INTERNATIONAL and GLOBE DESIGN, DUPONT, AND DUPONT AND OVAL DESIGN.

2.2 Assumed Liabilities.

(a) At the Closing, the Buyer shall assume the following Liabilities of Fiber Sales (the "Assumed Liabilities"):

(i) those Liabilities set forth on the Balance Sheet (to the extent that they shall not have been satisfied prior to the Closing);

(ii) those Liabilities arising in the ordinary course of business after the Balance Sheet Date and before the Closing Date that are of the same types as those included in the Balance Sheet;

(iii) those Liabilities set forth on **Schedule 2.2(a)**;

(iv) Liabilities under those Contracts (including any collective bargaining agreements) listed on **Schedule 2.2(a)**;

(v) Liabilities under the Immaterial Contracts of Fiber Sales;

(vi) Liabilities arising from the ownership or operation of the Purchased Assets after the Closing.

(b) The Buyer shall not, by virtue of its purchase of the Purchased Assets or otherwise in connection with the Transactions, assume or become responsible for (i) Liabilities for Taxes of the Companies relating to the period prior to the Closing; (ii) any Benefit Plan Liabilities (A) with respect to the Companies, relating to any period prior to the Closing, and (B) with respect to DPTI and Fiber Sales (and any ERISA Affiliate of either other than Qualcepts), any Benefit Plan Liabilities, whether incurred prior to, on or after Closing; (iii) any Liabilities due to DPTI, Fiber Sales or any of their respective Affiliates or (iv) any other Liabilities of the Companies that are not Assumed Liabilities (collectively, the "Unassumed Liabilities"), including any of the Liabilities set forth on **Schedule 2.2(b)**.

2.3 Purchase Price.

(a) The total purchase price for the Purchased Assets (the "Purchase Price") shall be \$32,650,000 plus the Assumed Liabilities. The Purchase Price shall be adjusted as set forth in **Section 2.5**.

(b) The Buyer shall pay the Purchase Price at the Closing by delivering \$32,650,000 (the "Cash Purchase Price") via a wire transfer of immediately available funds, in accordance with written instructions provided by Fiber Sales to Buyer for this purpose;

(c) The cash payment made by the Buyer at the Closing shall be increased by the amount, if any, by which the Estimated Net Trade Receivables are greater than \$1,800,000 and shall be decreased by the amount, if any, equal to the sum of (i) the amount, if any, by which the Estimated Net Trade Receivables are less than \$1,800,000 and (ii) the amount, if any, by which the Estimated Inventory is less than \$2,500,000. The net amount of the foregoing, if a positive number, is referred to as the "Estimated Excess" and the net amount of the foregoing, if a negative number, is referred to as the "Estimated Deficiency."

2.4 Allocation of the Purchase Price. The Purchase Price shall be allocated among the Purchased Assets in accordance with their respective fair market values pursuant to an allocation schedule prepared by the Buyer and Fiber Sales after the Closing in accordance with Section 1060 of the Code and the regulations adopted thereunder (the "Allocation Schedule"). The Buyer shall deliver the proposed Allocation Schedule to Fiber Sales for its review and approval within 90 days after the Closing Date. If the Buyer does not receive written approval from Fiber Sales within 10 days after delivery of the proposed Allocation Schedule to Fiber Sales, the proposed Allocation Schedule shall be deemed acceptable to Fiber Sales. The Buyer and Fiber Sales shall use reasonable commercial efforts to resolve on a timely basis any disputes regarding the draft Allocation Schedule; if they are unable to resolve any disputes, they shall be resolved in accordance with **Section 11.3(d)**. The Allocation Schedule will be updated to reflect any Purchase Price adjustments made under **Section 2.5(e)** within 15 days of any such adjustments. Neither Fiber Sales nor the Buyer will take a position on any income tax return, before any governmental agency charged with the collection of any income tax, or in any judicial proceeding that is in any way inconsistent with the Allocation Schedule. In addition, Fiber Sales and the Buyer shall file Form 8594 with the US Internal Revenue Service in a manner consistent with the Allocation Schedule.

2.5 Purchase Price Adjustment. The Purchase Price shall be subject to adjustment after the Closing Date in accordance with this **Section 2.5**.

(a) **Draft Closing Balance Sheet.** As soon as practicable following the Closing, Fiber Sales shall prepare and deliver or cause its independent auditors (the "Sellers' Auditors") to prepare and deliver to the Buyer within 60 calendar days following the Closing Date, unaudited consolidated balance sheets and related notes thereto of each of the Companies as of the Closing Date (the "Draft Closing Balance Sheet"). The Draft Closing Balance Sheet shall be prepared on a basis consistent with the accounting procedures, policies and classifications consistently applied by the Companies in the preparation of the Unaudited Financial Statements. In addition, the accounting for sales, the cost of goods sold and the determination of gross profits shall be prepared in accordance with GAAP in all significant respects. In order to prepare the Draft Closing Balance Sheet, the Buyer and Fiber Sales (along with their respective accountants to the extent desired by them) shall jointly conduct a physical count of the Inventory. The Draft Closing Balance Sheet, along with the Seller or the Sellers' Auditors' related audit working papers and any necessary supporting documentation shall be made available for review by the Buyer and its independent accountants ("Buyer's Auditors").

(b) **Review by Buyer.** As soon as practicable, but in any event within 30 calendar days of receipt of the Draft Closing Balance Sheet, and provided Buyer and Buyer's Auditors have received access to the working papers and any necessary supporting documentation in accordance with **Section 2.5(a)**, Buyer shall deliver, or cause Buyer's Auditors to deliver, to Fiber Sales a written report indicating any objections to the Draft Closing Balance Sheet (the "Buyer's Report").

(c) Cooperation. Until the final resolution of any dispute regarding the Closing Balance Sheet, the Buyer shall provide Fiber Sales and its representatives reasonable access to the books, records, facilities and employees of the Buyer and the Buyer's Auditors, and shall use its best efforts to cause the Buyer's Auditors to cooperate reasonably with the Fiber Sales representatives.

(d) Final Closing Balance Sheet. Within 15 calendar days of the receipt by Fiber Sales and the Buyer of the Buyer's Report, Fiber Sales and the Buyer shall use their reasonable commercial efforts to resolve any matters in dispute. If the Buyer and Fiber Sales are unable to agree on any remaining matters in dispute within 15 calendar days after receipt of Buyer's Report, the matters in dispute will be submitted for resolution to PricewaterhouseCoopers LLP or such other independent accounting firm of national reputation as may be mutually acceptable to Fiber Sales and Buyer (the "Independent Accounting Firm"). The Buyer and Fiber Sales shall each instruct the Independent Accounting Firm to use reasonable commercial efforts to issue a written report to Fiber Sales and the Buyer upon such disputed items and such written decision shall be final and binding upon the parties. Fiber Sales and the Buyer shall cooperate with each other and each other's representatives to enable the Independent Accounting Firm to render a written decision as promptly as possible. The fees and disbursements of the Independent Accounting Firm shall be borne by Buyer and Fiber Sales equally. The Draft Closing Balance Sheet, as approved by Fiber Sales and the Buyer and in the absence of such approval, as finally determined by this Section 2.5(d), is referred to as the "Closing Balance Sheet."

(e) Purchase Price Adjustment and Payment. The Purchase Price shall be increased by the amount, if any, by which the Closing Net Trade Receivables are greater than \$1,800,000, and the Purchase Price shall be decreased by the sum (i) the amount, if any, by which the Closing Net Trade Receivables are less than \$1,800,000 and (ii) the amount, if any, by which the Closing Inventory is less than \$2,500,000. (For explanatory purposes only, based on the November 1999 balance sheet as provided by Fiber Sales to the Buyer, the net trade receivable balance at November 1999 would be calculated as follows: trade receivables \$2,544,000 less allowance for doubtful accounts (\$55,000) plus miscellaneous receivables \$82,000 less notes payable (\$31,000) less accounts payable (\$90,000) less accrued expenses (\$717,000) totaling a net trade receivable balance at November 1999 of \$1,733,000.) The net amount of the foregoing adjustments to the Purchase Price, if a positive number, is referred to as the "Excess" and the net amount of the foregoing adjustments to the Purchase Price, if a negative number, is referred to as the "Deficiency." The Excess, or if different from the Estimated Excess, the amount obtained by subtracting any Estimated Excess from, or adding any Estimated Deficiency to, the Excess, shall be paid by the Buyer to Fiber Sales. Notwithstanding the foregoing, if the Estimated Excess was greater than the Excess, Fiber Sales shall pay the Buyer the amount obtained by subtracting the Excess from the Estimated Excess and the Buyer shall not be required to make any payment to Fiber Sales on account of the Excess. The Deficiency, or if different from the Estimated Deficiency, the amount obtained by subtracting any Estimated Deficiency from, or adding any Estimated Excess to, the Deficiency, shall be paid by Fiber Sales to the Buyer. Notwithstanding the foregoing, if the Estimated Deficiency was greater than the

Deficiency, the Buyer shall pay Fiber Sales the amount obtained by subtracting the Deficiency from the Estimated Deficiency and Fiber Sales shall not be required to make any payment to the Buyer on account of the Deficiency. Any payment required to be made pursuant to this Section 2.5 shall be paid by a wire transfer of immediately available funds on the second Business Day after the conclusive determination of the Closing Balance Sheet in accordance with this Section 2.5.

2.6 Consent of Third Parties. Nothing in this Agreement shall be construed as an attempt by Fiber Sales to assign to Buyer pursuant to this Agreement any Contract, permit, franchise, claim or asset included in the Purchased Assets that is by its terms or by law nonassignable without the consent of any other party or parties, unless such consent or approval shall have been given, or as to which all the remedies for the enforcement thereof available to Fiber Sales would not by law pass to Buyer as an incident of the assignments provided for by this Agreement (a "Non-Assignable Contract"). To the extent that any Seller Required Consent in respect of, or a novation of, a Non-Assignable Contract shall not have been obtained on or before the Closing Date, Buyer shall proceed with the Closing unless such failure would result in a Material Adverse Effect, in which case, each Company shall continue to use reasonable efforts to obtain any such Seller Required Consent or novation after the Closing Date until such time as it shall have been obtained, and each Company shall reasonably cooperate with Buyer to provide that Buyer shall receive the interest of each Company in the benefits under such Non-Assignable Contract, including performance by each Company as agent if economically feasible, provided that Buyer shall undertake to pay or satisfy the corresponding Liabilities under the terms of such Non-Assignable Contract to the extent that Buyer would have been responsible therefor if such consent or approval had been obtained.

2.7 Sales, Use, Transfer and Similar Taxes and Charges. Fiber Sales shall bear and pay at the Closing all transfer taxes imposed upon the conveyance of the Real Property and the transfer of the shares of capital stock of Qualcepts hereunder. In addition, Fiber Sales shall file a State of Ohio Blanket Exemption Certificate ("Exemption Certificate") prepared by the Buyer for the exemption of any and all withholdings tax obligations for the sale or transfer of inventory to the Buyer. In the event that Fiber Sales fails to file such Blanket Exemption Certificate, Fiber Sales shall be obligated to pay any and all withholdings tax obligations relating to the sale or transfer of inventory to Buyer. In the event Buyer fails to provide the Exemption Certificate to Fiber Sales, Buyer shall pay any sales tax on the sale or transfer of inventory from Fiber Sales.

2.8 Property Taxes and Other Charges. The Parties shall prorate at the Closing all applicable real and personal property taxes levied or assessed against the Purchased Assets for the tax year in which the Closing occurs in a manner consistent with Section 8.7(c)(iii). Fiber Sales and the Buyer shall pay their respective shares of all such taxes prorated between them. The Buyer shall reimburse Fiber Sales if it shall have paid any such taxes for the period beginning with the Closing Date. All utilities, water and sewer rents, and the rent and other charges payable under any leases for the Real Property, shall be similarly prorated as of the Closing Date.

2.9 Bulk Sales Act. Buyer hereby waives Fiber Sales' compliance with the requirements of any and all laws relating to bulk sales and transfers. Fiber Sales shall indemnify Buyer for any Liabilities of Buyer that result from Fiber Sales' failure to comply with any such laws.

2.10 Intercompany Accounts. All intercompany services provided by DPTI or any of its Affiliates to either Company shall terminate as of the Closing. Buyer shall have no right or obligations with respect to any intercompany receivables or payables existing as of the Closing with respect to either Company, and any such receivables and payables shall be excluded from the computations to be made under Section 2.3(c) and Section 2.5(e).

3. Closing.

3.1 Location, Date. The closing for the Transactions (the "Closing") shall be held at the offices of Nixon Peabody LLP, 437 Madison Avenue, New York, NY 10022, at 10:30 a.m. on a date mutually selected by the Buyer and Fiber Sales within five Business Days (and on such fifth day absent any such mutual selection) after the date on which all of the conditions to the consummation of the Transactions set forth in Sections 9 and 10 have been satisfied (or waived by the parties entitled to the benefit thereof), but in any event not later than August 25, 2000 (the "Termination Date"). The date on which the Closing occurs is referred to herein as the "Closing Date." The Closing shall be deemed to be effective at 11:59 p.m., local time, on the Closing Date.

