

12-26-2000



101560687

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

1. Name of conveying party(ies):

DESPO CHEMICALS INTERNATIONAL, INC.
395 Front Street
Firth Amboy, New Jersey 08861

12-8-00

2. Name and address of receiving party(ies):

ECOLAB INC.
Ecolab Center
St. Paul, Minnesota 55102

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

Additional name(s) & address(es) attached? ☐ Yes ☐ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
☒ Other: Acquisition

Execution Date: May 21, 1999

4. Application number(s) or patent number(s): 5,391,308

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

B. Patent No.(s)

Additional numbers attached? ☐ Yes ☐ No

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

Name: Andrew D. Sorensen
Address: Ecolab Inc.
840 Sibley Memorial Highway
Mendota Heights, MN 55118
USA

6. Total number of applications and patents involved: 1

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

- ☐ Enclosed
☒ Authorized to be charged to deposit account

8. Please charge any additional fees or credit any overpayments to our Deposit account number: 501.57

DO NOT USE THIS SPACE

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.

Andrew D. Sorensen

Name of Person Signing

Signature

Date

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

Do not detach this portion

Mail documents to be recorded with required cover sheet information to

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-0000 Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

ASSIGNMENT OF PATENT

WHEREAS, Despo Chemicals International, Inc., a New Jersey corporation, having its principal offices at 400 Rector Street, Perth Amboy, New Jersey 08861 ("Assignor") owns the following United States Patent:

<u>Patent Title</u>	<u>Patent No.</u>	<u>Date Issued</u>	<u>Inventor(s)</u>
Lubricant for Transport of P.E.T. Container	5,391,308	February 21, 1995	Aris D. Despo

WHEREAS, Assignor owns the know-how, technology and trade secrets embodied in the subject matter of said patent; and

WHEREAS, Ecolab Inc. of Ecolab Center, 370 North Wabasha, St. Paul, Minnesota 55102 is desirous of acquiring said U.S. patent and all the know-how, technology and trade secrets embodied in the subject matter of said patent.

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Assignor does hereby assign unto Ecolab Inc. all right, title and interest in and to the said U.S. patent and to all the know-how, technology and trade secrets embodied in said patent.

This Assignment is given pursuant to an Asset Purchase Agreement dated May 21, 1999 by and among Ecolab Inc. and Assignor ("Purchase Agreement"). The Purchase Agreement includes all representations and warranties with respect to the property and property rights transferred by Assignor to Ecolab hereunder and no further representations or warranties are made hereunder.

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

DESPO CHEMICALS INTERNATIONAL, INC.

By: 

Aris D. Despo
President

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, dated May 21, 1999 (the "Agreement"), is by and among Ecolab Inc., a Delaware corporation ("Purchaser"), Despo Chemicals International, Inc., a New Jersey corporation ("Seller") and Aris D. Despo, an individual, the sole shareholder of Seller ("Shareholder").

SECTION 1

1. PURCHASE OF ASSETS.

1.1. Assets to be Purchased On the date above, Seller shall sell to Purchaser and Purchaser shall purchase from Seller, free and clear of any mortgage, lien, pledge, option, security interest, claim, charge, financing statement or other encumbrance of any kind whatsoever, whether or not of record (an "Encumbrance"), the following described assets used in the business of providing lubricants and their derivatives (including O-2-Foam and PX 2195 lubricants and excluding only Seller's fatty acid lubricant business which Seller and Shareholder represent and warrant currently constitutes less than ten percent (10%) of Seller's overall business) (collectively, the "Lubricants") to the Food & Beverage Market (the "Acquired Business"). For purposes of this Agreement, the "Food & Beverage Market" shall mean food and beverage processing plants, breweries and dairy plants and farms.