3.2 Deliveries. At the Closing, subject to the terms and conditions contained herein:

(a) Fiber Sales shall deliver, or cause to be delivered, to the Buyer the following items:

(i) an executed counterpart of the Bill of Sale, Assignment and Assumption Agreement;

(ii) a certificate of an executive officer of the DPTI Companies to the effect set forth in Sections 10.1 and 10.2;

(iii) Secretary Certificates of the Companies certifying copies of the Charter Documents, bylaws, certified copies of the resolutions of the Board of Directors and the stockholders of the Companies approving the Transaction Documents, the incumbency of the officers and the good standing of the Companies within ten days of the Closing Date and a Secretary Certificate of DPTI certifying the resolutions of the Board of Directors approving the Transaction Documents and the good standing of DPTI;

(iv) executed releases of any Encumbrance identified on **Schedule 4.6** in form and substance satisfactory to the Buyer in its sole discretion;

(v) certificates for the Shares, duly endorsed in blank or accompanied by appropriate stock powers, free and clear of any Encumbrances;

(vi) all Seller Required Consents; and

(vii) such other instruments and documents of conveyance and transfer, in form reasonably satisfactory to the Buyer and its counsel, as shall be necessary and effective to transfer and assign to, and vest in, the Buyer all of the Companies', right, title and interest in and to the Purchased Assets, including an executed and acknowledged special warranty deed for the Owned Real Property in the customary form for recording, subject to the Permitted Encumbrances, an executed assignment of leases with respect to any Real Estate Leases and a Non-Foreign Affidavit pursuant to the Foreign Investment in Real Property Tax Act.

(b) The Buyer shall deliver, or cause to be delivered, to Fiber Sales:

(i) the Cash Purchase Price net of any required amounts to be withheld in connection with the Transactions as set forth in **Section 2.3(c)** hereto;

(ii) an executed counterpart of the Bill of Sale, Assignment and Assumption Agreement;

(iii) a certificate of an executive officer of the Buyer to the effect set forth in **Sections 9.1 and 9.2**; and

(iv) a Secretary Certificates of the Buyer certifying copies of the Charter Documents, bylaws, certified copies of the resolutions of the Board of Directors and the sole stockholder of the Buyer approving the Transaction Documents, the incumbency of the officers and the good standing of the Buyer within ten days of the Closing Date.

(c) Simultaneously with such deliveries, Fiber Sales shall take all such steps as may be required to put the Buyer in actual possession and operating control of the Purchased Assets.

4. Representations and Warranties with respect to the Companies.

The Companies, jointly and severally, hereby represent and warrant to Buyer, and DPTI represents and warrants to Buyer, solely with respect to Sections 4.28 and 4.29 as follows:

4.1 Corporate Status. Each Company is a corporation organized, validly existing and in good standing under the Laws of the jurisdiction in which it was incorporated, and is qualified or licensed to conduct business as a foreign corporation in any jurisdiction where it is to be qualified or licensed, except where the failure to be so qualified or licensed would not have a Material Adverse Effect. The Charter Documents and bylaws of each Company that have been delivered to Buyer as of the date hereof are effective under applicable Laws and are current, correct and complete.

4.2 Authorization. Each Company has the requisite power and authority to (a) own its Assets, and (b) carry on its business. Each Company has the requisite power and authority to (a) execute and deliver the Transaction Documents to which it is or will be a party, and (b) perform the Transactions performed or to be performed by it. Such execution, delivery and performance by each Company has been duly authorized by all necessary action. Each Transaction Document executed and delivered by each Company has been duly executed and delivered by such Company and constitutes a valid and binding obligation of such Company, enforceable against such Company in accordance with its terms.

4.3 Consents and Approvals. Except for any filings, consents or approvals specified in Schedule 4.3 (collectively, the "Seller Required Consents"), neither the execution and delivery by either Company of the Transaction Documents to which it is a party, nor the performance of the Transactions performed or to be performed by it, require any filing, consent, renegotiation or approval, constitute a Default or cause any payment obligation to arise under (a) any Law or Court Order to which either Company is subject, (b) the Charter Documents or bylaws of either Company or (c) any Contract or Governmental Permit to which either Company is a party or by which its properties or other assets may be bound.

4.4 Ownership

(a) DPTI is the record and beneficial owner of all of the issued and outstanding capital stock of Fiber Sales.

(b) The total authorized capital stock of Qualcepts consists of 1,000 shares of common stock, \$10.00 par value, of which only the Shares are issued and outstanding on the date hereof and will be issued and outstanding at the Closing and are owned by record and beneficially by Fiber Sales. There are no, and at the Closing there will be no, existing options, warrants, commitments or other rights of any character, including conversion or preemptive rights, relating to the acquisition of any issued or unissued capital stock or other securities of Qualcepts. All of the Shares were duly authorized and are validly issued, fully paid and non-assessable. Qualcepts has complied with all applicable Laws in connection with the issuance of

all of the Shares, and the Shares were not offered or issued in violation of any Contract. Upon completion of the Transactions at the Closing, Buyer will receive valid title to the Shares, free and clear of all Encumbrances and all restrictions on the use, voting, transfer, receipt of income or other restriction on the exercise of any attributes of ownership.

4.5 Financial Statements. Schedule 4.5 contains correct and complete copies of the consolidated balance sheet of the Companies as of November 30, 1999 and 1998 and as of September 30, 1997 and the related statements of operations, changes in stockholders' equity and changes in financial position for the fiscal years then ended, as well as the same types of consolidated financial statements of the Companies as of February 29, 2000 and as of May 31, 2000 and the respective three-month and six-month periods then ended. All such financial statements are referred to herein collectively as the "Unaudited Financial Statements." The subsequent financial statements of the Companies that are prepared by Fiber Sales to be delivered under Section 6 are referred to herein as the "Post-Signing Financial Statements," and together with the Pre-Signing Financial Statements, as the "Financial Statements." The Pre-Signing Financial Statements are, and the Post-Signing Financial Statements will be, consistent in all material respects with the books and records of the Companies, and there have not been and will not be any material transactions that have not been recorded in the accounting records underlying such Financial Statements. The Pre-Signing Financial Statements present fairly, and the Post-Signing Financial Statements will present fairly, the consolidated financial positions and the Assets and Liabilities of the Companies as of the dates thereof, and the consolidated results of its operations for the periods then ended. The accounting for sales, the cost of goods sold and the determination of gross profit as set forth in the Financial Statements, are prepared in accordance with GAAP, in all significant respects, subject to normal recurring year-end adjustments and the absence of notes in the case of unaudited Financial Statements. The consolidated balance sheet of the Companies as of May 31, 2000 that is included in the Financial Statements is referred to herein as the "Balance Sheet," and the date thereof is referred to as the "Balance Sheet Date." No warranty is made regarding any statements, forecasts or expectations as to future performance, financial or otherwise, of the businesses of the Companies.

4.6 Title to Personal Property and Related Matters. Except as set forth on Schedule 4.6, the Companies have good title to, valid leasehold interests in or valid licenses to use all of the Purchased Assets that are not real property (collectively, the "Personal Property"), free from any Encumbrances other than Permitted Encumbrances. The use of the Personal Property is not subject to any Encumbrances, and such use does not encroach on the property or rights of any Person. Except with respect to any Personal Property as to which there is a specific representation elsewhere in this Section 4, none of the Companies makes a representation as to the physical condition of any Personal Property and such Personal Property is being transferred to Buyer on an "AS IS" basis. Except as set forth on Schedule 4.6(a), the Purchased Assets constitute all of the Assets required for the continued operation of the businesses of the Companies by the Buyer on substantially the same basis as operated by the Companies during the past six months. Except for sales in the ordinary course, cash and other assets disposed of in the ordinary course and the Excluded Assets, the Purchased Assets, taken as a whole, constitute all the Assets that were primarily used in connection with the business of Fiber Sales as

conducted during the past six months. Except as set forth on **Schedule 4.6(b)** and the Excluded Assets, there are no Assets primarily used by the Companies that are owned by any Person other than a Company and that are necessary for the continued operation of the businesses of the Companies on substantially the same basis as operated by the Companies during the past six months.

4.7 Real Property. **Schedule 4.7** accurately describes all real property owned or used by any Company as well as any other real property possessed or leased by any Company. Such real property identified on **Schedule 4.7** owned ("Owned Real Property") or leased by the Companies and the improvements (including fixtures, buildings and other structures) located on such real property together with all rights, privileges, easements, licenses, hereditaments and other appurtenances relating thereto and collectively referred to herein as the "Real Property." **Schedule 4.7** also lists any leases under which any such Real Property is leased to any Company (the "Real Estate Leases"), as well as each deed by which any Company acquired any portion of the Owned Real Property, and each policy of title insurance in any Company's possession with respect to the Owned Real Property. Except as set forth on **Schedule 4.7**, neither Company nor any Affiliate thereof has any ownership interest in or uses any Real Property. Except with respect to any Real Property as to which there is a specific representation elsewhere in this **Section 4**, none of the Companies makes any representation as to the physical condition of any Real Property and such Real Property is being transferred to Buyer on an "AS IS" basis. With respect to any Owned Real Property, Fiber Sales holds good and marketable, indefeasible fee simple title to such Real Property, subject to any state of facts that an accurate survey or inspection would disclose, free and clear of any Encumbrances other than Permitted Encumbrances as set forth on **Schedule 4.7(a)**. The Real Property located in Urbana, Ohio, is subject to a proposed taking by the Ohio Department of Transportation, and Fiber Sales has delivered to Buyer a copy of such notice. Each Real Estate Lease is in full force and effect and has not been assigned, modified, supplemented or amended to any material extent, and neither Company has any knowledge that any landlord under any such lease is in Default under any such lease, and to either Company's knowledge, no circumstance or set of facts exist which, with the giving of notice or passage of time, or both, would permit the landlord or tenant to terminate any such lease. The Companies have delivered to Buyer with respect to the Real Property copies of all of the following to the extent in the possession or control of the Companies: (i) all surveys, plans and maps; (ii) all certificates of occupancy and other permits and approvals required for the ownership and operation of the Real Property; and (iii) all engineering and structural inspection reports. No assessments for public improvements have been made against any of the Real Property that remain unpaid.

4.8 Certain Personal Property. Except as specified in **Schedule 4.8**, since the Balance Sheet Date, neither Company has acquired any items of tangible personal property that have a carrying value in excess of \$25,000. All of such personal property included in **Schedule 4.8** is, and any such personal property acquired after the date hereof in accordance with **Section 6.1** will be, usable in the ordinary course of business, and conforms with any applicable Laws relating to its construction, use and operation. Except for those items subject to the Non-Real Estate Leases as set forth on **Schedule 4.25**, no Person other than a Company owns any vehicles, material

equipment or other material tangible assets located on the Real Property that have been used in the business, or that are necessary for the operation of the business of any Company on substantially the same basis as operated during the past six months.

4.9 Accounts Receivable. The Accounts Receivable of the Companies are bona fide Accounts Receivable created in the ordinary course of business, and except to the extent not material, they are good and collectible at the aggregate recorded amounts thereof, net of the reserves for such items included on the Balance Sheet.

4.10 Inventory. Except as described in **Schedule 4.10**, the Inventory of the Companies consists of items of good, usable and merchantable quality, and none of such Inventory is damaged or obsolete, except as reserved for on the Balance Sheet and except to the extent that any such Inventory may be reworked or reused in the ordinary course of business for less than an aggregate amount of all such reworked or reused Inventory of \$100,000. Except as set forth on **Schedule 4.10**, such Inventory is recorded in the Financial Statements at the lower of cost or market value.

4.11 Liabilities. To Fiber Sales's knowledge, neither Company has any Liabilities except Liabilities (a) set forth or reflected on the Balance Sheet; (b) specified on **Schedule 4.11**; (c) of the same type as those reflected in the Balance Sheet and incurred since the Balance Sheet Date, not in violation of this Agreement and in the ordinary course of the business; (d) underlying those Contracts set forth on **Schedule 4.15**; and (e) underlying Immaterial Contracts.

4.12 Taxes.

(a) Fiber Sales and Qualcepts have filed all Tax Returns that were required to be filed on or before the Closing Date. All such Tax Returns were correct and complete in all material respects. All Taxes for periods through the Closing Date that are due and owing by Fiber Sales and Qualcepts have been paid or provision for payment has been made.

(b) There is no material dispute or claim concerning any Tax liability of any of either Fiber Sales or Qualcepts either (i) claimed or raised by any authority in writing or (ii) as to which either Fiber Sales or Qualcepts, or the directors and officers of Fiber Sales or Qualcepts, as the case may be, has knowledge based upon personal contact with any agent of such authority. No claim has ever been made by an authority in a jurisdiction where either Fiber Sales or Qualcepts does not file Tax Returns that it is or may be subject to taxation by such jurisdiction. There are no security interests on any of the assets of any of either Fiber Sales or Qualcepts that arose in connection with any failure to pay any Tax.