(a) Inventory: All Lubricants inventory including finished goods which meet the requirements of Section 2.3 hereof (the "Inventory"), all as fully listed (at book value) on Exhibit 1.1(a);

(b) Copyrights: All copyright registrations and applications used or held for use by the Seller and any other non-registered copyrights or copyrightable works (collectively, the "Copyrights"), all as fully listed on Exhibit 1.1(b);

(c) Trademarks: All common law and registered trademarks and unregistered trademarks, logos, service marks, trade dress and trade names used on goods of the Acquired Business except the "Despo," "Despo Mega 1000" and "Mega Concentrate" trademarks (the "Trademarks"), and all applications, registration certificates, Section 8 affidavits, renewals, investigations, search reports, histories and other documents or files pertaining thereto, all as fully listed on Exhibit 1.1(c);

(d) Technology: All technical information and know-how regarding or related to the Lubricants, confidential and non-confidential, which is used or held for use by or on behalf of the Seller, including all patterns, plans, designs, research data, ideas, inventions, trade secrets and other proprietary know-how, formulae and manufacturing sales, service or other processes, operating manuals, drawings, technology, asset listings or instructions, manuals, data, records, procedures, product packaging instructions, product specifications and formulations, analytical methods, sources and specifications for raw materials, toxicity and general health and safety information, environmental compliance and regulatory information, research and development records and reports and other documents relating to the foregoing, and all licenses, approvals or authorizations and rights to use intellectual property rights of others (collectively, the "Technology"). Exhibit 1.1(d) lists all formulae and licenses, approvals and authorizations or other rights to use the intellectual property rights of others;

(e) Patent Rights: All patents, patent applications and rights to patent regarding or related to Lubricants, as well as all reissues, divisional, continuations and continuation-in-part applications and any

other patents issuing thereon, and all license agreements and other agreements which relate to inventions and discoveries and any patent applications and patents thereon, as well as enhancements and improvements therein which are owned, licensed, used or held for use by the Seller including U.S. patent #5,391,308 and Disclosure Document #446912 (the "Patent Rights"), all as fully listed on Exhibit 1.1(e).

(f) Business Information. All business information and related books and records relating to Lubricants, including files, computer discs and tapes, invoices, credit and sales records, customer lists and data, supplier lists (including supplier cost information), certifications from bottle manufacturers, manuals, drawings, business plans and other plans and specifications, sales literature, current price lists and discounts, promotional signs and literature, marketing and sales programs and manufacturing and quality control records and procedures (collectively, the "Business Information"). Exhibit 1.1(f) lists all customer lists, supplier lists, and current price lists and discounts;

(g) Customer Agreements. All rights of Seller under all agreements, proposals or similar arrangements, whether oral or written, with customers of the Acquired Business ("Customer Agreements"), which agreements are identified on Exhibit 1.1(g) hereto; and

All of the above described assets collectively are hereinafter referred to as the "Purchased Assets"

1.2. No Liabilities Assumed. Except for those obligations of Seller first arising after the Closing Date under the Customer Agreements identified on Exhibit 1.1(g), Purchaser shall not assume and hereby expressly disclaims any assumption of any liabilities, obligations, debts or payables of any nature of Seller, whether fixed or contingent, known or unknown, liquidated or unliquidated, secured or unsecured, accrued or unaccrued or otherwise including any taxes (income, property, sales or other taxes), environmental claims, product liability claims, any litigation against Seller or any obligation to current or former employees of Seller (including any obligations to employees arising out of transactions contemplated by this Agreement) ("Retained Liability or Liabilities").

1.3. Purchase Price. As the total consideration payable by Purchaser for the purchase of the Purchased Assets and for the covenants of Seller set forth in this Agreement, Purchaser shall pay to Seller the aggregate sum of Three Hundred Thousand Dollars (\$300,000) (the "Purchase Price"), of which (A) Two Hundred Ten Thousand Dollars (\$210,000) shall be paid to Seller at Closing, by check or wire transfer (the "Initial Payment"), (B) a maximum of Fifteen Thousand Dollars will be paid within thirty (30) days of the Closing Date for the Inventory, and (C) a payment of Seventy Five Thousand Dollars (\$75,000) shall be due and payable on the first anniversary of the Closing Date ("Deferred Payment"), subject to rights of offset as set forth in Section 4.4 of this Agreement. In addition, Purchaser shall pay Seller, as additional purchaser price ("Additional Purchase Price") up to a maximum of Fifty Thousand Dollars per year for five (5) years (for a maximum total Additional Purchase Price of \$250,000) calculated at six percent (6%) of the Purchaser's net sales (sales price less freight, taxes, discounts and allowances) of the Lubricants currently sold as O-2-Foam and PX 2195 or any derivatives thereof. Payment of this Additional Purchase Price shall be made quarterly (within 30 days of the end of each calendar quarter). Seller shall have access to Purchaser's accounting records pertaining to such net sales at least one time per year to inspect the books and records at a reasonable time and place to be designated by Purchaser.