(c) Neither Fiber Sales nor Qualcepts is a party to any pending Litigation, audit, written claim, lien or assessment with respect to Taxes or any Tax Return, nor to Fiber Sales' or Qualcepts' knowledge, has any such action been proposed. Qualcepts has not waived any statute of limitations with respect to Taxes or agreed to an extension of time with respect to a Tax assessment or deficiency.

(d) Qualcepts has not filed a consent under section 341(f) of the Internal Revenue Code of 1986, as amended (the "Code") concerning collapsible corporations. Qualcepts has not made any material payments, is obligated to make any material payments, or is a party to any agreement that under certain circumstances could obligate it to make any material payments that will not be deductible under section 280G of the Code. Neither Fiber Sales nor Qualcepts have been a United States real property holding corporation within the meaning of section 897(c)(2) of the Code during the applicable period specified in section 897(c)(1)(A)(ii) of the Code. Qualcepts has not assumed any liabilities for Taxes of another party in connection with any prior sale or acquisition.

(e) The unpaid Taxes of Qualcepts (i) did not, as of the most recent fiscal month end, exceed by any material amount the reserve for Tax liability (rather than any reserve for deferred taxes established to reflect timing differences between book and tax income) set forth on the face of the most recent balance sheet (rather than in any notes thereto) and (ii) will not exceed by any material amount that reserve as adjusted for operations and transactions through the Closing Date in accordance with the past custom and practice of Qualcepts in filing its Tax Returns.

(f) Qualcepts has delivered to Buyer or its representatives all federal, state and local Tax Returns as agreed with Buyer or its representatives.

(g) All transfer, documentary, sales, use, withholding, registration and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement, shall be paid by Buyer when due, except where such payment is specifically allocated to Fiber Sales in accordance with this Agreement. For periods prior to the Closing Date, Fiber Sales will, at their own expense, file all necessary Tax Returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration and other Taxes and fees as allocated to Fiber Sales as set forth in this Agreement, and, if required by applicable law, Buyer will, and will cause its affiliates to, join in the execution of any such Tax Returns and other documentation.

4.13 Subsidiaries and Business of Qualcepts. Other than the ownership of the Shares by Fiber Sales, neither Company owns, directly or indirectly, any interest or investment (whether equity or debt) in any corporation, partnership, limited liability company, trust, joint venture or other legal entity. Qualcepts does not have any Assets other than the Trademarks "Flo-Am" and Qual-Flo." Qualcepts does not have any Liabilities or employees and has not conducted any activities other than ownership of such Trademarks.

4.14 Legal Proceedings and Compliance with Law.

(a) Except as set forth in **Schedule 4.14(a)**, there is no Litigation that is pending or, to Fiber Sales knowledge, threatened against either Company or relating to any of the Purchased Assets. Except as set forth in **Schedule 4.14(a)**, neither Company currently is in Default under any Laws, including Environmental Laws, applicable to its business or the

Purchased Assets other than Defaults that would not have a Material Adverse Effect, and neither Company has received any notices from any governmental entity regarding any alleged Defaults applicable to either Company or the Purchased Assets under any Laws. Neither Company has been or currently is in Default with respect to any Court Order applicable to either Company or any of the Purchased Assets.

(b) Without limiting the generality of **Section 4.14(a)**, except as described in **Schedule 4.14(b)** and for Environmental Conditions that would not have a Material Adverse Effect, there has not been any Environmental Condition (i) at the premises at which business has been conducted by either Company, (ii) at any property owned, leased or operated at any time by either Company, or (iii) at any property at or to which Hazardous Substances have been transported, treated, stored, handled or disposed by or at the behest or direction of either Company, nor has either Company received notice of any such Environmental Condition. "Environmental Condition" means, to the knowledge of Fiber Sales, the presence of any underground storage tank, active or abandoned, or any condition or circumstance existing on or before the Closing Date, including a Release or the presence of Hazardous Substances in violation of any Environmental Law, whether created by either Company any predecessors of either Company or any third party, that may (A) require abatement or correction under an Environmental Law, (B) give rise to any civil or criminal liability on the part of any Company under an Environmental Law, or (C) create a public or private nuisance.

(c) The Companies have delivered to Buyer copies of all pages or parts of any written environmental reports, studies, investigations, audits, tests, reviews, analyses or assessments in the possession or control of any Company or any Affiliate thereof that relate to any Site, all of which are identified on **Schedule 4.14(c)**.

(d) Except as set forth on **Schedule 4.14(d)**, each Company has obtained and is in compliance with all Governmental Permits and obligations under such Governmental Permits relating to its business and the Purchased Assets. **Schedule 4.14(d)** lists all of such items that are material to operation of its business as currently operated, along with their respective expiration dates. All of such Governmental Permits are currently in full force and each Company has filed such timely and complete renewal applications as may be required with respect to such Governmental Permits. To the knowledge of Fiber Sales, no revocation, cancellation or withdrawal thereof has been threatened.

4.15 Contracts.

(a) **Schedule 4.15** lists all Contracts of the following types to which either Company is a party or by which it is bound, except for any Immaterial Contracts:

(i) Contracts with any present or former shareholder, director, officer, employee, partner or consultant of either Company or Affiliate thereof;

(ii) Contracts for the future purchase of, or payment for, supplies or products, or for the lease of any Asset of either Company from or the performance of services by a third party, that involve an amount in excess of \$10,000 in any individual case, or any Contracts for the sale of products that involve an amount in excess of \$25,000 with respect to any one supplier or other party;

(iii) Contracts to sell or supply products or to perform services that involve an amount in excess of \$10,000 in any individual case;

(iv) Contracts to lease to or to operate for any other party any Purchased Asset of either Company that involve an amount in excess of \$10,000 in any individual case;

(v) Any license, franchise, distributorship or sales agency agreement or other similar agreements;

(vi) Any notes, debentures, bonds, conditional sale agreements, equipment trust agreements, letter of credit agreements, reimbursement agreements, loan agreements or other Contracts for the borrowing or lending of money (including loans to or from officers, directors, partners, shareholders or Affiliates of either Company or any members of their immediate families), agreements or arrangements for a line of credit or for a guarantee of, or other undertaking in connection with, the indebtedness of any Person or other legal entity;

(vii) Contracts for any capital expenditure or leasehold improvement in excess of \$10,000;

(viii) Any Contracts under which any Encumbrances exist with respect to any Purchased Assets;

(ix) Any Contracts relating to the Intellectual Property of either Company;

(x) Any Contracts with any governmental body or authority; and

(xi) Any other Contracts (other than Immaterial Contracts and those described in any of (i) through (x) above) not made in the ordinary course of business.

(b) The Companies have delivered to the Buyer copies of all pages or parts of all written Contracts that are set forth or required to be set forth on **Schedule 4.15** to the extent that any such pages and parts are in the possession or control of either Company, together with all amendments thereto. Each of such Contracts is in full force and effect.

(c) To Fiber Sales's knowledge, neither Company is in Default under any Contract, which Default could result in a Liability on the part of a Company in excess of \$10,000

in any individual case, and the aggregate Liabilities that could result from all such Defaults do not exceed \$25,000. Neither Company has received any communication from, or given any communication to, any other party indicating that either Company or such other party, as the case may be, is in Default under any Contract.

4.16 Insurance. **Schedule 4.16** lists all policies or binders of insurance held by or on behalf of either Company, specifying with respect to each policy the insurer, the amount of the coverage, the type of insurance, the risks insured, the expiration date, the policy number and any pending claims thereunder. There is no Default with respect to any such policy or binder, nor has there been any failure to give any notice or present any claim under any such policy or binder in a timely fashion or in the manner or detail required by the policy or binder. There is no notice of nonrenewal or cancellation with respect to, or disallowance of any claim under, any such policy or binder that has been received by either Company. Except for those claims set forth on **Schedule 4.16** and any other claims arising prior to the Closing Date, all such policies will cease as of the Closing Date and will not cover claims arising out of the business which occur after the Closing Date.

4.17 Intellectual Property.

(a) **Schedule 4.17** sets forth a list of all of the Intellectual Property owned, registered or licensed and Software owned, licensed or used by either Company, except Off-the-Shelf Software, unregistered Copyrights, and specifies with respect to each such item whether it is owned, registered, licensed or used. **Schedule 4.17** also sets forth: (i) for each Patent, the number, normal expiration date and subject matter for each country in which such Patent has been issued, and for each Patent application, the application number, date of filing and subject matter for each country; (ii) for each Trademark, the application serial number or registration number, the classes of goods and services covered and the renewal date for each country in which a Trademark has been registered; (iii) for each registered Copyright, the number and date of filing for each country in which a copyright has been filed; and (iv) all Patents owned, licensed or used by any Company that are not Included Patents. Except as set forth on **Schedule 4.17**, there are no Patent applications of either Company. **Schedule 4.17** also includes all unregistered common law rights to any Trademarks that are owned, licensed or used by either of the Companies. As of the Closing Date, all of the Intellectual Property listed on **Schedule 4.17** is valid, enforceable and subsisting, and in compliance with all formal legal requirements (including payment of filing, examination, and maintenance fees and proofs of working or use). The Companies have provided to the Buyer true and complete copies of all Patents and pending Patent applications, all Trademark registrations and pending Trademark applications, and all Copyright registrations and pending Copyright applications, owned, controlled, created or used by or on behalf of either Company. Neither Company has any documented Trade Secrets. The Intellectual Property constitutes all intellectual property that is owned by, registered, licensed or in which the Company has the right to use, for the operation of the businesses of the Companies as has been conducted for the previous six months.

(b) The Companies own, or possesses adequate and enforceable licenses or other rights to use (including foreign rights), all Intellectual Property and Software and, except as set forth on **Schedule 4.17**, such licenses and rights will not be adversely affected by the Transactions. Neither Company is, or will be as a result of the Transactions, in Default of any licenses, sublicenses or any other Contracts to which such Company is a party and pursuant to which it is authorized to use any Intellectual Property or Software owned by a third party. Except as set forth on **Schedule 4.17**, neither Company has any obligation to compensate any Person for the use of any Intellectual Property or Software, and except as set forth on **Schedule 4.17**, neither Company has granted to any Person any license, option or other rights to use in any manner any of its Intellectual Property or Software, whether requiring the payment of royalties or not. Except as set forth on **Schedule 4.17**, each Company owns all right, title and interest in and to all of its Intellectual Property and Software, free and clear of any Encumbrances.

(c) Neither Company has received any notice of invalidity, interference or infringement of any rights of others with respect to any of the Intellectual Property or Software, except with respect to patent applications for which Patents have not yet issued. To the knowledge of Fiber Sales, the use of any of the Intellectual Property or Software by the Companies or by any of their licensees, distributors or customers does not and will not conflict or interfere with, infringe upon or otherwise violate any existing rights of any third party, and no action has been instituted against or notices received by either Company alleging that the use of any of the Intellectual Property or Software infringes upon or otherwise violates any rights of a third party. No person has notified either Company that it is claiming any ownership of or right to use any of the Intellectual Property or Software. To the knowledge of Fiber Sales, all of the Intellectual Property and Software owned, registered, licensed or used by either Company has been reasonably protected by non-disclosure agreements. To the knowledge of Fiber Sales, no Person is interfering or infringing upon any of the Intellectual Property or Software in any way. None of the Intellectual Property is involved in any interference, reissue, reexamination, opposition, invalidation or cancellation action, claim or proceeding and, to the knowledge of Fiber Sales, no such action, claim or proceeding has been threatened against either Company.

(d) Except as set forth in the Disclosure Schedule, no present or former employee of, or consultant to, the Company or any predecessor in interest of either Company, including any former employer of a present or former employee or consultant of either Company or any predecessor in interest of either Company, has any proprietary, commercial or other interest, direct or indirect, in any of the Intellectual Property or Software.

(e) Notwithstanding any other provision of this **Section 4.17**, the Companies make no representation or warranty of any kind or nature whatsoever with respect to the following Trademarks: WHEAST, CHEESEMUL, MISCELLANEOUS DESIGN (1,923,150) and SURFACE GUARD.

4.18 Employee Relations. Except as set forth in **Schedule 4.18**, neither Company is (a) a party to, involved in or, to Fiber Sales's knowledge, threatened by, any labor dispute or unfair labor practice charge, (b) currently negotiating any collective bargaining agreement or (c)

currently a party to any collective bargaining agreement. Neither Company has experienced during the last three years any work stoppage. The Companies have delivered to the Buyer a complete and correct list of the names and salaries, bonuses and other cash compensation of Eligible Employees of either Company engaged in performing services for such Company whose cash compensation for 1999 was at least \$50,000.

4.19 ERISA.

(a) **Schedule 4.19** sets forth a true and complete list of each Benefit Plan applicable to the Eligible Employees. To the extent requested, the Companies have made available to the Buyer true, correct, and complete copies of each Benefit Plan and related document.

(b) Except where the failure to be true would not, individually or in the aggregate have, a Material Adverse Effect on the Buyer, each Benefit Plan has been operated and administered in accordance with its terms and applicable law, including but not limited to ERISA and the Code, and all contributions required to be made under the terms of each Benefit Plan have been made in a timely manner. To the knowledge of Seller, no liability has been or is expected to be incurred by Buyer with respect to any Benefit Plan either in the ordinary course or in connection with the Transactions.

(c) The Companies have made no plan or commitment to create any additional Benefit Plan or to modify or change any existing Benefit Plan. No statement, either written or oral, has been made by the Companies to any person with regard to any Benefit Plan that was not in accordance with the Benefit Plan and that could have an adverse economic consequence to the Companies.

(d) Since February 24, 1998, Qualcepts has, and has had, no employees or independent contractors providing services to it and does not now maintain, participate in or contribute to, and during that period, has not maintained, participated in or contributed to any employee benefit plan, program, contract or arrangement of any sort, which, if maintained, participated in or contributed to by Qualcepts would constitute a Benefit Plan. To the knowledge of the Companies, there are no circumstances under which the Buyer Companies could become subject to any Benefit Plan liabilities attributable to Qualcepts (including, but not limited to, any predecessor or successor entity).

4.20 Corporate Records. The minute books of Qualcepts contain complete, correct and current copies of its Charter Documents and bylaws and of all minutes of meetings, resolutions and other proceedings of its Board of Directors and stockholders.

4.21 Absence of Certain Changes. Except as set forth in **Schedule 4.21**, since the Balance Sheet Date, each Company has conducted its respective business in the ordinary course, and there has not been with respect to either Company any of the items specified below:

(a) any change that has had or is reasonably likely to have a Material Adverse Effect;

(b) any distribution or payment declared or made in respect of its capital stock by way of dividends, purchase or redemption of shares or otherwise;

(c) any increase in the compensation payable or to become payable to any director, officer, employee or agent, except for increases for non-officer employees made in the ordinary course of business, nor any other change in any employment or consulting arrangement;

(d) any sale, assignment or transfer of Purchased Assets, or any additions to or transactions involving any Purchased Assets, other than those made in the ordinary course of business;

(e) any waiver or release of any claim or right or cancellation of any debt held; or

(f) any payments to any Affiliate of a Company, other than wages and reimbursements in the ordinary course.

4.22 Previous Sales; Warranties. To Fiber Sales's knowledge, neither Company has breached any express or implied warranties in connection with the sale or distribution of goods or the performance of services, except for breaches that, individually and in the aggregate, would not have a Material Adverse Effect.

4.23 Customers and Suppliers. The Companies have each used reasonable business efforts to maintain, and currently maintains, good working relationships with its customers and suppliers. **Schedule 4.23** specifies for each year of the three years ending November 30, 1997, 1998 and 1999 the names of the respective customers that were, in the aggregate, the 10 largest customers in terms of dollar value of products or services, or both, sold by each Company. Except as specified on **Schedule 4.23**, none of such customers has given either Company notice terminating, canceling or threatening to terminate or cancel any Contract or relationship with either Company. **Schedule 4.23** also specifies for each year of the two years ending November 30, 1998 and 1999 the names of the respective supplier that were, in the aggregate, the 10 largest suppliers in terms of dollar value of products or services, or both, used by each Company. None of such suppliers has given either Company notice terminating, canceling or threatening to terminate or cancel any Contract or relationship with either Company.

4.24 Operation of the Business. Except as described on **Schedule 4.24**, the business of each Company has been conducted only by or through such Company. Except for the shared services described on **Schedule 4.24**, all services of each Company necessary to carry on such Company's respective business, including administrative functions, on substantially the same basis as operated during the past six months are capable of being performed by such Company.

4.25 Non-Real Estate Leases. Schedule 4.25 lists all tangible personal property that is possessed by any Company under an existing lease, including all trucks, automobiles, forklifts, machinery, equipment, furniture and computers, except for any lease under which the aggregate annual payments are less than \$10,000 (each, an "Immaterial Lease"). Schedule 4.25 also lists the leases under which such assets and property listed in Schedule 4.25 are possessed. All of such leases (excluding Immaterial Leases) are referred to herein as the "Non-Real Estate Leases."

4.26 Finder's Fees. Except as set forth in Schedule 4.26, no Person retained by either Company is or will be entitled to any commission or finder's or similar fee in connection with the Transactions.

4.27 HSR Act Filing. Fiber Sales has taken all actions required of Fiber Sales or any of its Affiliates under the HSR Act, and the applicable waiting period thereunder has expired.

4.28 Organizational Status. DPTI is organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation and is qualified to do business in any jurisdiction where it is required to be so qualified except where the failure to be so qualified would not have a Material Adverse Effect on DPTI.

4.29 Authorization. DPTI has the requisite power and authority to execute and deliver the Transaction Documents to which it is or will be a party and to perform the Transactions to be performed by it. Such execution, delivery and performance by DPTI has been duly authorized by all necessary corporate action. Each Transaction Document executed and delivered by DPTI has been duly executed and delivered by DPTI and constitutes a valid and binding obligation of DPTI, enforceable against DPTI in accordance with its terms.

5. Representations and Warranties of the Buyer.

The Buyer hereby, jointly and severally, represent and warrant to the DPTI Companies as follows:

5.1 Organizational Status. Each Buyer Company is organized or formed as the case may be, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or formation and is qualified to do business in any jurisdiction where such Buyer Company is required to be so qualified except where the failure to be so qualified would not have a material adverse effect on such Buyer Company.

5.2 Authorization. Each Buyer Company has the requisite power and authority to execute and deliver the Transaction Documents to which it is or will be a party and to perform the Transactions performed or to be performed by it. Such execution, delivery and performance by a Buyer Company has been duly authorized by all necessary corporate action. Each Transaction Document executed and delivered by each Buyer Company has been duly executed

and delivered by such Buyer Company and constitutes a valid and binding obligation of such Buyer Company, enforceable against such Buyer Company in accordance with its terms.

5.3 Consents and Approvals. Except for filings that may be required to comply with the HSR Act, neither the execution and delivery by either Buyer Company of the Transaction Documents to which it is a party, nor the performance of the Transactions performed or to be performed by such Buyer Company, require any filing, consent or approval, constitute a Default or cause any payment obligation to arise under (a) any Law or Court Order to which such Buyer Company is subject, (b) the Charter Documents or bylaws of such Buyer Company or (c) any Contract, Governmental Permit or other document to which such Buyer Company is a party or by which the properties or other assets of such Buyer Company may be bound.

5.4 Litigation. With respect to each Buyer Company, there is no Litigation pending or, to Buyer's knowledge, threatened against such Buyer Company which would preclude such Buyer Company from performing the Transactions performed or to be performed by such Buyer Company.

5.5 Finder's Fees. No Person retained by either Buyer Company is or will be entitled to any commission or finder's or similar fee in connection with the Transactions.

5.6 HSR Act Filing. Buyer has taken all actions required of Buyer or any of its Affiliates under the HSR Act, and the applicable waiting period thereunder has expired.

5.7 Acquisition for Investment. Buyer acknowledges that the Shares have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or under any state securities laws. Buyer is acquiring the Shares for its own account and for the purpose of investment, and not with the view of any distribution or other disposition of the Shares or any part thereof, or interest therein, except in accordance with the Securities Act.

6. Covenants of the Companies.

6.1 Conduct of the Business. Between the date hereof and the Closing, each Company shall operate its business and affairs in the ordinary course, including its activities that will affect the Closing Net Trade Receivables, excluding the clearing of any intercompany accounts receivable or payable or both, and shall not:

- (i) amend its Certificate of Incorporation or Bylaws;
- (ii) merge or consolidate with, or purchase substantially all of the assets of, or otherwise acquire any business of, any corporation, partnership or other business organization or business division thereof;
- (iii) split, combine or reclassify its outstanding capital stock;

(iv) declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its capital stock or redeem or otherwise acquire any of its securities;

(v) enter into any Contract or otherwise incur any liability under which the Company's executory obligation in any such individual case is more than \$10,000 unless such action is in the ordinary course of business;

(vi) discharge or satisfy any Encumbrance or pay or satisfy any material Assumed Liability except pursuant to the terms thereof or compromise, settle or otherwise adjust any material claim or litigation;

(vii) make any capital expenditure involving in any individual case more than \$25,000;
or

(viii) agree to take any of the foregoing actions.

Fiber Sales shall promptly advise the Buyer in writing after it becomes aware of any Material Adverse Effect or of any event that would reasonably be expected to result in a Material Adverse Effect.

6.2 Access to Information. From the date hereof and up to and including the Closing Date, each Company shall give Buyer and its representatives (including Buyer's Accountants, counsel, consultants, employees and such other representatives as the Buyer may designate from time to time), upon reasonable notice and during normal business hours, full access to the Real Property, contracts, books, records and affairs of either Company to the extent pertinent to the Transactions. Each Company shall cause its officers and employees to furnish to the Buyer all of its documents, records and information (and copies thereof) as the Buyer or its representatives may reasonably request.

6.3 Satisfaction of Liabilities. After the Closing, Fiber Sales shall timely satisfy in due course all of the Unassumed Liabilities in accordance with their terms.

6.4 No Solicitation. From and after the date hereof and up to and including the Termination Date, without the prior written consent of the Buyer, none of the DPTI Companies will authorize or permit any of their respective representatives to, (i) directly or indirectly, solicit, initiate or encourage (including by way of furnishing information) or take any other action to facilitate knowingly any inquiries or the making of any proposal that constitutes or may reasonably be expected to lead to an Acquisition Proposal from any Person, (ii) engage in any discussion or negotiations relating thereto or (iii) accept any Acquisition Proposal. If any DPTI Company receives any such inquiries, offers or proposals it shall promptly notify the Buyer orally and in writing of such event. As used herein, "Acquisition Proposal" means a proposal or offer (other than pursuant to this Agreement) for a tender or exchange offer, merger,

consolidation or other business combination involving any proposal to acquire in any manner a substantial equity interest in, or all or substantially all of the Assets of either Company.

6.5 Competition and Confidentiality.

(a) During the period beginning on the Closing Date and ending on the third anniversary thereof (the "Non-Competition Period"), neither Fiber Sales nor any other DuPont Party (each a "Restricted Party") shall, anywhere in the U.S. or Canada, directly or indirectly, in any capacity, render services, engage in or have a financial interest in, the powdered cellulose fiber business, and neither Fiber Sales nor any other DuPont Party shall assist any Person that shall be engaged in any such business activities, including by making available to any such Person any information related to any Company. Neither Fiber Sales nor any other DuPont Party shall during the one-year period after the Closing Date sell or otherwise provide to any customer of any Company during the past 12 months soy fiber for use as a replacement for cellulose fiber. Ownership of not more than 2% of the outstanding stock of any publicly traded company engaged in the powdered cellulose business shall not, in and of itself, be a violation of this **Section 6.6(a)**. In addition, neither DPTI nor Fiber Sales shall solicit any employee of either Company or the Buyer for the purposes of having any such employee terminate his or her employment with the such Company or the Buyer during the two-year period after the Closing Date. For purposes of this **Section 6.6**, an "employee" means only active employees of the Company or Buyer at any time during the six-month period prior to the Closing Date. If a court determines that the foregoing restrictions are too broad or otherwise unreasonable under applicable law, including with respect to time or space, the court is hereby requested and authorized by the Parties to revise the foregoing restriction to include the maximum restrictions allowable under applicable law. Each of DPTI and Fiber Sales acknowledges, however, that this **Section 6.6** has been negotiated by the Parties and that the geographical and time limitations, as well as the limitation on activities, are reasonable in light of the circumstances pertaining to DPTI, the Companies and the Buyer hereunder.

(b) Fiber Sales acknowledges that, by reason of its ownership of or involvement with the Companies, it has had access to Trade Secrets relating to the Companies. Fiber Sales acknowledges that such Trade Secrets are a valuable asset and covenants that neither will disclose any such Trade Secrets to any Person for any reason whatsoever, unless such information (a) is or becomes in the public domain through no wrongful act of either DPTI or Fiber Sales, (b) has been rightfully received from a third party without restriction and without breach of this Agreement or (c) is required by any Law to be disclosed.

(c) The terms of this **Section 6.6** shall apply to any DuPont Party to the same extent as if it were a party hereto, and Fiber Sales shall take whatever actions are within its control to cause any other DuPont Party to adhere to the terms of this **Section 6.6**. The term "DuPont Party" means E. I. du Pont de Nemours and Company ("DuPont") and any Affiliate of DuPont that is controlled by DuPont by at least a majority equity ownership, by agreement or otherwise.

6.6 Injunctive Relief. In the event of any breach or threatened breach by any Restricted Party of any provision of Section 6.5 or 6.6, Buyer shall be entitled to injunctive or other equitable relief, restraining such party from using or disclosing any Trade Secrets in whole or in part, or from engaging in conduct that would constitute a breach of the obligations of such Restricted Party under Section 6.5 or 6.6. Such relief shall be in addition to and not in lieu of any other remedies that may be available, including an action for the recovery of Damages.