1.4. Allocation of Purchase Price. The Purchase Price shall be allocated, for tax purposes, as indicated on Exhibit 1.4. This allocation shall be binding upon the parties who shall file their tax returns in accordance with this allocation.

1.5. Closing. Consummation of Purchaser's purchase of the Purchased Assets from Seller (the "Closing") shall take place at the offices of Ecolab Inc. in St. Paul, Minnesota on the date hereof (the "Closing Date") and shall be deemed to be effective as of 11:59 p.m. on the Closing Date.

1.6. Deliveries by Seller. Seller shall herewith deliver to Purchaser:

(a) Control of the Purchased Assets, together with a bill of sale, dated as of the Closing Date, as shall be sufficient to transfer to and vest in Purchaser good, valid and marketable title to the Purchased Assets, together with the documents evidencing release of any Encumbrance held by any entity in the Purchased Assets;

(b) An executed original of the Consulting Agreement with Shareholder in the form of Exhibit 1.6(b);

(c) An executed original of the patent assignment from Seller in the form of Exhibit 1.6(c)

(d) The Customer Agreements which are in writing and written summaries of the key terms of all oral Customer Agreements; and

(e) Such other duly executed agreements, deeds, shareholder and Board resolutions, certificates or other instruments of conveyance transfer and assignment as shall be necessary, in the opinion of Purchaser, to vest in Purchaser good, valid and marketable title to the Purchased Assets

The agreements and transaction documents referred to in Section 1.6(a)-(e) shall be referred to collectively as "Ancillary Agreements."

1.7. Deliveries by Purchaser. At Closing, Purchaser shall deliver to Seller:

(a) The Initial Payment in immediately available funds by wire transfer as directed by Seller; and

(b) All other documents required to be delivered by Purchaser in connection with the transactions contemplated hereby, including the counterpart signature pages of the Consulting Agreement.

SECTION 2

2. **REPRESENTATIONS AND WARRANTIES OF SELLER.** Seller and Shareholder represent and warrant to Purchaser that the statements contained in this Section 2 are correct and complete as of the Closing.

2.1. Corporate Organization, Authorization of Transaction; Noncontravention. Seller is a corporation duly organized, validly existing and in good standing under the laws of the state of its jurisdiction of incorporation. Seller has full power and authority to execute and deliver this Agreement and the Ancillary Agreements and to perform its obligations under those agreements. Without limiting the generality of the foregoing, each of Shareholders and the Board of Directors of Seller has duly authorized the execution, delivery and performance of this Agreement and the Ancillary Agreements. Except as set forth in Section 2.1 of the Disclosure Schedule, neither the execution, delivery and performance of this Agreement and the Ancillary Agreements will (i) constitute a default or breach of

any contract or obligation of Seller, or (ii) violate any law, regulation or ordinance of any federal, state or local governmental authority ("Law").

2.2. Title. Seller is the owner of, and has good and marketable title to, all of the Purchased Assets free and clear of any Encumbrance. Upon the sale, assignment, transfer and delivery of the Purchased Assets to Purchaser hereunder, there will be vested in Purchaser good and marketable title to the Purchased Assets free and clear of all claims, liabilities, liens, security interests, or encumbrances of any kind.

2.3. Inventory. Except as set forth in Section 2.3 of the Disclosure Schedule, the inventories of the Seller consist of Lubricants finished goods (which are products currently offered for sale by Seller) all of which (i) do not infringe third party patents or other intellectual property rights, (ii) meet the Seller's specifications and industry standards applicable to such inventories, including not having an expired shelf life, (iii) are usable or saleable in the ordinary course of business and are not in excess of six (6) months' worth of sales or usage based upon the Seller's actual sales or of specific products in the previous six (6) months and (iv) have a book value which equals the actual cost of production without any mark-up.

2.4. Intellectual Property Rights. Seller owns the industrial and intellectual property rights, including the Copyrights, Trademarks, Technology and Patent Rights (collectively, "Intellectual Property Rights"). Except as set forth in Section 2.4 of the Disclosure Schedule, the use of all Intellectual Property Rights transferred pursuant to this Agreement does not and will not infringe or violate the intellectual property rights of any person or entity. Except as set forth in Section 2.4 of the Disclosure Schedule, Seller does not own or use any Intellectual Property Rights pursuant to any written license agreement nor has Seller granted any person or entity any rights, pursuant to written license agreement or otherwise, to use the Intellectual Property Rights.

2.5. Customer Agreements. To the actual knowledge of Seller, Seller has delivered to Purchaser true and complete copies of Customer Agreements which are in writing and written summaries of the key terms of all other Customer Agreements which are accurate in all material respects. Each of the Customer Agreements is valid, binding and enforceable. To the actual knowledge of Seller, all obligations required to be performed by the Customer under each of the Customer Agreements has been performed. Seller is not in breach or default or in arrears under the terms of any of the Customer Agreements.

2.6. Certifications. True and complete copies of all certifications from bottle manufacturers pertaining or related to Seller's Lubricants are attached as Section 2.6 of the Disclosure Schedule.

2.7. Litigation. There is no legal or administrative action, investigation or claim of any kind pending or threatened, regarding any of the Purchased Assets or the Acquired Business, or which could adversely affect the transactions contemplated by this Agreement or materially adversely affect the Purchased Assets.

2.8. Tax Returns. Seller has duly and timely filed all tax and information reports, returns and related documents required to be filed by it related to the Acquired Business or Purchased Assets with respect to the income, franchise, sales, use, employment-related and all other taxes of the United States and the state and other jurisdictions and subdivisions thereof ("Taxes") in which the Seller conducts the Acquired Business (collectively, the "Tax Returns") and Seller has duly paid all such taxes and other charges, including deposits required with respect to employee withholdings, interest, penalties, assessments and deficiencies, due or claimed to be due from it. There is no material

omission, deficiency, error, misstatement or misrepresentation, whether innocent, intentional or fraudulent, in any Tax Return filed by the Seller related to the Acquired Business or Purchased Assets for any period.

2.9. Benefit Plans. There are no facts or circumstances which could, directly or indirectly, subject Purchaser or any of its affiliates to any liability of any nature with respect to any Pension, Welfare or Compensation Plan sponsored, maintained or contributed to by Seller or any of its affiliates or shareholders, to which Seller or any of its affiliates or shareholders is a party or with respect to which Seller or any of its affiliates or shareholders could have any liability. Each Pension Plan, Welfare Plan and Compensation Plan has been operated in accordance with its terms and in compliance with the applicable provisions of all applicable Law. For purposes of this subsection 2.9, "Pension Plan" shall mean any "employee pension benefit plan" as such term is defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including any such plan that is excluded from coverage by Section 4(b)(5) of ERISA or is a "Multiemployer Plan" within the meaning of Section 3(37) or 4001(a)(3) of ERISA; "Welfare Plan" shall mean any "employee welfare benefit plan" as such term is defined in Section 3(1) of ERISA, whether insured or otherwise, and "Compensation Plan" shall mean any bonus, incentive, commission, stock or other current or deferred compensation, separation, retention, severance or similar agreement, arrangement, plan or policy, or any individual employment, consulting or personal service agreement.

2.10. Compliance with Law. The assets, properties, businesses and operations of the Seller comprising and used in the Acquired Business, including the Purchased Assets, are and have been in compliance with all Laws applicable to the ownership and operation of its assets, properties, businesses and operations. There are no outstanding and unsatisfied deficiency reports, plans of correction, notices of noncompliance or work orders relating to any federal, state or local governmental authorities ("Authorities"), and no such discussions with any such Authorities are scheduled or pending related to the Acquired Business including the Purchased Assets. The Seller has not received notification that it is in violation of any applicable law, ordinance or regulation with respect to the operation and conduct of the Acquired Business.

SECTION 3

3. COVENANTS.

3.1. Non-competition. Seller and Shareholder acknowledge that in order to assure Purchaser that Purchaser will retain the value of the Acquired Business as a "going concern," they agree not to engage in competition with Purchaser as hereinafter provided. For a period of five (5) years beginning on the Closing Date, except as provided in the Consulting Agreement, Seller and Shareholder shall not, directly or indirectly, engage or have an interest, anywhere within North America, alone or in association with others, as principal, officer, advisor, agent, employee, director, partner or stockholder, (except as provided below) or through the investment of capital, lending of money or property, rendering of contract manufacturing or other services or otherwise, in any business that engages in the development, manufacture, packaging, distribution or marketing of Lubricants to the Food & Beverage Market. Purchaser recognized that Seller has market presence in North America and competes against Purchaser in the (i) C & B business (cleaners and sanitizers), and (ii) fatty acid lubricants, product lines in relation to the Food & Beverage Market. If, at the time of enforcement of this Section 3.1, a court shall hold that the duration, scope or area restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the maximum duration, scope or area reasonable under such circumstances shall be substituted for the stated duration, scope or area.