6.7 Transfer of Purchased Assets and Business. On and prior to the Closing Date, Fiber Sales shall take such steps as may be reasonably necessary or appropriate at and after the Closing so that Buyer shall be placed in actual possession and control of all of the Purchased Assets including Qualcepts. In furtherance thereof, Fiber Sales shall execute and deliver such additional instruments of conveyance and transfer as the Buyer may reasonably require in order to more effectively vest in, and put it in possession of, the Purchased Assets including Qualcepts.

6.8 Employees and Business Relations. From the date hereof and up to and including the Closing Date, each Company shall use commercially reasonable efforts to keep available the services of the current employees and agents of each Company and to maintain its relations and goodwill with the suppliers, customers, distributors of each Company and any others having a business relation with such Company.

6.9 Estimated Balance Sheet. At least five Business Days prior to the Closing, Fiber Sales shall deliver to Buyer estimated consolidated balance sheet of each of the Companies as of the Closing Date (the "Estimated Balance Sheet"), prepared on a consistent basis with the Balance Sheet, which shall include a good faith estimate of the Estimated Net Trade Receivables and Estimated Inventory, in form and substance reasonably satisfactory to the Buyer.

6.10 Certain Employee Benefits. Fiber Sales shall pay in accordance with the provisions of the applicable plan any bonus or other incentive compensation due any employee or consultant of either Company as of a result of the Transactions, including any bonuses due to any employees as set forth on Schedule 6.10 (including but not limited to any deferred compensation due to Jit Ang and Robert Hayward). The Companies shall also accelerate the vesting of benefits for any Eligible Employees under any Benefit Plans so that such employees shall be entitled as of the Closing Date to receive in accordance with the terms of the applicable plans any benefits to which they would not otherwise be entitled to receive as of the Closing Date.

6.11 Update Disclosure Schedules. Between the date hereof and the Closing Date, Fiber Sales shall promptly disclose to the Buyer in writing once it becomes aware of any information set forth in the Disclosure Schedules that is no longer complete, true or applicable and any information of the nature of that set forth in the Disclosure Schedules that arises after the date hereof and that would have been required to be included in the Disclosure Schedules if such information had been obtained on the date of delivery thereof.

6.12 Name Change. Immediately prior to the Closing, Fiber Sales shall change its name to a name dissimilar to the current name and shall file the appropriate documentation with respect thereto in any jurisdiction where it has made official filings with respect to its name.

6.13 Subsequent Financial Statements. As soon as practicable, the Companies shall prepare or cause to be prepared, consistent with past practices, and deliver to the Buyer unaudited consolidated financial statements of the Companies consisting of a balance sheet for each month after May 2000 and the related statements of income and cash flows for the periods then ended.

6.14 Cooperation. From the Closing Date through September 15, 2000, Fiber Sales shall cooperate with Buyer in forwarding all of the electronic mail ("email") of the Eligible Employees to Buyer's designated email accounts for the Eligible Employees.

7. Covenants of Buyer.

7.1 Accounts Receivable. Buyer shall apply all receipts after the Closing from each customer first to the oldest Account Receivable from such customer before application to payment of any Account Receivable arising after the Closing Date, except for such Accounts Receivable disputed by such customer prior to the Closing Date.

7.2 Environmental Reports. Buyer shall provide Fiber Sales with copies of any analytical studies with respect to possible Environmental Conditions at a Site that may be prepared by a third party at Buyer's request as part of any Phase I/II Work undertaken by Buyer.

7.3 Cooperation. From and after the Closing Date, Buyer shall provide Fiber Sales and its representatives with reasonable access (for the purpose of examining and copying) during normal business hours, to the books and records of Qualcepts and Fiber Sales pertaining to periods or occurrences prior to the Closing Date. Unless otherwise consented to in writing by Fiber Sales, Buyer shall not, for a period of seven (7) years following the date hereof, destroy, alter or otherwise dispose of ("Destroy") any of its books and records, including but not limited to sales and purchase documents, notes, memoranda, test records and any other laboratory, electronic or written data ("Records") pertaining or relating to the period prior to the Closing Date without first offering to surrender to Fiber Sales such Records, or any portion thereof, which Buyer may intend to Destroy. On or after the Closing Date, the Parties shall, on request, cooperate with one another by furnishing any additional information, executing and delivering any additional documents and instruments, including contract assignments, and doing any and all such other things as may be reasonably required by the Parties or their counsel to consummate or otherwise implement the transaction contemplated by this Agreement. In connection with the Assumed Liabilities and the Unassumed Liabilities, each of the Parties shall, and shall cause their Affiliates and employees to cooperate with the other party in its defense of such liability, by among other things, providing such other party or parties with full access to pertinent records at such times as such other party or parties may reasonably request, and making available for depositions, testimony or other consultation, such officers, employees, or agents as such party or

parties may reasonably request without cost to such party or parties except for reimbursement by it or them of out-of-pocket expenditures incurred in connection with such cooperation.

8. Mutual Covenants.

8.1 Fulfillment of Closing Conditions. At and prior to the Closing, each Party shall use commercially reasonable efforts to fulfill, and to cause each other to fulfill, as soon as practicable prior to the Closing the conditions specified in **Sections 9 and 10** to the extent that the fulfillment of such conditions is within its or his control. In connection with the foregoing, each Party will (a) refrain from any actions that would cause it to be in breach of any of its representations and warranties as of the Closing, and take any reasonable actions within its control that would be necessary to prevent its being in breach of its representations and warranties as of the Closing, (b) execute and deliver the applicable agreements and other documents referred to in **Sections 9 and 10**, (c) comply with all applicable Laws in connection with its execution, delivery and performance of this Agreement and the Transactions, (d) use commercially reasonable efforts to obtain in a timely manner all necessary waivers, consents and approvals required under any Laws, Contracts or otherwise, including any Seller Required Consents in the case of the Fiber Sales and (e) use commercially reasonable efforts to take, or cause to be taken, all other actions and to do, or cause to be done, all other things reasonably necessary, proper or advisable to consummate and make effective as promptly as practicable the Transactions.

8.2 Employees. As set forth on **Schedule 8.2**, at least 10 days prior to the Closing Date, the Companies shall provide the Buyer a list of all then current employees of Fiber Sales other than the Retained Employees ("Eligible Employees") identified by name, U.S. social security number (if applicable, and, if not, a valid I-9 Form for such employee), hire date and then current base salary or hourly wage. Fiber Sales shall provide Buyer with reasonable access to the Eligible Employees during normal business hours throughout the period prior to the Closing Date for purposes of providing such Eligible Employees with information about Buyer's employee benefit plans, to the extent applicable. Effective as of 11:59 p.m. on the Closing Date, Fiber Sales shall terminate the employment of all Eligible Employees actively at work on the Closing Date, and employment for similar work will be offered by the Buyer to each Eligible Employee actively at work on the Closing Date. Notwithstanding any contrary provision in this Agreement, the Buyer's offer of employment may be contingent, in the Buyer's sole discretion, on the agreement of such Eligible Employee to permit transfer of his/her personnel file(s) to the Buyer. An Eligible Employee who would have been actively at work on the Closing Date but for the fact that such person was (i) on authorized leave or (ii) on approved medical or disability leave from the Company on the Closing Date must report promptly to the Buyer upon the expiration of the authorized leave. The Buyer shall not be required to offer employment under this provision to persons unable to return from an authorized leave within 180 days of either (A) the Closing Date or (B) the expiration of any applicable leave-period prescribed by federal or state law, whichever period is longer. Further, an Eligible Employee on an authorized leave or has otherwise terminated employment, and, if such employee timely returns to work, not actively at work on the Closing Date shall remain an employee of Fiber Sales until such employee has

returned from his or her authorized leave or has otherwise terminated employment, and, if such employee timely returns to work, Buyer shall immediately offer employment upon the employee's return to work (subject, at Buyer's sole discretion, to the contingency described above). As of the Closing Date, Buyer shall provide all Eligible Employees who become employees of the Buyer with compensation and benefits substantially similar in the aggregate to those provided to the Eligible Employees under Benefit Plans and compensation practices of Fiber Sales as they exist as of the Closing Date as set forth in **Schedule 8.2(b)** ("Buyer Benefit Plans"); provided, however, that such obligation shall be deemed satisfied to the extent that employee benefits or compensation are provided pursuant to a valid collective bargaining agreement covering applicable Eligible Employees. Fiber Sales hereby consents and agrees that the compensation and benefits of Buyer under Buyer Benefit Plans are substantially similar in the aggregate to those provided to Eligible Employees under Benefit Plans and compensation practices of Fiber Sales as they exist as of the Closing Date. For the purposes of administering such benefits, to the fullest extent permissible by applicable Law, Buyer shall recognize all previous service with Fiber Sales to the extent recognized under the relevant Benefit Plans for purposes of determining eligibility for participation in and vesting of benefits under all benefit plans offered by the Buyer, and shall credit such service for purposes of determining vacation and severance benefits.

The Buyer shall not apply any limitations or exclusions with regard to any pre-existing condition of an Eligible Employee and his/her dependents. Eligible Employees shall receive credit for deductible, co-payments, and/or out of pocket expenses incurred by an Eligible Employee prior to Closing under Fiber Sales' plans for purposes of applying any applicable limits under the Buyer's plans. Buyer shall also recognize such Eligible Employee's accrued and unused vacation with Fiber Sales as of the Closing Date. Fiber Sales shall be solely responsible for all Liabilities or payments which, in either case, arise out of or are related to the actual or constructive termination of employment of any employee of Fiber Sales prior to or as of the Closing, including any such Liabilities or payments due related to the consummation of the Transactions (including any severance benefits and deferred compensation benefits under the Companies Benefit Plans), except if any of the Buyer Companies fails to meet its obligations with respect to provision of compensation and benefits that are substantially similar in the aggregate to those currently provided to the Eligible Employees under existing Benefit Plans and compensation practices for Fiber Sales, then Buyer shall indemnify Fiber Sales to the extent of any such Liabilities directly attributable to such failure. Responsibility for workers' compensation claims and incidents in respect of the business of Fiber Sales arising out of conditions having a date of injury (or, in the case of a claim relating to occupational illness or disease, the last significant exposure) prior to the Closing Date shall remain with Fiber Sales. Buyer shall have the responsibility for workers' compensation claims and incidents in respect of the business of the Buyer arising out of conditions having a date of injury (or, in the case of a claim relating to occupational illness or disease, the last significant exposure) on and after the date on which the relevant Eligible Employee became employed by the Buyer.

8.3 Disclosure of Certain Matters. Fiber Sales on the one hand with respect to each DPTI Company, and the Buyer on the other hand with respect to Buyer, shall give the Buyer and

Fiber Sales, respectively, prompt notice of any event or development that occurs that (a) had it existed or been known on the date hereof would have been required to be disclosed by any DPTI Company or Buyer under this Agreement, (b) would cause any of the representations and warranties of the DPTI Companies or the Buyer contained herein to be inaccurate or otherwise misleading, except as contemplated by the terms hereof or (c) gives any such Party any reason to believe that any of the conditions set forth in **Section 9 or 10** will not be satisfied prior to the Termination Date.

8.4 Public Announcements. The Parties shall consult with each other before issuing any press release or making any public statement with respect to this Agreement and the Transactions and, except as may be required by applicable Law or stock exchange, none of the Parties nor any other party shall issue any such press release or make any such public statement without the prior written consent of the other Parties.

8.5 Confidentiality. If the Transactions are not consummated, each Party shall treat all information obtained in its investigation of another Party or any Affiliate thereof, and not otherwise known to them or already in the public domain, as confidential, shall refrain from using such information and shall return to such other Party or Affiliate all copies made by it or its representatives of Confidential Information provided by such other Party or Affiliate.

8.6 Expenses. Except as otherwise provided herein, Fiber Sales shall pay all of the legal, accounting and other expenses incurred by any DPTI Company in connection with the Transactions, and the Buyer shall pay all of the legal, accounting and other expenses incurred by either Buyer Company in connection with the Transactions. The Buyer shall pay all costs associated with obtaining the title insurance specified in **Section 10.10**, including the costs of any required survey, title examination and policy premiums, provided however, that the Buyer shall not pay any costs of correcting or insuring over any title defects in the Real Property for the cost of removing the Encumbrances which are not Permitted Encumbrances, which shall be borne by the Seller in accordance with **Section 11** hereto.

8.7 Tax Matters.

(a) Tax Sharing Agreements. Any Tax sharing agreement between Fiber Sales and Qualcepts or between DPTI and Qualcepts is hereby terminated as of the Closing Date and will have no further effect for any taxable year (whether the current year, a future year, or a past year).