Seller and Shareholder acknowledge and agree that Purchaser would be damaged irreparably in the event any of the provisions of this Section 3.1 are not performed in accordance with their specific terms or otherwise are breached. Accordingly, Seller and Shareholder agree that Purchaser shall be entitled to injunctive relief to prevent breaches of the provisions of this Section and to enforce specifically the terms and provisions of this Section in any action instituted in any court of the United States or any state thereof having jurisdiction over the parties and the matter, in addition to any other remedy to which it may be entitled, at law or in equity.

3.2. Confidentiality.

(a) From and after the date hereof, except as otherwise consented to by Purchaser in writing, (i) neither Seller nor any Shareholder will directly or indirectly disclose or use in a manner adverse to the Purchaser, any Confidential Information (as defined below) except as required by the terms of a valid and effective subpoena or order issued by a court of competent jurisdiction or by a governmental body; (ii) the Confidential Information will be the exclusive property of Purchaser and, any time on or after date hereof, if requested by Purchaser, Seller and/or any Shareholder will promptly deliver to Purchaser all Confidential Information, including all copies thereof, which are in the possession, or under the control of Seller, its agents or representatives, or any Shareholder, without making or retaining any copies or extracts thereof; and (iii) if Seller, its agents or representatives, or any Shareholder receive a request to disclose all or any part of the Confidential Information in connection with a legal proceeding, Seller or any Shareholder, as the case may be, will (A) immediately notify Purchaser of the existence, terms and circumstances surrounding such request (B) consult with Purchaser on the advisability of taking legally available steps to resist or narrow such request, and (C) if disclosure of such information is required, and at Purchaser's cost and expense, exercise their best efforts to obtain an order or other reliable assurance that confidential treatment will be accorded such portion of the disclosed information which Purchaser so designates.

(b) "Confidential Information" means any and all information relating to the operations, products, trade secrets, technology or services of the Seller relating to Lubricants, including any and all computer programs and systems, computer based information, plans, projections, existing and proposed and contemplated projects or investments, formulae, processes, inventions, methods, manuals, drawings, supplier lists, customer lists, purchase and sales records, commitments, correspondence and other information, whether written, oral or computer generated, other than such information as may at any time be or become lawfully available to the general public through no fault of the disclosing party.

(c) The covenants and undertakings contained in this Section 3.2(a) relate to matters which may be of a special, unique and extraordinary character and a violation of any of the terms of this Section 3.2(a) may cause irreparable injury to Purchaser the amount of which may be impossible to estimate or determine and for which adequate compensation may not be available. Therefore, Purchaser shall be entitled to an injunction, restraining order or other equitable relief from a court of competent jurisdiction, restraining any violation or threatened violation of any such terms by Seller, any Shareholder and such other persons as the court orders.

3.3 Limited Trademark License. Seller hereby grants Purchaser a non-exclusive, royalty-free license to the "Despo" trademark for the sole purpose of selling the inventory acquired hereunder and phasing out existing promotional literature. Such license shall automatically expire one (1) year from the Closing Date.

3.4. Further Assurances. After the Closing, Seller shall from time to time, at the request of Purchaser and without further cost or expense to Purchaser, execute and deliver such other instruments of conveyance and transfer as Purchaser may reasonably request in order to more effectively consummate the transactions contemplated herein and to vest in Purchaser good and marketable title to the Purchased Assets. In addition, Seller and Shareholder shall provide reasonable assistance to Purchaser in transferring Seller's customers to Purchaser. Nothing in this Section 3.4, however, shall be deemed to waive any provision set forth in Section 4 or release the Seller or Shareholder from their obligation to defend, indemnify and hold Purchaser harmless from any loss, liability or damage suffered by Purchaser resulting from any failure by the Seller to transfer and assign the Purchased Assets as required by this Agreement. After the Closing, the defense of the Patent Rights shall be the responsibility of the Purchaser. In such event, the Seller and the Shareholder shall be responsible for fully cooperating, to the extent reasonable, in connection with such actions.