(b) Taxes of Other Persons. Each of the Companies shall indemnify the Buyer from and against any adverse consequences the Buyer may suffer resulting from, arising out of, relating to, in the nature of, or caused by any liability of Qualcepts for Taxes of any Person other than Qualcepts under Reg. §1. 1502-6 (or any similar provision of state, local or foreign law) imposing liability upon the members of a consolidated, combined, affiliated or unitary group with respect to any taxable period, or portion thereof, ending on the Closing Date.

(c) Tax Returns.

(i) *Consolidated Tax Returns.* For US Federal and State income Tax purposes, Fiber Sales and DPTI will include the income of Qualcepts (including any deferred income triggered into income by Reg. §1.1502-13 and Reg. §1.1502-14 and any excess loss accounts taken into income under Reg. §1.1502-19) on all income Tax Returns for all periods through the Closing Date and be responsible for the payment of any Taxes attributable to such income. Qualcepts will furnish Tax information to Fiber Sales and DPTI for inclusion in such income Tax Returns for the period which includes the Closing Date in accordance with Qualcepts's past custom and practice. The income of Qualcepts will be apportioned to the period up to and including the Closing Date and the period after the Closing Date by closing the books of Qualcepts as of the end of the Closing Date.

(ii) *Other Tax Returns for Tax Periods Ending on or Before the Closing Date.* Fiber Sales shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of Qualcepts for all Tax periods which begin prior to the Closing Date and end on or prior to the Closing Date which are filed after the Closing Date. Fiber Sales shall permit Buyer to review and comment on each such Tax Return described in the preceding sentence prior to filing. Buyer shall have 15 days to review such Tax Returns. Fiber Sales shall be responsible for all Taxes due with respect to such Tax Returns.

(iii) *Tax Returns for Tax Periods Ending After the Closing Date.* Buyer shall prepare or cause to be prepared and file or cause to be filed any Tax Returns of Qualcepts for Tax periods which begin prior to the Closing Date and end after the Closing Date. Fiber Sales shall pay to Buyer within thirty (30) days after the date on which Taxes are paid and reported on an invoice to Fiber Sales with respect to such periods an amount equal to the portion of such Taxes which relates to the portion of such Taxable period ending on the Closing Date. Buyer shall permit Fiber Sales to review and comment on each such Tax Return described in the preceding sentence prior to filing. Fiber Sales shall have 15 days to review such Tax Returns. For purposes of this Section, in the case of any Taxes that are imposed on a periodic basis and are payable for a Taxable period that includes (but does not end on) the Closing Date, the portion of such Tax which relates to the portion of such Taxable period ending on the Closing Date shall (x) in the case of any Taxes other than Taxes based upon or related to income or receipts, be deemed to be the amount of such Tax for the entire Taxable period multiplied by a fraction the numerator of which is the number of days in the Taxable period ending on the Closing Date and the denominator of which is the number of days in the entire Taxable period, and (y) in the case of any Tax based upon or related to income or receipts be deemed equal to the amount which would be payable if the relevant Taxable period ended on the Closing Date. Any credits relating to a Taxable period that begins before and ends after the Closing Date shall be taken into account as through the relevant Taxable period ended on the Closing Date. All determinations necessary to give effect to the foregoing allocations shall be made in a manner consistent with prior practice of Qualcepts.

(d) Audits. Each party shall give prompt written notice of any Tax audits of either Fiber Sales or Qualcepts which may directly affect the liability for Taxes of the other party. Such other party shall be entitled to participate at its expense in such defense and to employ counsel of its choice at its expense. None of the parties will settle any such audit in a manner which would adversely affect the Tax liability of the other party after the Closing Date without the prior written consent of the other party, which consent shall not unreasonably be withheld.

(e) Carrybacks. Fiber Sales will immediately pay to the Buyer any Tax refund (or reduction in Tax liability) resulting from a carryback of a post acquisition Tax attribute of Qualcepts into Fiber Sales consolidated Tax Return group, when such refund or reduction is realized by such group. Fiber Sales will cooperate with Qualcepts in obtaining such refunds (or reduction in Tax liability), including through the filing of amended Tax returns or refund claims. The Buyer agrees to indemnify Fiber Sales for any Taxes resulting from the disallowance of such post acquisition Tax attribute on audit or otherwise. Fiber Sales shall not be required to file any carryback claim unless Buyer so requests in writing and agrees to pay reasonable out-of-pocket expenses related to such claim for refund.

(f) Retention of Carryovers. Fiber Sales shall not cause the common parent of its US Federal consolidated Tax Return group, DuPont, to elect to retain any net operating loss carryovers or capital loss carryovers of Qualcepts under Reg. §1.1502-20(g). At Fiber Sales's request, the Buyer will cause any of the Companies to join with Fiber Sales in filing any necessary elections under Reg. §1.1502-20(g).

8.8 Related Parties. From the date hereof through the Closing Date, each Party shall cause any of its Affiliates to take any action that may be necessary to carry out the Transactions. After the Closing, DPTI shall cause Fiber Sales, and IFC shall cause Buyer and Qualcepts, to fulfill their respective obligations hereunder.

9. Conditions Precedent to Obligations of the Companies. All obligations of the Companies to consummate the Transactions are subject to the satisfaction (or waiver by Fiber Sales on behalf of all of the Companies) prior thereto of each of the following conditions:

9.1 Representations and Warranties. The representations and warranties of the Buyer contained in this Agreement shall be true and correct on the date hereof in all material respects and (except to the extent such representations and warranties speak as of an earlier date) shall also be true and correct in all material respects on and as of the Closing Date with the same force and effect as if made on and as of the Closing Date.

9.2 Agreements, Conditions and Covenants. The Buyer in all material respects shall have performed or complied with all agreements, conditions and covenants required by this Agreement to be performed or complied with by them on or before the Closing Date, including tendering delivery of the Cash Purchase Price at the Closing.

9.3 Legality. No Law or Court Order shall have been enacted, entered, promulgated or enforced by any court or governmental authority that is in effect and has the effect of making the consummation of the Transactions illegal or otherwise prohibited.

9.4 Governmental Approvals. All governmental approvals required to be obtained prior to execution of the Transactions shall have been received by the Companies or the Buyer as applicable.

9.5 Ancillary Documents. The Buyer shall have tendered delivery of executed copies of the Transaction Documents and the other documents contemplated by this Agreement.

9.6 Company Documents. The Buyer shall have delivered to Fiber Sales certified copies of certificates of good standing for the State of Delaware.

10. Conditions Precedent to Obligations of Buyer. All obligations of the Buyer to consummate the Transactions are subject to the satisfaction (or waiver by all such Parties) prior thereto of each of the following conditions:

10.1 Representations and Warranties. The representations and warranties of DPTI and the Companies contained in this Agreement shall be true and correct on the date hereof in all material respects and (except to the extent such representations and warranties speak as of an earlier date) shall also be true and correct on and as of the Closing Date in all material respects with the same force and effect as if made on and as of the Closing Date.

10.2 Agreements, Conditions and Covenants. The DPTI Companies, in all material respects, shall have performed or complied with all agreements, conditions and covenants required by this Agreement to be performed or complied with or by them on or before the Closing Date.

10.3 Legality. No Law or Court Order shall have been enacted, entered, promulgated or enforced by any court or governmental authority that is in effect and has the effect of making the purchase and sale of the Purchased Assets illegal or otherwise prohibiting the consummation of such purchase and sale.

10.4 Governmental Approvals. All governmental approvals required to be obtained prior to execution of the Transactions shall have been received by the Companies or the Buyer as applicable.

10.5 Required Consents. The Companies shall have delivered to the Buyer the Seller Required Consents or the Buyer shall have waived such requirement by written waiver.

10.6 Ancillary Documents. The DPTI Companies shall have tendered delivery of executed copies of the Transaction Documents and the other documents contemplated by this Agreement and Disclosure Schedule.

10.7 Company Documents. The Companies shall have delivered to the Buyer certified copies of each Company's Charter Documents, and a certificate of status, compliance, good standing or like certificate with respect to each Company issued by the appropriate government official of Company's jurisdiction of incorporation.

10.8 Disclosure Schedule. The Disclosure Schedule and any updated versions thereof shall be in the form and substance reasonably satisfactory to the Buyer.

10.9 Due Diligence. The Buyer shall have completed its due diligence review of the Companies and the results of such review shall be reasonably satisfactory in form and substance to the Buyer. If the Buyer has not given notice to Fiber Sales at least five business days prior to the Closing that it is not satisfied with the results of its due diligence review, then Buyer shall be deemed to have waived this condition.

10.10 Title Insurance. Buyer's title insurance company shall be prepared to issue to Buyer at regular rates an ALTA Owner's Policy of Title Insurance Form B-1992 reasonably satisfactory to Buyer (or equivalent policy reasonably acceptable to Buyer if the real property is located in a state in which an ALTA Owner's Policy of Title Insurance Form B-1992 is not available) (the "Title Report") in the amount of the Purchase Price allocated to the Real Property as set forth in the Purchase Price Allocation (including all improvements located thereon), insuring good and marketable, indefeasible fee simple title to such Real Property to be in Buyer, subject only to the Permitted Encumbrances. Such title insurance policy shall: (i) insure title to the Real Property and all recorded easements benefiting such real property, (ii) contain an "extended coverage endorsement" insuring over the general exceptions contained customarily in such policies, only to the extent such coverage is available in Ohio, and (iii) contain an endorsement insuring that each street adjacent to the Real Property is a public street and that there is direct and unencumbered pedestrian and vehicular access to such street from the Real Property. Such Title Report and any exceptions noted therein shall be reasonably satisfactory in form and substance to the Buyer.

11. Indemnification.

11.1 By DPTI and Fiber Sales. (a) DPTI and Fiber Sales shall, jointly and severally, indemnify and hold harmless the Buyer and their respective successors and assigns, officers, directors, employees, stockholders, agents, and Affiliates (each, an "Indemnified Buyer Party") from and against any liabilities, claims, demands, judgments, losses, costs, damages, fines, penalties, or expenses whatsoever (including reasonable attorneys', consultants' and other professional fees and disbursements of every kind, nature and description incurred by such Indemnified Buyer Party in connection therewith, including consequential damages incurred by a third party (to the extent such consequential damages incurred by such third party are less than or equal to five times the direct damages of such third party) if required to be paid by contract or Court Order) (collectively, "Damages") that such Indemnified Buyer Party may sustain, suffer or incur and that result from, arise out of or relate to (a) any breach of any representation, warranty, covenant or agreement of any DPTI Company contained in this Agreement and (b) any

Unassumed Liability. Any qualifications and exceptions relating to knowledge, materiality or Material Adverse Effect with respect to any representations or warranties shall be disregarded for the purposes of determining whether a Buyer Indemnified Party shall be entitled to indemnification hereunder with respect to such representations and warranties other than Environmental Conditions created by a third party and any Environmental Liability created by a third party (for purposes of this Agreement, the term "third party" shall in no event include Fiber Sales under DPTI or any prior ownership). Notwithstanding anything to the contrary contained in any Transaction Document, in the event that the Purchase Price is reduced in accordance with the provisions of **Section 2** of this Agreement, no Buyer Indemnified Party shall be entitled to recover any additional amount under this **Section 11** for any breach or alleged breach of any representation, warranty, covenant or agreement of either Company contained in this Agreement or in the Closing Certificates delivered by a DPTI Company which gave rise to a Purchase Price adjustment.

(b) Additional Environmental Matters.

(i) Without limiting the obligations set forth in Section 11.1(a) of this Agreement, DPTI and Fiber Sales shall jointly and severally indemnify and hold harmless the Indemnified Parties from and against any Damages arising out of or relating to the Notice of Violation and actions mutually agreed upon by the Parties and the Ohio Environmental Protection Agency or as required by the Ohio Environmental Protection Agency to comply with the NPDES Permit requirements. For purposes of this Section 11.1(b) only, "Damages" shall include any and all (i) losses incurred by the Indemnified Parties as a result of any cessation in business and/or manufacturing operations at the Real Property which is caused by or results from the Notice of Violation, and (ii) consequential damages incurred by the Indemnified Parties or any third-party, regardless of the amount of such damages.

(ii) Without limiting the obligations set forth in Section 11.1(a) of this Agreement, Fiber Sales will perform and be responsible for all Damages arising from or related to the investigation, characterization and remediation of the presence of polychlorinated biphenyls at, on, under or relating to that portion of the Real Property identified in the "Results of Soil and Groundwater Sampling for Fiber Sales & Development, 1228 Muzzy Road, Urbana, Ohio," prepared by Harding Lawson Associates (August 24, 2000), to below regulatory limits for residential property, as established by the U.S. Environmental Protection Agency and/or the Ohio Environmental Protection Agency, and be responsible for the proper disposal of any contaminated soil. Fiber Sales will use its best efforts to minimize disruption to the business and/or manufacturing operations. Fiber Sales shall determine the method of remediation in consultation with Buyer and with the approval of the Ohio Environmental Protection Agency, if required.

11.2 By Buyer. The Buyer shall, jointly and severally, indemnify and hold harmless DPTI Companies their respective successors and assigns, officers, directors, employees, stockholders, agents, and Affiliates (each, an "Indemnified DPTI Party") from and against any Damages that such Indemnified DPTI Party may sustain, suffer or incur and that result from,

arise out of or relate to (a) any breach of any representation, warranty, covenant or agreement of the Buyer contained in this Agreement, (b) any Assumed Liability, (c) any work undertaken by Buyer for the Phase I/II Work, but any Damages therefor would be limited to the costs required to be paid to third parties to restore the Company's Real Property to substantially the physical condition that existed immediately prior to such work, (d) without regard to the Deductible Amount (as defined below), paragraphs #4 and #5 of the Survey Affidavit dated August 24, 2000 by Fiber Sales to be executed in connection herewith or (e) without regard to the Deductible Amount, the Trademarks listed in Section 4.17(e).

11.3 Procedure for Claims.

(a) Any Person who desires to seek indemnification under any part of this **Section 11** (each, an "Indemnified Party") shall give written notice in reasonable detail (a "Claim Notice") to each Party responsible or alleged to be responsible for indemnification hereunder (an "Indemnitor") prior to any applicable Expiration Date (as defined in **Section 11.4**). Such notice shall explain the nature of the claim in reasonable detail and the parties known to be involved, and shall specify the amount thereof and the Damages related to such claim. If the matter to which a claim relates shall not have been finally resolved as of the date of the Claim Notice, the Indemnified Party shall provide the Indemnitor with a good faith estimate of the amount of the claim in the Claim Notice, but also specify therein that the claim has not yet been liquidated (an "Unliquidated Claim"). If an Indemnified Party gives an Indemnitor a Claim Notice for an Unliquidated Claim, the Indemnified Party shall also give a second Claim Notice (the "Liquidated Claim Notice") within 60 days after the matter giving rise to the claim becomes finally resolved, and the Second Claim Notice shall specify the amount of the claim and the Damages payable. Each Indemnitor to which a Claim Notice is given shall respond to any Indemnified Party that has given a Claim Notice (a "Claim Response") within 30 days (the "Response Period") after each of (i) the date that the initial Claim Notice is deemed received pursuant to **Section 15** and (ii) if a Claim Notice is first given with respect to an Unliquidated Claim, the date on which the Liquidated Claim Notice is deemed received pursuant to **Section 15**. Any Claim Response shall specify whether or not the Indemnitor giving the Claim Response disputes the claim described in the Claim Notice. If any Indemnitor fails to give a Claim Response within any Response Period, such Indemnitor shall be deemed not to dispute the claim described in the related Claim Notice. If any Indemnitor elects not to dispute a claim described in a Claim Notice, whether by failing to give a timely Claim Response in accordance with the terms hereof or otherwise, then the amount of such claim shall be conclusively deemed to be an obligation of such Indemnitor.

(b) If any Indemnitor shall be obligated to indemnify an Indemnified Party pursuant to this **Section 11**, such Indemnitor shall pay to such Indemnified Party the amount to which such Indemnified Party shall be entitled within five Business Days after the day on which such Indemnitor became so obligated to the Indemnified Party. The amount of Damages payable by any Indemnitor shall be reduced by the amount of any insurance proceeds received by the Indemnified Party with respect to the Damages claimed. If any Indemnitor fails to pay all or part of any undisputed indemnification obligation when due, then such Indemnitor shall also be

obligated to pay to the applicable Indemnified Party interest on the unpaid amount for each day during which the obligation remains unpaid at an annual rate equal to the Prime Rate plus 5%.

(c) Any Claim Notice shall be considered timely made for the purposes of this **Section 11** if given prior to the Expiration Date for such claim as set forth in **Section 11.4** and in accordance with the notice requirements of **Section 15**. Any Claim Response shall be considered timely made for the purposes of this **Section 11** if given prior to the termination of the Response Period and in accordance with the notice requirements of **Section 15**.

(d) If, during the Response Period, an Indemnified Party receives a Claim Response from the Indemnitor, then for a period of 45 days (the "Resolution Period") after the Indemnified Party's receipt of such Claim Response, the Indemnified Party and the Indemnitor shall endeavor to resolve any dispute arising therefrom. If such dispute is resolved by the parties during the Resolution Period, the amount that the parties have specified as the amount to be paid by the Indemnitor, if any, as settlement for such dispute shall be conclusively deemed to be an obligation of such Indemnitor. If the parties are unable to agree upon a resolution to such dispute prior to the expiration of the Resolution Period (or any extension thereto to which the Indemnitor and Indemnified Party agree in writing), the issue shall be presented to the American Arbitration Association in Philadelphia, Pennsylvania (the "AAA") for determination. The written determination of the AAA shall be binding upon the Parties.

(e) Notwithstanding any other provision of this **Section 11**, except as set forth in **Sections 11(f) or 11(g)**, (i) no Indemnified Party shall be entitled to indemnification hereunder for Damages arising out of or based upon any inaccuracy in or breach of any representation or warranty made in or pursuant to this Agreement or any other Transaction Document until the aggregate of all Damages to all Indemnified Parties in the group to which such Indemnified Party belongs (either the Indemnified Buyer Parties, as a group, or Indemnified DPTI Parties, as a group) exceeds \$500,000 (the "Deductible Amount"), and then, only to the extent such Damages are in excess of the Deductible Amount, (ii) no Indemnified Party shall be entitled to make a claim hereunder with respect to any claim as to which the Damages for such claim and any other claims based on the same state of facts shall be less than \$25,000 excluding professional fees and related costs and (iii) no Indemnitor as a group (the Indemnified Buyer Parties, being considered as a group, and Indemnified DPTI Parties, being considered as a group) shall be liable under this Agreement for any Damages arising out of or based upon any inaccuracy in or breach of any representation or warranty made in or pursuant to this Agreement or any other Transaction Document for an aggregate amount in excess of \$32,650,000. The limitations of this paragraph (e), however, shall not apply to any covenants or agreements to be performed by an Indemnitor before or after the Closing, or to the obligations of the Indemnitor set forth in **Section 11.1(b)** hereto.

(f) Notwithstanding anything set forth herein, in the event that there are any withholding or transfer taxes that become due or owing because of the execution and delivery of the Transaction Documents, Fiber Sales shall indemnify Buyer, and Buyer shall indemnify Fiber Sales in the event Buyer shall not provide the Exception Certificate at Closing, of any and all

Damages relating thereto, without regard to the Deductible Amount. Any and all Damages under this Section 11(f) shall not be applied against the Deductible Amount.

(g) With respect to any claims for indemnification under Section 11.1(b) of this Agreement that arise out of or relate to the Notice of Violation, the Indemnitor shall have the right to request and the Indemnified Party shall provide, within a reasonable period of time, (i) monthly operation reports required to be submitted to the Ohio Environmental Protection Agency pursuant to the NPDES permit, and (ii) all relevant, non-privileged documents relating to any Substantial Change in Process and monitoring procedures.

11.4 Claims Period. Any claim for indemnification under this **Section 11** shall be made by giving a Claim Notice under **Section 11.3** on or before the applicable "Expiration Date" specified below in this **Section 11.4**, or the claim under this **Section 11** shall be invalid. The following claims shall have the following respective "Expiration Dates": (a) the second anniversary of the Closing Date--any claims that are not specified in any of the succeeding clauses; (b) the fourth anniversary of the Closing Date -- any claims for Damages related to an Unassumed Liability; and (c) the date on which the applicable statute of limitations expires--any claim for Damages related to (i) a breach of any representation, warranty, covenant or agreement relating to Taxes or (ii) a breach of any representation or warranty that was made with an intent to mislead or defraud; (d) the fifth anniversary of the Closing Date -- a breach of any representation or warranty relating to an Environmental Condition or Environmental Liability, (e) with respect to any claims for Damages related to the Notice of Violation, for which the Expiration Date shall be the earlier of the fifth anniversary of the Closing Date or the date on which a Substantial Change in Process occurs; however, any claims for penalties and/or fines imposed by the Ohio Environmental Protection Agency in connection with or as a result of the Notice of Violation shall survive until the fifth anniversary of the Closing Date and (f) any claims relating to those matters set forth in Section 11.1(b)(ii) of this Agreement for which the expiration date shall be the fifth anniversary of the Closing Date. If more than one of such Expiration Dates applies to a particular claim, the latest of such Expiration Dates shall be the controlling Expiration Date for such claim. So long as an Indemnified Party gives an initial Claim Notice on or before the applicable Expiration Date, such Indemnified Party shall be entitled to pursue its rights to indemnification regardless of the date on which such Indemnified Party gives any related Liquidated Claim Notice.

11.5 Third Party Claims. An Indemnified Party that desires to seek indemnification under any part of this **Section 11** with respect to any actions, suits or other administrative or judicial proceedings (each, an "Action") that may be instituted by a third party shall give each Indemnitor prompt notice of a third party's institution of such Action. After such notice, any Indemnitor may, or if so requested by such Indemnified Party, any Indemnitor shall, participate in such Action or assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party; provided, however, that such Indemnified Party shall have the right to participate at its own expense in the defense of such Action; and provided, further, that the Indemnified Party shall not consent to the entry of any judgment or enter into any settlement, except with the written consent of the Indemnitor. Any failure to give prompt notice under this

Section 11.5 shall not bar an Indemnified Party's right to claim indemnification under this **Section 11**, except to the extent that an Indemnitor shall have been harmed by such failure.

11.6 Effect of Investigation or Knowledge. Any claim by any Party for indemnification shall not be adversely affected by any investigation by or opportunity to investigate afforded to any other Party, nor shall such a claim be adversely affected by such Party's knowledge on or before the Closing Date. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not adversely affect the right to indemnification, payment of Damages or other remedy based on such representations, warranties, covenants or obligations.

12. Termination.

12.1 Grounds for Termination. The Parties may terminate this Agreement at any time before the Termination Date as provided below:

(a) by mutual written consent of each of Fiber Sales and Buyer;

(b) by either Buyer or Fiber Sales, if the Closing shall not have been consummated on or before the Termination Date; provided, however, that the right to terminate this Agreement under this **Section 12.1(b)** shall not be available to either Buyer or Fiber Sales if its failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or before the Termination Date;

(c) by either the Buyer or Fiber Sales, if a court of competent jurisdiction or governmental, regulatory or administrative agency or commission shall have issued a Court Order (which Court Order the parties shall use commercially reasonable efforts to lift) that permanently restrains, enjoins or otherwise prohibits the Transactions, and such Court Order shall have become final and nonappealable;

(d) by the Buyer, if any DPTI Company shall have breached, or failed to comply with, any of their obligations under this Agreement or any representation or warranty made by them shall have been incorrect when made, and such breach, failure or misrepresentation is not cured within 10 days after notice thereof, and in either case, any such breaches, failures or misrepresentations, individually or in the aggregate, results or would reasonably be expected to materially and adversely affect the benefits to be received by the Buyer hereunder; or

(e) by Fiber Sales, if Buyer shall have breached, or failed to comply with, any of their obligations under this Agreement or any representation or warranty made by them shall have been incorrect when made, and such breach, failure or misrepresentation is not cured within 10 days after notice thereof, and in either case, any such breaches, failures or misrepresentations, individually or in the aggregate, results or would reasonably be expected to affect materially and adversely the benefits to be received by Fiber Sales hereunder.

(f) by the Buyer, in the event that the Phase I/II Work identifies any environmental condition, or circumstance existing on, at, beneath or near the Real Property that would constitute a Material Adverse Effect.

12.2 Effect of Termination. If this Agreement is terminated pursuant to **Section 12.1**, the agreements contained in **Section 8.5** shall survive the termination hereof and either Buyer or Fiber Sales may pursue any legal or equitable remedies that may be available if such termination is based on a breach of the other.

13. General Matters.

13.1 Contents of Agreement. This Agreement, together with the other Transaction Documents, sets forth the entire understanding of the Parties with respect to the Transactions and supersedes all prior agreements or understandings among the parties regarding those matters.

13.2 Amendment, Parties in Interest, Assignment, Etc. This Agreement may be amended, modified or supplemented only by a written instrument duly executed by each of the Parties that makes express reference to this **Section 13.2**. If any provision of this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, legal representatives, successors and permitted assigns of the Parties. Nothing in this Agreement shall confer any rights upon any Person other than the Parties and their respective heirs, legal representatives, successors and permitted assigns, except as provided in **Section 11**. No Party shall assign this Agreement or any right, benefit or obligation hereunder without the consent of each other Party; notwithstanding the foregoing, Buyer shall be permitted to assign its rights and benefits under this Agreement, but not its obligations, to any Affiliate of Safeguard International Fund L.P. and Buyer shall be permitted to assign its rights and benefits under this Agreement for the collateral assignment to IBJ Whitehall Bank & Trust Company, a Delaware corporation, as administrative agent, in connection with financing arrangements to Buyer. Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument duly executed by such Party.

13.3 Further Assurances. At and after the Closing, the Parties shall execute and deliver any and all documents and take any and all other actions that may be deemed reasonably necessary by their respective counsel to complete the Transactions.