SECTION 4

4. SURVIVAL AND INDEMNIFICATION.

4.1. Survival of Representations and Warranties. All representations and warranties of the parties contained in this Agreement shall survive the Closing, regardless of any investigation made by the parties, for a period ending on the third (3rd) anniversary of the date hereof from the Closing Date, except that: (i) the representations and warranties set forth in Sections 2.1 shall survive forever, and (ii) the representations and warranties set forth in Sections 2.4, 2.8 and 2.9 and, to the extent the representations and warranties in Section 2.10 relate to taxes, shall survive until the later of the applicable statutes of limitation plus ninety (90) days or the final resolution of all issues arising under Sections 2.4, 2.8, 2.9 and 2.10. The respective expiration dates for the survival of the representations and warranties and the covenants shall be referred to herein as the relevant "Expiration Date." In the event a claim is made against a representation, warranty or covenant prior to its respective Expiration Date, the Expiration Date shall be tolled as to such claim until the claim is finally resolved.

4.2. Indemnification by Purchaser. Purchaser agrees to indemnify and hold Seller, its officers, directors and employees harmless from and against any and all loss, liability, damage and actions and against all claims in respect thereof (including amounts paid in settlement) (herein referred to collectively as "Losses" or individually as "Loss") to which Seller may become subject to or which it may suffer or incur, directly or indirectly, as a result of (i) any untrue representation of, or breach of warranty by, Purchaser in any part of this Agreement, notice of which is given to Purchaser on or prior to the relevant Expiration Date; (ii) any breach of or any nonfulfillment of any covenant, agreement or undertaking of Purchaser in any part of this Agreement; (iii) the use, ownership or operation of the Acquired Business including the Purchased Assets after the Closing Date; unless such Losses or Loss is subject to indemnification by Seller pursuant to Section 4.3 hereof; (iv) all tax liabilities the Purchaser incurred with respect to periods commencing after the Closing Date; and (v) any and all reasonable costs and expenses, including reasonable legal fees and expenses, in connection with enforcing the indemnification rights of Seller pursuant to this Section 4.2.

4.3. Indemnification by Seller and Shareholder. Seller and Shareholder agree to indemnify and hold Purchaser, its directors, officers and employees harmless from and against all loss, liability, damage, and actions and against all claims in respect thereof (including amounts paid in settlement and diminution of value) (herein referred to collectively as "Losses" or individually as "Loss") to which Purchaser may become subject to or which it may suffer or incur, directly or indirectly, as a result of (i) any untrue representations of or breach of warranty by, Seller in any part of this Agreement, notice

of which is given to Seller on or prior to the relevant Expiration Date; (ii) the breach of or nonfulfillment of any covenant, agreement or undertaking of Seller and Shareholder in any part of this Agreement; (iii) any Retained Liability; (iv) any Loss or Losses arising out of or in connection with Seller's non-compliance with any so-called bulk transfer laws; (v) the manufacture, sale or use of Products incorporating the Patent Rights; and (vi) any and all costs and expenses including reasonable legal fees and expenses, incurred in connection with enforcing the indemnification rights of Purchaser pursuant to this Section 4.3.

4.4. Claims for Indemnification. The parties intend that all indemnification claims be made as promptly as practicable by the party seeking indemnification (the "Indemnified Party"). Whenever any claim shall arise for indemnification hereunder, the Indemnified Party shall promptly notify the party from whom indemnification is sought (the "Indemnifying Party") of the claim, and the facts constituting the basis for such claim. The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that it may have to the Indemnified Party except to the extent (and only to the extent) the Indemnifying Party demonstrates that the defense of such action is prejudiced thereby. Purchaser shall have the right to set-off any indemnification claims as against amounts it owes to Seller pursuant to the terms of this Agreement or any Ancillary Agreement.

SECTION 5

5. MISCELLANEOUS PROVISIONS.

5.1. Amendment and Modification. Subject to applicable Law, this Agreement may be amended or modified by the parties hereto at any time after the Closing with respect to any of the terms contained herein; provided, however, that all such amendments and modifications must be in writing duly executed by all of the parties hereto.

5.2. Waiver of Compliance; Consents. Any failure of a party to comply with any obligation, covenant, agreement or condition herein may be expressly waived in writing by the party entitled hereby to such compliance, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. No single or partial exercise of a right or remedy shall preclude any other or further exercise thereof or of any other right or remedy hereunder. Whenever this Agreement requires or permits the consent by or on behalf of a party, such consent shall be given in writing in the same manner as for waivers of compliance.

5.3. No Third Party Beneficiaries. Nothing in this Agreement shall entitle any person or entity (other than a party hereto and his, her or its respective successors and assigns permitted hereby) to any claim, cause of action, remedy or right of any kind.

5.4. Notices. All notices, requests, demands and other communications required or permitted hereunder shall be made in writing and shall be deemed to have been duly given and effective: (i) on the date of delivery, if delivered personally; (ii) on the earlier of the fourth (4th) day after mailing or the date of the return receipt acknowledgment, if mailed, postage prepaid, by certified or registered mail, return receipt requested; (iii) on the date of transmission, if sent by facsimile (provided such facsimile is received during normal business hours); or (iv) on the date of delivery if sent by a recognized overnight courier.

If to Seller: To: Despo Chemicals International, Inc.
P.O. Box 327
Eatontown, NJ 07724
Attn: Mr. Aris D. Despo
Facsimile: (732) 493-4598

With a required copy to:

Bill Cosmas Giallourakis
A Professional Corporation
40 South Street
P.O. Box 1007
Eatontown, NJ 07724
Attn: Bill Cosmas Giallourakis
Facsimile: (732) 542-4401

If to Shareholder: To: Aris D. Despo, an individual
23 Conaskonk Avenue
Ocean, NJ 07712
Facsimile: (732) 493-4598

With a required copy to:

Bill Cosmas Giallourakis
A Professional Corporation
40 South Street
P.O. Box 1007
Eatontown, NJ 07724
Attn: Bill Cosmas Giallourakis
Facsimile: (732) 542-4401

If to Purchaser: To: Ecolab Inc
370 North Wabasha Street
St. Paul, Minnesota 55102
Attn: Vice President and General Manager
Food & Beverage North America
Facsimile: 651-293-0463

With a required copy to:

Ecolab Inc
370 North Wabasha Street
St. Paul, Minnesota 55102
Attention: General Counsel
Facsimile: 651-293-2573

5.5. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned (whether

voluntarily, involuntarily, by operation of law, or otherwise) by any of the parties hereto without the prior written consent of the other parties; provided, however, that Purchaser may assign this Agreement, in whole or in any part, and from time to time, to its parent, a subsidiary or an affiliate of Purchaser, if Purchaser remains bound hereby

5.6. Governing Law. This Agreement and the legal relations among the parties hereto shall be governed by and construed in accordance with the internal substantive laws of the State of Delaware (without regard to the laws of conflict that might otherwise apply) as to all matters, including matters of validity, construction, effect, performance and remedies.

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

5.8. Headings. The table of contents and the headings of the sections and subsections of this Agreement are inserted for convenience of the parties only and shall not constitute a part hereof.

5.9. Entire Agreement. The Disclosure Schedule and the Exhibits and other writings referred to in this Agreement or in the Disclosure Schedule or any such Exhibit or other writing are part of this Agreement, together they embody the entire agreement and understanding of the parties hereto in respect of the transactions contemplated by this Agreement and together they are referred to as "this Agreement" or the "Agreement". There are no restrictions, promises, warranties, agreements, covenants or undertakings, other than those expressly set forth or referred to in this Agreement. This Agreement supersedes all prior agreements and understandings between the parties with respect to the transaction or transactions contemplated by this Agreement. Provisions of this Agreement shall be interpreted to be valid and enforceable under applicable Law to the extent that such interpretation does not materially alter this Agreement; provided, however, that if any such provision shall become invalid or unenforceable under applicable Law such provision shall be stricken to the extent necessary and the remainder of such provisions and the remainder of this Agreement shall continue in full force and effect.