13.4 Interpretation. Unless the context of this Agreement clearly requires otherwise, (a) references to the plural include the singular, the singular the plural, the part the whole, (b) references to any gender include all genders, (c) "including" has the inclusive meaning frequently identified with the phrase "but not limited to" and (d) references to "hereunder" or "herein" relate to this Agreement. Any determination as to whether a situation is material shall be made by

taking into account the effect of all other provisions of this Agreement that contain a qualification with respect to materiality so that the determination is made after assessing the aggregate effect of all such situations. The section and other headings contained in this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation thereof in any respect. Section, subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified. Each accounting term used herein that is not specifically defined herein shall have the meaning given to it under GAAP. Any reference to a Party's being satisfied with any particular item or to a Party's determination of a particular item presumes that such standard will not be achieved unless such Party shall be satisfied or shall have made such determination in its sole or complete discretion.

13.5 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be binding as of the date first written above, and all of which shall constitute one and the same instrument. Each such copy shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

13.6 Disclosure Schedules. Any items listed or described on the Disclosure Schedules shall be listed or described under a caption that specifically identifies the Section(s) of this Agreement to which the item relates (which, in each case, shall constitute the only valid disclosure with respect to such Section(s)).

14. Remedies.

Except as set forth in **Section 6.6** the indemnification rights under **Section 11** are the exclusive rights and remedies that the Parties have at law or in equity or otherwise for any misrepresentation, breach of warranty or failure to fulfill any agreement or covenant hereunder on the part of any Party.

15. Notices.

All notices that are required or permitted hereunder shall be in writing and shall be sufficient if personally delivered or sent by registered or certified mail, facsimile message or Federal Express or other nationally recognized overnight delivery service. Any notices shall be deemed given upon the earlier of the date when received at, or the third day after the date when sent by registered or certified mail or the day after the date when sent by Federal Express or facsimile to, the address or facsimile number set forth below, unless such address or facsimile number is changed by notice to the other Parties:

If to the DPTI Companies:

DuPont Protein Technologies International, Inc.
1034 Danforth Drive
St. Louis, MO 63102

Attn: Law Department

Fiber Sales & Development Corporation
1034 Danforth Drive
St. Louis, MO 63102
Attn: Law Department

Qualcepts Nutrients, Inc.
1034 Danforth Drive
St. Louis, MO 63102
Attn: Law Department

If to the Buyer Parties:

International Fiber Corporation
c/o Safeguard International Fund, L.P.
800 The Safeguard Building
435 Devon Park Drive
Wayne, PA 19087
Attn: Arthur R. Spector
FAX: (610) 293-0854

with a required copy to:

Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
Attn: Thomas J. Sharbaugh, Esquire
FAX: 215-963-5299

16. Governing Law.

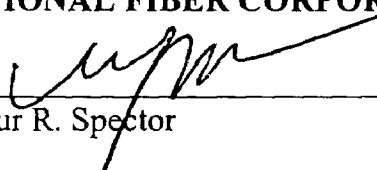
This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware without regard to its provisions concerning choice of laws or choice of forum. The Parties hereby irrevocably submit themselves to the non-exclusive jurisdiction of the state and federal courts sitting in the State of Delaware and agree and consent that services of process may be made upon it in any legal proceedings relating hereto by any means allowed under state or federal law.

[THIS SPACE INTENTIONALLY LEFT BLANK]

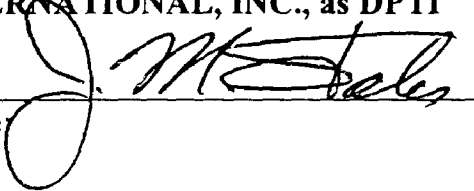
[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the day and year first written above.

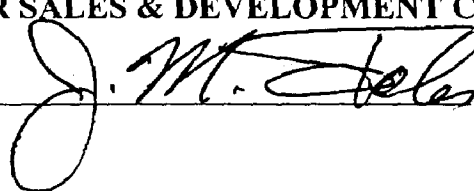
INTERNATIONAL FIBER CORPORATION

By: 
Name: Arthur R. Spector
Title:

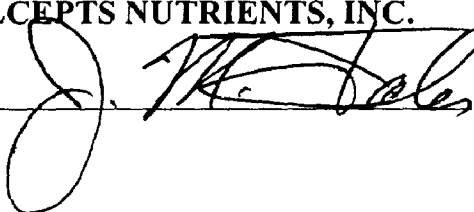
**DUPONT PROTEIN TECHNOLOGIES
INTERNATIONAL, INC., as DPTI**

kelh By: 
Name:
Title:

FIBER SALES & DEVELOPMENT CORPORATION

kelh By: 
Name:
Title:

QUALCEPTS NUTRIENTS, INC.

kelh By: 
Name:
Title:

SCHEDULE 4.17
Intellectual Property

(a):

1 Registered domain names:

SOLKAFLOC.COM

QUALCEPTS.COM

2. Trademark list attached

3. Patent list see SCHEDULE 1

4. License Agreement dated February 23, 1998 between FS&D and Qualcepts

(a)(i) see attached Schedule 1

(a)(ii) Trademark list attached

(a)(iii) none

(a)(iv) none

SCHEDULE A

TRADEMARKS

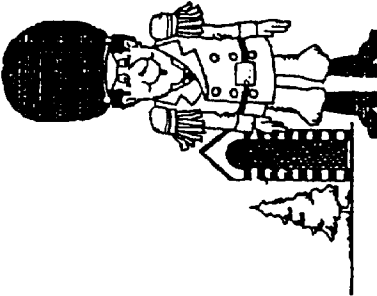
Trademark	Country	App. Date	App. No.	Reg. No.	Reg. Date	Renewal	Class & Goods
KEYCEL	Canada	27AU1991	688508	TMA434207	07OC1994	07OC2009	X Cellulose powder and cellulose FS&D for use in the manufacture of foodstuffs and as a filtration agent in industrial filtration systems
KEYCEL	Canada	08AP1986	560230	326487	16AP1987	16AP2002	X Powdered cellulose for use in the manufacture of food
KEYCEL	United States	29OC1984	73/506003	1337034	21MY1985	21MY2005	30 Powdered cellulose for use in the manufacture of food
SOLKA	Switzerland	28AP1995	UNKNOWN	P276650	28AP1995	28AP2005	1 (Stenciled Letters) Cellulose Pulp 24 (Stenciled Letters) Felts made from cellulose pulp
SOLKA	Great Britain	17NO1992	573090	573090	17NO1992	17NO2006	50 Cellulose pulp
SOLKA (stylized)	United States	14MR1993	71331667	301817	14MR1993	14MR2003	1 Cellulose pulps
SOLKA-FLOC	Great Britain	22MY1999	864608	B864608	22MY1999	22MY2009	1 Cellulose pulp; cellulose; and preparations and substances included in Class 1 made of, or containing, cellulose
SOLKA-FLOC	Japan	11JA1979	912/1979	2338159	30SE1991	30SE2001	1 (Katakana) Chemicals, medicines, medical accessories
SOLKA-FLOC	Japan	17JL1978	52891/1978	2317662	28JE1991	28JE2001	1 Powder cellulose pulp used as freight material for resins, as liquid thickener and also as filtering means
SOLKA-FLOC	Mexico	10NO1993	25718	147579	05DE1993	05DE2003	1 Powder cellulose pulp used as freight material for resins, as liquid thickener and also as filtering means
SOLKA-FLOC	United States	23AU1989	71/521320	443289	23AU1989	23AU2009	1 Cellulose pulp
QUAL-FLO	United States			1,710,996	01SE1992		1
FLO-AM	United States			1,456,699	01FE1987		29
FLO-AM	Germany			1,122,113	18MA1988		
FLO-AM	United Kingdom			1,313,537	09FE1987		1 Industrial polymers for paper coating

PATENT

REEL: 011103 FRAME: 0122

Schedule A, Continued

U.S. State Registrations				
Mark	State	Registration No. Registration Date	Goods and Services	Owner & Status and Title Comments
WHEAST	Minnesota	8,508 June 7, 1983	High protein yeast products, in Classes 29 and 30.	Qualcepts Nutrients, Inc. 4940 Viking Drive Minneapolis, Minnesota 55435 1. Registered. 2. Title appears clear.

U.S. Registrations				
Mark	Registration No. Registration Date	Goods and Services	Owner	Status and Title Comments
CHESEMUL	1,539,898 May 23, 1989	Emulsifier salts for use in the manufacturing of pasteurized process cheese, in Class 1.	Qualcepts Nutrients, Inc. 4940 Viking Drive Minneapolis, Minnesota 55435	1. Registered. Section 8 & 15 Affidavit Accepted and Acknowledged. 2. Title appears clear.
Miscellaneous Design 	1,923,150 October 3, 1995	Anti-caking and anti-mycotic agent for cheeses for use in the food manufacturers industry; mold-inhibiting additive preparation for use in the food manufacturing industry; anti-fungal coating designed for use in food processing plants and facilities, and powdered cellulose used as an emulsifier, stabilizer, and flow agent for food stuffs, in Class 1.	Qualcepts Nutrients, Inc. 4940 Viking Drive Minneapolis, Minnesota 55435	1. Registered. 2. Title appears clear.

U.S. Registrations				
Mark	Registration No. Registration Date	Goods and Services	Owner	Status and Title Comments
SURFACE GUARD	1,820,358 February 8, 1994	Anti-fungal coating designed for use in food processing plants and facilities, in Class 1.	Qualcept Nutrients, Inc. * 4940 Viking Drive Minneapolis, Minnesota 55435	1. Registered. Section 8 & 15 Affidavit was due 2/8/2000, does not appear to have been filed. 2. Title appears clear.

1-Ph/1268327.1

SCHEDULE 1
Included Patents

SCHEDULE 1
Included Patents

FIBER SALES AND DEVELOPMENT

Issued Patents

Case No.	Country	Patent No.	Grant date	Filing date	Expires	Status	Title
SP-1055	US	4,857,352	8/15/89	6/16/87	6/16/07	Valid	Low Calorie Ice Pop
SP-1056	US	4,438,263	3/20/84	8/6/82	8/6/02	Valid	Cellulose Granules and Process for Producing the Same
SP-1057	US	5,019,406	5/28/91	7/13/89	7/13/09	Valid	Fiber Additives for Frying Batters
SP-1094	US	5,646,045	7/8/97	5/17/95	5/17/15	Valid	Cellulose in Food Matrix Quantification
LP-313	US	5,391,382	2/21/95	1/31/94	1/31/14	Valid	Low Dust Powdered Cellulose

SCHEDULE 1

Included Patents

Patent Applications

Case No.	Country	Patent App. No.	Filing date	Status	Title
SP-1145	US	09/039,310	3/13/98	Allowed	Process for Preparing Anti-Caking Agent
SP-1145	Australia	Not Assigned	4/19/00	pending exam	Process for Preparing Anti-Caking Agent
SP-1145	Argentina	Not Assigned	not yet filed	awaiting formal drawing	Process for Preparing Anti-Caking Agent
SP-1145	Canada	Not Assigned	4/28/00	pending exam	Process for Preparing Anti-Caking Agent
SP-1145	EPO	Not Assigned	not yet filed	awaiting final preparation by foreign agents	Process for Preparing Anti-Caking Agent
SP-1145	Japan	Not Assigned	4/26/00	pending exam	Process for Preparing Anti-Caking Agent
SP-1145	New Zealand	504225	4/28/00	pending exam	Process for Preparing Anti-Caking Agent
SP-1145	Mexico	004440	5/8/00	pending exam	Process for Preparing Anti-Caking Agent
SP-1145	S. Africa	2000/2066	4/26/00	pending exam	Process for Producing Anti-Caking Agent

PATENT

REEL: 011103 FRAME: 0127

SCHEDULE 1
Included Patents

Case No.	Country	Patent App. No.	Filing date	Status	Title
SP-1198	US	09/354,829	7/16/99	Rejected (1 st action)	Direct Action Anti-Mycotic
SP-1198	Australia	not assigned	11/4/99	pending exam	Direct Action Anti-Mycotic
SP-1198	Brazil	PI0000195-3	1/27/00	pending exam	Direct Action Anti-Mycotic
SP-1198	Canada	2,291,382	2/1/00	pending exam	Direct Action Anti-Mycotic
SP-1198	China	00104379.X	3/23/00	pending exam	Direct Action Anti-Mycotic
SP-1198	EPO				
SP-1198	Japan	2000-128745	11/4/99	pending exam	Direct Action Anti-Mycotic
SP-1198	Korea	10-2000-0002125	1/18/00	pending exam	Direct Action Anti-Mycotic
SP-1198	Mexico	not assigned	11/4/99	pending exam	Direct Action Anti-Mycotic
SP-1198	Russia	not assigned	2/11/00	pending exam	Direct Action Anti-Mycotic
SP-1198	Taiwan	88120533	11/23/99	pending exam	Direct Action Anti-Mycotic