5.10. Arbitration. Except as otherwise provided in Section 3.1, all Arbitrable Claims (as defined below) arising between the parties in connection with this Agreement shall be finally resolved by arbitration administered by the American Arbitration Association ("AAA") under and in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered by any court having competent jurisdiction. "Arbitrable Claims" as used in this Agreement, shall mean and refer to disputes, controversies, demands, causes of action (whether arising under state or federal statutes, equity or the common law), damages or demands for equitable relief, other matters in question between Seller or Shareholder and Purchaser under this Agreement or arising out of the negotiation, execution, delivery (including the fraudulent inducement thereof), or performance of this Agreement. The term "Arbitrable Claim" specifically excludes any matters of injunctive relief or specific performance specifically reserved to Purchaser pursuant to Section 3.1. Disputes shall be identified by the aggrieved party by notice of dispute in writing to the other party setting forth with particularity the issues responsible for the dispute. Upon receipt of such notice, the parties shall attempt in good faith to resolve the dispute within ten (10) days of receipt of such notice and, if they fail to resolve the dispute during such period, shall mediate such dispute pursuant to Section 5.11 prior to submitting the dispute to arbitration. In the event that the parties cannot amicably resolve the issues prior to or as a result of mediation or, if a party fails or refuses to mediate within thirty (30) days of a request for mediation, the dispute shall be submitted to arbitration. The arbitration shall take place in

Chicago, Illinois. The party initiating arbitration shall request a list of five (5) impartial arbitrators from the office of the American Arbitration Association located in the city in which the arbitration is to take place. From this list, the parties will alternately strike arbitrators (with the party initiating arbitration making the first strike) until one name is left. The parties agree to facilitate the arbitration by: (i) conducting arbitration hearings to the greatest extent possible on successive, contiguous days, and (ii) observing strictly the time periods established by the American Arbitration Act or by the arbitrator(s) for the submission of evidence and briefs. Discovery in the arbitration shall be as limited as reasonably possible and in no event shall a party be entitled to take more than three (3) depositions, ask more than ten narrowly focused interrogatories (sub-parts of an interrogatory deemed as a separate interrogation), and make more than fifteen narrowly focused document requests (sub-parts of a request deemed as a separate request). Any up front fees payable to the arbitrator(s) or like up-front fees shall be divided equally between the parties; however the prevailing party shall be reimbursed its costs, including reasonable attorneys' fees and arbitration expenses proportionate to the degree of its success from the other party. The parties acknowledge and agree that arbitration in accordance with this Section 5.10 shall be their sole and exclusive remedy, except as otherwise provided in Section 3.1.

5.11. Mediation Arbitrable Claims shall be submitted to mediation (assuming other good faith attempts to resolve the dispute have failed) prior to submitting such claim to arbitration pursuant to Section 5.10. The mediation shall take place in Chicago, Illinois, unless another location is agreed by the parties. If the parties are unable to agree upon a mediator, each party shall select a mediator, which mediators in turn shall select the mediator of the dispute. Each party's representative at the mediation shall include a business representative having full settlement authority. The parties shall use best efforts to schedule the mediation within thirty (30) days of the delivery of a request for mediation. Any mediation shall be non-binding and anything presented in any mediation shall constitute settlement discussions. The parties acknowledge that they agree to mediate disputes in hopes of amicably resolving the matter before incurring significant attorneys' fees which may act as a barrier to settlement of the dispute at a later time. Accordingly, the parties shall mediate in good faith and use reasonable efforts to reach a resolution of the matter.

5.12. Waiver of Jury Trial The parties waive any right to a jury trial of any controversy or claim arising out of or relating to this Agreement, or the making, performance or interpretation thereof, including fraudulent inducement thereof.

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

PURCHASER

ECOLAB INC., a Delaware corporation

By: _____

William A. Mathison

Vice President and General Manager

Food & Beverage North America

SELLER

DESPO CHEMICALS INTERNATIONAL, INC., a New Jersey corporation

By: _____

Aris D. Despo

Title: President

SHAREHOLDER

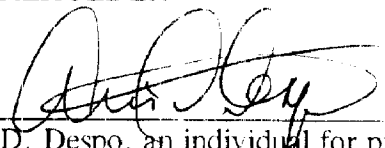
_____
Aris D. Despo, an individual for purposes of Sections 3.1 and 4.3 only.

EXHIBIT 1.4

ALLOCATION OF PURCHASE PRICE

Patents, know-how and other intellectual property	\$ 225,000 *
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* Plus any payment(s) made pursuant to §1.3